



ASX Announcement

Wednesday 5th June 2019

New Drilling Opens Up Growth of Cortadera Copper-Gold Discovery

ASX CODE

HCH

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Diamond drilling at Cortadera 4th June 2019

Highlights

- The first Diamond drill hole (CRP0012D) has confirmed a large northern extension to the Main Porphyry at Cortadera, with results due to be received shortly
- A second Diamond drill hole (CRP0013D) into the Main Porphyry is currently at 840m depth, testing large extensions to bulk high grade copper and gold mineralisation
- CRP0013D is being extended to a depth of 1,000m owing to increasing intensity of mineralisation being recorded in the hole
- RC drill testing of the upper near-surface extent of the Main Porphyry has confirmed significant up-dip extensions to deeper sulphide mineralisation

- Further Diamond holes planned to test potential for increasing copper & gold grade with depth across the Main porphyry, as evidenced in historical DD results
- Diamond drill results expected to be released within the coming fortnight

Hot Chili Limited (ASX code HCH) (“Hot Chili” or “Company”) is pleased to announce that Diamond (DD) drilling has expanded the growth potential of the Cortadera copper-gold porphyry discovery in Chile, confirming larger potential than the Company had anticipated.

Results for the Company’s first two DD holes are expected to be received in the coming fortnight. However, at an early stage it is evident that both holes point to significantly larger potential scale of the Main porphyry (Cuerpo 3) at Cortadera than the Company had first recognised.

Cortadera is located 14km directly from the Company’s large-scale Productora copper development in Chile and a combination of the two bulk-scale deposits is at the centre of Hot Chili’s plan to develop a large regional copper production hub.





Cortadera Drilling Update

The Company's initial confirmation drilling programme is currently focussed across the largest of the three porphyry centres discovered to date at Cortadera – Cuerpo 3.

As reported to ASX, several deep RC drill holes (pre-collars to planned DD holes) completed across the near-surface extent of Cuerpo 3 had ended in wide intersections of mineralisation at the limit of RC depth penetration (approximately 350m down-hole). Results recently returned confirm this and highlight increasing grade with depth down-hole in several of the RC holes at Cuerpo 3.

The results have confirmed significant up-dip extensions to copper sulphide mineralisation recorded in deeper historical diamond drilling. New significant RC pre-collar drill results include:

156m grading 0.4% copper and 0.1g/t gold from 206m depth (*hole ends in mineralisation*)

64m grading 0.5% copper and 0.2g/t gold from 140m depth (*hole ends in mineralisation*)

154m grading 0.4% copper and 0.1g/t gold from 64m depth

67m grading 0.4% copper and 0.1g/t gold from 278m depth (*hole ends in mineralisation*)

The first DD hole (CRP0012D) is now complete. The hole was designed to test and close-out the northwest extent of the Cuerpo 3 porphyry. Surprisingly, the hole recorded a wide intersection of porphyry from much deeper down-hole than expected (and further north than expected).

While the majority of the wide porphyry intersection in CRP0012D appears to be moderately mineralised, it highlights a distinct change in the orientation of the porphyry body towards the north. This is important as it indicates Cuerpo 3 is now extending north with approximately 300m of width not closed off by any drilling as displayed in Figures 1 and 3 on the following pages.

The Company is now completing a vertical DD hole (CRP0013D) to test the extent of a potential higher grade core of Cuerpo 3 as displayed in Figures 2 and 3. The hole is currently at approximately 840m depth and is now planned to extend to approximately 1,000m depth following visual confirmation of increasing alteration and vein intensity associated with copper sulphide mineralisation.

Previous work had highlighted a potential increasing grade profile with depth (evident for copper, gold and molybdenum) across Cuerpo 3. The Company is dedicating two DD holes from the current phase of drilling to test this observation.



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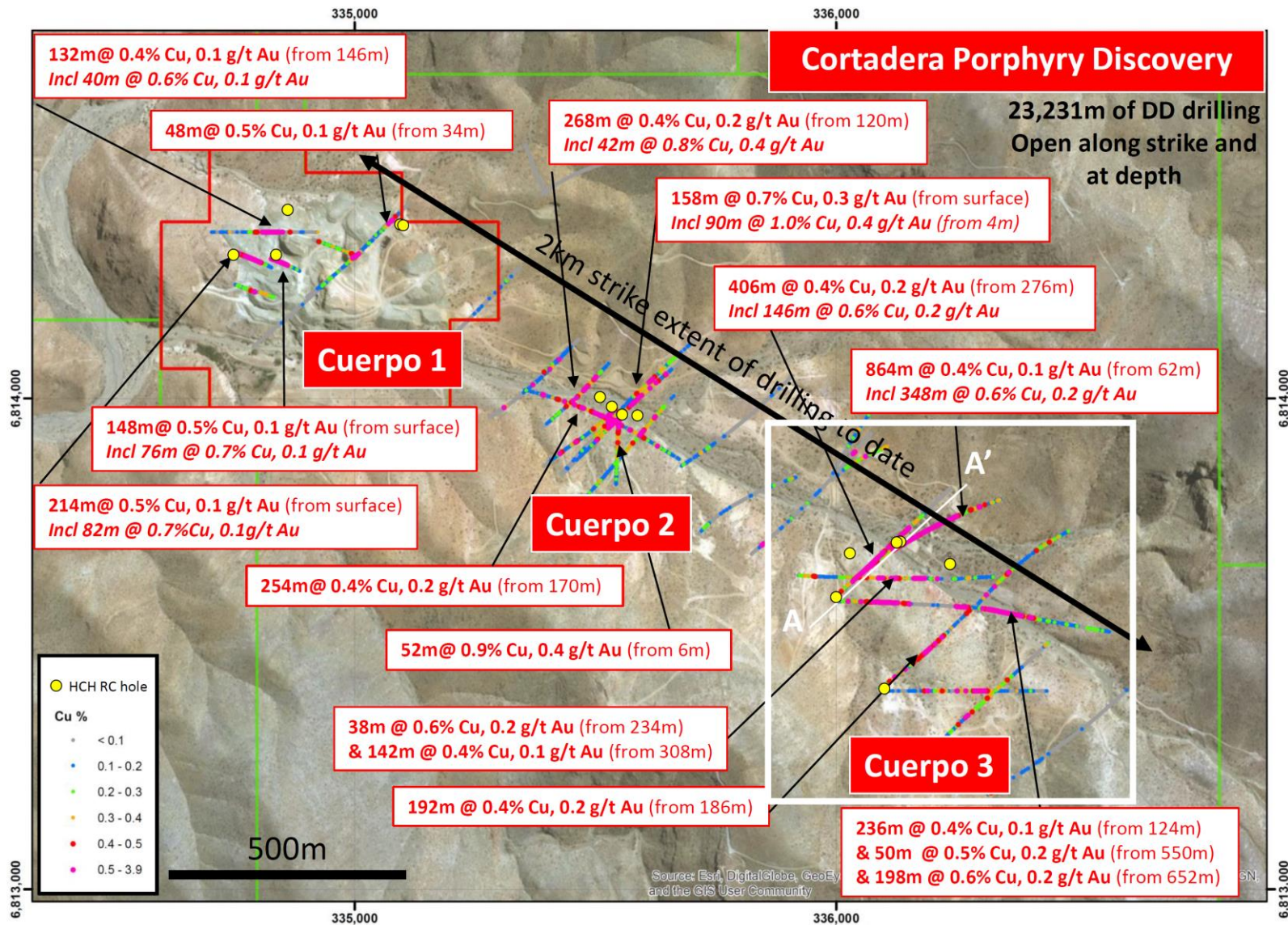
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Figure 1 Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2 and 3 tonalitic porphyry intrusive centres. Note the location of Type Sections A, and the inset plan are for Cuerpo3 associated with the following figures

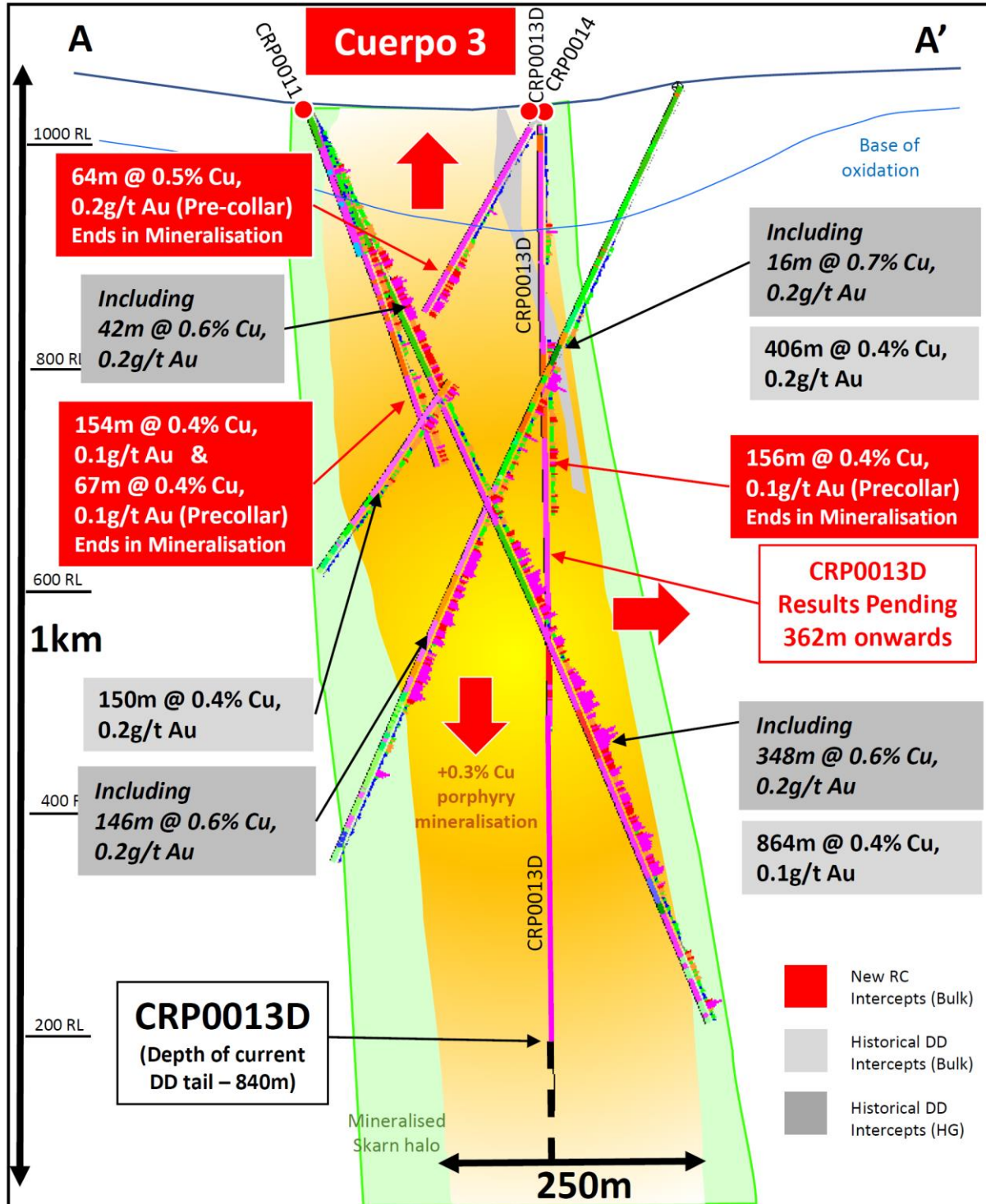


Figure 2 Type Section A displaying historical DD drill results and an interpretation of Cuerpo 3 - the main host tonalitic porphyry intrusions at Cortadera. DD drilling is currently being directed to Cuerpo 3 and several new results from RC pre-collars are presented. CRP0013D is currently at a depth of 840m and being extended to 1,000m vertical depth.

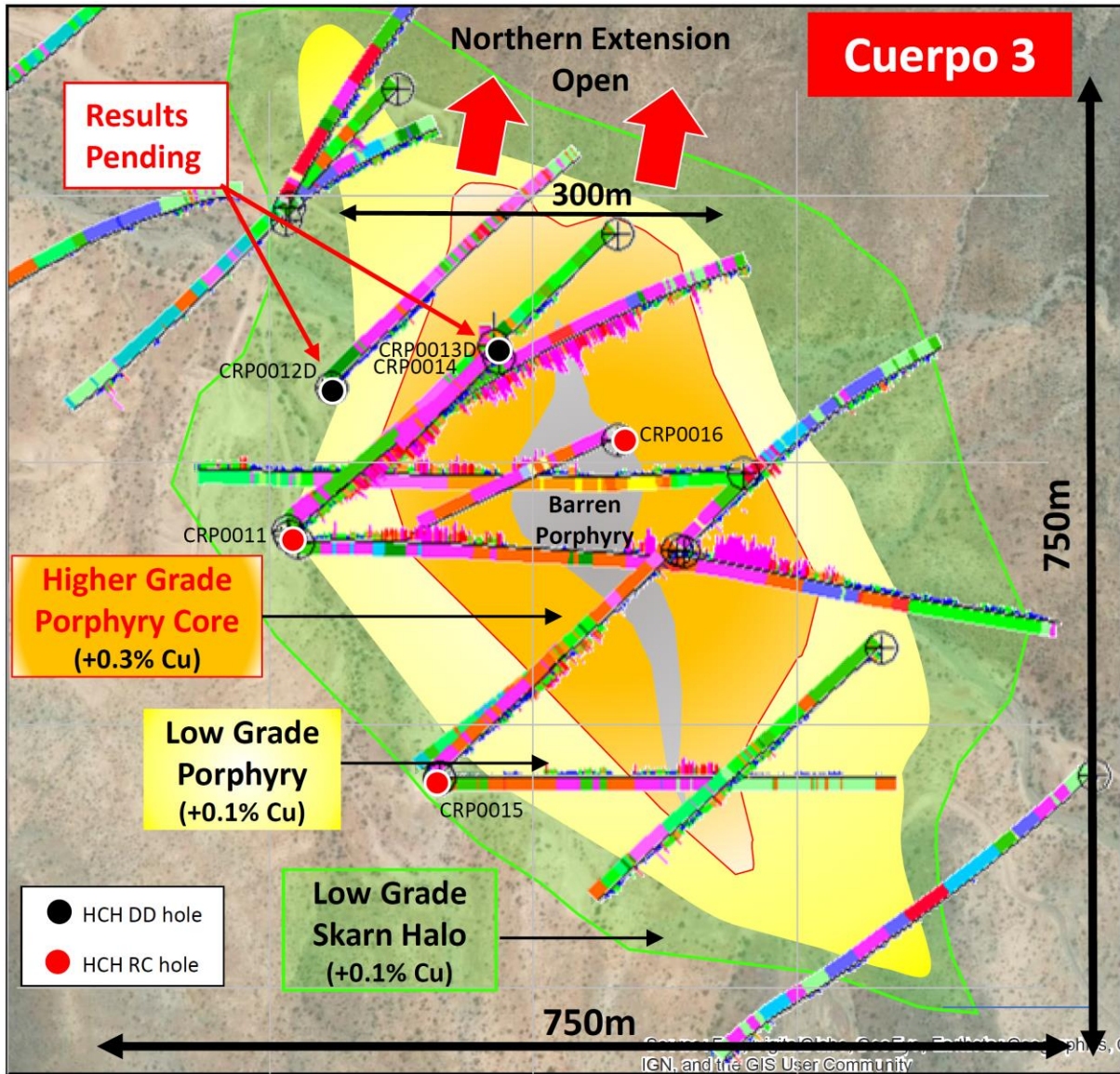


Figure 3 Plan view of Cuerpo 3 - the Main porphyry of the three porphyry centres discovered to date at Cortadera. The plan displays the location and basic geology of the mineralised tonalitic host porphyry and the surrounding lower grade mineralised skarn halo. Note the location of CRP0012D recently completed by Hot Chili which has confirmed a significant northern extension that is open and not closed off by drilling across approximately 300m of width.



About Cortadera

Cortadera is a privately-owned, major copper-gold porphyry discovery located along the Chilean coastal range, where historical world-class discovery drill results have only recently been publicly released by Hot Chili.

Importantly, Cortadera lies 14km from the Company's large-scale Productora copper development and adjacent to the high grade El Fuego satellite copper projects, as displayed in Figure 1 below.

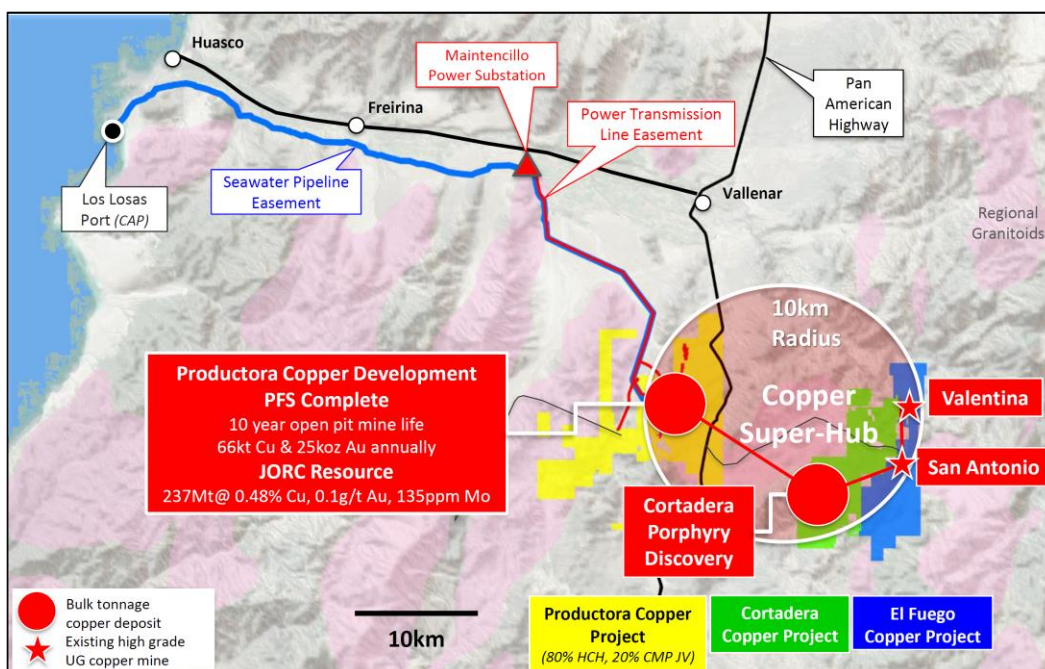


Figure 1 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure

On 22nd February 2019, Hot Chili announced to the Australian Securities Exchange (ASX) the execution of a formal Option Agreement to acquire a 100% interest in Cortadera.

In early April, the Company commenced a confirmation drilling programme comprising 17 holes for approximately 5,000m of RC and 1,500m of DD drilling.

The drilling aims to confirm and extend areas of surface enrichment and wide, higher-grade, copper-gold sulphide mineralisation, which had not previously been closed off by 23,000m of historical diamond drilling.

Initial results from shallow RC drilling completed by Hot Chili have confirmed extensive copper from surface in addition to near-surface enrichment zones across Cuerpo 1 and 2 at Cortadera.

Diamond (DD) drilling is currently being completed across Cuerpo 3 (the largest of the three porphyries discovered to date) where previous DD drilling had recorded wide copper sulphide intersections which remained open (up-dip, down-dip and laterally), including:

**864m grading 0.4% copper and 0.1g/t gold from 62m down-hole depth
 (including 348m grading 0.6% copper and 0.2g/t gold)**



**406m grading 0.4% copper and 0.2g/t gold from 276m down-hole depth
(including 146m grading 0.6% copper and 0.2g/t gold)**

198m grading 0.6% copper and 0.2g/t gold from 652m down-hole depth

Combining Productora and Cortadera to leverage central processing and infrastructure, looks likely to underpin a globally significant new copper development along the coastline of Chile.

The Company looks forward to releasing further drill results as assays are received over the coming weeks.

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

Table 1 Significant RC Drill Results at Cortadera

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)
	North	East	RL				From	To					
CRP0006	6814257	334773	977	360	-90	294	0	24	24	0.3	0.1	0.9	16
							108	128	20	0.3	0.0	0.7	88
							206	236	30	0.3	0.0	0.4	41
CRP0007	6814345	334840	975	270	-70	240	12	20	8	0.3	0.1	0.9	27
							58	122	64	0.3	0.1	0.7	18
							162	170	8	1.0	0.0	4.4	95
							194	234	40	0.3	0.0	0.6	21
CRP0008	6814322	335111	966	90	-60	240	24	56	32	0.3	0.1	0.2	11
CRP0009	6814341	335114	966	360	-90	222	22	80	58	0.2	0.0	0.4	21
CRP0010	6814341	335114	966	360	-75	180	22	40	18	0.3	0.1	0.9	19
CRP0011	6813550	336006	1033	45	-65	345	64	218	154	0.4	0.1	0.6	31
							278	345	67	0.4	0.1	0.4	18
									Hole ends in mineralisation				
CRP0013	6813697	336170	1010	360	-90	362	98	118	20	0.4	0.2	0.5	12
							206	362	156	0.4	0.1	0.5	70
									Hole ends in mineralisation				
CRP0014	6813695	336163	1010	225	-60	204	140	204	64	0.5	0.2	0.8	29
									Hole ends in mineralisation				
CRP0015	6813362	336124	1070	45	-60	348	230	348	118	0.3	0.1	0.3	10
									Hole ends in mineralisation				

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
	<i>Total</i>	<i>236.6</i>	<i>0.48</i>	<i>0.10</i>	<i>135</i>	<i>1,132,000</i>	<i>730,000</i>	<i>32,000</i>

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 presentation that relates to Mineral Resources, Ore Reserve estimates and Production Targets on the Productora copper project was previously reported in the ASX announcement “Hot Chili Delivers PFS and Near Doubles Reserves at Productora” dated 2nd March 2016, a copy of which is available on the ASX website at www.asx.com.au and the Company’s website at www.hotchili.net.au. The company confirms that it is not aware of any new formation 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 compiled 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 employed by AMC Consultants (AMC), 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>This announcement updates activities at Hot Chili Limited's ("Hot Chili" or the "Company") Cortadera Project. This includes assay results from the current drilling programme being undertaken at the Cortadera copper-gold porphyry discovery.</p> <p>Reverse circulation drilling (RC) was used to produce a 1m bulk sample and representative 2m cone split samples (nominally a 12.5% split) were collected using a cone splitter.</p> <p>Geological logging was completed, and mineralised sample intervals were determined by the geologists to be submitted as 2m samples for RC drilling. In RC intervals assessed as unmineralised, 4m composite (scoop) samples were collected for laboratory for analysis. If these 4m composite samples return results with anomalous grade the corresponding original 2m split samples are then routinely submitted to the laboratory for analysis.</p> <p>The samples were crushed and split at the laboratory, with up to 3kg pulverised, with a 50g samples analysed by Industry standard methods.</p> <p>The sampling techniques used are deemed appropriate for exploration and resource development purposes for this type of mineralisation.</p> <p>The data compiled for Historic drilling at the Cortadera project has been collated from SCM Carola documents.</p> <p>Historical drilling at the Cortadera project is diamond core (DD). There have been 29 diamond holes drilled for a total of 19,268m. A further 10 diamond holes for a further 3,963m has been completed along-strike at Purisima..</p> <p>Sampling was predominantly HQ3 (61.24mm) half core. 99% of the sample data is comprised of 2m composited samples (which were taken at every 2m interval).</p> <p>These results comprise 30g fire assay for gold, and for copper, either 4-acid or 3-acid digest followed by either an ICP-MS, ICP-AAS or HF-ICP-AES.</p> <p>Hot Chili Limited ("the Company") has verified as much as possible the location, orientation, splitting and sampling methods, analytical techniques, and assay values. The Company has not</p>

Criteria	JORC Code explanation	Commentary
		completed a comprehensive review of the SCM Carola QA/QC data but notes that a substantial amount of QAQC data is available for review and the Company has undertaken a high level initial review of the SCM Carola QA/QC data.
<i>Drilling techniques</i>	<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>Hot Chili's Reverse Circulation drilling used 140 to 130mm diameter drill bits. RC drilling employed face sampling hammers ensuring contamination during sample extraction is minimised.</p> <p>Historical diamond drilling used HQ bits (HQ; 96mm external, 61.24mm internal).</p>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> 	<p>Drilling techniques to ensure adequate RC sample recovery and quality included the use of "booster" air pressure. Air pressure used for RC drilling was 700-800psi.</p> <p>Logging of all samples followed established company procedures which included recording of qualitative fields to allow discernment of sample reliability. This included (but was not limited to) recording: sample condition, sample recovery, sample method.</p> <p>The drilling programme is still underway and a final assessment of sample recovery and condition has not been undertaken. The majority of drilling has had no material recovery issues.</p> <p>No quantitative analysis of samples weights, sample condition or recovery has been undertaken.</p> <p>Twinned drilling analysis is currently being undertaken at the project to compare RC versus historical HQ diamond drilling</p> <p>Historical diamond drilling recovery has not been quantitatively assessed. A preliminary inspection of core photography was undertaken, and no material issues were noted.</p> <p>Methods taken to maximise historical sample recovery, quality, condition are not known.</p> <p>No analysis of historical samples weights, sample condition or recovery has been undertaken.</p>
<i>Logging</i>	<ul style="list-style-type: none"> <i>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</i> 	<p>Geological logging of samples followed established company and industry common procedures. Qualitative logging of samples included (but was not limited to) lithology, mineralogy, alteration and weathering.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>Every metre (100%) of HCH drilling was geologically logged.</p> <p>The total length of the relevant mineralised interval(s) is provided in the main body of the report.</p> <p>Geological logs have been provided as part of third-party historical data, these have been reviewed and are deemed to be of an appropriate standard. Geological logs are only partially available and Hot Chili plans to commence a re-logging programme of historical diamond drill core where required</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Splitting of RC samples occurred via cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of the sample condition.</p> <p>RC drilling sample weights range from 0.3kg to 7.0kg, but typically between 2-4kg, and generally averaging around 3.2kg.</p> <p>All samples were submitted to ALS Coquimbo (Chile) for multi-element analysis. The sample preparation included:</p> <p>Samples were then split via rotatory splitter to achieve ~1kg split,</p> <ul style="list-style-type: none"> – 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). – 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-Nirtic-Perchloric-Hydrofluoric) followed by ICP-AES determination. – 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 – Samples determined to be either oxide or transitional in weathering were also analysed using a copper soluble method Cu-AA05 – 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>Sample collection, size and analytical methods are deemed appropriate for the style of exploration.</p>

Criteria	JORC Code explanation	Commentary
		<p>Historical Half diamond core was sampled. All samples were submitted to either ACTLABS (Chile), ACME Labs (now Bureau Veritas, Chile), ALS Global (Chile) or Andes Analytical Assay (Chile).</p> <p>Hot Chili Limited has verified the historical sampling methods, analytical techniques, and assay values. The Company has undertaken a high-level initial review of the SCM Carola QA/QC data.</p> <p>The lab specific methods used at the time of historical drilling are yet to be confirmed, and will be verified as part of the Company's due diligence.</p> <p>Sample length collection methods of historical diamond sampling are considered acceptable for the exploration of these styles of mineralisation.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<p>All Hot Chili samples were assayed by industry standard methods through commercial laboratories in Chile (ALS Coquimbo). Typical analysis methods are detailed in the previous section and are consider 'near total' values.</p> <p>Hot Chili undertakes several steps to ensure quality of sampling. These include, but are not limited to, the use of duplicates, certified reference material and blank media:</p> <ul style="list-style-type: none"> – Routine 'standard' (mineralised pulp) Certified Reference Material (CRM) was inserted at a nominal rate of 1 in 50 samples. – Routine 'blank' material (mineralised quartz) was inserted at a nominal rate of 1 in 100 samples at the logging geologist's discretion. – Routine field duplicates for RC samples were submitted at a rate of 1 in 50 samples. – The drilling programme is still underway, and while the full analysis of quality parameters has yet to be undertaken, no significant issues have been noted. <p>No umpire checks were undertaken by Hot Chili during this period. The analytical laboratories provided their own routine quality controls within their own practices. No significant issues have been noted.</p> <p>All historical Cortadera samples were assayed by industry standard methods through commercial laboratories in Chile (ACTLABS, ALS Global, or Andes Analytical Assay).</p> <p>Typical analysis methods used for historical samples included;</p> <ul style="list-style-type: none"> – For copper and multi-element; either 4-acid or 3-acid digest followed by either an ICP-MS, ICP-AAS, or a HF digest with ICP-AES. E.g. ACTLAB method 3ACID-AAS, ALS method Cu-AA61, Andes Analytical Assay method (4A-AAS1E01 or ICP_AES_HH22). – Gold grades were analysed for Fire Analysis (30g charge). E.g. ACTLABS method FA-

Criteria	JORC Code explanation	Commentary
		<p>AAS, ALS method Au-AA23, Andes Analytical Assay method AEF_AAS1EE9.</p> <p>No formal assessment of SCM Carola standards, duplicates or umpire testing has been undertaken. Although a high level assessment of all assays which includes approximately 10% QAQC samples has been undertaken.</p> <p>No assessment of laboratories standards and practices has been undertaken for historical drilling.</p>
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>The SCM Carola documents indicate that there has been some previous umpire sample test work. Hot Chili has not quantitatively reviewed this data.</p> <p>Hot Chili has commenced a programme of quarter core sampling across selected intervals of historical half diamond core</p> <p>Twinned drilling at the Cortadera project has commenced to compare RC to previous HQ diamond drilling. One twin drill hole is expected to be completed at each of the three porphyry bodies defined (Purisima, Cuerpo 2 and Cuerpo 3)</p> <p>All retained core and pulp samples are stored in a secured site and are available for verification if required.</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>RC drill collars were set out using a hand help GPS and final collars were collected using a handheld GPS. The WGS84 UTM zone 19S coordinate system was used for all undertakings.</p> <p>Downhole surveys for RC drilling by Hot Chili were completed by the drilling contractor using a north-seeking gyroscope. Holes without downhole survey use planned or compass bearing/dip measurements for survey control.</p> <p>Drill collar survey methods undertaken by SCM Carola are yet to be verified, however all collars were located by Hot Chili and have been surveyed using a DGPS.</p> <p>Downhole surveys were completed on some of the Cortadera drilling. Holes without downhole survey use planned or compass bearing/dip measurements for survey control.</p> <p>The PSAD56 zone 19S coordinate system was used for all Cortadera undertakings</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</i> 	<p>The spacing and location of the majority of the historical diamond drilling at the Cortadera project is variable and ranges from approximately 80m to 300m. Sampling has been undertaken at 2m intervals.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<p>The spacing and location of data is currently only being considered for exploration purposes with additional RC and diamond drilling being undertaken by Hot Chili to establish a Mineral Resource.</p> <p>.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<p>Historical drilling completed and current drilling being completed at Cortadera is nominally perpendicular to mineralisation where practical and where known. The relationship of mineralisation widths to the intercepts of drilling undertaken by other previous companies is unknown and yet to be assessed, however copper-gold porphyry mineralisation is typically fairly homogenous meaning a limited chance of bias likely to be caused from drilling orientation.</p> <p>A list of the drill holes and orientations is stated in section 2 of this table for all historical diamond drilling and a list of drill holes reported in this announcement is contained within the body of this announcement.</p> <p>Considering the types of mineralisation at the Cortadera projects, the drilling orientations and subsequent sampling is considered to be unbiased in its representation for exploration reporting purposes.</p>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<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 measures taken to ensure sample security during historical drilling are unknown. All retained core and pulp samples are currently stored in a secured site and are available for verification if required.</p>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>None completed.</p>

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	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties,</i> 	<p>Cortadera Project tenements and details:</p> <table border="1"> <tr> <td>Magdalenita 1/20</td><td>Corroteo 5 1/261</td><td>Las Cañas 1/15</td></tr> <tr> <td>Atacamita 1/82</td><td>Paulina 27 A 1/30</td><td>Cortadera 1/40</td></tr> </table>	Magdalenita 1/20	Corroteo 5 1/261	Las Cañas 1/15	Atacamita 1/82	Paulina 27 A 1/30	Cortadera 1/40
Magdalenita 1/20	Corroteo 5 1/261	Las Cañas 1/15						
Atacamita 1/82	Paulina 27 A 1/30	Cortadera 1/40						

Criteria	JORC Code explanation	Commentary																																																																																				
land tenure status	native title interests, historical sites, wilderness or national park and environmental settings. <ul style="list-style-type: none">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.	Paulina 11B 1/30	Paulina 15 B 1/30	Paulina 24 A 1/24																																																																																		
		Paulina 10B 1/20	Paulina 22 A 1/30	Paulina 25 A 1/20																																																																																		
		Amalia 942 A 1/10	Cortadera 1 1/200	Las Cañas Este 2003 1/30																																																																																		
		Paulina 12B 1/30	Cortadera 2 1/200	Paulina 26 A 1/30																																																																																		
		Paulina 13B 1/30	Cortadera 41	Cortadera 42																																																																																		
		Paulina 14B 1/30	Corroteo 1 1/280	Lo Cañas 16																																																																																		
Exploration done by other parties	<ul style="list-style-type: none">Acknowledgment and appraisal of exploration by other parties.	Previous exploration at the project included: <ul style="list-style-type: none">Historical surface workings1990's. Mount Isa Mining Company Chile undertook mapping, trench sampling, some geophysical surveying and limited drilling.2001. SCM Carola undertook field surveys including sampling. 2011-2012. Minera Fuego undertook surface mapping, drilling and surface sampling																																																																																				
Geology	<ul style="list-style-type: none">Deposit type, geological setting and style of mineralisation.	The Cu-Au-Mo mineralisation at Cortadera is associated with multiple porphyry intrusions. These porphyries have intruded into the early to mid Cretaceuos Totorralillo and Nantoco Formations (variously stratified chemical sediments, volcaniclastics, bioclastics, volcanic breccias, and andesitic volcanic units) along an apparent NW structure. These porphyries appear to exhibit typical Cu-Au porphyry veining networks and associated alteration styles. As typical in porphyry deposits, Cu and Au are strongly related, and higher-grade Cu and Mo are associated with high vein density. Local oxide mineralisation encountered in drilling and observed at surface suggests supergene mineralisation																																																																																				
Drill hole Information	<ul style="list-style-type: none">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:<ul style="list-style-type: none">easting and northing of the drill hole collarelevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collardip and azimuth of the holedown hole length and interception depthhole length.If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the	The coordinates and orientations for all of the Cortadera drill holes are provided below: <table><tr><th>hole_id</th><th>easting</th><th>northing</th><th>RL</th><th>Datum</th><th>azimuth</th><th>dip</th><th>hole_depth</th></tr><tr><td>FJOD-01</td><td>335750.0</td><td>6814312.0</td><td>977.2</td><td>PSAD56</td><td>180</td><td>-60</td><td>300.7</td></tr><tr><td>FJOD-02</td><td>335743.3</td><td>6814316.0</td><td>976.9</td><td>PSAD56</td><td>225</td><td>-69</td><td>542.6</td></tr><tr><td>FJOD-03</td><td>335598.1</td><td>6814752.7</td><td>1015.5</td><td>PSAD56</td><td>315</td><td>-70</td><td>323.1</td></tr><tr><td>FJOD-04</td><td>337169.0</td><td>6814370.0</td><td>1212.0</td><td>PSAD56</td><td>350</td><td>-60</td><td>278.0</td></tr><tr><td>FJOD-05</td><td>334476.8</td><td>6814324.5</td><td>916.9</td><td>PSAD56</td><td>350</td><td>-75</td><td>511.5</td></tr><tr><td>FJOD-06</td><td>335629.0</td><td>6814182.1</td><td>994.5</td><td>PSAD56</td><td>46</td><td>-49</td><td>587.9</td></tr><tr><td>FJOD-07</td><td>335873.7</td><td>6814350.8</td><td>985.4</td><td>PSAD56</td><td>225</td><td>-48</td><td>514.8</td></tr><tr><td>FJOD-08</td><td>335735.0</td><td>6814413.7</td><td>980.2</td><td>PSAD56</td><td>224</td><td>-70</td><td>589.9</td></tr><tr><td>FJOD-09</td><td>336539.9</td><td>6813972.9</td><td>1034.5</td><td>PSAD56</td><td>271</td><td>-49</td><td>630.7</td></tr></table>					hole_id	easting	northing	RL	Datum	azimuth	dip	hole_depth	FJOD-01	335750.0	6814312.0	977.2	PSAD56	180	-60	300.7	FJOD-02	335743.3	6814316.0	976.9	PSAD56	225	-69	542.6	FJOD-03	335598.1	6814752.7	1015.5	PSAD56	315	-70	323.1	FJOD-04	337169.0	6814370.0	1212.0	PSAD56	350	-60	278.0	FJOD-05	334476.8	6814324.5	916.9	PSAD56	350	-75	511.5	FJOD-06	335629.0	6814182.1	994.5	PSAD56	46	-49	587.9	FJOD-07	335873.7	6814350.8	985.4	PSAD56	225	-48	514.8	FJOD-08	335735.0	6814413.7	980.2	PSAD56	224	-70	589.9	FJOD-09	336539.9	6813972.9	1034.5	PSAD56	271	-49	630.7
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Criteria	JORC Code explanation	Commentary							
	Competent Person should clearly explain why this is the case.	FJOD-10	335296.7	6814717.2	961.1	PSAD56	227	-60	536.2
		FJOD-11	335201.2	6814625.9	959.5	PSAD56	227	-50	451.9
		FJOD-12	335663.7	6814454.5	983.4	PSAD56	227	-55	248.0
		FJOD-13	336111.3	6814383.4	1007.4	PSAD56	227	-60	623.4
		FJOD-14	335667.2	6814457.7	983.5	PSAD56	227	-55	600.0
		FJOD-15	336274.7	6814265.6	1029.6	PSAD56	227	-60	712.9
		FJOD-16	336440.3	6814154.7	1043.3	PSAD56	227	-65	710.4
		FJOD-17	336488.7	6813913.6	1034.9	PSAD56	227	-65	599.3
		FJOD-18	336644.4	6813840.6	1045.3	PSAD56	227	-60	629.4
		FJOD-19	335591.6	6814752.6	1015.2	PSAD56	54	-78	1123.4
		FJOD-20	335553.2	6814353.5	966.2	PSAD56	102	-60	697.9
		FJOD-21	335114.7	6814659.9	961.0	PSAD56	109	-74	350.3
		FJOD-22	336190.0	6814175.5	1006.0	PSAD56	30	-60	631.3
		FJOD-23	336191.4	6813924.8	1027.3	PSAD56	48	-65	1007.0
		FJOD-24	335027.2	6814621.1	970.4	PSAD56	110	-75	250.8
		FJOD-25	334956.0	6814633.1	970.6	PSAD56	110	-75	281.4
		FJOD-26	335001.4	6814553.8	953.4	PSAD56	110	-70	98.7
		FJOD-27	334996.7	6814552.3	953.4	PSAD56	290	-75	191.6
		FJOD-28	335260.9	6814125.9	974.6	PSAD56	305	-70	545.7
		FJOD-29	336493.4	6813914.7	1035.0	PSAD56	45	-75	715.2
		FJOD-30	336192.2	6814169.4	1006.2	PSAD56	45	-80	713.4
		FJOD-31	336805.8	6813742.7	1059.9	PSAD56	227	-60	728.1
		FJOD-32	336198.0	6813922.3	1027.4	PSAD56	90	-65	1085.6
		FJOD-33	335631.8	6814180.8	994.4	PSAD56	45	-68	947.2
		FJOD-34	335201.1	6814623.6	959.6	PSAD56	45	-70	647.3
		FJOD-35	335915.0	6814060.0	1024.0	PSAD56	45	-70	845.2
		FJOD-36	336303.0	6813740.0	1058.0	PSAD56	90	-70	1025.5
		FJOD-37	335372.0	6814431.0	951.0	PSAD56	45	-70	1000.0
		FJOD-38	335125.0	6814675.0	956.0	PSAD56	270	-60	446.5

Criteria	JORC Code explanation	Commentary								
		<table><tr><td>FJOD-39</td><td>336942.0</td><td>6813225.0</td><td>1150.0</td><td>PSAD56</td><td>0</td><td>-90</td><td>743.5</td></tr></table> <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>All 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 Hot Chili, c) unmineralised, d) unsampled or unrecorded, or e) not considered material.</p>	FJOD-39	336942.0	6813225.0	1150.0	PSAD56	0	-90	743.5
FJOD-39	336942.0	6813225.0	1150.0	PSAD56	0	-90	743.5			
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>In reported exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval assay grade), divided by sum of interval lengths and rounded to one decimal place.</p> <p>No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.</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>Drilling at the Cortadera project was nominally perpendicular to mineralisation, where known and practical.</p> <p>The relationship of mineralisation widths to the intercepts of drilling undertaken by other previous companies is unknown and yet to be assessed.</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</i>	<p>Refer to figures in announcement. A plan view of reported significant intersection drill holes are included.</p>								

Criteria	JORC Code explanation	Commentary
	<i>locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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 Results. 	<p>It is not practical to report all exploration results as such unmineralised intervals. Low or non-material grades have not been reported, however a full list of drill hole coordinate and orientation details is stated above.</p> <p>All drill hole locations are reported and a table of significant intervals is provided in the announcement.</p>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<p>Available data from historic or previous exploration parties includes some surface mapping. Where possible, historic exploration data has been supported by selected sampling and geological mapping undertaken by Hot Chili.</p>
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>Potential work across the Cortadera project may include further verification drilling, sampling, assaying and QA/QC. Other further work may also include mapping, surface sampling, ground or airborne geophysics as well as in-fill or exploratory drilling.</p>