CHILEAN METALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated as of November 26, 2015, supplements the unaudited condensed consolidated interim financial statements of Chilean Metals Inc. (formerly International PBX Ventures Ltd; the "Company") and the notes thereto for the three and nine months ended September 30, 2015. The MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015 in addition to the audited annual consolidated financial statements for the years ended December 31, 2014 and 2013 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of November 26, 2015, unless otherwise indicated.

For the purposes of preparing this MD&A, Management, in conjunction with the board of directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V"), OTCQX International and Santiago Stock Exchange, Venture Market. Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com and the Company's website www.chileanmetals.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of any precious and base metals discovered	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of precious and base metals; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits
The Company has no source of revenue and it will require additional cash resources to meet its administrative overhead and maintain its mineral investments for the next twelve months, starting from September 30, 2015 The Company expects to incur further losses in the development of its business and will need to raise additional financing to meet its financial requirements	The operating and exploration activities of the Company for the next twelve months and beyond, starting from September 30, 2015, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration and maintenance on its property interests and its anticipated use of cash	The exploration and maintenance activities of the Company for the year ended December 31, 2015, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits

Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of any mineral discovered, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition
Management's outlook regarding future trends, including the future price of any precious and base metals discovered and availability of future financing	Financing will be available for the Company's exploration and operating activities; the price of applicable minerals will be favourable to the Company	Price volatility of any precious and base metals discovered; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing
Sensitivity analysis of financial instruments	Foreign exchange rates will not be subject to change in excess of plus or minus 1%	Changes in exchange rate fluctuations
Prices and price volatility for precious and base metals	The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable	Changes in debt and equity markets and the spot price of precious and base metals, if available; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the quarterly financial statements and notes thereto. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's Management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the financial statements and the MD&A. Responsibility for the review and approval of the Company's financial statements and MD&A is delegated by the Directors to the Audit Committee, which is composed of three directors. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

DESCRIPTION OF BUSINESS

Chilean Metals Inc. is a resource exploration company involved in exploring for gold, silver, copper and iron on its various properties located in Chile through its wholly owned subsidiaries in Chile, being Minera IPBX Limitada ("IPBX"), Minera Tierra de Oro Limitada, Minera Palo Negro Limitada and Minera Sierra Pintada Limitada ("Chilean Subsidiaries").

During the nine months ended September 30, 2015, the Company completed the acquisition of twelve mining concessions totaling 1,324 hectares (3,272 acres) on its Zulema property through its wholly owned Chilean subsidiary, IPBX. The Zulema property now consists of 4,300 hectares (10,626 acres) on its Zulema property in Chile's Third Region. All concessions are held 100% by IPBX, with no underlying third party royalty or net profits interest. The property is located 30 kilometres from the giant Cu-Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment. The Company's plans to drill already identified targets at Zulema during the first half of 2016 subject only to financing and Chilean permitting.

OVERALL PERFORMANCE

As at September 30, 2015, the Company had assets of $4,846,206 and a net equity position of $3,910,051. This compares with assets of $4,704,460 and a net equity position of $4,226,839 at December 31, 2014. At September 30, 2015, the Company had $936,155 of liabilities (December 31, 2014 – $477,621 of liabilities).

At September 30, 2015, the Company had a working capital deficit of $663,478, compared to a working capital deficit of $357,034 at December 31, 2014, an increase in deficit of $306,444, or approximately 86%. The Company had cash of $4,945 at September 30, 2015 compared to $70,255 at December 31, 2014, a decrease of $65,310, or approximately 93%. The Company needs to secure additional financing to carry on business activities for the twelve months ending September 30, 2016 (see "Proposed Transaction" below).

On March 30, 2015, the Company announced the acquisition of three mining concessions near the Candelaria mine in Chile's Third Region from private Chilean owners. Under the terms of the agreement, CMX paid the vendors US$50,000 in cash and issued 600,000 shares.

On March 26, 2015, the Company issued $190,000 of debentures bearing interest at a rate of 14% per annum and maturing on the earliest of the sale of the Copaquire 3% net smelter royalty ("NSR") and October 31, 2016. On April 22, 2015, May 5, 2015 and August 26, 2015, total additional debentures of $125,000 were issued under the same terms, except that there was no origination fee of 14% but a brokerage fee of $3,600. During the period, the Company issued 3,150,000 warrants, exercisable at a price of $0.05 per share until October 31, 2016 as required under the terms of the debentures.

On September 24, 2015, the Company announced it had entered into an agreement to acquire four Copper Gold projects from Cogonov Inc. ("Cogonov"). The Projects referred to as Fox River, Lynn, Parrsboro and Bass River have been the focus of considerable exploration efforts over the last several years via Cogonov and historical owners Minotaur Atlantic Exploration Ltd. See "Proposed Transaction" below.

FUTURE DEVELOPMENT AND DISCUSSION

With the Copaquire sale closed the Company is now focused on obtaining and creating value from its current mineral portfolio as well as it's proposed transaction with Cogonov Inc. (see "Proposed Transactions" below).

The Company identified its then existing Zulema claims as an area of specific interest in late 2012. It has taken two years since then to assemble additional concessions over an area of 4,300 hectares (10,600 acres) to extend and protect the main exploration target area. The Company is currently engaged in ongoing discussions with several mining companies and financial groups with a view to potential investment and / or joint venture. The Company is optimistic the project will see an initial drill program during the first half of 2016.

EXPLORATION

The Qualified Person for Chilean Metals Inc., as defined by National Instrument 43-101, is Dr. Christopher Hodgson, P. Eng., Vice President, Exploration. Dr. Hodgson has read and approved the technical and scientific information contained in this MD&A.

As of September 30, 2015, through its Chilean Subsidiaries, the Company holds title to 104 mineral claims totaling 19,722 hectares. These claims comprise five properties held at September 30, 2015 by the Company as follows: Tierra de Oro, Palo Negro, Hornitos, Tabaco and Zulema.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project located in Region III on the eastern flank of Chile’s Coastal Iron Oxide Copper Gold belt. The property lies about 50 kilometres south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chanchero gold camp and numerous areas of historic oxide copper workings.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chanchero gold camp was re-discovered and added to the property. In 1998 the Company bought out Princeton’s interest. The property was dormant between 1999 and 2002 but reactivated in late 2003. To date the Company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, the Company commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the property justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ('IP") survey, the Company announced the discovery of an IP anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open ro extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011 the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential iron oxide copper gold ("IOCG") targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chanchero zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Dr. Chris Hodgson, VP of Exploration for the Company. As a result, the Company has identified two potential bulk copper-gold targets that the Company believes warrant a targeted exploratory drill program. While the company has had several discussions with potentially interested parties on TDO it is not currently engaged in any discussions it feels could lead to further development of the property in the near future.

During the three and nine months ended September 30, 2015, the Company incurred costs of $47,857 and $96,547 (2014 - $3,173 and $16,520) on the Tierra de Oro project, including geological remuneration included in administration fees in the unaudited condensed consolidated interim financial statements.

Zulema

In 2013, the Company acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema mining concessions in Chile's Third Region. In 2014, the Company acquired nine additional mining concessions totaling 724 hectares from a third party. Subsequent to December 31, 2014, the Company completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema property now consists of 4,300 hectares (10,626 acres). All concessions are held 100% by IPBX, with no underlying third party royalty or net profits interest. The project is located 30 kilometres from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

The Company is currently engaged in ongoing discussions with several mining companies and financial groups with a view to potential investment and / or joint venture. The Company is optimistic the project will see an initial drill program during the first half of 2016.

During the three and nine months ended September 30, 2015, the Company incurred costs of $(18,883) and $167,722 (2014 - $3,173 and $16,520) on the project, which includes remuneration for geological work included in administration fees in the unaudited condensed consolidated interim financial statements.

Capitalized costs incurred on the Company's exploration and evaluation assets for the year ended December 31, 2014 and nine months ended September 30, 2015:

	Sierra Pintada	Tierra de Oro	Other	Total
Balance, December 31, 2013	**$ 1,055,743**	**$ 4,460,483**	**$ 48,587**	**$ 5,564,813**
Acquisition and staking	-	-	56,569	56,569
Exploration				
Claim costs	-	-	735	735
Exploration and acquisition costs 2014	-	-	57,304	57,304
Impairment loss	(1,055,743)	-	-	(1,055,743)
Balance, December 31, 2014	**-**	**4,460,483**	**105,891**	**4,566,374**
Acquisition and staking	-	-	91,381	91,381
Exploration				
Project management	-	-	14,537	14,537
Claim costs	-	96,547	38,474	135,021
Exploration and acquisition costs 2015	-	96,547	144,392	240,939
Balance, September 30, 2015	**$ -**	**$ 4,557,030**	**$ 250,283**	**$ 4,807,313**

RESULTS OF OPERATIONS

Nine months ended September 30, 2015, compared with nine months ended September 30, 2014

The Company's loss for the nine months ended September 30, 2015 was $416,686 ($0.02 per share), compared to $1,676,618 ($0.09 per share) for the nine months ended September 30, 2014. Total operating expenses for the 2015 fiscal period were $416,686 compared to $939,776 for 2014. Significant variations are described below.

There was realized gain on disposal of camp of $Nil (2014 - $318,901) when the Company closed the sale of the Copaquire property on March 24, 2014. As at December 31, 2013 the Company treated the Copaquire Mineral Property and the corresponding Exploration Camp as Assets held for Sale under IFRS (refer to Note 6 of the unaudited condensed consolidated interim financial statements). IFRS requires non-current assets held for sale to be measured at the lower of their previous carrying amount and fair value less costs to sell. As such the Copaquire Mineral Property was measured at its fair value less costs to sell. However, the Exploration Camp's lower of the two aforementioned amounts was its carrying amount. The proceeds attributed to the Exploration Camp per the Sale Agreement was $519,628. As such upon closing of the sale of the Mineral Property and the Exploration Camp on March 24, 2014 a gain was recognized on the disposition of the Exploration Camp for the difference between its disposal value and carrying amount. Since the Mineral Property was measured at fair value less costs to sell at December 31, 2013 there was no additional gain/loss to recognize on the closing of the sale for the Copaquire Mineral Property.

Share-based payment expenses included in loss are a non-cash accounting entry and include all share-based awards such as stock options granted to directors, officers, employees and consultants. The awards are measured and recognized using a fair value based method in accordance with the IFRS 2. The value of share-based payments totaled $Nil (2014 - $202,000). These compensation expenses were calculated using a fair-value model based on the Black-Scholes fair value option pricing model.

Professional fees consist of legal, audit and accounting fees. Professional fees amounted to $59,280 (2014 - $196,259), a decrease of $136,979 from the comparative period due to incurring minimal legal costs during the current period.

Administration fees were $141,180 (2014 - $332,765), a decrease of $191,585. Administration fees decreased due to consulting services in the prior year related to the Copaquire sale provided by certain officers and directors of the Company and in connection with the Company becoming listed on the OTCQX International, a segment of the OTCQX marketplace in the U.S.

Generative exploration recovery amounted to $Nil (2014 - $15,702), a decrease of $15,702 due to a recovery of drilling chemical expenses in the prior period.

Transfer agent and regulatory fees consist of fees paid to government, transfer agent, TSX Venture exchange and other regulators. Transfer agent and regulatory fees amounted to $25,949 (2014 - $49,426), a decrease of $23,477 related to costs in the prior period associated with the name change, the share consolidation, the stock option grant and becoming listed on the OTCQX International.

Foreign exchange loss amounted to $(1,265) (2014 - $(50,136)), a decrease of $(48,871) from the comparative period due to fluctuations of the US dollar and Chilean peso in the period against the Canadian dollar.

Travel, promotion and mining shows amounted to $9,032 (2014 - $29,968), a decrease of $20,936 from the comparative period due to cost savings measures.

Impairment loss on mineral property amounted to $Nil (2014 - $1,055,743), a decrease of $1,055,743 from the comparative period. During the prior period, the Company made the decision to abandon and abandoned the Sierra Pintada claims.

<u>Three months ended September 30, 2015, compared with three months ended September 30, 2014</u>

The Company’s income for the three months ended September 30, 2015 was $(117,708) ($(0.00) per share), compared to a loss of $1,148,561 ($0.05 per share) for 2014. Total operating expenses for the 2015 fiscal period were $117,708 compared to $92,818 for 2014. Significant variations are described below.

Professional fees consist of legal, audit and accounting fees. Professional fees amounted to $20,855 (2014 - $80,043), a decrease of $59,188 from the comparative period due to incurring minimal legal costs during the current period.

Foreign exchange gain (loss) amounted to $(18,458) (2014 - $(92,141)), an increase of $73,683, from a gain to a loss, from the comparative period due to fluctuations of the US dollar and Chilean peso in the period against the Canadian dollar.

Bank and interest charges amounted to $23,528 (2014 - $2,481), an increase of $21,047 from the comparative period due to interest in the current period on the debentures issued in the current period.

Impairment loss on mineral property amounted to $Nil (2014 - $1,055,743), a decrease of $1,055,743 from the comparative period. During the prior period, the Company made the decision to abandon and abandoned the Sierra Pintada claims.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenues	Loss (Income) for the Period	Loss (Income) Per Share - Basic and Diluted
September 30, 2015	Nil	$ 117,708	$ 0.00
June 30, 2015	Nil	$ 139,013	$ 0.01
March 31, 2015	Nil	$ 159,965	$ 0.01
December 31, 2014	Nil	$ (33,901)	$ (0.00)
September 30, 2014	Nil	$ 1,148,561	$ 0.05
June 30, 2014	Nil	$ 566,298	$ 0.03
March 31, 2014	Nil	$ (38,241)	$ (0.00)
December 31, 2013	Nil	$ 17,556,816	$ 1.09

LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations through the sale of its equity securities, bridge loans and other financing activities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing, loans and convertible debt instruments. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in its properties.

The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes it will be able to raise funds as required in the long term, but recognizes the risks attached thereto.

As at September 30, 2015, the Company had cash of $4,945 (December 31, 2014 - $70,255) and liabilities of $936,155 (December 31, 2014 – $477,621).

As of September 30, 2015, the Company has a working capital deficit of $663,478 (December 31, 2014 - $357,034). The Company intends to raise additional debt or equity funds to meet its short-term commitments and its ongoing exploration activities (see "Proposed Transactions" below).

During the nine months ended September 30, 2015, the Company used cash of $178,044 (nine months ended September 30, 2014 – $1,326,843) on operating activities. Cash used in operations consist of cash used to fund the loss for the period less the impact of non cash items, and the cash used for working capital purposes.

During the nine months ended September 30, 2015, the Company received $326,673 (nine months ended September 30, 2014 - used $1,351,227) on financing activities. The Company made loan repayments of $Nil (nine months ended September 30, 2014 - $249,310), had debenture issuances, net of issue costs, of $301,673 (nine months ended September 30, 2014 - debenture repayments of $1,943,365), advances from Cogonov of $25,000 (nine months ended September 30, 2014 - $Nil) and had share issuances, net of issue costs, of $Nil (nine months ended September 30, 2014 - share issuances, net of issue costs, of $841,448).

The Company used $213,939 (nine months ended September 30, 2014 – received $2,859,264) in investing activities. Cash used in investing activities in the current period consists of the acquisition of and expenditures on mineral exploration properties. Cash provided from investing activities in the prior period consists of cash received from the sale of the Copaquire Mineral Property.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, debenture payable and loan payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments. As at September 30, 2015, the fair value of these financial instruments approximates their carrying values due to their short-term maturity.

FINANCIAL RISK MANAGEMENT

a) Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places cash with financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2015, the Company had cash of $4,945 (December 31, 2014 - $70,255) to settle current liabilities of $688,809 (December 31, 2014 - $477,621). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms, except for the loan payable which was due on May 31, 2015 and the debenture which is due on the earliest of the sale of the Copaquire 3% NSR and October 31, 2016. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity and the Company's ability to continue as a going concern.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk because it does not have loans that have a floating interest rate.

d) Foreign currency risk

The Company's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations. The sensitivity of the Company's net earnings and other comprehensive loss to changes in the exchange rate between the Canadian dollar and the Chilean peso resulting from a 1% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $4,800.

The Company is also exposed to the currency risk related to the fluctuation of US Dollar as some of the Company's expenses are denominated in US Dollars. As at September 30, 2015, currency risk for the US Dollar is not significant.

e) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and copper. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares and alternative financing activities dependent on market conditions.

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2015, the Company is not compliant with

Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSX-V.

The Company includes the components of shareholders' equity in its management of capital.

As at September 30, 2015, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, obtain loans or issue convertible debenture securities to raise cash.

The Company's investment policy is to invest its cash (when available) in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at September 30, 2015, the directors and/or officers of the Company collectively control 3,024,533 common shares of the Company or approximately 12% of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the outstanding common shares are held by diverse shareholders. These holdings can change at any time at the discretion of the owner.

(a) The Company entered into the following transactions with related parties:

		Three months ended September 30,		Nine months ended September 30,	
	Notes	**2015**	**2014**	**2015**	**2014**
Administration expense	(i)	**$ 36,000**	$ 36,000	**$ 108,000**	$ 148,000
Accounting expense	(ii)	**$ 11,076**	$ 11,032	**$ 35,586**	$ 48,076
Geological consulting expense	(iii)	**$ 2,110**	$ 9,520	**$ 23,330**	$ 49,560
Consulting expense	(iv)	**$ -**	$ -	**$ -**	$ 65,000

(i) For the three and nine months ended September 30, 2015, the Company incurred administration expenses from companies controlled by an officer of $36,000 and $108,000 (three and nine months ended September 30, 2014 - $36,000 and $148,000).

(ii) For the three and nine months ended September 30, 2015, the Company incurred accounting expenses from companies related to officers or former officers of $11,076 and $35,586 (three and nine months ended September 30, 2014 - $11,032 and $48,076).

(iii) For the three and nine months ended September 30, 2015, the Company incurred geological consulting expenses from a company controlled by an officer of $2,110 and $23,330 (three and nine months ended September 30, 2014 - $9,520 and $49,560).

(iv) For the three and nine months ended September 30, 2015, the Company incurred consulting expenses from directors of $Nil (three and nine months ended September 30, 2014- $Nil and $65,000).

(v) Terry Lynch, Ian Pirie, Dan Gosselin, Chris Hodgson and James Albrecht either directly or through a company they control, purchased an aggregate of 1,610,000 units in the June 11, 2014 private placement.

(vi) As at September 30, 2015, included in accounts payable and accrued liabilities is $80,689 (December 31, 2014 - $8,312) due to related parties.

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended September 30,		Nine months ended September 30,	
Salaries and benefits	**2015**	**2014**	**2015**	**2014**
Terry Lynch - CEO	**$ 36,000**	$ 36,000	**$ 108,000**	$ 148,000
Daniel Crandall - CFO	**11,076**	11,032	**35,586**	14,576
James Albrecht - CFO (Former)	**-**	-	**-**	33,500
Chris Hodgson - VP Exploration	**2,110**	9,520	**23,330**	49,560
Peter Kent - Director	**-**	-	**-**	35,000
Ian Pirie - Director	**-**	-	**-**	20,000
Dan Gosselin - Director	**-**	-	**-**	10,000
Total remuneration	**$ 49,186**	$ 56,552	**$ 166,916**	$ 310,636

Share-based payments	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Terry Lynch - CEO	$ -	$ -	$ -	$ 80,800
Daniel Crandall - CFO	-	-	-	12,120
James Albrecht - CFO (Former)	-	-	-	12,120
Chris Hodgson - VP Exploration	-	-	-	24,240
Peter Kent - Director	-	-	-	24,240
Ian Pirie - Director	-	-	-	24,240
Dan Gosselin - Director	-	-	-	12,120
Zhangliang Lou - Director	-	-	-	12,120
Total share-based payments	$ -	$ -	$ -	$ 202,000

Payments to directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to Directors and key management personnel of the Company.

The above noted transactions are in the normal course of business and approved by the Board of Directors.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. At the date of this MD&A, the Company had 25,193,375 common shares issued and outstanding.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Exercise Price	Expiry Date
1,880,000	$ 0.25	June 11, 2019
1,880,000		

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Exercise Price	Expiry Date
3,150,000	$ 0.05	October 31, 2016
3,150,000		

COMMITMENTS

Pursuant to a consulting agreement with the CEO, in the event of termination or a Change of Control of the Company, the CEO is entitled to receive compensation equal to 12 months of pay of $144,000.

The Company has unpaid property tax for various mineral exploration property claims totaling approximately 188,327,809 Chilean Pesos ($371,006) which has been included in accounts payable and accrued liabilities as at September 30, 2015. In the event that the claims are put up for tax auction, the Company will have a notice period to make the payment for the portion of this amount required.

CHANGE IN ACCOUNTING POLICIES

The Company adopted the following accounting pronouncements during the period.

(i) IAS 24 – Related Party Disclosures (“IAS 24”) was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. At January 1, 2015, the Company adopted these amendments and there was no material impact on the Company’s unaudited condensed consolidated interim financial statements.

New Standards and Interpretations Not Yet Adopted

(i) IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive loss, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

(ii) IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

Proposed Transactions

On September 24, 2015, the Company announced it had entered into an agreement to acquire four Copper Gold projects from Cogonov Inc. (“Cogonov”). The Projects referred to as Fox River, Lynn, Parrsboro and Bass River have been the focus of considerable exploration efforts over the last several years via Cogonov and historical owners Minotaur Atlantic Exploration Ltd.

The structure of the acquisition is subject to receipt of tax, corporate and securities law advice for both of Chilean Metals and Cogonov. Once the structure is determined, the letter agreement will be replaced with a definitive agreement. It is currently contemplated that Chilean Metals will issue an estimated 26,500,000 common shares to the shareholders of Cogonov (directly or indirectly). No new control persons or insiders are expected to be created in Chilean Metals by the issuance of the Chilean Metals shares.

Cogonov’s four properties in central Nova Scotia are part of their IOCG regional exploration program. The claims cover select Iron Oxide-Copper-Gold (IOCG) exploration targets previously delineated by Minotaur Exploration (Australia) along the Cobequid-Chedabucto Fault Zone (CCFZ). The CCFZ is a 300 km long fault structure that hosts over 100 mineral occurrences, past producing mines and deposits of Iron Oxide, Copper, Cobalt, Gold, Nickel and Barite. These projects have been part of a IOCG exploration program to reinterpret and re-examine the mineral potential of Nova Scotia.

As part of the non-binding letter agreement, Chilean Metals will receive a non-refundable $50,000 fee, of which $25,000 has been obtained at September 30, 2015, with the balance received subsequent to September 30, 2015. Subsequently the parties expect to arrange a minimum of $500,000 equity financing for Chilean Metals to be priced at a later date. The funds will be used for general working capital purposes.

Upon closing of this transaction, Chilean Metals will appoint Patrick J Cruickshank to its Board of Directors and as CEO of the Company. Terry Lynch will become Company Chairman.

The proposed acquisition is subject to the parties negotiating and entering into a definitive transaction agreement and applicable TSX-V and other regulatory approvals.

Risk Factors

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com).

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Please refer to the section entitled "Risks Factors" in the Company's MD&A for the fiscal year ended December 31, 2014, available on SEDAR (www.sedar.com).

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

	Three months ended September 30,		Nine months ended September 30,	
Administrative expenses	**2015**	**2014**	**2015**	**2014**
Administration fees	$ 42,617	$ 48,660	$ 141,180	$ 332,765
Amortization	1,313	2,786	3,937	6,939
Bank and interest charges	23,528	2,481	47,828	53,192
Foreign exchange loss (gain)	(18,458)	(92,141)	(1,265)	(50,136)
Generative exploration recovery	-	(1,030)	-	(15,702)
Investor relations	1,474	2,320	10,224	13,698
Office and miscellaneous	40,604	30,525	120,521	121,367
Professional fees	20,855	80,043	59,280	196,259
Share-based payments	-	-	-	202,000
Transfer agent, and regulatory	5,360	16,079	25,949	49,426
Travel, promotion and mining shows	415	3,095	9,032	29,968
Total	**$ 117,708**	**$ 92,818**	**$ 416,686**	**$ 939,776**

	Three months ended September 30,		Nine months ended September 30,	
Other material expenses (income)	**2015**	**2014**	**2015**	**2014**
Realized gain on disposal of camp	$ -	$ -	$ -	$ (318,901)
Impairment loss on mineral property	-	1,055,743	-	1,055,743
Total	**$ -**	**$ 1,055,743**	**$ -**	**$ 736,842**

Additional disclosure concerning the Company's resource property costs are broken down in the "Exploration" section above and in the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2015. The Company's financial statements are available on SEDAR at www.sedar.com.