MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's discussion and analysis ("MD&A") dated as of May 30, 2014, supplements the condensed consolidated financial statements ("financial statements") of Chilean Metals Inc. ("CMX") formerly International PBX Ventures Ltd (the "Company") and the notes thereto for the three month period ended March 31, 2014. 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 three month period ended March 31, 2014 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 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 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 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"), it 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 have had their expiry date extended 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**(3)	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**(3)	April 27, 2014	**August 31, 2014**(3)
July 2012 Private Placement - One half warrant issued for each unit issued	4,152,500	**415,250**	$0.12	$1.20	**$0.25**(3)	July 27, 2014	**August 31, 2014**(3)
December 2012 Private Placement - One warrant issued for each unit issued	10,795,833	**1,079,583**	$0.07	$0.70	**$0.25**(3)	December 31, 2013	**August 31, 2014**(2)

Note:
(1) The Company has received TSX Venture Exchange approval on January 31, 2014 to extend the expiry date to August 31, 2014
(2) The Company has received TSX Venture Exchange approval on December 13, 2013 to extend the expiry date to August 31, 2014
(3) The Company has received TSX Venture Exchange approval for amendment of all warrant terms as outlined in the above table on April 25, 2014 and April 30, 2014.

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.

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

As of March 31, 2014, through its Chilean Subsidiaries, Chilean Metals Inc holds title to 117 mineral claims totaling 21,336 hectares. These claims make up six properties currently maintained by the Company as follows: Tierra de Oro, Sierra Pintada , Palo Negro, Hornitos, 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 remains optimistic a farm out agreement can be reached on or before the end of Q2 2014.

During the three month period ended March 31, 2014, the Company incurred \$5,333 (2013 - \$13,827) 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, Viña 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 three month period ended March 31, 2014, the Company incurred $5,333 (2013-$13,827) 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 in 2013. Additional land acquisition is under way and as mentioned in our 2013 annual MD&A 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 and results in obtaining this new IOCG target.

During the three month period ended March 31, 2014, the Company spent $5,333 (2013 - $13,827) 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 March 31, 2014, the Company had a working capital deficiency of $488,799 with current assets of $1,152,126 and current liabilities of $1,640,925.

The Company's operations during the three month period ended March 31, 2014, produced a comprehensive net income of $38,241 or $0.00 per share compared to a comprehensive net loss of $414,441 or ($0.03) per share for the three month period ended March 31, 2013.

The $452,682 change from net loss to net income for Q1 2014 compared to Q1 2013 is mainly attributed to the realized gain on disposal of the Camp when the Company closed the sale of the Copaquire property on March 24, 2014 and the significant reduction in professional fees.

As at December 31, 2013 the Company treated the Copaquire Mineral Property and the corresponding Camp as Assets held for Sale under IFRS (refer to Note 6 of the 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 Camp's lower of the two aforementioned amounts was its carrying amount. The proceeds attributed to the Camp per the Sale Agreement was $519,628. As such upon closing of the sale of the Mineral Property and the Camp on March 24, 2014 a gain was recognized on the disposition of the 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.

Additionally, the Company reduced overhead and other costs from the prior period by approximately $162,535 not including bank and interest charges and the foreign exchange loss. The section directly below compares financial statement line items for the three month periods ended March 31, 2014 and 2013:

1. Administration fees of $77,577 (2013 – $81,554) remained relatively consistent with 2013. The Company changed its Board and Management in October 2012 and immediately reduced administration related work and also reduced the use and fees of outside consultants. Management has stuck with this plan thus far in Q1 2014 as well which is in line with management's objective to reduce overhead in the current market environment.

2. Bank charges and interest expense of $38,939 (2013 – $27,181) represent a $11,758 increase from 2013. The increase was largely a result of Q1 accrual of the convertible debenture interest. Interest stopped accruing on March 24, 2014 when the convertible debenture matured as a result of the closing of the sale of Copaquire.

3. Investor relations expenses of $Nil (2013 - $23,296) represent a $23,296 decrease due to halting investor relations activities until the sale of Copaquire was closed given the current market conditions. 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 $52,505 (2013 – $71,243) represents a $18,738 decrease from 2013 and the breakdown is as follows:

	2014	2013
Office & misc.	27,459	36,219
Rent	6,637	18,121
Telephone & Communication	1,572	2,728
Insurance	16,837	14,175
Total	**52,505**	**71,243**

5. Travel and promotional expenses of $11,798 (2012 - $30,487) represent a $18,689 decrease from 2013 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.

6. Professional Fees of $39,062 (2013 – $122,833) represents a $83,771 decrease from 2013 due to reduced legal costs as a result of additional one time fees

associated with the proxy battle in 2012. Additionally, accounting expenses have been reduced significantly from the prior year as part of management's objective to minimize overhead in the current market conditions.

7. Transfer Agent and Regulatory of $14,056 (2013 – $4,377) represents a $9,679 increase from 2013 as a result of the fees associated with the name change and share consolidation which became effective on February 28, 2014.

SUMMARY OF QUARTERLY RESULTS

The following are the results for the most recent eight quarters with the last quarter ending March 31, 2014:

	2014	2013	2013	2013	2013	2012	2012	2012
	Mar.31	Dec.31	Sep.30	Jun.30	Mar.31	Dec.31	Sep.30	Jun.30
Total Revenues	-	-	-	-	-	-	-	-
Loss Before Other Items	(280,660)	(389,405)	(254,693)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)
Net Income (Loss)	38,241	(17,556,816)	(1,189,073)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)
Net Income (Loss) per Share	0.00	(1.11)	(0.07)	(0.02)	(0.03)	(0.03)	(0.03)	(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 equity financing, loans, 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 March 31, 2014, the Company had a working capital deficiency of $488,799 with current assets of $1,152,126 and current liabilities of $1,640,925.

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 and exploration 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 March 31, 2014, 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 three month period ended March 31, 2014 and 2013, transactions and balances with related parties are as follows:

	2013	**2012**
Administration fees paid to directors (not including key Management personnel)	20,000	3,574
Total amounts paid to companies controlled by current and former officers who are or were key Management personnel (break down in Key Management Personnel table below)	48,000	74,361

Included in accounts payable and accrued liabilities is $139,297 (2013 - $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 [f] 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.

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 $	Period ended March 31, 2014 $	Fees charged $	Share-based benefits $	Period ended March 31, 2013 $
Directors	20,000	-	20,000	-	-	-
Chief Executive Officer & President	36,000	-	36,000	36,000	-	36,000
Chief Financial Officer (former)	-	-	-	38,361	-	38,361
Chief Financial Officer	12,000	-	12,000	-	-	-
Total	**68,000**	**-**	**68,000**	**74,361**	**-**	**74,361**

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.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, amounts receivable, 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 condensed statement of comprehensive income and loss included in the financial statements for the three month period ended March 31, 2014 and 2013 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 periods ended March 31, 2014 and 2013. The Company's financial statements are available on SEDAR at 'www. sedar.com'.

DISCLOSURE OF OUTSTANDING SHARE DATA

Outstanding Share Data as at May 30, 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	210,000	$1.20	June 25, 2015
Total options	**300,000**		
Warrants	238,100	$0.25	August 31, 2014
Warrants	418,825	$0.25	August 31, 2014
Warrants	415,250	$0.25	August 31, 2014
Warrants	1,079,583	$0.25	August 31, 2014
Total warrants	**2,151,758**		

Options

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 May 30, 2014 the Company has not sought regulatory approval for any of these Options previously granted.

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 period ended March 31, 2014:

<u>IAS 32, Financial Instruments: Presentation (“IAS 32”)</u>

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. IAS 32 did not have a material impact on the condensed consolidated financial statements.

<u>IAS 36, Impairment of Assets (“IAS 36”)</u>

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 has presented the disclosures in its condensed consolidated financial statements according this standard.

<u>IFRIC 21, Levies (“IFRIC 21”)</u>

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. IFRIC 21 did not have a material impact on the condensed consolidated financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

<u>IFRS 9, Financial Instruments (“IFRS 9”)</u>

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.

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 three month period ended March 31, 2014 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 period ended March 31, 2014. 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

With the Copaquire sale closed the Company is now focused on obtaining and creating value from its current mineral portfolio.

Our immediate attention is focused on farming out our TDO property. Chris Hodgson our VP of Exploration has completed a new report on the project and this report has been shared under confidentiality agreements with five interested parties. Discussions are ongoing and the Company remains optimistic a farm out package that would lead to drilling in the fall of 2014 can be concluded.

In addition to TDO the Company has been focused on unifying a land package around one of its current mineral properties. We have acquired mineral rights direct from the Chilean Government in 2013 and expect to augment that shortly with mineral rights acquisitions from third parties. We would expect this to be contracted in the next quarter at which time we could discuss our plans as it relates to this exploration prospect.

Now that the company has completed the disposition of Copaquire and consolidated our stock we believe an investment in corporate communication and investor relations would be appropriate. Our view is that at current levels our Company and its assets are undervalued and while not uncommon in the midst of a serious downturn in our sector that conditions exist in Chilean Metals that even in spite of current conditions should lead to more favorable performance for our stock. To this end the Company is exploring several steps it can take to both enhance and broaden market exposure. We would expect to announce more details on these plans in the next quarter.

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