MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's discussion and analysis ("MD&A") dated as of April 29, 2014, supplements the audited consolidated audited financial statements ("financial statements") of Chilean Metals Inc. ("CMX") formerly International PBX Ventures Ltd (the "Company") and the notes thereto for the year ended December 31, 2013. The MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. The MD&A should be read in conjunction with the financial statements for the year ended December 31, 2013 which discusses and analyses the financial condition and results of operations of Chilean Metals Inc.

Additional information relating to the Company can be found on SEDAR www.sedar.com and the company website www.chileanmetals.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set out below.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the annual 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 annual audited financial statements and the MD&A. Responsibility for the review and approval of the Company's annual audited 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 AND OVERALL PERFORMANCE

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

During the 4th quarter of 2013 and well into the 1st quarter of 2014 Management focused a significant amount of time, efforts and resources along with our agents (Haywood Securities Inc. and Jones Gable Company) and legal counsel to complete and close the sale of the Company's 100% owned Copaquire project. On March 24, 2014 the Company announced that through its wholly owned Chilean subsidiary, Minera IPBX Ltda.("IPBX"), closed the sale of its 100% interest in the Copaquire Property ("Copaquire" or "the Property"), located in the Andean Cordillera of Region I, northern Chile, to Teck Resources Chile Ltda. ("Teck"), a subsidiary of Teck Resources Limited for US$3,033,556 cash plus a 3% net smelter royalty (NSR) payable to IPBX. Additionally, Teck will have the option to buy back 1% of the NSR for US$3 million at any time.

Throughout the 1st quarter and into the 2nd quarter Management also turned its focus to our Tierra De Oro ("TDO") property where we will be looking to complete some additional exploration activity and continue to have discussions with potential joint venture partners on a farm out deal that we expect will lead to additional exploration and drilling on the project later this year. Additionally, management is working to expand our land package around one of the other 100% owned properties that our exploration team has identified as having significant future potential. Once all the land is tied up we will update shareholders.

On January 20, 2014 the Company announced it was extending the 238,100 warrants set to expire February 8, 2014 to a new expiry date of August 31, 2014, subject to TSX Venture Exchange Approval. The Company obtained TSX Venture Exchange approval for this extension on January 31, 2014.

On February 27, 2014 the Company announced that effective February 28, 2014 it changed its name to Chilean Metals Inc. ("CMX") and would consolidate its stock 10:1. Chilean Metals Inc. obtained shareholder approval for the name change and share consolidation at its Annual General and Special Meeting of the Shareholders on December 3, 2013. As a result of the consolidation Chilean Metals now has 16,081,375 shares outstanding and all outstanding warrants and stock options were also reduced by 10. Refer to the section "Disclosure Outstanding Share Data" below for further clarification. Please note all shares outstanding and all per share amounts are post consolidation in the MD&A unless otherwise noted.

On March 24, 2014 the Company announced that it had closed the sale of its 100% owned Copaquire property through its wholly owned Chilean Subsidiary, Minera IPBX Ltda. to Teck as discussed above. In addition, the Company announced that it has extended and re-priced all outstanding warrants subject to TSX Venture Exchange approval. All outstanding warrants 2,151,758 (post consolidation number) have extended their expiry date to August 31, 2014 and will have a post consolidation exercise price of $0.25. The table below outlines the details of all warrants outstanding.

Warrant Description	Original No. of Warrants Outstanding	Post Consolidation No. of Warrants Outstanding	Original Exercise Price	Original Exercise Price Post Consolidation	Proposed Exercise Price Post Consolidation	Original Expiry Date	Proposed Expiry Date
February 2012 Private Placement - One half warrant issued for each unit issued	2,381,000	**238,100**	$0.25	$2.50	**$0.25**	February 8, 2014	**August 31, 2014(1)**
April 2012 Private Placement - One half warrant issued for each unit issued(2)	4,188,250	**418,825**	$0.12	$1.20	**$0.25**	April 27, 2014	**August 31, 2014**
July 2012 Private Placement - One half warrant issued for each unit issued	4,152,500	**415,250**	$0.12	$1.20	**$0.25**	July 27, 2014	**August 31, 2014**
December 2012 Private Placement - One warrant issued for each unit issued	10,795,833	**1,079,583**	$0.07	$0.70	**$0.25**	December 31, 2013	**August 31, 2014(1)**

Note:
(1) The Company has already received TSX Venture Exchange approval for the extension of the expiry date of these warrants as the Company announced its intention of extending their expiry dates in the Company's January 20, 2014 and December 4, 2013 press releases respectively.
(2) On April 25, 2014 the Company received TSX Venture Exchange approval for the extension of the expiry date of these warrants and the change to the exercise price as outlined in the chart. The Company expects to receive TSX Venture Exchange approval for all the warrant amendments very shortly as well.

On March 26, 2014, the Company announced it would be completing a non-brokered private placement on a best efforts basis of up to 12,000,000 units, each unit consisting of one common share and one half of a common share purchase warrant ("Unit") at a price of $0.10 per Unit for total gross proceeds of up to $1,200,000 (the "Offering") subject to TSX Venture Exchange approval. Each whole common share purchase warrant ("Warrant") shall entitle the holder to acquire one common share of the Company at a price of $0.15 per share for a period of 12 months following the date of closing of the Offering.

Other Material Events That Took Place During the Year Ended December 31, 2013

On January 13, 2013, the Company issued 10,795,833 shares for total gross proceeds of $647,750. Further, 10,795,833 warrants were issued exercisable into one common share at $0.07 per share exercisable for a period of 12 months until December 31, 2013.

On February 27, 2013, a company controlled by a former officer and director of the Company, commenced action and filed a claim against the Company in the Supreme Court of British Columbia, Canada. The claim was for $101,747 with respect to alleged past services provided. The claim also included interest and other related costs. In response to the claim, the Company has filed a counterclaim of $181,600 against the former officer and director and the company controlled by said former officer and director. The Company intends and continues to vigorously defend itself against the claim and to pursue its counterclaim. The examinations for discovery took place in February 2014 and the case is set for trial July 2014. As the case is before the Court the Company will not publicly comment on the lawsuit but will continue to update shareholders on material matters as they arise.

On February 6, 2013 and March 6, 2013 the Company received two bridge loans for $35,000 and $100,000 respectively from a shareholder. On April 4, 2013 the Company entered into a Security Agreement with the shareholder and secured the loans and each advance with Promissory Notes and further established a loan facility of up to $300,000. In consideration of the facility, the Company incurred a 6% financing fee of $18,000 deemed to be advanced and part of principal as of February 6, 2013, and subject to an annual interest rate of 12% under the facility. The Company drew an additional $120,000 on April 4, 2013 as part of the loan facility to bring the drawn balance of the loan facility to $273,000 as of May 30, 2013. On June 1, 2013 the Company extinguished the loan facility through re-payment of the $273,000 drawn balance plus accrued interest of $16,380 for a total of $289,380.

On April 3, 2013, the Company re-priced the exercise price of 540,000 stock options it previously granted on December 5, 2012 from $0.80 to $1.00 per common share subject to regulatory approval. Ultimately as necessary regulatory approval also required the filing of a new option plan and, in particular, additional fees and given company cash constraints it was decided to not seek approval at this time. Hence all such option grants stand as "not granted" or null and void for lack of perfection of the grant as required for compliance.

On April 23, 2013, OZ Minerals notified the Company of its withdrawal from the Joint Venture option agreement effective May 23, 2013.

On April 30, 2013, Mr. Peter Kohl, the Company's CFO and Corporate Secretary resigned from all the Offices held by him and, as well, Board Membership at the Company's subsidiaries. He is succeeded by James Albrecht the Company's new CFO.

On May 21, 2013, the Company approved the issue of 80,000 stock options at an exercise price of $1.00 per common share with an expiry date of May 21, 2018, subject to regulatory approval which has not been sought to date for the same reason as outlined in the April 3, 2013 Option event.

On May 29, 2013, the Company announced the engagement of Haywood Securities Inc. to act as the Company's advisor in the sale of the Company's 100% owned Copaquire Property. As discussed above, the Company reached an agreement on October 11, 2013 to sell its 100% owned Copaquire property to a subsidiary of Teck Resources Limited.

On May 29, 2013, the Company announced a Convertible Debenture Private Placement ("Debenture"). The Debenture bears interest at a rate of 14% per annum paid semi-annually and matures on the earlier of June 1, 2014, the sale of PBX's 100% owned Copaquire property or in the event of the sale (change of control) of the Company. The Debenture is convertible at $0.06 (pre-consolidation) per share after December 1, 2013 at the holder's option or the holder may elect to have the Company repay the principal together with an additional amount equal to the principal including accrued interest (referred to as the "100% bonus") . In addition, each holder will receive an amount equal to 10% of the principal of the Debenture in shares ("bonus shares") of the Company at a price of $0.03 (pre-consolidation) per Share. The Convertible Debenture Private Placement closed on July 15, 2013 with a total of $934,380 raised through the Debenture and 3,114,599 (pre consolidation number) total common shares issued as "bonus shares".

As noted above, as a result of the proposed sale of Copaquire upon closing of the transaction the Company is required to repay the principal amount of the Convertible Debenture plus accrued interest and the 100% bonus per the terms of the Convertible Debenture Agreement. As Management has determined the sale was substantially completed upon signing the sale agreement in October 2013 and shareholder approval in December the 100% bonus has been reflected in the financial statements at December 31, 2013.

On October 11, 2013, the Company announced that through its wholly owned Chilean subsidiary, Minera IPBX Ltda. ("IPBX"), it has entered into an agreement to sell 100% of its interest in the Copaquire Property ("Copaquire" or "the Property"), located in the Andean Cordillera section of Region I, northern Chile, to Teck Resources Chile Ltda. ("Teck"), a subsidiary of Teck Resources Limited for US$3,033,556 cash plus a 3% net smelter royalty (NSR) payable to IPBX. Additionally, Teck will have the option to buy back 1% of the NSR for US$3 million at any time. The Transaction has been approved by the PBX Board of Directors and Haywood Securities Inc. has provided an opinion to the Company that the Transaction is fair, from a financial point of view, to PBX shareholders. On December 12, 2013, the Company received TSX Venture Exchange approval for the transaction.

On October 16, 2013 the Company entered into a six month bridge loan agreement with a shareholder to borrow $115,000. The loan is due on the earlier of: a.) 30 days after closing the Copaquire transaction or b.) April 30, 2014. The loan bears interest at 12% and a 10% upfront financing fee was due upon receipt of funds.

On November 5, 2013 the Company announced it is proposing a consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. In addition, the Company proposes to change its name to "Chilean Metals Inc." The proposed name change and share consolidation require shareholder and TSX Venture approval. The Company will be seeking shareholder approval at its Annual General and Special Meeting (the "Meeting") to be held on December 3, 2013. If shareholder approval is obtained at the Meeting the consolidation and name change will become effective at a future date to be determined by the Board of Directors when the Board considers it to be in the best interests of the Company to implement and all regulatory compliance filings have been completed.

On December 3, 2013 the Company held its Annual General and Special Meeting of the shareholders. The Company obtained overwhelming shareholder support and obtained shareholder approval for the sale of the Company's 100% owned Copaquire property, proposed consolidation and name change and also for all other items of business on the

Agenda for Annual General and Special Meeting of the Shareholders. For exact results of the Annual General and Special Meeting please refer to the "Report of Voting Results" on SEDAR.

On December 4, 2013 the Company announced it had extended the 1,079,583 warrants set to expire on December 31, 2013 to August 31, 2014. Further the Company announced it would make the same amendments to all other warrants outstanding. The Company received Exchange approval for this amendment on December 13, 2013.

The Company's main properties are discussed below as follows:

As of December 30, 2013, through its Chilean Subsidiaries, Chilean Metals Inc holds title to 117 mineral claims totaling 21,336 hectares, not including the Copaquire claims. These claims make up six properties currently maintained by the Company as follows: Tierra de Oro, Palo Negro, Hornitos, Sierra Pintada, Tabaco and Zulema.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project of 5,758 hectares covering the historic Chanchero gold camp (past production of about 200,000 ounce gold) and numerous areas of historic oxide copper workings on the eastern flank of the Coastal Iron Oxide Copper Gold belt of Region III, northern Chile. The property lies about 30 km south of the large Candelaria copper-gold-silver-iron mine.

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 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 from 2-5 kilometers in length and 50-300m in width. Within these zones at least twenty large gold targets were identified. All demonstrated surface gold grades and widths that were believed sufficient to host both open pit and underground mineable deposits in the 200,000 to 1,000,000 ounce range.

During November 2007, the Company commenced a 7,000 meter drill program to test the identified gold targets. The drill results failed to corroborate the positive gold values obtained by surface sampling programs. However, areas of significant silver-copper mineralization hosted in shears and mantos within volcanic stratas were identified which justified additional work. Highlights included RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver. RC58 intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an IP Survey, the Company announced the discovery of a large induced polarization anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, 2,800 meters long, 1,700 meters wide, and open 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 iron oxide-rich porphyritic intrusion hosting copper-gold veins at surface, 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 IOCG targets and mineralized zones had been identified by previously-conducted geological, geochemical and ground geophysical programs.

In August 2011 the company announced results of the ZTEM survey. Two magnetic anomalies of significant size were identified on the Tierra de Oro property. One in the Chanchero area lies adjacent to a previously identified IP anomaly and is associated with a large copper-gold-molybdenum soil geochemical anomaly. The second magnetic anomaly is located in the eastern area known as the Las Lomitas zone and is associated with copper-silver prospects. These newly-identified magnetic features together with coincident geological-geochemical-geophysical anomalies will be the focus of a future drill program.

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Chris Hodgson, VP of Exploration for the Company. As a result, the company has identified 3 large distinct bulk copper gold targets that the company believes warrant a relatively small targeted exploratory drill program. To achieve this objective the company has entered into discussions with several major mining companies and selected Chilean Private Equity firms with a view to developing a joint venture agreement to conduct the stated, proposed initial exploration program and subsequent drilling programs if so dictated by positive results. The company anticipates being able to report that a joint venture agreement is in place on or before the end of Q2 2014.

During the year ended December 31, 2013, the Company incurred $126,118 (2012 - $67,629) on the Tierra de Oro project, including geological remuneration included in administration fees in the financial statements.

Sierra Pintada, Chile

Sierra Pintada is an early-stage exploration project of 4,970 hectares covering 15 kilometers along the western flank of the Atacama Fault Zone the coastal iron oxide copper gold (IOCG) belt of, northern Chile. Individual structures that form the Atacama structural zone in this sector are the loci of numerous centers of past high grade copper, gold, silver and cobalt mining with past production ranging from 550 million to 850 million pounds of copper and 300,000 to 1,500,000 ounces of gold. Three historic mining districts, La Gloria, Vińa and Totora lie within the Sierra Pintada property.

Exploration concessions were acquired by the Company in September and October, 2002. Exploration programs over the period 2003 to 2005 included geological mapping, soil geochemical surveys and chip sampling of readily accessible former workings in the three camps. These programs defined seven strong copper-gold exploration targets along two structural zones each at least 15 kilometers in length and 50-200m in width that transect the three historic mining camps.

In 2007 to 2008 the company performed a deep-penetration induced polarization (IP) geophysical survey to test structurally-controlled gold and copper prospects on the property for potential deeper porphyry bulk-tonnage or iron-oxide-copper-gold targets. The survey, covering the Viña, La Gloria and Totora Zones, outlined several high priority IP targets including a strong IP target in an unexplored area to the south of the Vina Zone. Follow-up of this last target resulted in the discovery of a mineralized Au, Cu–bearing, silicified quartz porphyry dyke. This new zone is now referred to as the Futura Zone.

In February 2011 the Company completed an Airborne ZTEM survey over the entire property. The airborne ZTEM survey was conducted to further delineate the size and depth of mineralized zones identified in previous geological, geochemical and ground geophysical surveys and to identify additional exploration targets.

In June 2011 the Company announced the results of the ZTEM survey. The ZTEM survey successfully mapped the Sierra Pintada portion of the Atacama Fault system, a structural zone near which world-class deposits such as Candelaria are located. The fault system is outlined by two parallel SW-NE trending anomalous ZTEM conductors running the entire 15km length of the property. The Survey interpretation indicates the North and South Block mineralized structures discovered to date are part of a single major SW-NE strike-slip fault system that averages 2km in width and is at least 15km long. The conductors link both mineralized North and South blocks beneath overburden in the center of the property and doubles the total exploration area prospective for high grade mineralization.

Discrete magnetic anomalies also coincide with IP anomalies in the North and South blocks.

The ZTEM survey significantly increased the exploration area on the Sierra Pintada copper-gold property through identification of additional drill targets.

In the spring and summer of 2013 a complete review and analysis of Sierra Pintada was completed by Chris Hodgson, VP of Exploration. As a result the company has identified 2 large distinct bulk copper gold targets that the company believes warrant a small targeted exploratory drill program.

To achieve this objective the company has entered into discussions with several major mining companies and selected Chilean Private Equity firms with a view to developing a joint venture agreement to conduct this initial exploration program if so dictated by positive results.

During the year ended December 31, 2013, the Company incurred $118,441 (2012-$69,498) on the project, including geological remuneration included in administration fees in the financial statements.

New Project

The company has acquired 23 exploration concessions totalling approximately 5,300 hectares on a new target in Chile. Additional land acquisition is under way and the company expects it will be in a position on or before the end of Q2 2014 to update its shareholders on its objectives in obtaining this new IOCG target.

During the year ended December 31, 2013, the Company spent $78,902 (2012 - $10,320) on acquisition costs of some land on the project and geological remuneration included in the administration fees in the financial statements.

SELECTED ANNUAL INFORMATION

	December 2013	December 2012	December 2011
Total Revenues	-	-	-
Loss Before Other Items	(1,431,808)	(2,491,841)	(3,336,229)
Impairment Loss	(17,025,440)	-	-
Net Loss for the Year	(19,533,599)	(2,491,841)	(3,336,229)
Net Loss Per Share	(1.23)	(0.18)	(0.30)
Total Assets	8,413,977	25,444,636	25,057,166
Total Long-Term Financial Liabilities	-	-	-
Cash dividends declared per-share	-	-	-

RESULTS OF OPERATIONS AND FINANCING ACTIVITIES

All of the financial information referenced below has been prepared in accordance with International Financial Reporting Standards ("IFRS").

As at December 31, 2013, the Company had a working capital deficiency of $765,056 with current assets of $2,822,813 and current liabilities of $3,587,869.

The Company's operations during the year ended December 31, 2013, produced a net loss of $19,533,599 or $1.23 per share compared to a net loss of $2,491,841 or $0.18 per share for the year ended December 31, 2012.

The increase of $17,041,758 in net loss to the previous year's comparative period is mainly attributed to the $17,025,440 impairment loss on the Copaquire property and the $1,045,044 additional financing cost on the Convertible Debenture which were recorded in Q4 and Q3 respectively. The Company has significantly reduced overhead and other costs from the prior period by approximately $1,185,797 not including interest and bank charges and the additional financing cost. The section directly below compares financial statement line items for the year ended December 31, 2013 and 2012:

1. Administration fees of $252,163 (2012 – $715,751) represent a $463,588 decrease from 2012. The Company changed its Board and Management resulting in significant administration related savings and also reduced the use and fees of outside consultants compared to the previous year's period in line with management's objective to reduce overhead in the current market environment.

2. Bank charges and interest expense of $155,215 (2012 – $29,415) represent a $125,800 increase from 2012. During the year ended December 31, 2013, the Company relied increasingly on bridge loans and the convertible debenture rather than issuance of equity to raise funds resulting in significantly increased interest charges from the previous period.

3. Investor relations expenses of $21,859 (2012 - $126,685) represent a $104,826 decrease due to a reduction in investor relations activities during the year, given the current market environment in addition, included in the prior year amount is the Proxy Battle which took place in October 2012. Now that the Company has closed the sale of Copaquire the Company will consider increasing investor relations activity and promote the Company's stock in line with the Company's new direction for potential joint venturing of properties and acquisition(s) of new land.

4. Office and Miscellaneous expenses of $220,052 (2012 – $259,247) represents a $39,195 decrease from 2012 and the breakdown is as follows:

	2013	2012
Office & misc.	146,217	163,808
Rent	51,018	71,880
Telephone & Communication	8,642	8,429
Insurance	14,175	15,130
Total	220,052	259,247

5. Total other exploration expenses of $225,932 (2012 - $195,564) represent a $30,368 increase from 2012. This resulted mainly from the company incurring increased land taxes than the prior year.

6. Travel and promotional expenses of $57,475 (2012 - $94,437) represent a $36,962 decrease from 2012 due to reduced travel and promotional activities during the period as management is conserving cash and significantly reducing overhead expenses given the current market conditions. Now that the Company has closed the sale of Copaquire the Company may consider increasing promotional activities around the Company in a reasonable cost range to assist in promoting management's new focus to current and potential new shareholders.

7. Professional Fees of $387,883 (2012 – 592,409) represent a $204,526 decrease from 2012 due to reduced legal costs as a result of fewer private placement equity issuances and one time legal fees associated with arranging the Company's legal structure as part of the proposed spin out in 2011 and 2012 and the one time fees associated with the proxy battle in October 2012. Additionally, accounting expenses have been reduced from the prior year as part of management's objective to minimize overhead in the current market conditions.

8. Share Based Payments of $Nil (2012 – $231,350) represents a $231,350 decrease from 2012 as the Company has not sought regulatory approval on the stock options issued in the current year and thus, no stock option expense has been recorded. Regulatory approval will likely be sought as replacement

options are issued within the next month or two and the associated share based payment expenses and such filing fees, being recorded at that time.

9. Transfer Agent and Regulatory of $23,540 (2012 – $51,572) represents a $28,032 decrease from 2012 due to a decrease in the number of private placements and associated fees with those private placements that took place in the year ended December 31, 2012 compared to the year ended December 31, 2013.

SUMMARY OF QUARTERLY RESULTS

The following are the results for the most recent eight quarters with the last quarter ending December 31, 2013:

	2013	2013	2013	2013	2012	2012	2012	2012
	Dec.31	Sep.30	Jun.30	Mar.31	Dec.31	Sep.30	Jun.30	Mar.31
Total Revenues	-	-	-	-	-	-	-	-
Loss Before Other Items	(389,405)	(254,693)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)	(555,433)
Net Loss	(17,556,816)	(1,189,073)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)	(555,433)
Net Loss per Share	(1.11)	(0.07)	(0.02)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)

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 loans, convertible debt instruments or equity financing. 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 December 31, 2013, the Company had a working capital deficiency of $765,056 with current assets of $2,822,813 and current liabilities of $3,587,869.

CAPITAL MANAGEMENT

The Company’s objectives when managing capital are several and are intended 1) to safeguard the Company’s ability to continue as a going concern in order to pursue the development of its mineral properties, 2) to maintain a flexible capital structure for its projects for the benefit of its stakeholders, 3) to maintain creditworthiness and 4) to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares and other financing activities.

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

As at December 31, 2013, the Company had capital resources consisting of cash and cash equivalents. 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.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTY TRANSACTIONS:

During the year ended December 31, 2013 and 2012, transactions and balances with related parties are as follows:

	2013	**2012**
Administration fees paid to companies controlled by directors and former directors (not including key Management personnel)	-	315,000
Accounting fees paid to a company controlled by a former officer (included in key Management personnel)	89,276	172,917
Total amounts paid to companies controlled by directors and current and former officers who are or were key Management personnel (break down in Key Management Personnel table below)	292,115	453,013

Included in accounts payable and accrued liabilities is $111,302 (2012 - $119,178) owing to current or former directors and officers, and companies controlled by current and former directors and officers. Of this amount, $101,747 of management fees is allegedly owed to its former director and Chief Executive Officer, and a company controlled by him, each of whom have sued the company but which such alleged obligation is disputed by the Company and is under litigation. Refer to Note 11[d] and [e] in the financial statements for further discussion and see below next paragraph.

On March 20, 2013, the Company filed a counterclaim concerning said management fees of $101,747 allegedly payable by it. The counterclaim is in the amount of $181,600. The Company intends and continues to vigorously defend itself against the claim and to pursue its counterclaim. The counterclaim has not been reflected in the financial statements.

The Company had two loans outstanding from the former Chairman of the Board, who resigned on March 28, 2012. Both loans are interest bearing at 1% per month, payable monthly and are unsecured.

Included in the advances, prepaid expenses and deposits is $Nil (2012 - $13,440) for administrative fees paid to a company controlled by a current officer covering periods subsequent to December 31, 2013.

The aggregate value of transactions relating to key Management personnel and entities over which they have control or significant influence over are as follows:

Compensation	Fees charged $	Share-based benefits $	Year ended December 31, 2013 $	Fees charged $	Share-based benefits $	Year ended December 31, 2012 $
Chairman of the Board	-	-	-	10,000	28,919	38,919
Chief Executive Officer (former)	-	-	-	147,096	28,919	176,015
Chief Executive Officer & President	144,000	-	144,000	123,000	57,837	180,837
Chief Financial Officer (former)	89,276	-	89,276	172,917	14,459	187,376
Chief Financial Officer	58,839	-	58,839	-	-	-
Total	**292,115**	**-**	**292,115**	**453,013**	**130,134**	**583,147**

All of the above transactions have been in the normal course of operations, and in Management’s opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

INVESTOR RELATIONS

On December 6, 2012, the Company engaged Bay Street Connect to provide investor relations services to the Company for a monthly fee of $8,000 and an initial service period of six months. Effective February 1, 2013, the parties mutually terminated the services and as a result 400,000 stock options were cancelled. The Company will continue to update shareholders on material news through press releases.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, amounts receivables, advances, pre-paid expenses and deposits, accounts payable, accrued liabilities, convertible debentures and loans due to arms length and non-arms length parties. Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values due to their short-term maturity capacity for prompt liquidation.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's audited statement of operations and comprehensive loss included in the financial statements for the year ended December 31, 2013 and 2012 and the "Results of Operations and Financing Activities" section above. Additionally, resource property costs are broken down in Note 5 of the financial statements for the year ended December 31, 2013 and 2012. The Company's financial statements are available on SEDAR at 'www. sedar.com'.

DISCLOSURE OF OUTSTANDING SHARE DATA

Outstanding Share Data as at April 29, 2014:

	Number outstanding	**Exercise Price**	**Expiry Date**
Common shares issued	**16,081,375**		
Common shares issuable on exercise:			
Stock options	10,000	$1.00	June 4, 2014
Stock options	80,000	$3.80	July 5, 2014
Stock options	5,000	$5.00	January 31, 2014
Stock options	210,000	$1.20	June 25, 2015
Total options	**305,000**		
Warrants	238,100	$0.25(1)	August 31, 2014(3)
Warrants	418,825	$0.25(1)	August 31, 2014(4)
Warrants	415,250	$0.25(1)	August 31, 2014(4)
Warrants	1,079,583	$0.25(1)	August 31, 2014(2)
Total warrants	**2,151,758**		

(1) On March 24, 2014 the Company announced subject to TSX Venture Approval it has amended the terms of all outstanding options so that the new exercise price of the options would be $0.25.

(2) On December 4, 2013 the Company announced it has extended the expiry date of these options to August 31, 2014 and obtained TSX Venture approval on December 13, 2013.

(3) On January 20, 2013 the Company announced it has extended the expiry date of these options to August 31, 2014 and obtained TSX Venture approval on January 31, 2014.

(4) On March 24, 2014 the Company announced subject to TSX Venture approval that in addition, to amending the exercise price of all outstanding warrants it has also amended the expiry date of these warrants to August 31, 2014.

<u>Options</u>

The Company granted 540,000 stock options in December 2012 with an exercise price of $0.80 per share and re-priced them on April 3, 2013 to $1.00. The Company granted an additional 80,000 stock options on May 21, 2013 at an exercise price of $1.00 with an expiry date of May 21, 2018. As of April 29, 2014 the Company has not sought regulatory approval for any of these Options previously granted and as a result they have not been recorded in the financial statements for accounting purposes and have been included in the

MD&A for illustration and disclosure purposes only. The Directors will likely re-issue the above noted options with new terms within the next month or two. The total number of Stock Options outstanding for accounting purposes, as included in the financial statements, as at December 31, 2013 is 305,000.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year are:

- (i) Impairment of mineral properties and equipment;
- (ii) Share-based payments; and
- (iii) Deferred income taxes.

Critical accounting judgements made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year are:

- (i) Going concern; and
- (ii) Determination of functional currency.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Company adopted the following new accounting standards during the year ended December 31, 2013:

IAS 1, Presentation of Financial Statements ("IAS 1")

The Company adopted the amendments to IAS 1 in the year ended December 31, 2013. The amendments require the Company to group into two categories the items of other comprehensive income, segregating those that will be reclassified subsequently to net income from those that will not. The Company has presented its consolidated statements of comprehensive loss according to this requirement.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduced new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. IFRS 12 did not have a material impact on the consolidated financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IFRS 13 did not have a material impact on the consolidated financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9, Financial Instruments ("IFRS 9")

This standard was issued in November, 2009 with the intent to replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39") in three phases. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as Fair value through profit or loss, financial guarantees and certain other exceptions. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 (with earlier application still permitted). The Company is currently assessing the impact of this new standard on its financial statements.

IAS 32, Financial Instruments: Presentation ("IAS 32")

Amendments to IAS 32 provide specific guidance for when an entity can offset financial assets and liabilities by clarifying when a legally enforceable right to do so exists, and when an entity meets the criterion for the intent to settle on a net basis. These amendments are effective for annual periods beginning after January 1, 2014. The Company is currently assessing the impact of this new standard on its financial statements.

IAS 36, Impairment of Assets ("IAS 36")

In May 2013, the IASB amended IAS 36 to provide guidance on recoverable amount disclosures for nonfinancial assets. The amendments to IAS 36 must be applied retrospectively by the Company for the annual period beginning January 1st, 2014. The Company is currently assessing the impact on the presentation of its financial statements.

IFRIC 21, Levies ("IFRIC 21")

This interpretation addresses when an entity should recognize a liability to pay a government levy (other than income taxes). IFRIC 21 is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation is effective for annual periods beginning after January 1, 2014. The Company is currently assessing the impact of this new interpretation on its consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior Management, so that appropriate decisions can be made regarding public disclosure. The Company's Management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures.

Based on that evaluation, Management has concluded that, as of the end of the period covered by this Management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – Certification of disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to Management as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal controls over financial reporting during the Company's year ended December 31, 2013 that materially affected, or was reasonably likely to materially affect the Company's internal control over financial reporting.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under National Instruments 52-109 for the year ended December 31, 2013. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee. Based on the evaluation, Management has concluded that the design of these internal controls and procedures over financial reporting was effective.

DISCLAIMER

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). No securities commission or regulatory authority has reviewed the accuracy of the information presented herein. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee.

CAUTIONARY STATEMENT RISKS AND UNCERTAINTIES

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied, by these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavorable feasibility studies, fluctuations in the market valuation for the minerals, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this MD&A or as the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company does not intend, and does not assume any obligation to update these forward looking statements.

FUTURE DEVELOPMENTS AND DISCUSSION

2013 was a historically bad year for Chilean Metals in specific and junior mining in general. It is impossible to put a positive spin on the year we endured. What we can say is it is over and we have survived. As painful as 2013 was, it has set the stage for our rebirth.

On March 3rd we officially traded on the TSX:V as Chilean Metals under our newly consolidated stock structure. The name change and consolidation gives us an opportunity to rebrand and reposition the company as we go forward. With the new branding and positioning we have announced on March 26th a $1,200,000 unit offering comprised of a share and a half warrant, where each full warrant plus $0.15 enables user to buy an additional share at any time within the next 12 months. The book on the issue is closed and subject to TSXV review we would expect to close transaction in early May.

The new capital will provide the company a modest amount of working capital most of which will be used to add and advance our land packages in Chile and to reposition the Company and its assets within the broader investment community. We believe the Company’s assets are not currently fairly valued and are looking at all available options to ensure that going forward this discrepancy gets reduced or removed.

Our message to new shareholders is as follows.

1. We have a potentially very valuable 3% Royalty on Copaquire. Teck can buy back 1% for $3 million, but we keep at least a 2% NSR and this could provide us significant future cash flow. Notably according to Teck’s own website Quebrada

Blanca is running out of ore in the next couple of years this plus the delay in the expansion of the sulfide ore body at Quebrada Blanca greatly expands their interest in developing Copaquire on a timely basis.

2. Now that our balance sheet is in order potential partners are surfacing with interest in joint venturing on a number of our remaining Chilean properties. No one wants to partner with someone who may not be around so fiscal solvency makes all of our projects more attractive. In addition thanks to the fine work of Chris Hodgson, Our VP of Exploration, we have put together new and enhanced geological interpretations which make some of our projects attractive even in the current mining market.

3. We are on the look for additional opportunities. One which incorporates as a base one of our existing land packages is being acted on and has been for about six months. As poor as we were last year we added this land needless to say we are bullish on this package. We hope to finish off the land assembly by mid-year and to advance it to exploration work in the fall.

4. For the year ended December 31, 2013 Management has reduced overhead and other costs by approximately $1,185,797, not including interest and financing fee on Loans and the Convertible Debenture. The reduction of these costs continues to be of great importance and focus of management especially at a time when financing at the current time can be expensive and dilutive.

5. That when looked at on a consolidated basis (after accounting for tax transactions where shareholders juggled ownership to maximize tax benefit) very little stock percentage wise of the company traded at levels less than 50 cents probably less than 1 million shares. The average invested cost base for our equity is $2.94. So we would expect that with a minimal amount of new investor purchases the stock should recover.

6. Timing is always key in junior mining. We feel the bottom has been reached and starting in 2014 smart investors will begin to secure positions in companies they favor for the mining rebound that follows every mining bottom. No one has a crystal ball and can predict the future as to exactly when that turn will occur but many of the savvy industry veterans are already advocating now is the time to buy.

So in closing while 2013 was a very tough year we have reason to believe 2014 will be a bounce back in the right direction and that in the coming years Chilean Metals will have a solid opportunity to deliver real substantive value to our shareholders. The team at CMX is committed to realizing this vision and looks forward to the future knowing we are doing everything in our power to make this vision a reality.

DIRECTORS		**OFFICERS**		**AUDIT COMMITTEE**
Ian Pirie		Ian Pirie (Chairman of the Board)		Ian Pirie
Terry Lynch		Terry Lynch (President & CEO)		Terry Lynch (Chairman)
Dan Gosselin				
Peter Kent				
Zhangliang Lou				Zhangliang Lou
		Peter Kohl, (CFO & Corporate Secretary; until April 30,2013) James Albrecht, CFO as of May 1, 2013)		

On Behalf of the Board,
Terry Lynch, CEO & President