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Friday 2nd March 2018

## **Media Article on Hot Chili's El Fuego High Grade Copper Project**

Hot Chili Limited (ASX Code: HCH) is pleased to provide a copy of an article published in The West Australian Business News on 1st March 2018.

The article details recent developments at San Antonio, where Hot Chili has recently entered into an option agreement to earn a 90% stake in the San Antonio mine (and surrounding landholding), just 20kms east of Productora.

The news article describes a 16.3 tonne sulphide ore parcel, extracted by lease miners, averaging 5% copper, and extracted from 12-15m below surface as unthinkable.

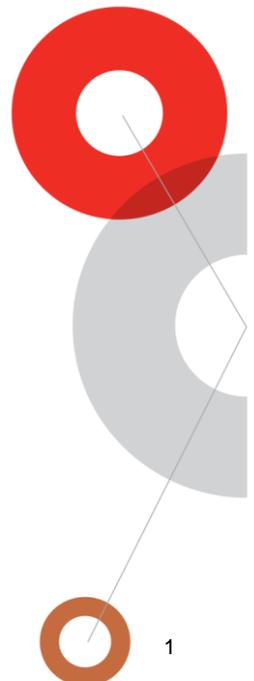
It goes on to highlight that San Antonio is located in one of the worlds richest copper districts, which has seen very little modern exploration, with the majority of the deposit remaining untested.

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## Hot Chili gets high grade copper sniff in Chile

Matt Birney, ASX-listed company news as it happens

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Thursday, 1 March 2018 8:54AM



The San Antonio copper mine

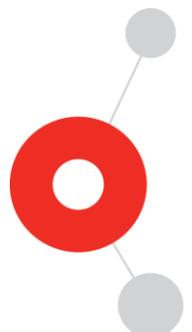
ASX listed Hot Chili's recently acquired San Antonio copper mine in Chile could be much larger and higher grade than first expected.

The company has done a double take on the project following on from its exploration success and the remarkable efforts of small-scale lease miners.

Hot Chili is best-known as the developer of the Productora copper mine in Chile, which has a resource base of 1.5Mt of copper and 1M ounces of gold.

The company last year began acquiring stranded, high grade ore bodies within trucking distance of Productora that could boost the economics of the project ahead of the completion of a definitive feasibility study.

One of the key deals was a four-year option struck in November to earn a 90% stake in the San Antonio mine, 20kms east of Productora.





San Antonio has been underground mined on a small scale by private owners since 1964. In more than 50 years, only 2Mt of ore has been extracted, averaging 2% copper and 0.5 g/t gold. Mining has been limited to a strike length of 200 metres and depths of up to 130 metres.

Hot Chili's option agreement allows the historical private owners to mine up to 50,000 tonnes a year, which is processed nearby at a facility owned by Chile's Nacional de Minería known as ENAMI.

In an update lodged with the ASX this week, Hot Chili reported that ENAMI had just certified a 16.3 tonne sulphide ore parcel extracted by the lease miners, averaging 5.24% copper, 17 g/t silver and 0.2 g/t gold. The ore was reportedly extracted over a 2m true width from a depth of just 12m to 15m.

The copper ore parcel resets expectations about the grade potential at San Antonio. Just as importantly, the location at which it was mined – 300 metres south of the mine – confirms the presence of high-grade, shallow copper ore over 1km of strike length.

The idea of shallow 5% copper is normally unthinkable just about anywhere in the world, however San Antonio is in one of the world's richest copper districts, albeit it has experienced very little modern exploration.

The lease miner's remarkable efforts coincide with very encouraging results from early exploration by Hot Chili, including surface rock chip results of up to 4.43% copper. Consequently, San Antonio will now be the first priority of the upcoming drill campaign.

Hot Chili management said detailed exploration mapping had *“outlined compelling characteristics of a potentially large-scale deposit setting. Given development widths of 7m to 30m within the current underground and surface workings, the large-scale potential of the deposit is only now becoming evident.”*

*“Importantly, this work and our improving understanding of mineralisation morphology and controls has highlighted that several of the previously completed nine historical drill holes across San Antonio have been ineffective, and that the majority of the deposit remains untested.”*

San Antonio is one of three potentially high-grade satellites at Productora. San Antonio and the Valentina mine, just 5kms north, are within a contiguous parcel of leases now known as the El Fuego Copper project. 30kms west of Productora is the newly optioned Lulu high-grade copper mine, which has been privately held since 1932.

These historical deposits have effectively been stranded for some time without a modern copper processing plant in the district.

Hot Chili is aiming to reverse that trend and if recent samples are any kind of an indication of grade, they will really be onto something hot in Chile.

