



Chilean Metals Inc. Signs LOI to JV Bass River Project

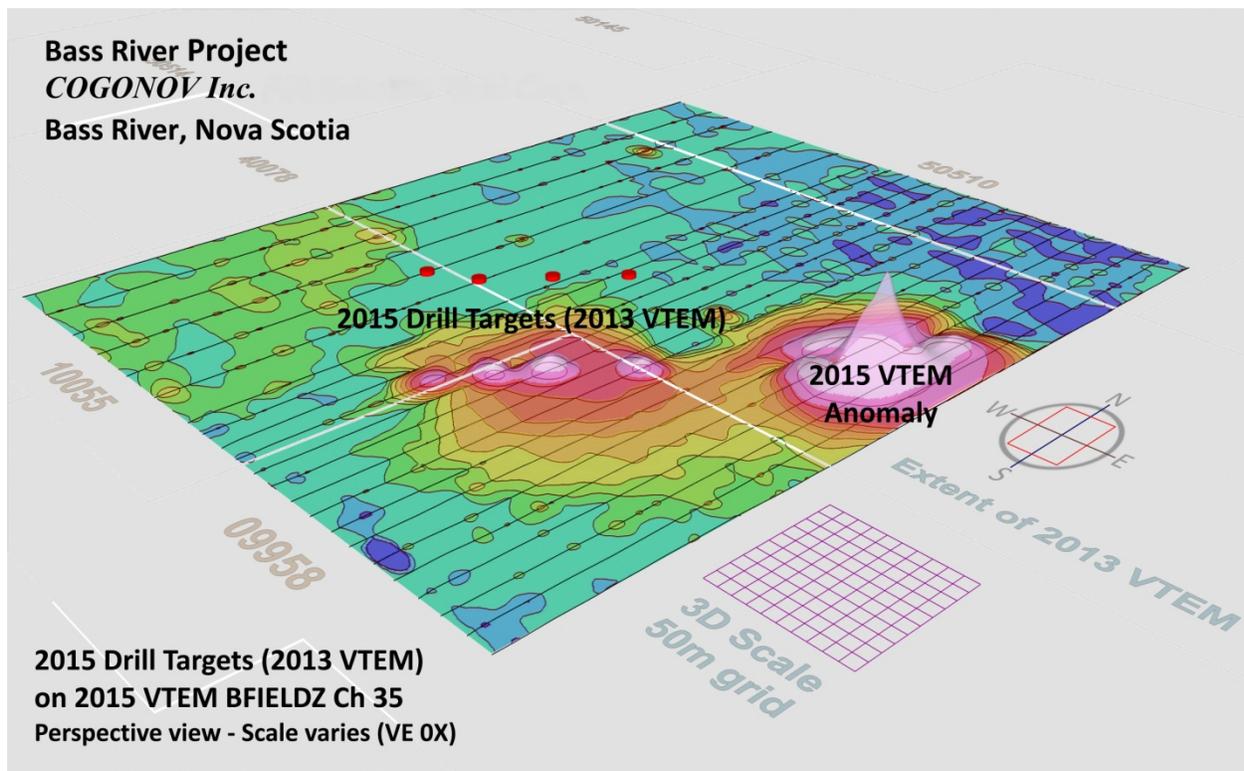
Toronto, ON. November 14th 2016. Chilean Metals Inc. (“Chilean Metals,” “CMX” or the “Company”) (TSX.V:CMX, OTCQB: CMETF, SSE:CMX, MILA: CMX).

Chilean Metals has signed a letter of intent (LOI) to joint venture its Bass River project in Nova Scotia with Tejas Gold Company (Tejas). Tejas will have fourteen months after signing of a JV Agreement to earn a 35% working interest in the joint venture. To earn the interest Tejas will be required to pay a non refundable deposit of \$25,000 (issuable within 30 working days of signing the LOI), issue 100,000 common shares of Tejas stock (issuable within 30 working days of signing the LOI) and to expend \$400,000 in exploration work including drilling on Bass River. Should they spend the \$400,000 on or before June 30th 2017, as is currently planned, then a bonus participation of 5% shall be awarded bringing the Tejas participation in the JV to 40%. In addition, Tejas shall pay Chilean Metals a management fee of \$5,000 per month over the duration of the work program.

“We acquired Bass River from Cogonov Inc. who has had history working successfully with Tejas”, commented Chilean Chairman Terry Lynch. “We believe they will be an ideal discovery partner to work with as we continue on the exciting exploration work started under Dundee and Minotaur as they developed and tested a new concept for copper gold mineralization along the Cobequid Chedabucto Fault system”.

Bass River Nova Scotia is comprised of 5 licences totaling 222 claims, ground exploration in 2014 and drilling in Q1 2015 at Gamble Lake was successful in identifying a mineralized system associated with felsic volcanic tuffs of the Dalhousie Mountain Formation. Trending northeast, airborne VTEM and magnetics conducted in Q1 2015 was successful in identifying numerous VTEM anomalies including one high priority target along the projected track of the Gamble Lake mineralization. Referred to as the Castlereagh anomaly, VTEM target BRN_VT01 is the largest target delineated in approximately 2000 line kilometers of airborne work conducted in the Cobequids by Cogonov. With a surface expression of 700 x 700 meters, the geophysical data was subsequently modeled by Minotaur Exploration Limited (Australia) who highlighted a subsurface

target approximately 300 meters in width. Ground geophysics was recommended to characterize the target prior to drilling.



The program is being managed by Chilean Metals Inc with oversight provided by their Technical Advisory Committee comprised of

Dr Tony Belperio, Ph.D., B.Sc, IMM, F.Aus. Dr Belperio is the Executive Director & Exploration Director of Highly recognized Minotaur Exploration Australia. Dr Belperio served as Minotaur's Chief Geologist from 1996 – 2007 and was instrumental in the discovery of Prominent Hill IOCG, in Southeast Australia. He has received the University of Adelaide's Tate Memorial Medal, The Geological Society of Australia's Stillwell Award and AMEC Prospector of the Year Award. Currently, Dr Belperio & Minotaur are concentrating on their Cloncurry Cu-Au discovery and JV with Oz Minerals.

Dr Chris Hodgson, Ph.D., P Eng. Dr. Hodgson has been the Geological Consultant and former VP of Exploration until 2016. Dr Hodgson has had an outstanding career to date, including Amax Exploration, Canamax Resources, Tungsten & Minera Inmet in Chile. Mr Hodgson is credited with the early recognition of the Santo Domingo IOCG deposit in Chile. Ultimately, Farwest developed the project & sold to Capstone for \$700M. Dr Hodgson is fluent in Spanish and has been working in mining in Chile for the past 25 years.

Ian Pirie, P Geo M. Sc., formerly Chilean Metals Chairman the company is pleased to continue to benefit from Ian's 35+ years of Mining experience where Ian travels included GM for Latin America for Inmet Mining where he was responsible for the acquisition, exploration & development of the Antamina Cu/Zn project in Peru and finishing as VP Projects where he oversaw development of Cobre Las Cruces in Spain and the Cobre Panama project in Panama.

Gary Lohman, P. Geo, B. Sc., VP Exploration & Director, Chilean Metals. Committee Chair Gary Lohman has over 30 years experience in both precious metals & base metals exploration within the Americas. He is skilled in most geological, geochemical & geophysical exploration techniques in a wide variety of settings and terrains. Gary's career has taken him on many projects early stages to advanced, in Canada, Mexico, California & Ecuador.

In addition to the Bass River announcement the Company is pleased to confirm it has formally closed its private placement, as previously announced, of \$805,885 by issuing 5,372,566 common shares at \$0.15 per share. Eligible finders were paid cash fees of \$35,716 and 240,187 broker warrants. 229,771 broker warrants entitle the holder to acquire one common share at \$0.15 until October 24, 2017 and 10,416 broker warrants entitle the holder to acquire one common share at USD\$0.12 until October 24, 2017. All securities issued pursuant to the above referenced private placement are subject to a four month hold period expiring on March 2, 2017.

The Company also wished to advise that it has agreed to convert \$174,013 of currently due debentures into common shares at \$0.15 per share through the issuance of 1,160,085 shares, subject to regulatory approval.

Finally, with the appointment of new board members and a revised management team, a total of 2,850,000 five year options to acquire the company stock at \$0.15 per share were issued under the Company's authorised employee incentive plan to management and board members.

About Chilean Metals

www.chileanmetals.com/

Chilean Metals Inc. is a Canadian Junior Exploration Company focusing on high potential Copper Gold prospects in Chile & Canada.

Chilean Metals Inc is 100% owner of five properties comprising over 50,000 acres strategically located in the prolific IOCG ("Iron oxide-copper-gold") belt of northern Chile. It also owns a 3% NSR royalty interest on any future production from the Copaque Cu-Mo deposit, recently sold to a subsidiary of Teck Resources Inc. ("Teck"). Under the terms of the sale agreement, Teck has the right to acquire one third of the 3% NSR for \$3 million dollars at any time. The Copaque property borders Teck's producing Quebrada Blanca copper mine in Chile's First Region. Chilean Metals Inc is the 100% owner of four Copper Gold exploration properties in Nova Scotia on the

western flank of the Cobequid-Chedabucto Fault Zone (CCFZ); Fox River, Parrsboro, Lynn and Bass River North respectively. Initial targeting and geophysics has been conducted on all properties, At Bass River North, airborne geophysics identified a major VTEM cluster on trend with the Pb/Zn/Ag mineralization exposed at surface and in drill holes to the southwest. Modeling of the airborne data by Minotaur (Australia) identified 3 priority targets recommended for ground based geophysics prior to drilling.

ON BEHALF OF THE BOARD OF DIRECTORS OF

Chilean Metals Inc.

“Terry Lynch”

Terry Lynch, Chairman

Contact: terry@chileanmetals.com

The Qualified Person for Chilean Metals Inc., as defined by National Instrument 43-101, is Gary Lohman, P. Geo., Vice President, Exploration.

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