



ASX Announcement

Friday 6th July 2018

Large Targets Confirmed South of San Antonio

Drill Results from San Antonio Expected Shortly

Highlights

- Recent mapping south of the San Antonio copper mine in Chile has confirmed multiple targets, returning multiple high grade surface rock chip results
- Large-scale copper trend discovered along the eastern flank of San Antonio (San Antonio East) returns strong sulphide and oxide copper results from surface
- San Antonio East is associated with a zone of copper porphyry and breccia-related mineralisation extending over at least 600m in strike length and 100m in width
- Reverse Circulation (RC) drilling is progressing well with 18 holes for approximately 2,280m already complete
- Drilling now underway across potential extensions to the central and northern extents of San Antonio following completion of access and platform construction
- Several holes have been prioritised for analysis and assay results are expected to be received shortly

ASX CODE

HCH

Contact

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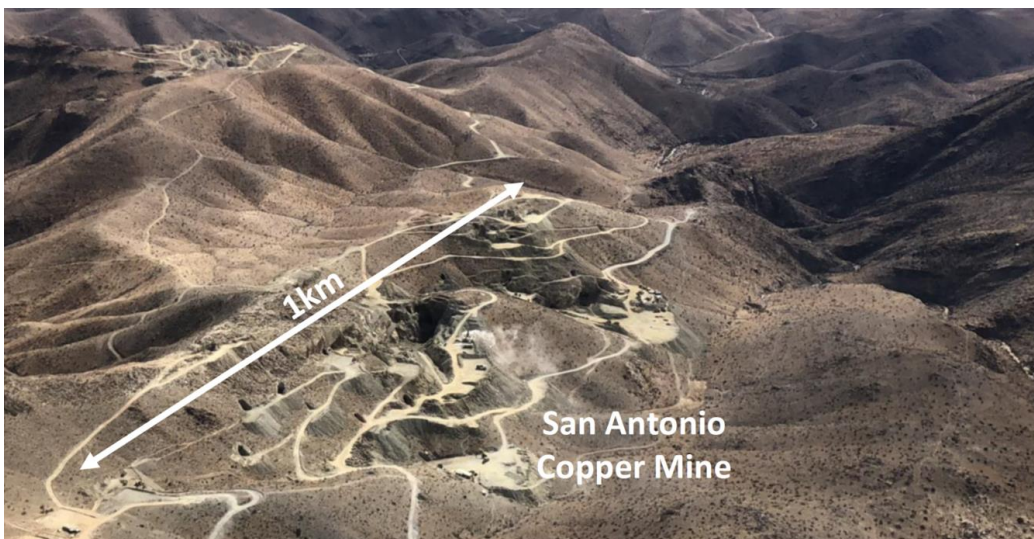
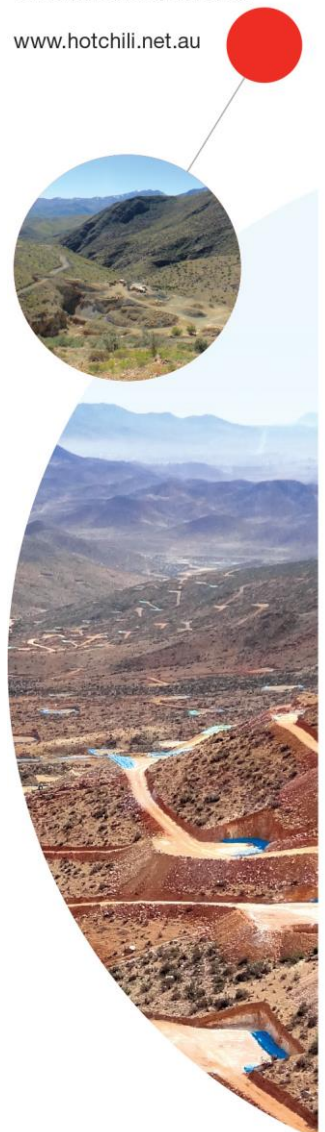


Figure 1. Aerial view across the San Antonio mine area looking northwest



Hot Chili Limited (ASX code HCH) (“Hot Chili” or “Company”) is pleased to confirm that the potential of San Antonio, part of the Company’s new El Fuego copper project in Chile, has been significantly expanded ahead of first results from Hot Chili’s maiden drill programme.

Detailed mapping and sampling results have confirmed and delineated multiple copper targets south of San Antonio as well as a potential large-scale mineralised copper zone extending along the eastern flank of the San Antonio copper mine.

Surface results up to 6.5% copper, 1.97g/t gold and 24.3g/t silver have been returned from a detailed mapping and sampling campaign extending south of San Antonio where Hot Chili had detected several large soil anomalies in late 2017.

A 5,000m drilling programme, which commenced at San Antonio in early June, is progressing well with a total of 18 holes for approximately 2,280m already complete.

Initial drilling has been undertaken across potential extensions to the southern and central extents of the San Antonio mine area. Zones of chalcopyrite mineralisation have been recognised in several holes for which assays have been dispatched for priority analysis.

Drilling is now focussed on testing the central and northern extent of San Antonio before being mobilised to the Valentina copper mine, 5km to the north.

The Company expects to receive the results of several prioritised holes shortly.

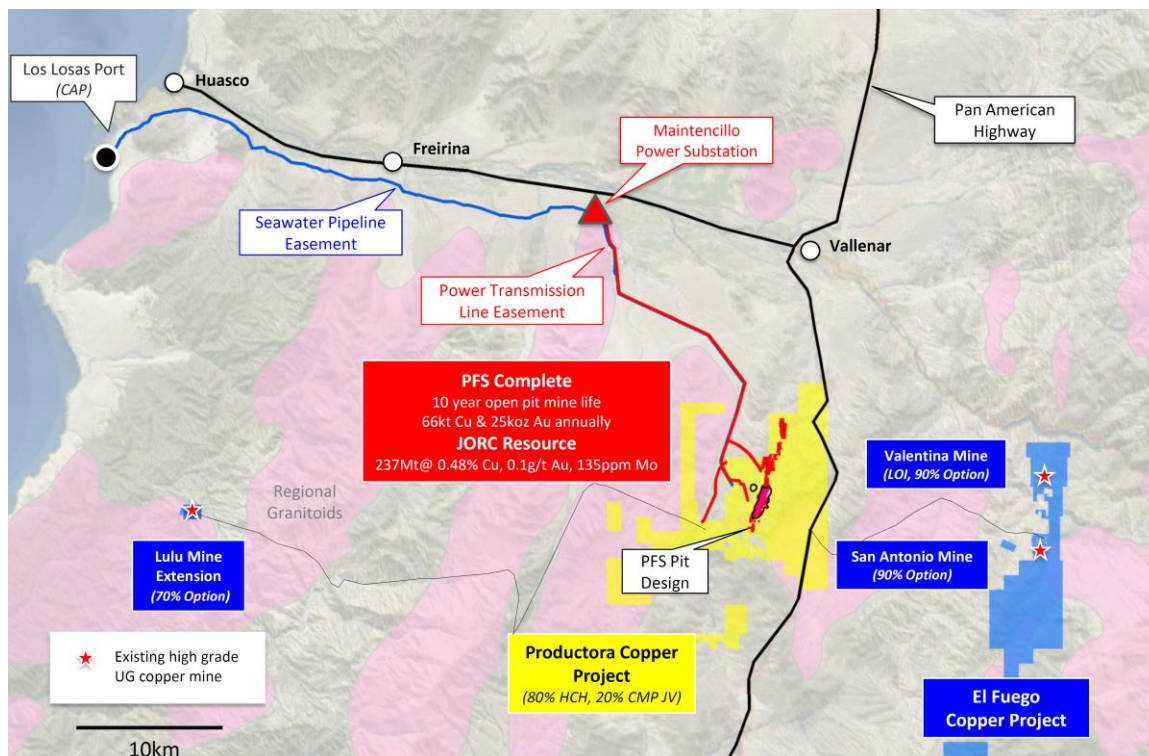


Figure 1 The new consolidated El Fuego copper project in relation the Company’s existing large-scale Productora copper project.



Both the San Antonio and Valentina high grade copper mines lie within 20km distance of the Company's large-scale Productora copper project and have seen little modern exploration or resource definition owing to over 50 years of private ownership.

San Antonio (Figure 1) has reportedly produced approximately 2M tonnes grading 2% copper and 0.3g/t gold from shallow depths and is the focus of the Hot Chili's initial drilling campaign.

Multiple Large Targets Confirmed at San Antonio

Recent mapping along the southern extension of the San Antonio trend and proximal to the San Antonio mine area has identified and confirmed a number of mineralised copper targets as displayed in Figure 3. These targets include shear-zone hosted vein and replacement systems, brecciated zones, manto zones and porphyry copper occurrences.

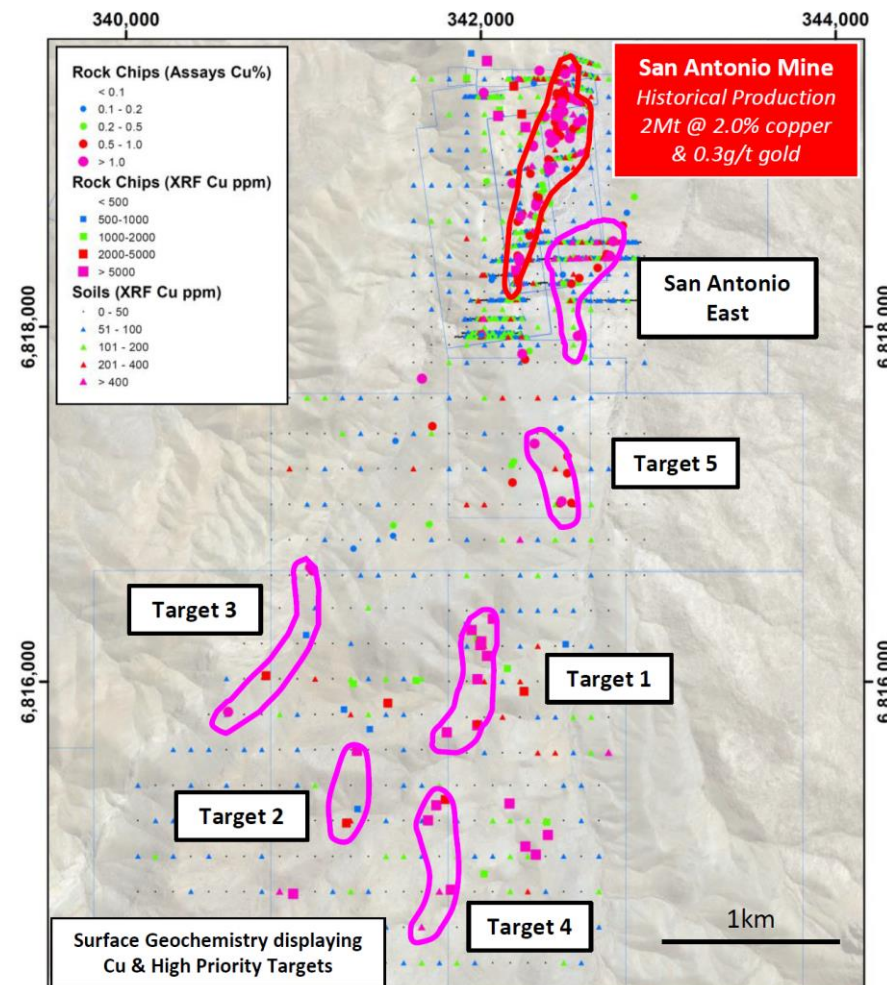


Figure 3. High priority copper targets defined south and east of the San Antonio high grade copper mine.



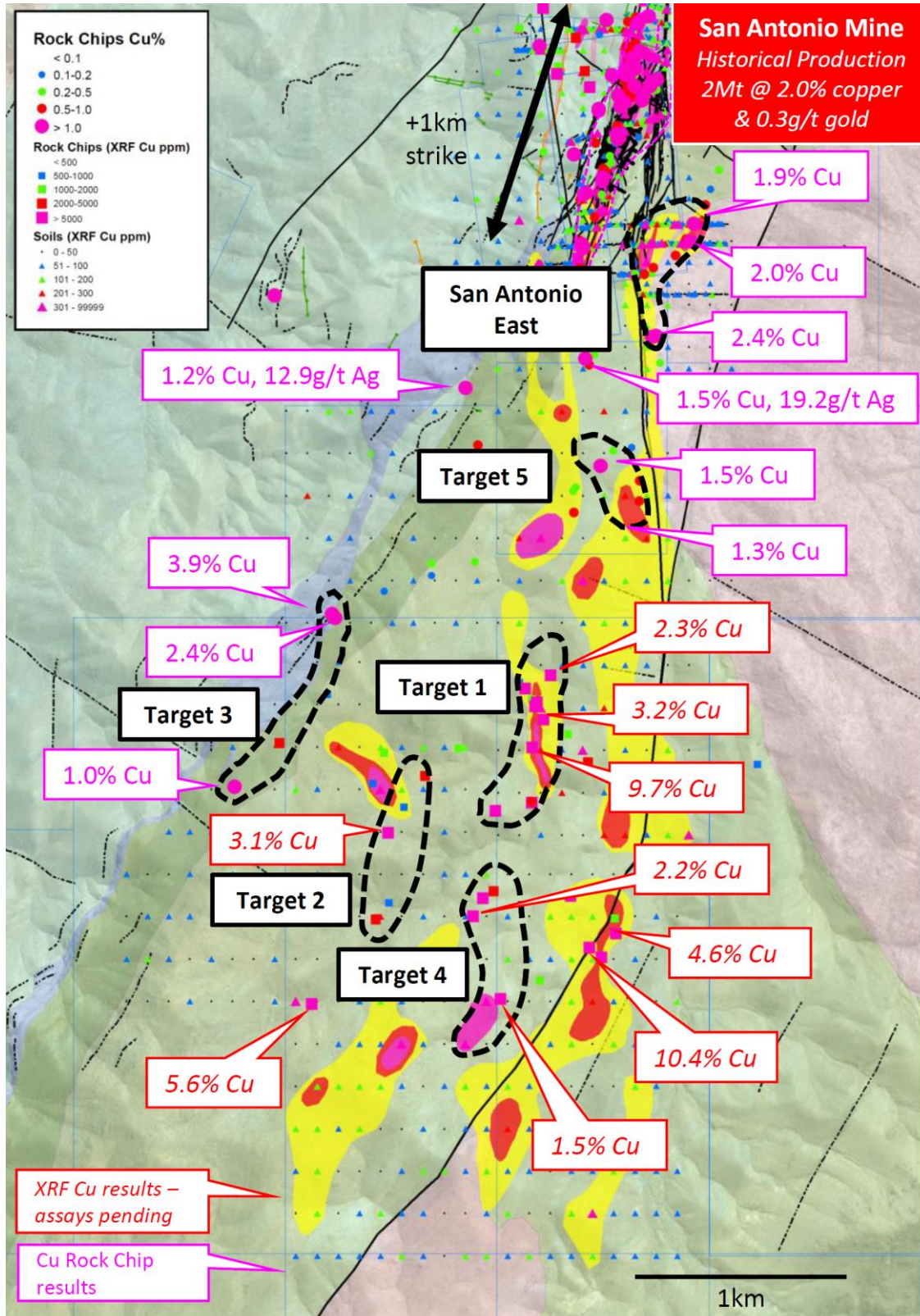


Figure 4. High priority targets in relation to surface rock chip, surface rock XRF results and earlier defined copper soil anomalies south of the San Antonio mine area.

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The San Antonio East target, located along the eastern flank of San Antonio, is the largest target identified and comprises occurrences of porphyry copper mineralisation and a K-feldspar tourmaline breccia zone that extends over a strike length of at least 600m and a width of approximately 100m.

Copper mineralisation at San Antonio East is associated with chalcopyrite, bornite and copper oxides/carbonates evident as replacements and in veins. Porphyry-style stockwork vein types observed include dark mica veins, quartz veins and sulphide veins.

A further five large targets have been defined within a domain extending over approximately 3km south of San Antonio as shown in Figures 3 and 4 above.

Each of the five targets show attractive size and surface metal distribution (from surface rock chip and soil data). The targets were considered high priority based on a combination of structural setting; evidence of copper mineralisation; copper soil anomalism; and visual alteration. Scale and intensity of visual alteration and mineralisation were key inputs in target selection and prioritisation.

A programme of in-fill soil geochemistry and detailed target mapping will be undertaken this year in advance to assist with future drill design and scheduling against a growing number of high grade copper targets that the Company is assembling within the El Fuego copper project.

The Company looks forward to releasing further updates as exploration and drilling results are received.

For more information please contact:

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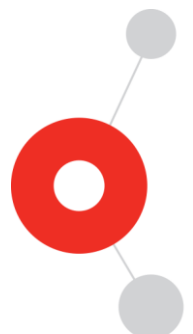
Table 1 Selected Significant Surface Rock Chip Results, El Fuego Copper Project Chile

SAMPLE ID	Easting	Northing	RL	Cu %	Au ppm	Ag ppm	Sample Description
MF249	342174	6817219	1394	0.5	0.1	1	Cu oxide in ~0.3 m wide brittle fault/frac zone
MF250	342177	6817120	1391	0.9	0	13	2m Cu oxide zone in b-d fault - looks OK
MF263	341727	6817438	1341	0.6	0.1	2	20 cm odd amygdaloidal dyke with dissem cu oxide
MF280	342511	6818242	1241	0.9	0.1	2	Dark si-hb-Cuox veins cut GRD. Poss younger GT to east
MF283	342708	6818409	1224	1	0.1	3	CuOx float
MF284	342726	6818398	1216	2	0.1	3	Series of black si-Cu veins cut GRD in pit
MF285	342744	6818482	1225	1.9	0	2	1m wide vein zone. Granodiorite contains xenoliths of more altered porphyry/ andesite
MF286	342800	6818569	1218	0.7	0	1	Minor Cu around GRD-Andesite contact
MF290	342658	6818331	1220	0.8	0.1	2	Cu ox Mineralised vein in road cut, biotite alteration
MF291	342554	6818274	1231	0.7	0	3	Cu ox Mineralised vein in outcrop, biotite alteration
MF303	342569	6819163	1155	1.7	0	2	Diorite, Cu oxide mineralisation in fault
MF304	342546	6819153	1152	1.8	0	3	Diorite, Cu oxide mineralisation in fault
MF305	342539	6819131	1160	1	0	1	Diorite, Cu oxide mineralisation in fault
MF317	342500	6819066	1141	6	0	2	Diorite, Cu oxide mineralisation in fault
MF320	342521	6819116	1152	0.9	0	2	Diorite, Cu oxide mineralisation in fault
MF331	342500	6819064	1173	1.6	0	2	Diorite, Cu oxide mineralisation
MF337	342463	6819133	1177	2.3	0.1	10	Diorite, Cu oxide mineralisation in fault
MF338	342443	6819129	1177	0.9	0	4	Diorite, Cu oxide mineralisation in fault
MF339	342436	6819113	1177	0.8	0	2	Diorite, Cu oxide mineralisation in fault
MF340	342449	6819075	1180	0.8	0	1	Diorite, Cu oxide mineralisation in fault
MF343	342418	6819055	1182	1.2	0	6	Diorite, manto Cu zone
MF345	342396	6819037	1180	1.2	0	1	Diorite, Cu oxide mineralisation in fault
MF346	342387	6819086	1180	1.4	0.1	12	Diorite, Cu oxide mineralisation in fault
MF353	342420	6819153	1195	0.6	0	1	Diorite, Cu oxide mineralisation in fault
MF364	342439	6819177	1196	0.7	0	1	Diorite, Cu oxide mineralisation in fault
MF365	342437	6819181	1196	1.5	0.1	2	Diorite, Sinistral offset of early gently-dipping mineralised fault
MF366	342437	6819191	1198	1.6	0.1	2	Diorite, Cu oxide mineralisation in fault
MF367	342429	6819193	1199	1.7	0.1	1	Diorite, Cu oxide mineralisation in fault
MF368	342420	6819187	1202	1.4	0.1	3	Diorite, Normal fault with striated surface
MF370	342424	6819208	1206	1.6	0	2	Diorite, Cu oxide mineralisation in fault
MF372	342440	6819198	1204	1.4	0.1	1	Diorite, Cu oxide mineralisation in fault
MF373	342456	6819208	1202	2.2	0	3	Diorite, Cu oxide mineralisation in fault
MF374	342465	6819213	1206	1.2	0	1	Diorite, Cu oxide mineralisation in fault
MF375	342450	6819224	1209	0.7	0	1	Diorite, Cu oxide mineralisation
MF376	342434	6819434	1211	0.9	0	3	Diorite, Cu oxide mineralisation in fault
MF377	342426	6819228	1212	0.7	0	2	Diorite, Cu oxide mineralation in fault





SAMPLE ID	Easting	Northing	RL	Cu %	Au ppm	Ag ppm	Sample Description
MF378	342428	6819225	1206	1	0	1	Diorite
MF379	342437	6819248	1208	1	0	3	Diorite, Cu oxide mineralisation in fault
MF380	342449	6819254	1208	0.9	0.1	1	Diorite, Cu oxide mineralisation in fault
MF381	342456	6819260	1194	1.9	0	3	Diorite, Cu oxide mineralisation in fault
MF382	342457	6819264	1194	5.6	0.1	24	Diorite, Cu oxide mineralisation in fault
MF383	342479	6819286	1202	0.6	0	1	Diorite, Cu oxide mineralisation in fault
MF384	342478	6819297	1206	0.6	0	2	Diorite, Cu oxide mineralisation in fault
MF389	342457	6819321	1211	0.7	0	2	Diorite, Cu oxide mineralisation in fault
MF390	342468	6819334	1209	1	0	10	Diorite, Cu oxide mineralisation in fault
MF391	342439	6819288	1223	0.6	0	2	Diorite, Cu oxide mineralisation in fault
MF393	342393	6818889	1193	6.5	0.1	8	
MF394	342390	6818880	1196	0.7	0	2	
MF395	342384	6818881	1197	1.5	0	2	
MF406	342250	6817815	1337	0.6	0.1	4	Andesitic polymict lithic tuff, Cu Oxide float of uncertain origin
MF418	342303	6817340	1373	1.5	0.7	14	Andesitic polymict lithic tuff, Locally abundant Cu Oxide - but source unclear
MF423	342487	6817173	1244	0.6	0.2	5	Granodiorite, AT least 30 m true width brit-duct fault zone internal to GRD. Cu Oxide in vein material of unknown origin.
MF427	342489	6817269	1258	0.6	0.1	10	Granodiorite, Small pits on nice 0.5 m qz-Cu bearing shear zone - wholly within GRD.
MF431	342510	6817006	1249	0.6	0	1	Granodiorite, Strong 1 m B-D structure with Cu Oxide - very altd/frac wallrock.
MF432	342456	6817014	1261	1.3	1.1	4	Granodiorite, Strong 1 m B-D structure with Cu Oxide - very altd/frac wallrock. In workings.
MF433	342447	6817005	1271	0.7	0	1	Granodiorite, Further workings
MF456	341668	6817707	1284	1.2	0	13	Diorite, 15 cm qz vein cuts beginning of significant brit-duct structure.
MF473	341051	6816625	1389	2.4	0	13	Andesite, 5m deep working on Cu Oxide (incl atacamite and cuprite) - located on sheared contact between coarse calcareous sandstone (west) and volcanics (east).
MF475	341038	6816643	1385	3.9	0.1	13	Calcareous Sandstone, Clayey zone in creek - possibly some alunite?
MF495	340575	6815828	1518	1	0	1	Andesite, Saprolitic clays - likely part of major shear.
MF508	342359	6819184	1223	1.1	0	4	Felsic porphyry
MF516	342380	6818905	1215	1.6	0	3	Diorite
MF518	342327	6818729	1242	0.7	0	1	Diorite
MF520	342311	6818683	1244	2.2	0.1	3	Felsic porphyry
MF521	342353	6818769	1215	0.5	0	0	Felsic porphyry
MF530	342232	6817846	1344	1.5	0.1	19	Andesitic breccia
MF532	342545	6817948	1244	1.3	0	0	Granodiorite
MF533	342563	6817954	1243	2.4	0.1	1	Granodiorite





SAMPLE ID	Easting	Northing	RL	Cu %	Au ppm	Ag ppm	Sample Description
MF557	342207	6818400	1258	0.6	0.1	5	Diorite, faulted contact between Felsic porphyry and Diorite
MF560	342208	6818392	1257	0.8	0	1	Feldspathic porphyry
MF562	342216	6818385	1255	1.5	0.9	8	Feldspathic porphyry, chalcopryite and quartz-vein mineralisation
MF567	342218	6818370	1252	4.8	0.1	14	Diorite, chalcopryite - bornite - chalcocite mineralisation
MF568	342218	6818366	1252	2.4	0.8	14	Diorite
MF572	342221	6818372	1254	1.4	0	7	Diorite
MF573	342477	6819427	1192	1.1	0	5	Sandstone, manto copper mineralisation
MF574	342470	6819456	1192	0.7	0	2	Sandstone, manto copper mineralisation
MF575	342331	6819444	1187	2	0.2	6	Feldspathic porphyry
MF578	342530	6819462	1171	1.4	0.1	2	Sandstone





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
	Total	218.0	0.16	0.04	58	341,000	250,000	13,000

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.



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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-</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>

Criteria	JORC Code explanation	Commentary
	<i>sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Drill size and specific drill method, as well as standard protocols used by previous companies is unknown.
Drill sample recovery	<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>Recovery, splitting method, sample condition, representivity of historic samples and any relationship between grade, recovery or sample weight is unknown and has not be 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"> • <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 metallurgical studies.</i> • <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>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"> • <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</i> 	<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> <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>

Criteria	JORC Code explanation	Commentary
	<p><i>representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <ul style="list-style-type: none"> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<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>
<p>Quality of assay data and laboratory tests</p>	<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):</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) are unavailable.</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. The Company has yet to establish repeatability, bias or overall quality of these historic data set.</p>
<p>Verification of sampling and assaying</p>	<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> 	<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>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<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"> 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. Specification of the grid system used. Quality and adequacy of topographic control. 	<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"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<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 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>
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 	<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</p>

Criteria	JORC Code explanation	Commentary
	<i>mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	sampling is considered to be adequate in its representation for exploration reporting purposes.
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 standard protocols used by previous companies for either drilling or surface sampling is unknown.</p>
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	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"> <i>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.</i> <i>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.</i> 	<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 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.</p> <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</p>

Criteria	JORC Code explanation	Commentary
		<p>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>
<p>Exploration done by other parties</p>	<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> <p>There has been very limited exploration activity in areas beyond the San Antonio and Valentina mines.</p>

Criteria	JORC Code explanation	Commentary
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 associate 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 on the basis that the information is not</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
	<i>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>	
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. 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</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
	<p><i>grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	<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>
<p>Other substantive exploration data</p>	<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>
<p>Further work</p>	<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>