

**CHILEAN METALS INC.**  
82 Richmond St East, Suite 202  
Toronto, Ontario  
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**FORM 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(Fiscal Years Ended December 31, 2016 and 2017)**

**Compensation Discussion and Analysis**

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company's management team. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are:

- to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Company's management team to meet or exceed targets;
- to recognize the contribution of the Company's directors, officers and consultants to the overall success and strategic growth of the Company; and
- to align the interests of management and the Company's shareholders by providing performance-based compensation and stock options.

The Company's Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of the Company. The Board did not consider the implications of the risks associated with the Company's compensation practices; however, given the Company's size and nature of compensation provided to its executives in the last financial year, the Board does not view significant risk that would be likely to have a material adverse effect on the Company.

The Company's management is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by management.

The board of directors determines the allocation and terms of any stock option grants. When granting stock options, the board of directors considers the amount of past options which have been granted.

**Option-based Awards**

See "Compensation Discussion and Analysis" and "Particulars of Matters to be Acted On – Shareholder Approval of Stock Option Plan" for a description of the Company's stock option plan and the process the Company uses to grant options-based awards.

On May 18, 2018, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every four pre-consolidation common shares. All applicable references to the number of shares, warrants and options, strike price and per share information has been restated to reflect the effect of the share consolidation, unless otherwise noted.

## Compensation Governance

The Company's Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of the Company. The Company does not have a compensation committee.

## Summary Compensation Table

The Company had three Named Executive Officers, as defined below, during the financial years ended December 31, 2016 and December 31, 2017: Terry Lynch (President and CEO January 1, 2016 to March 29, 2016) Patrick Cruickshank (President and CEO March 29, 2016 to December 31, 2017) and Daniel Crandall (CFO January 1, 2016 to December 31, 2017).

The table below sets out particulars of compensation paid to the following executive officers (each of whom is a "Named Executive Officer") for services to the Company during the three most recently completed financial years:

- (i) the individual who acted as the Company's CEO or acted in a similar capacity for any part of the most recently completed financial year;
- (ii) the individual who acted as the Company's CFO or acted in a similar capacity for any part of the most recently completed financial year;
- (iii) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and
- (iv) each individual who would be an Named Executive Officer under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The following table presented in accordance with National Instrument Form 51-102F6V *Statement of Executive Compensation – Venure Issuers* ("**Form 51-102F6V**") below sets forth all compensation for services in all capacities to the Company for the three most recently completed financial years (to the extent required by Form 51-102F6V) in respect of the CEO, President and the CFO as at December 31, 2016 and 2017.

<i>Name and principal position</i>	<i>Year<sup>(1)</sup></i>	<i>Salary (\$)</i>	<i>Share-based awards<sup>(2)</sup> (\$)</i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>		<i>Pension value (\$)</i>	<i>All other compensation (\$)<sup>(4)</sup></i>	<i>Total compensation (\$)</i>
					<i>Annual incentive plans</i>	<i>Long-term incentive plans</i>			
Terry Lynch President and CEO <sup>(5)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	180,000 <sup>(6)</sup>	180,000
Patrick Cruickshank Former President and CEO <sup>(5)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A	180,000 <sup>(8)</sup>	180,000
	2016	N/A	N/A	253,040 <sup>(3)</sup>	N/A	N/A	N/A	135,000 <sup>(8)</sup>	264,800
Daniel Crandall CFO	2017	N/A	N/A	N/A	N/A	N/A	N/A	55,495 <sup>(7)</sup>	55,495
	2016	N/A	N/A	26,244 <sup>(4)</sup>	N/A	N/A	N/A	50,798 <sup>(7)</sup>	77,042

(1) Year ended December 31.

(2) The Company did not grant any share based awards.

(3) The fair value of the options granted has been estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2016	2017
Risk-free rate	0.86%	N/A
Expected dividend yield	0%	N/A
Expected stock price volatility	193%	N/A
Expected life of options	5 years	N/A

(4) The fair value of the options granted has been estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2016	2017
Risk-free rate	0.96%	N/A
Expected dividend yield	0%	N/A
Expected stock price volatility	196%	N/A
Expected life of options	5 years	N/A

(5) Mr. Patrick Cruickshank resigned as President and CEO on March 9, 2018. Mr. Terry Lynch is the current CEO effective March 9, 2018. Services provided by Mr. Terry Lynch as a director are included below.

(6) This amounts, plus applicable HST, were paid to Punchcast Inc. for executive services provided to the Company. Punchcast Inc. is owned and controlled by Mr. Terry Lynch.

(7) This amounts, plus applicable HST, were paid to Marrelli Support Services Inc. for accounting and CFO services provided to the Company. Mr. Daniel Crandall is a senior employee of Marrelli Support Services Inc..

(8) This amounts, plus applicable HST, were paid to Royal Stewart Capital Corp. for executive services provided to the Company. Royal Stewart Capital Corp. is owned and controlled by Mr. Patrick Cruickshank.

All compensation has been in the normal course of operations, and in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

### Incentive Plan Awards

The following table discloses the particulars for each Named Executive Officer all awards outstanding at the end of December 31, 2016:

#### Outstanding share-based compensation and option-based awards

<i>NEO Name</i>	<i>Option-based Awards</i>				<i>Share-based Awards</i>	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date</i>	<i>Value of unexercised in-the-money options (\$)<sup>(1)</sup></i>	<i>Number of shares or units of shares that have not vested (#)</i>	<i>Market of payout value of share-based awards that have not vested (\$)</i>
Patrick Cruickshank	250,000	0.36	May 27, 2021	95,000	N/A	N/A
	200,000	0.60	November 14, 2021	28,000	N/A	N/A
Daniel Crandall	30,000	1.00	June 11, 2019	nil	N/A	N/A
	45,000	0.60	November 14, 2021	6,300	N/A	N/A

(1) The value of unexercised in-the-money options on December 31, 2016 is based on Company's common share price of \$0.74 per share less the granted options exercise price.

The following table discloses the particulars for each Named Executive Officer all awards outstanding at the end of December 31, 2017:

#### Outstanding share-based compensation and option-based awards

<i>NEO Name</i>	<i>Option-based Awards</i>				<i>Share-based Awards</i>	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date</i>	<i>Value of unexercised in-the-money options (\$)<sup>(1)</sup></i>	<i>Number of shares or units of shares that have not vested (#)</i>	<i>Market of payout value of share-based awards that have not vested (\$)</i>
Patrick Cruickshank	250,000	0.36	May 27, 2021	nil	N/A	N/A
	200,000	0.60	November 14, 2021	nil	N/A	N/A
Daniel Crandall	30,000	1.00	June 11, 2019	nil	N/A	N/A
	45,000	0.60	November 14, 2021	nil	N/A	N/A

(1) The value of unexercised in-the-money options on December 31, 2017 is based on Company's common share price of \$0.28 per share less the granted options exercise price.

### Incentive Plan Awards – value vested or earned during the year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the years ended December 31, 2016 and 2017 for each Named Executive Officer:

<i>Name</i>	<i>Option-based awards – Value vested during the year (\$)</i>	<i>Share-based awards – Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (\$)</i>
Patrick Cruickshank	Nil	N/A	N/A
Daniel Crandall	Nil	N/A	N/A
Terry Lynch	Nil	N/A	N/A

### Termination and Change of Control Benefits

The Company does not have any plan or arrangement to pay or otherwise compensate any Named Executive Officer if his employment is terminated as a result of resignation, retirement, change of control, etc. or if his responsibilities change following a change of control.

### Director Compensation

During the financial years ended December 31, 2016 and 2017, the Company had 9 directors, one of which - Terry Lynch, was also a Named Executive Officer for January 1, 2016 to March 29, 2016 and one of which – Patrick Cruickshank, was also a Named Executive Officer March 29, 2016 to December 31, 2017. For a description of the compensation paid to the Company’s Named Executive Officers who also acted as directors, see “Summary Compensation Table” above.

The following table sets forth all compensation the Company paid or granted to the Company’s directors, in their capacity as directors, or in relation to services provided by them to the Company, other than Named Executive Officer, for the year ended December 31, 2016:

<i>Name</i>	<i>Fees earned <sup>(1)</sup> (\$)</i>	<i>Share-based awards (\$)<sup>(2)</sup></i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)<sup>(3)</sup></i>	<i>Total (\$)</i>
Ian Pirie <sup>(6)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Kent	N/A	N/A	24,786 <sup>(9)</sup>	N/A	N/A	12,000	36,786
Dan Gosselin <sup>(5)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gary Lohman <sup>(4)</sup>	N/A	N/A	103,710 <sup>(8)</sup>	N/A	N/A	60,000 <sup>(7)</sup>	163,710
Thomas Comfort	N/A	N/A	43,740 <sup>(9)</sup>	N/A	N/A	N/A	43,740
Greg McKenzie	N/A	N/A	43,740 <sup>(9)</sup>	N/A	N/A	N/A	43,740
Terry Lynch	N/A	N/A	116,640 <sup>(4)</sup>	N/A	N/A	108,000 <sup>(10)</sup>	224,640

(1) Represents all fees awarded, earned, paid or payable in cash for services as a director.

(2) The Company did not grant any share-based awards.

(3) This includes compensation paid to the Company’s directors for services provided to the Company. All fees have been in the normal course of operations, and in management’s opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

(4) Mr. Gary Lohman became a director May 19, 2016.

- (5) Mr. Thomas Comfort and Greg Mckenzie became directors November 10, 2016.
- (5) Mr. Dan Gosselin resigned as a director May 19, 2016.
- (6) Mr. Ian Pirie resigned as a director November 10, 2016.
- (7) This amounts, plus applicable HST, were paid to 2519470 Ontario Inc. for VP exploration services provided to the Company. 2519470 Ontario Inc. is owned and controlled by Mr. Gary Lohman.
- (8) The fair value of the options granted has been estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2016	2017
Risk-free rate	0.82%	N/A
Expected dividend yield	0%	N/A
Expected stock price volatility	191%	N/A
Expected life of options	5 years	N/A

- (9) The fair value of the options granted has been estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2016	2017
Risk-free rate	0.96%	N/A
Expected dividend yield	0%	N/A
Expected stock price volatility	196%	N/A
Expected life of options	5 years	N/A

- (10) This amounts, plus applicable HST, were paid to Punchcast Inc. for executive services provided to the Company. Punchcast Inc. is owned and controlled by Mr. Terry Lynch.

The following table sets forth all compensation the Company paid or granted to the Company's directors, in their capacity as directors, or in relation to services provided by them to the Company, other than Named Executive Officer, for the year ended December 31, 2017:

<i>Name</i>	<i>Fees earned</i> <sup>(1)</sup> ( <i>\$</i> )	<i>Share-based awards</i> ( <i>\$</i> ) <sup>(2)</sup>	<i>Option-based awards</i> ( <i>\$</i> ) <sup>(4)</sup>	<i>Non-equity incentive plan compensation</i> ( <i>\$</i> )	<i>Pension value</i> ( <i>\$</i> )	<i>All other compensation</i> ( <i>\$</i> ) <sup>(3)</sup>	<i>Total</i> ( <i>\$</i> )
Peter Kent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gary Lohman	N/A	N/A	N/A	N/A	N/A	96,000 <sup>(6)</sup>	96,000
Thomas Comfort	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Greg McKenzie	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Les Mallard	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Terry Lynch	N/A	N/A	N/A	N/A	N/A	144,000 <sup>(7)</sup>	144,000

- (1) Represents all fees awarded, earned, paid or payable in cash for services as a director.
- (2) The Company did not grant any share-based awards.
- (3) This includes compensation paid to the Company's directors for services provided to the Company. All fees have been in the normal course of operations, and in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.
- (4) The Company did not grant any option-based awards.
- (5) Mr. Les Mallard became a director October 17, 2017.
- (6) This amounts, plus applicable HST, were paid to 2519470 Ontario Inc. for VP exploration services provided to the Company. 2519470 Ontario Inc. is owned and controlled by Mr. Gary Lohman.
- (7) This amounts, plus applicable HST, were paid to Punchcast Inc. for executive services provided to the Company. Punchcast Inc. is owned and controlled by Mr. Terry Lynch.

## Narrative Discussion

The Company currently does not pay directors who are not employees or officers of the Company for attending directors meetings or for serving on committees. The Company has no arrangements, standard for otherwise, pursuant to which directors are compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Company's directors have received any cash compensation for services provided in their capacity as directors during the Company's most recently completed financial year. Some Directors have from time to time however been engaged in a consulting capacity by the Company.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. The Company granted stock options to the Directors during the most recently completed financial year.

## Share-based awards, option based awards and non-equity incentive plan compensation

### Incentive Plan Awards

The following table discloses the particulars for each director for awards outstanding at December 31, 2016:

#### Outstanding share-based awards and option-based awards

<i>Name</i>	<i>Option –based awards</i>				<i>Share-based awards</i>	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date</i>	<i>Value of unexercised in-the-money options (\$)<sup>(1)</sup></i>	<i>Number of share or units of shares that have not vested (#)</i>	<i>Market of payout value of share-based awards that have not vested (\$)</i>
Peter Kent	60,000	1.00	June 11, 2019	N/A	N/A	N/A
	42,500	0.60	November 14, 2021	5,950	N/A	N/A
Terry Lynch	200,000	1.00	June 11, 2019	N/A	N/A	N/A
	200,000	0.60	November 14, 2021	28,000	N/A	N/A
Gary Lohman	150,000	0.36	May 27, 2021	57,000	N/A	N/A
	37,500	0.60	November 14, 2021	5,250	N/A	N/A
Greg McKenzie	75,000	0.60	November 14, 2021	10,500	N/A	N/A
Thomas Comfort	75,000	0.60	November 14, 2021	10,500	N/A	N/A

(1) The value of unexercised in-the-money options on December 31, 2016 is based on Company's common share price of \$0.74 per share less the granted options exercise price.

The following table discloses the particulars for each director for awards outstanding at December 31, 2017:

**Outstanding share-based awards and option-based awards**

<i>Name</i>	<i>Option –based awards</i>				<i>Share-based awards</i>	
	<i>Number of securities underlying unexercised options (#)</i>	<i>Option exercise price (\$)</i>	<i>Option expiration date</i>	<i>Value of unexercised in-the-money options (\$)<sup>(1)</sup></i>	<i>Number of share or units of shares that have not vested (#)</i>	<i>Market of payout value of share-based awards that have not vested (\$)</i>
Peter Kent	60,000	1.00	June 11, 2019	nil	N/A	N/A
	42,500	0.60	November 14, 2021	nil	N/A	N/A
Terry Lynch	200,000	1.00	June 11, 2019	nil	N/A	N/A
	200,000	0.60	November 14, 2021	nil	N/A	N/A
Gary Lohman	150,000	0.36	May 27, 2021	nil	N/A	N/A
	37,500	0.60	November 14, 2021	nil	N/A	N/A
Greg McKenzie	75,000	0.60	November 14, 2021	nil	N/A	N/A
Thomas Comfort	75,000	0.60	November 14, 2021	nil	N/A	N/A
Les Mallard	None	N/A	N/A	N/A	N/A	N/A

(1) The value of unexercised in-the-money options on December 31, 2017 is based on Company's common share price of \$0.28 per share less the granted options exercise price.

**Incentive Plan Awards – value vested or earned during the year**

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the years ended December 31, 2016 and 2017 for each director who was not also a Named Executive Officer:

<i>Name</i>	<i>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></i>	<i>Share-based awards – Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation – Value earned during the year (\$)</i>
Ian Pirie	Nil	N/A	N/A
Peter Kent	Nil	N/A	N/A
Dan Gosselin	Nil	N/A	N/A
Gary Lohman	Nil	N/A	N/A
Thomas Comfort	Nil	N/A	N/A
Greg McKenzie	Nil	N/A	N/A
Terry Lynch	Nil	N/A	N/A
Les Mallard	Nil	N/A	N/A

- (1) The options were vested immediately on the date of grant and assumes that the vested options were exercised on the vesting date.