Chieftain Metals Approved the Issue of Replacement Options to Directors and Management

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TORONTO, Jun 23, 2016 - Chieftain Metals Corp. ("Chieftain" or the "Corporation") (TSX VENTURE:CFB) announces that, subject to final TSX and shareholder approvals, the Board of Directors passed a resolution to issue 1,762,574 replacement options to purchase common shares of the Corporation to directors and management at C$0.15. The replacement options will vest over the next 2 years and expire in June 2026, according to Chieftain's Stock Option Plan.

From the above total amount, 1,462,574 would be immediately issued upon such final approvals, while the issuance of the remaining options would be conditional on the increase of Chieftain's outstanding shares from 16,751,875 to 19,751,875 in the event that certain fees owed to West Face Capital Inc. are paid by the issuance of 3 million common shares of the Corporation (see May 18, 2016 press release).

All existing options held by recipients of replacement options will be cancelled.

About Chieftain

Chieftain Metals Corp. is a public company, whose principal business is the development of its permitted and construction ready Tulsequah Chief VMS deposit, located in north-western British Columbia, Canada. In 2014, Chieftain concluded a bankable feasibility study confirming the high grades and low production cost of the metals (gold, silver, copper, zinc and lead) contained in the deposit, as well as an after-tax NPV8% of C$146 million (see entire feasibility report at www.sedar.com under the Corporation's profile). Currently, the Corporation is conducting a strategic review process and has appointed Endeavour Financial Limited (Cayman), a mining finance advisory firm, to assist the Corporation with this process.

Total shares outstanding: 16,751,875

Cautionary Statement Regarding Forward-Looking Information

This press release contains forward-looking information. All statements, other than statements of historical fact, are forward-looking and can be identified by the use of future-oriented words and phrases including without limitation "may", "will", "could", "subject to", "expects" and variations and negatives thereof. Forward-looking information contained in this document is based on the opinions and estimates of management as well as certain assumptions considered by management to be reasonable and which are made as at the date the information is given. Readers should be cautioned that forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by Chieftain. The forward-looking information contained herein is made as of the date hereof and Chieftain assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.

Neither 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.

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