



CMX Provides Update

Toronto, ON. October 5th, 2018. Chilean Metals Inc. (“Chilean Metals,” “CMX” or the “Company”)(TSX.V:CMX, OTCQB: CMETF, SSE:CMX, MILA:CMX, FRA: IVV1, BER : IVV1). On August 27th Investment Industry Regulatory Organization of Canada (“IIROC”) halted the trading in the shares of Chilean Metals on the TSXV at the request of the TSXV due to “Pending Review of Compliance with Exchange Requirements”.

As disclosed in the Company’s previous news releases, the Company has been trying to seek Exchange approval for its previous private placement. The Company’s clarifying news release of July 9, 2018 was issued at the behest of the Exchange [and received approval of the Exchange as to its contents] and the Company has been trying to obtain Exchange approval since then. While the Company acknowledges it did not file a Form 4B prior to closing as required by Exchange policies, its failure to file was the result of an inadvertent error. When notified the Company quickly complied and filed the appropriate paperwork and all additional Exchange requests for documentation and information, which were more detailed and lengthy than required in usual financing situations.

The Exchange punishment for failing to file the private placement properly is to remove voting rights of our investors. This is not a consequence the Company believe is merited in this circumstance, and as noted in our press release of August 24, 2018, we appealed the Exchange’s decision to the BC Securities Commission. Further, the Exchange has prevented us from closing further private placements, which has constrained our ability to raise equity financing and carry on our business. Somewhat ironically, the Exchange approved various other transactions in late July (a shares for debt and property transaction) so it seems somewhat incongruous that these were approved after the Exchange apparently had so many concerns with our private placement error.

A hearing date on the Company’s appeal of the Exchange decision to disenfranchise our shareholders will commence on November 13, 2018. At that time in addition to the appeal of the Exchange decision the Company will also seek a stay of the Exchange decision to halt trading in Chilean Metals stock.

“We regret the Exchange decision to halt trading. We have an honest fundamental difference of opinion that we have tried over the last months to work out. Now given no common ground was available we took the decision to the BC Securities Commission. We believe this trading halt is unnecessary and indeed harmful to the Company and its shareholders. We believe the process of appeal will prove this point.” commented Terry Lynch, Chilean CEO.

In additional news, the Company would like to advise its shareholders that it will be holding its annual general meeting on November 23, 2018 for all registered holders of common shares with

a Record Date of October 22, 2018. As part of our preparation for an orderly shareholder meeting, the Board has approved an Advance Notice Policy. The full body of the policy is attached for reference to shareholders. The purpose of the policy is to ensure shareholders have adequate time and information to review any new directors. The policy is common in public companies today and is considered good corporate governance to have such a policy in place. The policy will allow shareholders time to evaluate information and so that unexpected Board nominations do not unreasonably impact shareholders' ability to make informed voting decisions.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



CHILEAN METALS INC.

ADVANCE NOTICE POLICY

INTRODUCTION

Chilean Metals Inc. (the “**Company**”) is committed to: (i) facilitating an orderly and efficient process for the election of directors at annual general and special meetings; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allowing shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

The purpose of this advance notice policy (the “**Policy**”) is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. This Policy establishes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual general or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Company (the “**Board**”) that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This policy will be subject to an annual review by the Board, and will reflect changes as required by securities regulatory authorities or stock exchanges, or so as to meet industry standards from time to time.

NOMINATIONS OF DIRECTORS

1. Only persons who are eligible under the *Business Corporations Act* (British Columbia) (the “**Act**”) and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of persons for election to the Board may be made only:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act, or pursuant to a requisition of the shareholders made in accordance with the provisions of the Act; or
 - (c) by any person (a “**Nominating Shareholder**”):
 - (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable law, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chief Executive Officer of the Company in accordance with paragraph 7.
3. To be timely, a Nominating Shareholder’s notice to the Chief Executive Officer of the Company must be made:
- (a) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first Public Announcement (as defined in paragraph 6 of this Policy) of the date of the annual general meeting was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

4. To be in proper written form, a Nominating Shareholder’s notice to the Chief Executive Officer of the Company must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (i) the name, business address and residential address of the person;
 - (ii) the current principal occupation, business or employment of the person, the name and principal business of any company in which such employment is carried on, and similar information as to all the principal occupations, businesses or employments within the five preceding years;

- (iii) the class and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
 - (iv) any other information relating to the person that would be required to be disclosed in a proxy circular or a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in paragraph 6 of this Policy) (including such person's written consent to being named in the proxy circular as a nominee and to serving as a director if elected); and
- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions of this Policy and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. For purposes of this Policy:
- (a) **"Public Announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com; and
 - (b) **"Applicable Securities Laws"** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada.
7. Notwithstanding any other provision of this Policy, notice given to the Chief Executive Officer of the Company pursuant to this Policy may only be given by personal delivery or

by facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Chief Executive Officer at the mailing address on the Company's SEDAR profile or sent by facsimile transmission to the fax number on the Company's SEDAR profile (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on October 4th, 2018 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by ordinary resolution of shareholders of the Company present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.