

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares of Chilean Metals Inc.. (the “**Corporation**”). The Corporation’s office is located at 82, Richmond Street East, Suite 202, Toronto, Ontario M5C 1P1.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

TSX Venture Exchange.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Critical Elements Lithium Corporation
1080, Côte du Beaver Hall, Suite 2101
Montreal, Qc, H2Z 1S8

2.2 State the date of

the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The shares were acquired on February 24, 2021, pursuant to an option agreement dated December 22, 2020 (the “Option Agreement”). Under the terms of the Option Agreement, Critical Elements Lithium Corporation granted to Chilean Metals Inc. the option to earn up to 80% of the Nisk nickel-copper-PGE project, subject to certain royalties and encumbrances, in exchange for Chilean Metals Inc. making cash payments totaling \$500,000, \$5,000,000 Work Expenditures on the Property and the issuance of 12,051,770 shares of Chilean Metals Inc. to Critical Elements Lithium Corporation.

2.3 State the names of any joint actors.

None.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s security holding percentage in the class of securities.

Critical Elements Lithium Corporation acquired 12,051,770 shares of Chilean Metals Inc., representing an approximately 19.6% ownership interest in Chilean Metals Inc.. Prior to the

Transaction, Critical Elements Lithium Corporation did not have ownership of any securities of Chilean Metals Inc.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Critical Elements Lithium Corporation acquired ownership and control of 12,051,770 shares of Chilean Metals Inc.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Critical Elements Lithium Corporation acquired 12,051,770 shares of Chilean Metals Inc., representing an approximately 19.6% ownership interest in Chilean Metals Inc.. Prior to the Transaction, Critical Elements Lithium Corporation did not have ownership of any securities of Chilean Metals Inc.

3.5 State the designation and number or principal amount of securities and the acquiror's security holding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See previous Section 3.4.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall

the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The shares were acquired pursuant to the Option Agreement. The closing price of the common shares of Chilean Metals Inc. on the date of acquisition was \$0.31 per share, giving a value of \$3,736,049 to the shares acquired by Critical Elements Lithium Corporation on the acquisition date.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.

The shares were acquired as consideration under the terms of an Option Agreement. The shares acquired will be held for investment purposes. Critical Elements Lithium Corporation may, depending on market and other conditions, dispose of its beneficial ownership of Chilean Metals Inc.'s securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

In accordance with applicable securities laws, Critical Elements Lithium Corporation may, from time to time and at any time, acquire additional shares of Chilean Metals Inc. in the open market or otherwise, and it reserves the right to dispose of any or all of his shares in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the shares, the whole depending on market conditions, the business and prospects of Chilean Metals Inc. and other relevant factors.

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable.

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

Not applicable.

- (j) a solicitation of proxies from securityholders;**

Not applicable.

- (k) an action similar to any of those enumerated above.**

Not applicable.

Item 6 – Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

February 26, 2021

Date

(s) Jean-Sébastien Lavallée

Signature

Jean-Sébastien, Chief Executive Officer

Name