



ASX Announcement

Wednesday 18th April 2018

Large Extensions & Multiple Parallel Lodes Confirmed at San Antonio

High Grade Copper and Gold at Surface Now Extends Across 1.5km Strike

ASX CODE

HCH

Contact

Mr Christian Easterday
Managing Director

E: admin@hotchili.net.au

www.hotchili.net.au

Historical Mine Data Providing Breakthrough for Extensional Targeting

- Historical mine data just received for the 60 and 90 Level of The San Antonio high grade copper-gold mine, part of the Company's El Fuego copper project in Chile, reveals **large untested high grade extensions and a new parallel hanging-wall lode which remain open**. These include:

60 Level (60m from surface) historical underground drilling intercepts

- 12m grading 2.9% Copper (*including 5m grading 4.3% Copper*)
- 12m grading 2.6% Copper *including 6m grading 3.2% Copper*)
- 10m grading 2.2% Copper, and
- 9m grading 2.4% Copper

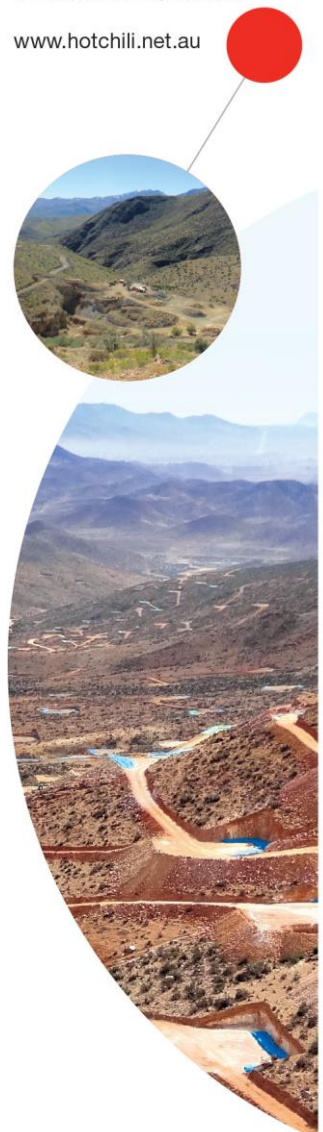
90 Level (90m from surface) historical underground drilling intercepts

- 14m grading 3.1% Copper (*including 5m grading 5.5% Copper*)
- 8m grading 3.1% Copper, and
- 11m grading 2.5% Copper

San Antonio Deposit Footprint Growing

- Shallow exploratory mine development by lease miners (under a capped arrangement) **300m south of San Antonio** have extracted (from 12m to 15m depth) a **second certified sulphide ore parcel measuring 15.02 tonne grading 3.68% copper**
- Surface rock chip sampling **750m south of San Antonio** has returned a result of **2.8g/t gold and 0.1% copper** from an **outcropping 20m wide felsic dyke** displaying quartz-carbonate veining

Hot Chili Limited (ASX code HCH) ("Hot Chili" or "Company") is pleased to report continuing positive results in the lead up to a planned first drilling programme across the Company's rapidly emerging high grade El Fuego copper project in Chile.



Recently received historical underground drill hole data has reinforced the Company's view that the San Antonio mine area represents a prized, large tonnage, high grade resource development opportunity and a priority for planned first drilling (Figure 1).

Detailed mapping and sampling as well as ongoing lease mining results have now confirmed the presence of shallow high grade copper and gold mineralisation over 1.5km in strike length at San Antonio.

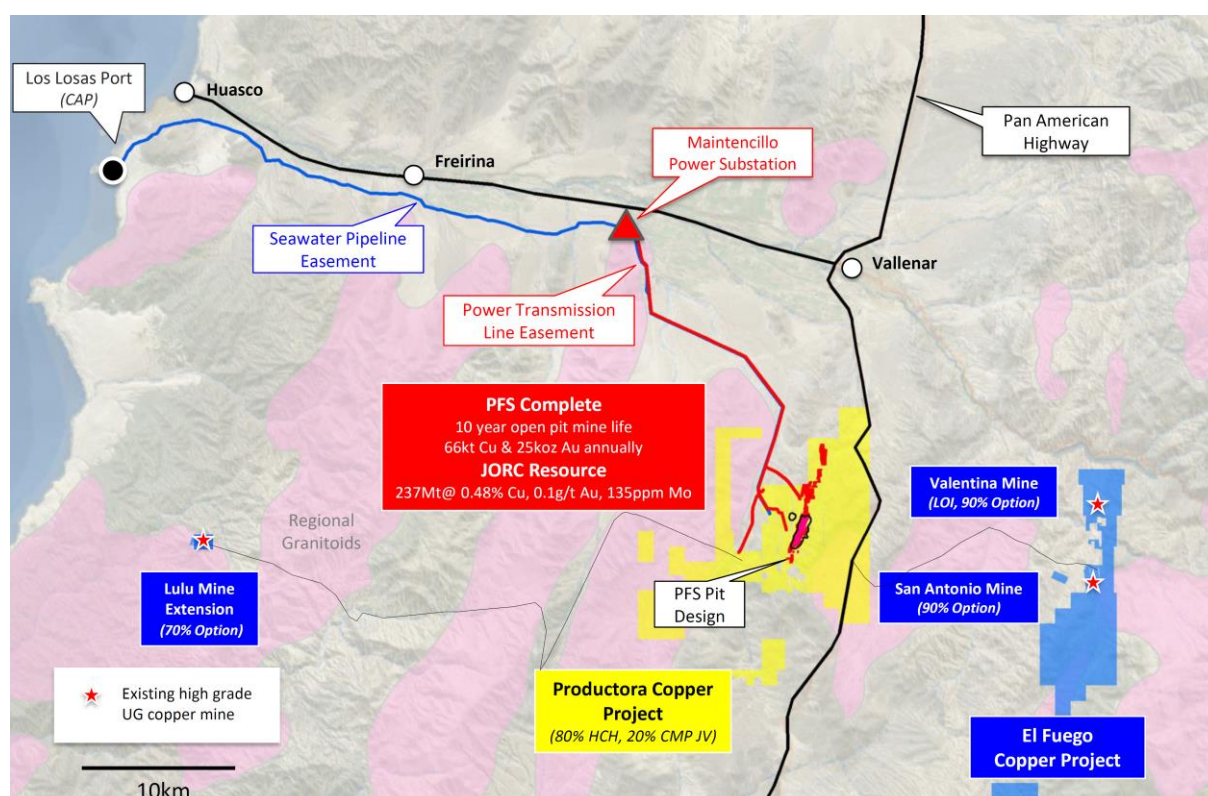


Figure 1 The new consolidated high grade El Fuego copper project in relation to the Company's existing large-scale Productora copper project.

Historical Data Highlights Large, High Grade Mine Extensions at San Antonio

Hot Chili have recently received a large amount of historical underground sampling data (face sampling and drilling) for San Antonio which had not previously been available to the Company.

Information compiled already from the 60 and 90 Level of the mine (60m and 90m from surface, respectively) has provided further confidence in the grade and width continuity of mineralisation at San Antonio and outlined high grade extensions and parallel lodes which have not been followed up as displayed in Figures 2 and 3 below.



Significant historical drill results (horizontal holes outlined in Figure 2 below) that currently remain open and untested from the 60 Level (60m from surface) include:

- 12m grading 2.9% Copper (including 5m grading 4.3% Copper)
- 12m grading 2.6% Copper including 6m grading 3.2% Copper), and
- 10m grading 2.2% Copper

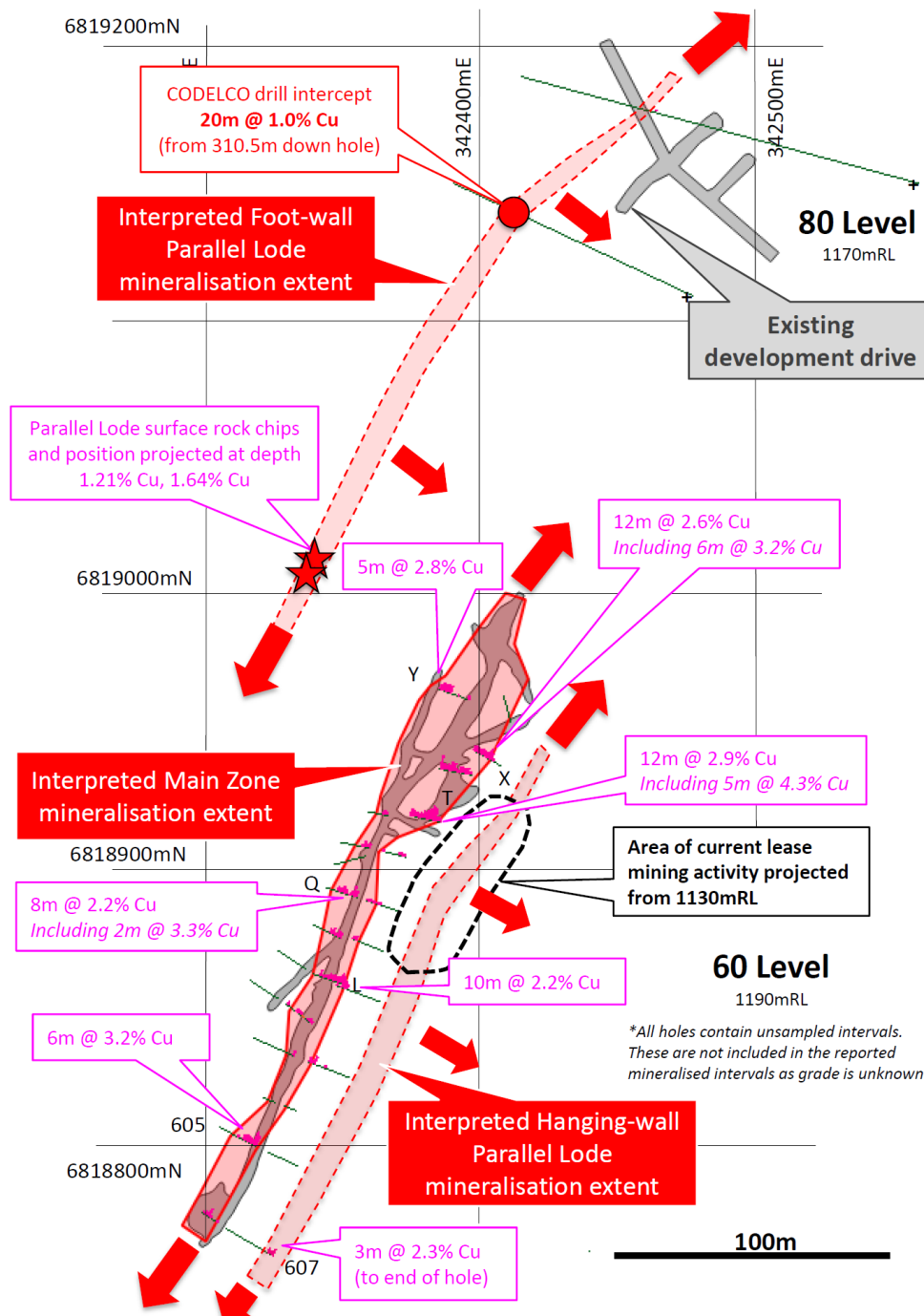


Figure 2 Recently compiled historical underground drilling information from the 60 Level of San Antonio.

Significant historical drill results (horizontal holes) that currently remain open and untested from the 90 Level (90m from surface) include:

- 14m grading 3.1% Copper (including 5m grading 5.5% Copper)
- 8m grading 3.1% Copper, and
- 11m grading 2.5% Copper

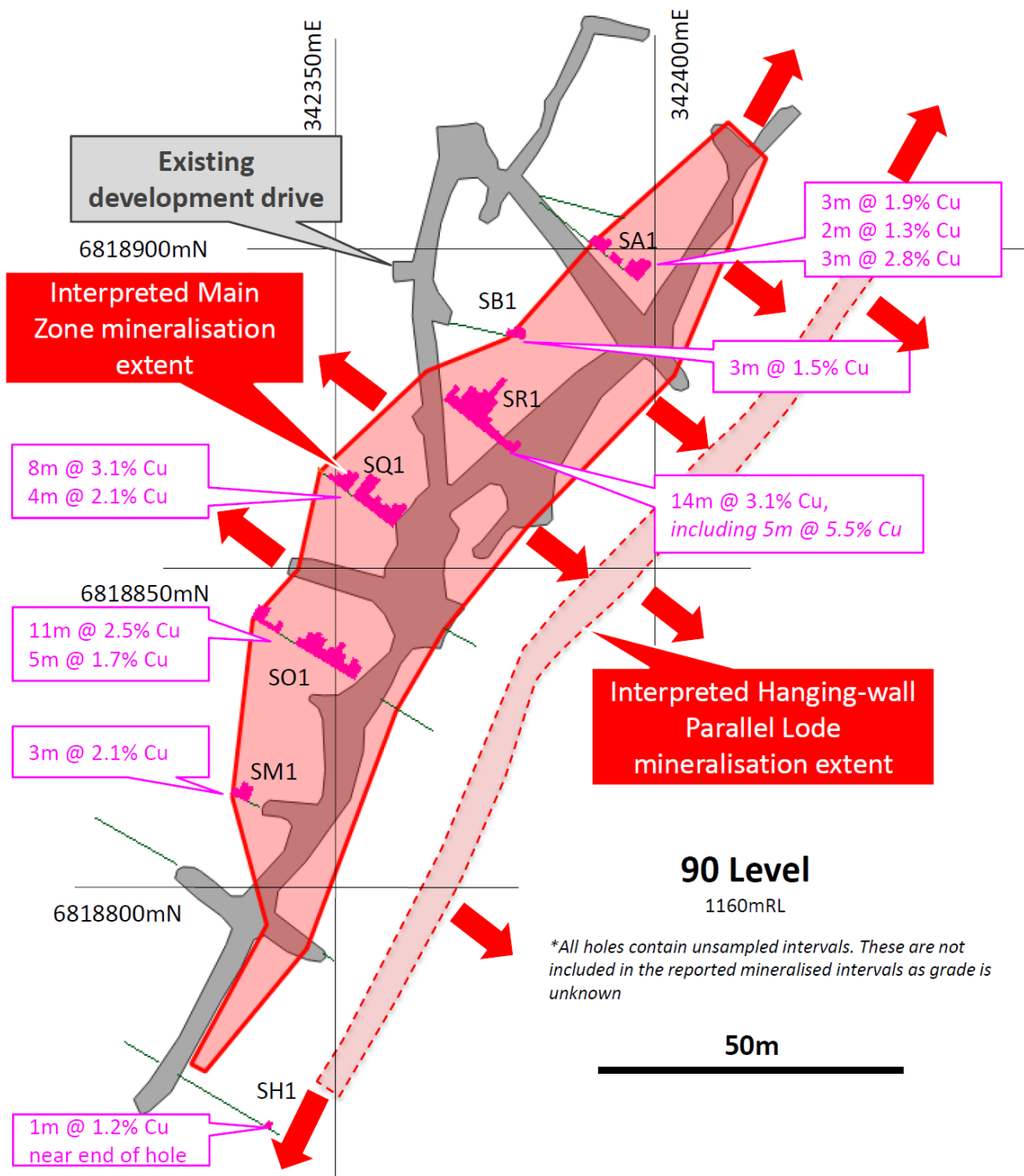


Figure 3 Recently compiled historical underground drilling information from the 90 Level of San Antonio.



In addition to outlining strike and depth extensions to the Main Lode of the San Antonio mine, historical underground drilling has confirmed a second parallel zone of high grade mineralisation – located along the hanging wall (eastern extent) to the Main Lode.

The hanging-wall mineralisation identified in the 60 Level appears to be the same lode which is the current focus of small scale underground lease mining activities (being undertaken under a capped 50,000 tonne per annum arrangement - see ASX announcement dated 1st March 2018). Lease miners have recorded production grades ranging between 2.1% and 4.3% copper (weighted average grade of 3.1% copper) over the past few months.

This information has substantially increased the potential size of near-mine extensions at San Antonio. Parallel lodes have now been confirmed on both the foot-wall and hanging-wall to the Main Lode (the focus of historical exploitation).

Importantly, only high grade copper intervals were sampled from the historical underground mine drill holes, providing an incomplete picture of the larger tonnage, near-surface potential that may exist at San Antonio.

Given the shallow depth of development and significant remnant high grade material present, Hot Chili believes the San Antonio mine area and its immediate extensions have the potential to be amenable to open pit development.

Only nine historical surface drill holes have been completed across the San Antonio mine area. It is now apparent that several of these drill holes did not effectively test the potential for extensions to the underground mine.

Once all historical underground data has been compiled and integrated into the San Antonio 3D mine model, Hot Chili will be in a strong position to more effectively target identified high grade mine extensions and parallel lodes in its planned forthcoming drilling programme.

San Antonio Potential Grows to Over 1.5km Strike Length

Hot Chili have received further encouraging surface sampling results as well as production certificates from lease mining activities (under a capped arrangement) along strike and to the south of the San Antonio mine.

These new results have highlighted a very large extension to known shallow, high grade, copper-gold mineralisation at San Antonio and include:

- Small-scale lease mining from a shallow exploratory drive 300 metres south of the most southern extent of the existing San Antonio mine, has produced a second certified high grade sulphide ore parcel of **15.02 tonne grading 3.68% copper**. This is in addition to an earlier **16.3 tonne sulphide ore parcel with a certified grade of 5.24% copper, 17g/t silver and 0.2g/t gold that was extracted from 12-15m depth** at the same location (see ASX announcement dated 1st March 2018)
- Detailed mapping and sampling further to the south (750m south of the most southern extent of the existing San Antonio mine) has returned a **surface rock chip result of 2.85g/t gold and 0.1% copper from a 20m wide felsic dyke** displaying high-density quartz-carbonate veining.



San Antonio's deposit footprint now extends over 1.5km in strike length and still remains open along strike and at depth as displayed in Figure 2.

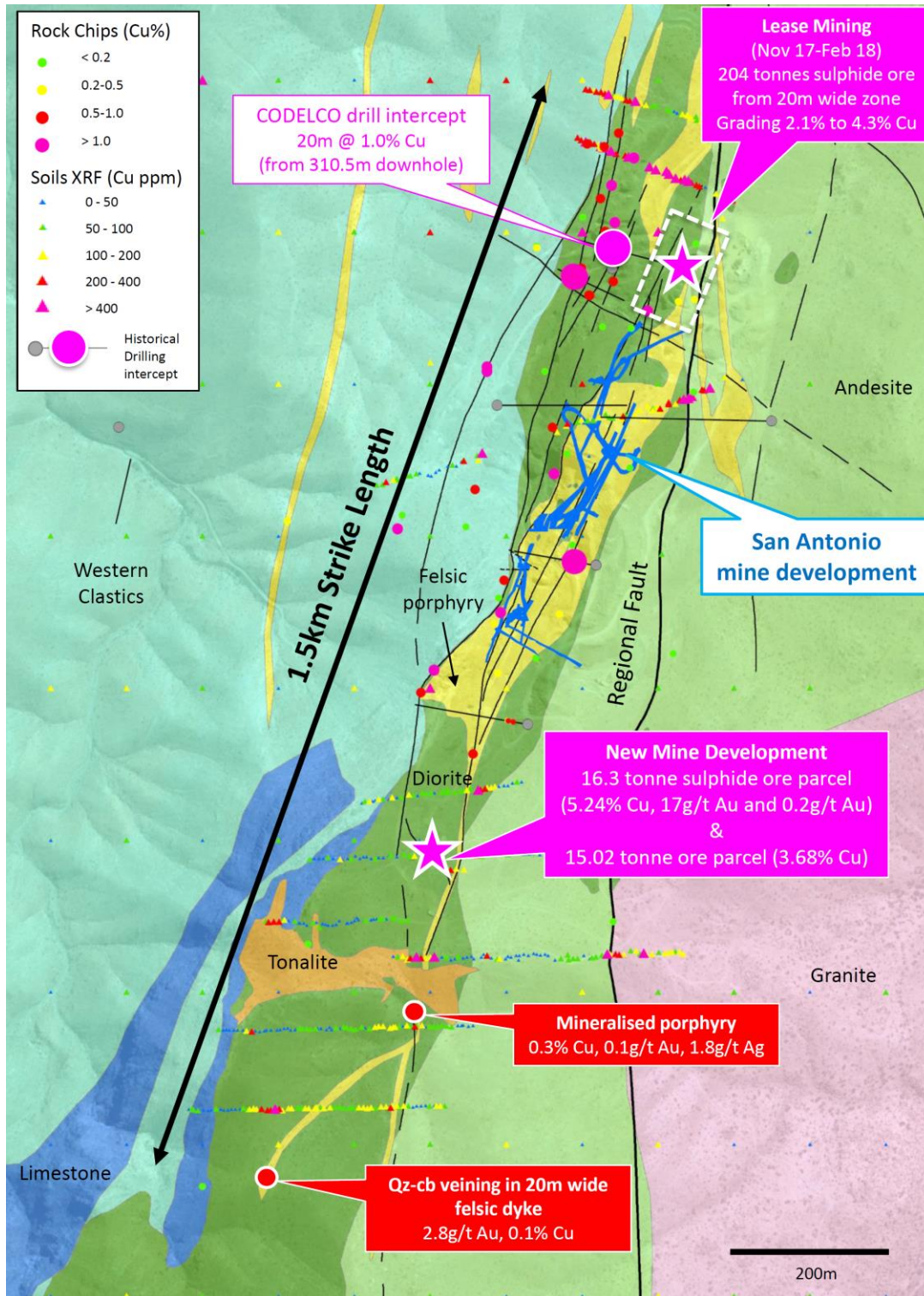


Figure 4 San Antonio solid geology and surface rock chip results in relation to significant extensional results along the main deposit trend.



The Company has compiled, for the first time, a detailed geological and structural interpretation of the San Antonio deposit and its surrounding area. These new results have even greater significance when put into context with this work as outlined in Figure 4 above.

High grade copper and gold mineralisation at San Antonio is structurally controlled and hosted within a thick diorite unit which has been variably intruded by a felsic porphyry. An east-dipping fault network is interpreted to have promoted copper-gold bearing fluid flow along this corridor which has now been mapped for over 1.5km strike.

Hot Chili believes that the high grade San Antonio copper mine, while underpinning substantial extensional potential, may represent only a small window into a much larger, high grade deposit setting.

Further Results Expected in the Coming Weeks

Recent exploration by Hot Chili has focussed on the El Fuego landholding located within short trucking distance and immediately east of the Company's large-scale Productora copper project (Figure 1).

The Company expects to shortly release the results of detailed mapping and sampling undertaken over a 5km corridor immediately north of San Antonio, extending to the Valentina high grade underground copper mine.

Further surface mapping is planned to be extended southwards from San Antonio in the coming months, where multiple +1km long copper soil anomalies have been identified.

Historical underground face sampling data has been received for the San Antonio mine and is currently being compiled and registered for integration into the 3D mine model.

In addition, preparations are underway to submit regulatory applications in the coming weeks for a maiden drilling programme over priority targets at El Fuego.

For more information please contact:

Christian Easterday
Managing Director

+61 8 9315 9009
Email: christian@hotchili.net.au

or visit Hot Chili's website at www.hotchili.net.au





Table 1 Historical underground drilling intercepts recorded from the 60 and 90 Level of the San Antonio underground copper mine.

UG Level	Hole ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)
		North	East	RL				From	To		
60 Level	601	6818858	342345	1190	110.5	0	17	0	1	1	1.4
								3	5	2	3.0
60 Level	602	6818830	342335	1190	111.2	0	16	0	3	3	2.2
								6	7	1	1.3
60 Level	603	6818832	342330	1190	294.1	0	16	0	1	1	2.0
60 Level	605	6818799	342316	1190	297.6	0	15	0	6	6	3.2
								7	8	1	1.2
60 Level	606	6818771	342302	1190	304.4	0	7	0	1	1	1.3
								3	7	4	1.9
60 Level	607	6818769	342305	1190	120.3	0	20	17	20	3	2.3
60 Level	J	6818851	342327	1190	127.4	0	12	0	1	1	1.8
								4	7	3	1.5
								7	9	2	0.4
								9	12	3	1.3
60 Level	L	6818862	342337	1190	108.3	0	12	2	12	10	2.2
60 Level	N	6818875	342351	1190	112.1	0	12	0	2	2	1.5
60 Level	O	6818875	342347	1190	296.1	0	11	0	5	5	2.1
60 Level	P	6818889	342356	1190	108.3	0	12	0	6	6	1.0
60 Level	Q	6818890	342353	1190	287.4	0	12	0	8	8	2.2
					<i>including</i>			0	2	2	3.3
60 Level	R	6818907	342362	1190	104	0	9	0	1	1	1.1
								6	9	3	1.2
60 Level	S	6818908	342358	1190	281.2	0	11	0	4	4	1.8
60 Level	T	6818920	342372	1190	102.1	0	12	0	12	12	2.9
					<i>including</i>			5	10	5	4.3
60 Level	U	6818920	342364	1190	281.1	0	7	0	2	2	1.8
60 Level	W	6818937	342383	1190	100.6	0	12	0	12	12	2.6
					<i>including</i>			0	6	6	3.2
60 Level	X	6818944	342395	1190	119.5	0	12	0	9	9	2.4
60 Level	Y	6818962	342394	1190	290.5	0	12	0	1	1	1.9
								4	5	1	1.0
								7	12	5	2.8
90 Level	SA1	6818907	342382	1160	128.6	0	20	10	13	3	1.9
								14	16	2	1.2
								17	20	3	3.0
90 Level	SB1	6818888	342368	1160	102.3	0	12	9	12	3	1.5



UG Level	Hole ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)
		North	East	RL				From	To		
90 Level	SH1	6818770	342325	1160	120.5	0	19	16	17	1	1.2
90 Level	SM1	6818812	342338	1160	294.5	0	5	2	5	3	2.1
	SO1	6818832	342353	1160	301.1	0	19	0	11	11	2.5
								14	19	5	1.7
90 Level	SQ1	6818856	342359	1160	307.2	0	15	0	8	8	3.1
								9	13	4	2.2
90 Level	SR1	6818876	342367	1160	128.2	0	14	0	14	14	3.1
					<i>including</i>			2	7	5	5.5

Please see JORC Table 1 for notes relating to historical drilling information. All holes contain unsampled intervals which are not included in the reported mineralised intervals as grade is unknown.





Qualifying Statements

JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 2nd March 2016

Ore Type	Reserve Category	Tonnage (Mt)	Grade			Contained Metal			Payable Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Oxide	Probable	24.1	0.43	0.08	49	103,000	59,600	1,200	55,600		
Transitional		20.5	0.45	0.08	92	91,300	54,700	1,900	61,500	24,400	800
Fresh		122.4	0.43	0.09	163	522,500	356,400	20,000	445,800	167,500	10,400
Total	Probable	166.9	0.43	0.09	138	716,800	470,700	23,100	562,900	191,900	11,200

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Note 2: Price assumptions: Cu price - US\$3.00/lb; Au price US\$1200/oz; Mo price US\$14.00/lb. Note 3: Mill average recovery for fresh Cu - 89%, Au - 52%, Mo - 53%. Mill average recovery for transitional; Cu 70%, Au - 50%, Mo - 46%. Heap Leach average recovery for oxide; Cu - 54%. Note 4: Payability factors for metal contained in concentrate: Cu - 96%; Au - 90%; Mo - 98%. Payability factor for Cu cathode - 100%.

JORC Compliant Mineral Resource Statements

Productora Higher Grade Mineral Resource Statement, Reported 2nd March 2016

Deposit	Classification	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Productora	Indicated	166.8	0.50	0.11	151	841,000	572,000	25,000
	Inferred	51.9	0.42	0.08	113	219,000	136,000	6,000
	<i>Sub-total</i>	<i>218.7</i>	<i>0.48</i>	<i>0.10</i>	<i>142</i>	<i>1,059,000</i>	<i>708,000</i>	<i>31,000</i>
Alice	Indicated	15.3	0.41	0.04	42	63,000	20,000	600
	Inferred	2.6	0.37	0.03	22	10,000	2,000	100
	<i>Sub-total</i>	<i>17.9</i>	<i>0.41</i>	<i>0.04</i>	<i>39</i>	<i>73,000</i>	<i>23,000</i>	<i>700</i>
Combined	Indicated	182.0	0.50	0.10	142	903,000	592,000	26,000
	Inferred	54.5	0.42	0.08	109	228,000	138,000	6,000
	Total	236.6	0.48	0.10	135	1,132,000	730,000	32,000

Reported at or above 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred.



Productora Low Grade Mineral Resource Statement, Reported 2nd March 2016

Deposit	Classification	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Productora	Indicated	150.9	0.15	0.03	66	233,000	170,000	10,000
	Inferred	50.7	0.17	0.04	44	86,000	72,000	2,000
	<i>Sub-total</i>	<i>201.6</i>	<i>0.16</i>	<i>0.04</i>	<i>60</i>	<i>320,000</i>	<i>241,000</i>	<i>12,000</i>
Alice	Indicated	12.3	0.14	0.02	29	17,000	7,000	400
	Inferred	4.1	0.12	0.01	20	5,000	2,000	100
	<i>Sub-total</i>	<i>16.4</i>	<i>0.13</i>	<i>0.02</i>	<i>27</i>	<i>22,000</i>	<i>9,000</i>	<i>400</i>
Combined	Indicated	163.2	0.15	0.03	63	250,000	176,000	10,000
	Inferred	54.8	0.17	0.04	43	91,000	74,000	2,000
	<i>Total</i>	<i>218.0</i>	<i>0.16</i>	<i>0.04</i>	<i>58</i>	<i>341,000</i>	<i>250,000</i>	<i>13,000</i>

Reported at or above 0.1% Cu and below 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred. Metal rounded to nearest thousand, or if less, to the nearest hundred.

Mineral Resource and Ore Reserve Confirmation

The information in this report that relates to Mineral Resources and Ore Reserve estimates on the Productora copper projects were originally reported in the ASX announcements "Hot Chili Delivers PFS and Near Doubles Reserves at Productora" dated 2nd March 2016. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Person's Statement- Exploration Results

Exploration information in this Announcement is based upon work undertaken by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Easterday consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement- Mineral Resources

The information in this Announcement that relates to the Productora Project Mineral Resources, is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a part time employee of Hot Chili, and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Kirchner is employed by AMC Consultants (AMC). AMC has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Mineral Resource estimates. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Macdonald and Mr Kirchner have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Both Mr Macdonald and Mr Kirchner consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Competent Person's Statement- Ore Reserves**

The information in this Announcement that relates to Productora Project Ore Reserves, is based on information compiled by Mr Carlos Guzmán, Mr Boris Caro, Mr Leon Lorenzen and Mr Grant King. Mr Guzmán is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), a Registered Member of the Chilean Mining Commission (RM- a 'Recognised Professional Organisation' within the meaning of the JORC Code 2012) and a full time employee of NCL Ingeniería y Construcción SpA (NCL). Mr Caro is a former employee of Hot Chili Ltd, now working in a consulting capacity for the Company, and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Registered Member of the Chilean Mining Commission. Mr Lorenzen is employed by Mintrex Pty Ltd and is a Chartered Professional Engineer, Fellow of Engineers Australia, and is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr King is employed by AMEC Foster Wheeler (AMEC FW) and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). NCL, Mintrex and AMEC FW have been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Ore Reserve estimate. Mr. Guzmán, Mr Caro, Mr Lorenzen and Mr King have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guzmán, Mr Caro, Mr Lorenzen and Mr King consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties, and may differ materially from results ultimately achieved.

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.



JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<p>Hot Chili Limited ("Hot Chili" or the "Company") has undertaken surface chip sampling. Samples were taken by geologists from existing workings, or from surface outcrop. These samples were crushed and split at the laboratory, with ~1kg pulverised, with ~150g used for ICP-AES assay determination (for multi-elements including Cu). A 50g charge taken for fire assay fusion (for gold).</p> <p>The sampling techniques used are deemed appropriate for early stage exploration and this type of mineralisation.</p> <p>Drilling, underground development and historical mine production was compiled for the San Antonio project from historical documents. The standard protocols used by the various companies for drilling, sampling, spatial position, assay determination and QA/QC results (if any) are unavailable.</p> <p>Hot Chili Limited ("the Company") has not been able to verify the location, orientation, splitting or sampling methods, analytical technique or any QA/QC related to the reported drill hole samples.</p> <p>To the Company's best knowledge, the drilling results provided in this report were drilled by ENAMI circa 1968/69, by a small percussion machine, with pulverised material collected for each 1m sample length. Method or quality of sampling or splitting in the field or at the laboratory is unknown.</p> <p>The Company is not aware of any retained drilling samples, sample photographs or detailed logging that relate to the reported drilling or surface results.</p> <p>No geological logging data is available for the historic drilling.</p>
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>To the Company's best knowledge, the drilling results provided in this report were drilled by ENAMI circa 1968/69, by a small percussion machine, with pulverised material collected for each 1m sample length.</p> <p>Drill size and specific drill method, as well as standard protocols used by previous companies is unknown.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Recovery, splitting method, sample condition, representivity of historic samples and any relationship between grade, recovery or sample weight is unknown and has not been verified by the Company.</p> <p>The standard protocols used by previous companies for drilling is unknown.</p> <p>The Company is not aware of any twinned drilling at the project.</p>
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>All Hot Chili samples were logged using company logging standards.</p> <p>The Company is not aware of any retained historic drill samples, sample photographs or detailed logging that related to the reported drilling or surface results.</p> <p>The reported results are for historical context and exploration purposes only, and are not under consideration for any Mineral Resource, mining study or metallurgical study.</p> <p>The total length of the relevant mineralised interval(s) is provided in the main body of the report.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of 	<p>For the Hot Chili surface rock chips, the average weight of sample is typically 1.3kg, with all ranges of sample weighing between 0.3-3kg.</p> <p>All samples were submitted to ALS Coquimbo for multi-element analysis. The sample preparation included:</p>

Criteria	JORC Code explanation	Commentary
	<p>samples.</p> <ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Rock chip samples were crushed such that a minimum of 70% is less than 2mm,</p> <p>Samples were then split via rotatory splitter to achieve ~1kg split,</p> <p>This split was then pulverised such that a minimum of 85% passes 75um and 150g was used for analytical pulp (ICP-AES), also 30g was used for fire assay fusion (gold).</p> <p>Standard protocols used by previous companies for drilling is unknown.</p> <p>The Company has not been able to verify the historic location, orientation, splitting or sampling methods, analytical technique or any QA/QC related to the reported historic drill hole.</p> <p>The reported results are for historical context and exploration purposes only, and are not under consideration for any Mineral Resource, mining study or metallurgical study.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>All Hot Chili samples were assayed by industry standard methods through commercial laboratories in Chile (ALS Coquimbo):</p> <p>150g pulps derived from sample preparation (outlines in the previous sections) were used for multi-element analysis. ALS method ME-ICP61 involves a 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by ICP-AES determination.</p> <p>Samples that returned Cu grades >10,000ppm were analysed by ALS “ore grade” method Cu-OG62, which is a 4-acid digestion, followed by AES measurement to 0.001%Cu</p> <p>Pulp samples were subsequently analysed for gold by ALS method Au-ICP21; a 30g lead-collection Fire Assay, followed by ICP-OES to a detection limit of 0.001ppm Au.</p> <p>Hot Chili did not submit any standards or blanks. The analytical laboratory (ALS) provided their own routine quality controls within their own practices. The results from their own validation were provided to Hot Chili.</p> <p>Historic drilling, underground development and mine production was compiled for the San Antonio project is from historical documents. The standard protocols used by the various companies for drilling, sampling, spatial position, assay determination and QA/QC results (if any)</p>

Criteria	JORC Code explanation	Commentary
		are unavailable. The Company has not been able to verify the historic location, orientation, splitting or sampling methods, analytical technique or any QA/QC related to the reported historic drill hole. The Company has yet to establish repeatability, bias or overall quality of these historic data set.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<p>No verification of sampling or assaying has been undertaken in the Company as relate to the surface rock chip sampling programme, nor historic drilling programmes.</p> <p>The Company is not aware of any twinned drilling at the project.</p> <p>The Company is not aware of any retained historic samples, sample photographs or detailed logging that related to the reported drilling or surface soil results.</p> <p>No adjustments were made to the historical data as supplied to the Company. The Company is unable to verify if any adjustments were made to the data prior to receipt.</p> <p>Limited adjustments were made to the returned assay data for the Hot Chili rock chip samples; values that returned lower than detection level were set to the methodology's detection level and copper values were converted from ppm to %.</p>
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>The location of Hot Chili samples was via handheld GPS in WGS84 UTM zone 19S.</p> <p>The method of historic coordinate capture for drill collars and surface sampling is unknown. The method of downhole survey is unknown.</p> <p>Drill collars and surface sample location were provided to the Company as part of a historic data compilation and appear to have been provided in the PSAD56 UTM coordinate system. These were transformed by the company to WGS84 UTM zone 19S via the following method (PSAD easting minus 184.13m, PSAD northing minus 375.38m). This shift is considered appropriate for the project location and early nature of exploration.</p>
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been</i> 	<p>The surface rock chips sample spacing was variable due to the preliminary stages of exploration and outcrop occurrence.</p> <p>The historic drilling at the San Antonio project is very limited with no specific spacing.</p> <p>The reported results are for historical context and exploration purposes only, and are not under consideration for any Mineral Resource, mining study or metallurgical study.</p> <p>The historic drilling data (as provided in historic reports) was in equal lengths (1m). No</p>

Criteria	JORC Code explanation	Commentary
	<i>applied.</i>	adjustments were made to the historical data as supplied to the Company. The Company is unable to verify if any adjustments were made to the data prior to receipt.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>A list of the historic drillhole(s) and orientations as reported with significant intercepts is provided in the main body of the report and in previous media releases.</p> <p>The location of the surface sampling is provided in images in the main body of the report.</p> <p>Considering the types of mineralisation at the projects and the drilling orientation, apparent sampling is considered to be adequate in its representation for exploration reporting purposes.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>Hot Chili has strict chain of custody procedures that are adhered. All samples have the sample submission number/ticket inserted into each bulk polyweave sample bag with the id number clearly visible. The sample bag is stapled together such that no sample material can spill out and no one can tamper with the sample once it leaves Hot Chili's custody.</p> <p>The standard protocols used by previous companies for either drilling or surface sampling is unknown.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	None completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	Hot Chili, through its 100% owned subsidiary Sociedad Minera Frontera SpA ("Frontera"), executed a non-binding LOI with a private party to earn a 90% interest in the San Antonio copper-gold project over a four-year period. The proposed JV involves an Option agreement over 12 exploitation leases (~1,566ha), whereby full ownership of 90% of the mining rights of the project will be transferred upon satisfaction of a payment of US\$300,000 in 36 months and then a final payment of US\$6,700,000 in 48 months.

Criteria	JORC Code explanation	Commentary
		<p>Hot Chili, through its 100% owned subsidiary Sociedad Minera Frontera SpA ("Frontera"), executed a non-binding LOI with a private party to earn a 90% interest in the Valentina copper-gold project over a four-year period. The proposed JV involves an Option agreement over 2 exploitation leases (100ha), whereby full ownership of 90% of the mining rights of the project will be transferred upon satisfaction of a payment of US\$150,000 in 36 months and then a final payment of US\$4,000,000 in 48 months. In addition Frontera will commit to complete 1,500m of exploration drilling within the first 12 months of the Option period.</p> <p>Exploration by Frontera at San Antonio and Valentina shall be at its discretion and the owner will have the right to lease to any third party the exploitation of the mining rights with an annual cap of 50,000 tonnes of ore until exercise of the Option.</p> <p>Frontera also has other 100% owned leases around the project.</p> <p>The location of the leases in the JV Option, as well those 100% owned, are shown in images in the main body of the report.</p>
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<p>The San Antonio project has been privately owned since 1953 and has been mined by several operators over this time via lease from the owners. Limited historic documents provided the following production data: 1965-1972: produced 100,000t at ~2.5% Cu soluble (3%Cu total). 1980: 30,000t of 3.0% Oxide and 25,000t at 2.0% Cu sulphide mineralisation 1988-1995: ~399,000t at 1.6% Cu.</p> <p>The current owner has indicated that total historic production is approximately 2Mt of material grading approximately 2% copper and 0.3 g/t gold. There is current small-scale mining activity at the project.</p> <p>The Valentina project has been privately owned since 1953. Minor surface mining has been undertaken by several operators over this time via lease from the owners.</p> <p>Historic drilling was undertaken in two periods; initially Chilean government company ENAMI (Empresa Nacional de Minería) completed 4 drill holes in 1993, and then a later drilling programme by company Minera Tauro (between 1998 and 2002) completed 4 further holes.</p>

Criteria	JORC Code explanation	Commentary
		There has been very limited exploration activity in areas beyond the San Antonio and Valentina mines.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>Copper mineralisation at San Antonio is associated with a sequence of moderately east-dipping sandstone and limestone/andesite units which have seen extensive skarn alteration adjacent to a granitic contact along the projects eastern margin. The zone of skarn alteration has been recognised over a 2.5km strike extent within the Project.</p> <p>Andesite units host the majority of the mineralisation which was exploited underground at true widths ranging between 7m and 30m (10m average). Sulphide copper is associated with chalcopyrite, minor bornite, pyrrhotite and magnetite.</p> <p>Copper mineralization at Valentina is hosted in a NNW-trending fault corridor and associated NW and NNE-trending splay faults, mapped over a ~600m strike length. Several other NW to NNE-trending lines of narrow fault-hosted copper mineralisation are evident at surface. The host rocks show chlorite-epidote-albite alteration.</p> <p>Mineralization is evident in coherent to volcanoclastic andesitic rocks and feldspar porphyry dykes. Oxide mineralization was exploited underground at true widths of typically ~1-2m, with local blow-outs >5m true width associated with fault intersections. Sulphide mineralization is also evident from drilling.</p>
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified</i> 	<p>Any quoted results in the main report body, from historic or previous company drilling or sampling programmes, has been provided for historic and qualitative purposes only.</p> <p>Any historic or previous company drilling results not included may be due to; a) uncertainty of result, location or other unreliability, b) yet to be assessed by the Company, c) unmineralised, d) unsampled or unrecorded, or e) not considered material.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of the Hot Chili rock chip sample.</p> <p>The drilling data (as provided) was in equal lengths (1m). No adjustments were made to the historical data as supplied to the Company. The Company is unable to verify if any adjustments were made to the data prior to receipt.</p> <p>No metal equivalent values have been reported.</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<p>The relationship of mineralisation widths to the intercepts of any historic drilling or drilling undertaken by other previous companies is unknown. As such all significant intercepts shall be considered down hole lengths, true widths unknown.</p>
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<p>Refer to figures in announcement.</p>
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration</i> 	<p>It is not practical to report all exploration results as such unmineralised intervals. Low or non-material grades have not been reported. The location of all Hot Chili surface samples is provided in the supplied report diagrams.</p>

Criteria	JORC Code explanation	Commentary
	<i>Results.</i>	<p>There has been selective sampling of historic holes where mineralisation is observed. The grades (or lack thereof) in unsampled material is unknown.</p> <p>The confidence in reported historic assays, results or drill productions is unknown.</p> <p>Any historic or previous company drilling results not included may be due to; a) uncertainty of result, location or other unreliability, b) yet to be assessed by the Company, c) unmineralised, d) unsampled or unrecorded, or e) not considered material.</p>
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<p>Available data from historic or previous exploration parties includes some soil sampling, geological mapping, and historic production figures.</p> <p>As yet, the Company has not been able to verify the location, orientation, sampling methods, analytical technique or any QA/QC related to the reported drill hole or surface samples.</p> <p>The Company has not been able to verify historic production data.</p>
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>Potential work across the Project may include detailed geological mapping and surface sampling, ground or airborne geophysics as well as confirmatory, exploratory or follow-up drilling.</p>