



Chilean Metals Highly Encouraged by Initial Drill Results

Toronto, ON. February 27, 2017. Chilean Metals Inc. (“Chilean Metals,” “CMX” or the “Company”)(TSX.V:CMX, OTCQB: CMETF, SSE:CMX, MILA:CMX, FRA: IVV1, BER : IVV1).

Chilean Metals Inc is pleased to provide an update on the drill program currently underway on the Zulema project located near Copiapo, Chile and 30 Km's from Lundin Mining's Candelaria mine. With Candelaria as a model, the exploratory drill program is testing two geologically distinct targets: a 1+ square km. area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank. (IP Target)

Initial drill results support that host rocks, alteration and mineralization all fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, biotite magnetite alteration, magnetite and hematite veining and local mineralized breccias suggests proximity to a main mineralized target.

To date, approximately 1200 meters have been drilled in 5 holes with assays received on the first three holes. Drill holes 1, 2 and 3 targeted the skarn breccia projected to overlay copper mineralization at depth. Drill Hole #1 intersected sporadic copper while Drill Hole #2, collared approximately 1 kilometer to the west, encountered numerous 10 – 20 meter sections with visible chalcopyrite however results were sub-economic. Drill Hole #3 intersected two IOCG (Iron Oxide-Copper-Gold) lenses of modest width comprising magnetite and garnet accompanied by chalcopyrite and pyrite as disseminations, stringers and veinlets. Assay results have confirmed the additional presence of gold (Table 1). These three drill holes are now interpreted as peripheral to the main target on this extensive surface alteration zone. Drilling is ongoing and expected to continue through March.

“Our Geologists & Geoscientists are very encouraged with our results to date. While highlighted results are across narrow widths, they prove that high grade IOCG mineralization is present in this system. While Hole #2 was sub economic, the numerous sections and widths shows we are in a copper bearing system. With the assistance of Minotaur Exploration (Australia), the data will undergo further review by our Technical Team, enabling them to refocus their understanding so future drilling can help us achieve our ultimate objective of a commercial discovery.”, commented Patrick J Cruickshank, President & CEO.

Please visit the Chilean Metals Inc Booth #2143 @ PDAC in Toronto March 5-8th, 2017 and view drill core firsthand and meet the Chilean Metals Team.

Table 1 Assay Results Highlights

| Drill Hole | From (m.) | To (m.) | True Width (m.) | Cu (%) | Au (g/t) |
|-------------------|------------------|----------------|------------------------|---------------|-----------------|
| #3 | 285.32 | 287.32 | 2 | 1.189 | 0.99 |
| | 287.32 | 289.32 | 2 | 0.503 | 0.28 |
| | 289.32 | 291.32 | 2 | 0.283 | 0.29 |
| | 325.20 | 327.20 | 2 | 0.678 | 0.28 |
| | 327.20 | 329.20 | 2 | 0.577 | 0.21 |

The samples were cut with a saw in the field and delivered to the ActLabs preparation facility in Copiapo Chile where they were crushed, dried, pulverized and screened. The resulting pulps were shipped to the ActLabs Laboratory in Coquimbo Chile where they were analyzed by AAS following aqua regia digestion. Gold analysis was by industry standard fire assay with an AA finish Standards provided by Canadian Resource Laboratories Ltd. were inserted into the sample stream to ensure quality control.



Garnet Skarn, Magnetite veinlets, Quartz Vein with chalcopyrite, Drill Hole #3



Chalcopyrite, Magnetite Drill Hole #3

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 Copaquire 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 Copaquire 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 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 Exploration (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

“Patrick J Cruickshank”
Patrick J Cruickshank, President & CEO

Contact: terry@chileanmetals.com

patrick@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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