Chilean Metals Inc. enters deal with Cogonov Inc. to acquire Three Nova Scotia projects.

Toronto, ON. March 4 2016. Chilean Metals Inc. (“Chilean Metals,” “CMX” or the “Company”) (TSX.V:CMX, OTCQB: CMETF, SSE:CMX).

Chilean Metals has entered into an agreement to acquire three Copper Gold projects from Cogonov Inc. (“Cogonov”). The Projects, referred to as Lynn, Parrsboro and Bass River, have been the focus of considerable exploration efforts over the last several years via Cogonov and historical owners Minotaur Atlantic Exploration Ltd.

It is intended that the Transaction will be completed by way of an asset purchase or an amalgamation of Cogonov with a newly formed subsidiary of Chilean Metals or other beneficial structure; however, the final structure of the Transaction will be subject to the receipt of tax, corporate and securities law advice for both of Chilean Metals and Cogonov. Once the structure is determined, the letter agreement will be replaced with a definitive agreement. It is currently contemplated that Chilean Metals will issue an estimated 20,500,000 common shares to the shareholders of Cogonov (directly or indirectly). No new control persons or insiders are expected to be created in Chilean Metals by the issuance of the Chilean Metals shares in this scenario.

Cogonov’s three properties in central Nova Scotia are part of their advanced Iron Oxide-Copper-Gold (IOCG) regional exploration program. The claims cover select IOCG exploration targets previously delineated by Minotaur Exploration (Australia) along the Cobequid-Chedabucto Fault Zone (CCFZ). The CCFZ is a 300 km long fault structure that hosts over 100 mineral occurrences, past producing mines and deposits of Iron Oxide, Copper, Cobalt, Gold, Nickel and Barite. These projects have been part of an advanced IOCG exploration program to reinterpret and re-examine the mineral potential of Nova Scotia

Terry Lynch Chilean CEO commented “Chilean Metals has been negotiating with Cogonov over many months regarding their investing in CMX to fund exploration drilling of our recently assembled Zulema project. Inclusion of three of Cogonov’s Nova Scotia properties in this agreement allows us to diversify into another jurisdiction with IOCG potential, build on strategic alliances and reduce our overall risk in these current market conditions. We have already closed, subject to TSXV approval, the acquisition of Fox River from Cogonov for 6,000,000 shares. We are confident of a good business fit with Cogonov and as part of the non-binding letter agreement Patrick Cruickshank, Cogonov CEO, will be appointed CEO of Chilean Metals effective immediately. Subsequently the parties expect to arrange a minimum of $250,000 equity financing for Chilean Metals to be priced at a later date. The funds will be used for general working capital purposes.”

Upon closing of this transaction, Chilean Metals will appoint Patrick J Cruickshank to its Board of Directors and Terry Lynch will become Company Chairman.

Patrick J Cruickshank, MBA Cogonov President and CEO commented “We are excited to join the Chilean Metals IOCG Family and we believe that our strategic advantages and synergies will assist Chilean Metals in achieving their IOCG Exploration Goals.”

The proposed acquisition is subject to the parties negotiating and entering into a definitive transaction agreement and applicable TSX Venture Exchange and other regulatory approvals.

About Chilean Metals

http://chileanmetals.com/

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.

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 Dr. Christopher Hodgson, P. Eng., Vice President, Exploration.

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