



CMX Comments on BCSC Ruling and Provides Details Regarding the Steps Undertaken by the Company to Comply with Exchange Requirements for the Approval of the private placement of \$1,636,390 completed on June 8, 2018

Toronto, ON, December 10, 2018. Chilean Metals Inc. (“Chilean Metals” “CMX” or the “Company”)(TSX.V:CMX, OTCQB: CMETF, SSE:CMX, MILA:CMX, FRA: IVV1, BER: IVV1).

On July 27, 2018, the TSX Venture Exchange (TSXV) advised the Company that it would consider accepting the private placement subsequent to the issuance of securities if: 1) the private placement is approved by the disinterested shareholders (to be obtained prior to any other matters being put to the Company’s shareholders for approval); or 2) the Company ensured that the common shares issued pursuant to the private placement are excluded from the vote at the Company’s upcoming shareholders meeting. On August 17, 2018, the Company disclosed that it had had discussions with the TSXV but had not arrived at a solution with the TSXV. On August 24, 2018, the Company disclosed the TSXV’s considerations for acceptance of the private placement (as noted above), and the Company’s reasons for choosing to appeal to the British Columbia Securities Commission for a review of the decision.

On August 24, 2018, Chilean Metals applied under section 28 of the Securities Act, RSBC 1996, c. 418 to the BC Securities Commission (BCSC) for a review of the TSXV decisions dated July 27 and August 10, 2018 refusing to approve private placements by Chilean Metals.

On September 2, 2018, Chilean Metals applied under section 28 of the Securities Act for a review and interim stay of the TSXV decision dated August 27, 2018 to halt trade the securities of Chilean Metals.

The BCSC proceeding was held on November 13, 2018. At the proceeding, the BCSC did not confirm an estimated date at which a decision would be reached.

On November 21, 2018, the BCSC released its decision by way of an order (the “Order”) and dismissed the Chilean Metals appeal of both matters. No reasons for the ruling were given and the Order advised that the reasons of the BCSC will follow.

The Company received the Order after the proxy voting cut-off time for our annual general meeting of shareholders which cut off time was 11am (Eastern time) on November 21, 2018, and well after the information circular was prepared and mailed (November 2, 2018). The information circular had been prepared and mailed before the BCSC proceeding was even held. Accordingly, in the circular, the Company disclosed its issued and outstanding shares based on the number of shares issued (as having been paid for) and recorded on its central securities

register maintained by its transfer agent. At the time of the mailing, the Company's information circular spoke to the general voting rights of the common shares.

The Company had understood that the BCSC proceeding could go either way. The Company anticipated the possibility of such a decision. Chilean Metals had instructed its transfer agent AST Trust Company (Canada) to be prepared to count the proxy votes at the annual meeting in such a way so as to ensure, if required, that the private placement shares that had not received approval from the TSXV could be withheld from voting on all meeting resolutions (in a way that complied with the previous TSXV directive on withholding votes).

The Company confirms the private placement shares were withheld from voting on all items of business presented to the shareholder meeting on November 23, 2018. The transfer agent confirmed that a total of 10,509,186 shares (by proxy) were voted at the meeting, representing shares that voted and excluding a total of 11,565,000 shares, as being shares that had been issued in the private placement. The transfer agent created reports on all accounts that voted. For registered positions, the vote exclusion was clear. For any private placement shares that had been deposited to a brokerage account registration, the transfer agent took a conservative view and excluded all shares voted by the brokerage firm up to the maximum number of the deposited private placement shares. There were 6 cases where shares were deposited to brokerage firms and the following shares were excluded [TD Waterhouse (200,000); NBCN Inc. (50,000); PI Financial Corp. (2,083,334); Haywood Securities Inc. (1,717,500); CIBC World Markets (430,000); Leede Jones Gable Inc. (405,000)]. Of the excluded votes, the transfer agent advised that all proxies that were withheld from voting had been cast in favour of management, and therefore, their exclusion would not have any impact on any resolution that passed at the meeting.

As disclosed by the Company on November 23, 2018, all items of business at the AGM passed and the first 5 names below were elected to the Board of Directors of the Company. The vote was conducted by ballot at the meeting because there were 9 nominees for 5 board positions. The ballot results were as follows:

Name of Nominee	Number of Votes
Greg McKenzie	6,685,675
Peter Kent	6,685,700
Les Mallard	6,685,700
Terry Lynch	6,685,700
Michael Sharry	6,685,700
Christopher J Berlet	3,808,236
James P Boyle	3,808,236
Sean Samson	3,808,236
Marcus M Chase	3,808,236

“While we were disappointed with the BCSC decision we did abide by it. We were entitled to learn the result of the BCSC decision and then take action accordingly, so as to move forward. Our shareholders expected as much from us. Fortunately our shareholders knew the issues at hand and responded by overwhelmingly supporting the management slate. We are working to resolve all matters with the TSXV and look forward to resuming trading in the near future.”

The Company is currently in the process of 1) submitting the required documentation and information to obtain TSXV approval for the private placement; and 2) completing all other required filing requirements to become in good standing with the TSXV. The Company has issued this news release at the request of the TSXV and the TSXV has reviewed it.

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 five Copper Gold Cobalt exploration properties in Nova Scotia on the western flank of the Cobequid-Chedabucto Fault Zone (CCFZ); Fox River, Parrsboro, Lynn, Economy and Bass River North respectively. It has also optioned two additional projects Trident at Bass River and Economy East. Chilean Metals is exploring, analyzing and drilling these properties in the summer of 2018.

ON BEHALF OF THE BOARD OF DIRECTORS OF
Chilean Metals Inc.
“Terry Lynch”
Terry Lynch, CEO

Contact: terry@chileanmetals.com

The Qualified Person for Chilean Metals Inc., as defined by National Instrument 43-101, is Mick Sharry, M.Sc. Consultant

Forward-looking Statements: This news release may contain certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that CMX expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding current and future exploration programs, activities and results. Although CMX believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking

statements include market prices, exploitation and exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

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