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ASX Announcement

Thursday 27th April 2017

First Drill Results Confirm Alice Extensions at Productora

Diamond Drilling Set to Commence

Key Points

- **Reconnaissance Reverse Circulation (RC) drilling advancing across several large porphyry copper targets at Productora**
- **First drill results confirm depth extension potential of the Alice porphyry copper resource. Results recorded:**

64m grading 0.5% Copper, 0.1g/t Gold and 185ppm Molybdenum
from 200m down-hole,
hole abandoned and ends in mineralisation

- **Drill result indicates Alice mineralisation extends towards and may converge at depth with the Productora Main Zone resource**
- **Diamond drilling programme to commence at Productora shortly**
- **All drilling being undertaken by Blue Spec Sondajes Chile (Blue Spec, associated with Hot Chili's Chairman Murray Black) at their own risk and at no cost to Hot Chili**

Reconnaissance RC drilling being undertaken by Hot Chili Limited (ASX code: HCH) ("Hot Chili") has delivered a significant intersection below the Alice porphyry copper resource at the Company's Productora copper project in Chile.

The result confirms extensional growth potential at Alice and provides some important implications for the current drilling campaign, which is advancing across several large porphyry copper targets.

Drilling is set to be boosted with the commencement of a diamond drilling programme at Productora.

ASX CODE
HCH

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While information from the reconnaissance RC drilling programme is preliminary, the Company and Blue Spec are encouraged with early results from the porphyry copper targets being tested.

Drilling has provided key lithological and alteration information, crucial for vectoring and refinement of drill targets located below the large-scale porphyry copper lithocap at Productora (Figure 1).

Blue Spec have informed Hot Chili that they are prepared to undertake a diamond drilling programme under the same arrangement as the reconnaissance RC drilling programme- at their own risk and at no cost to Hot Chili. Preparations are already underway in advance of the commencement of the diamond drilling programme.

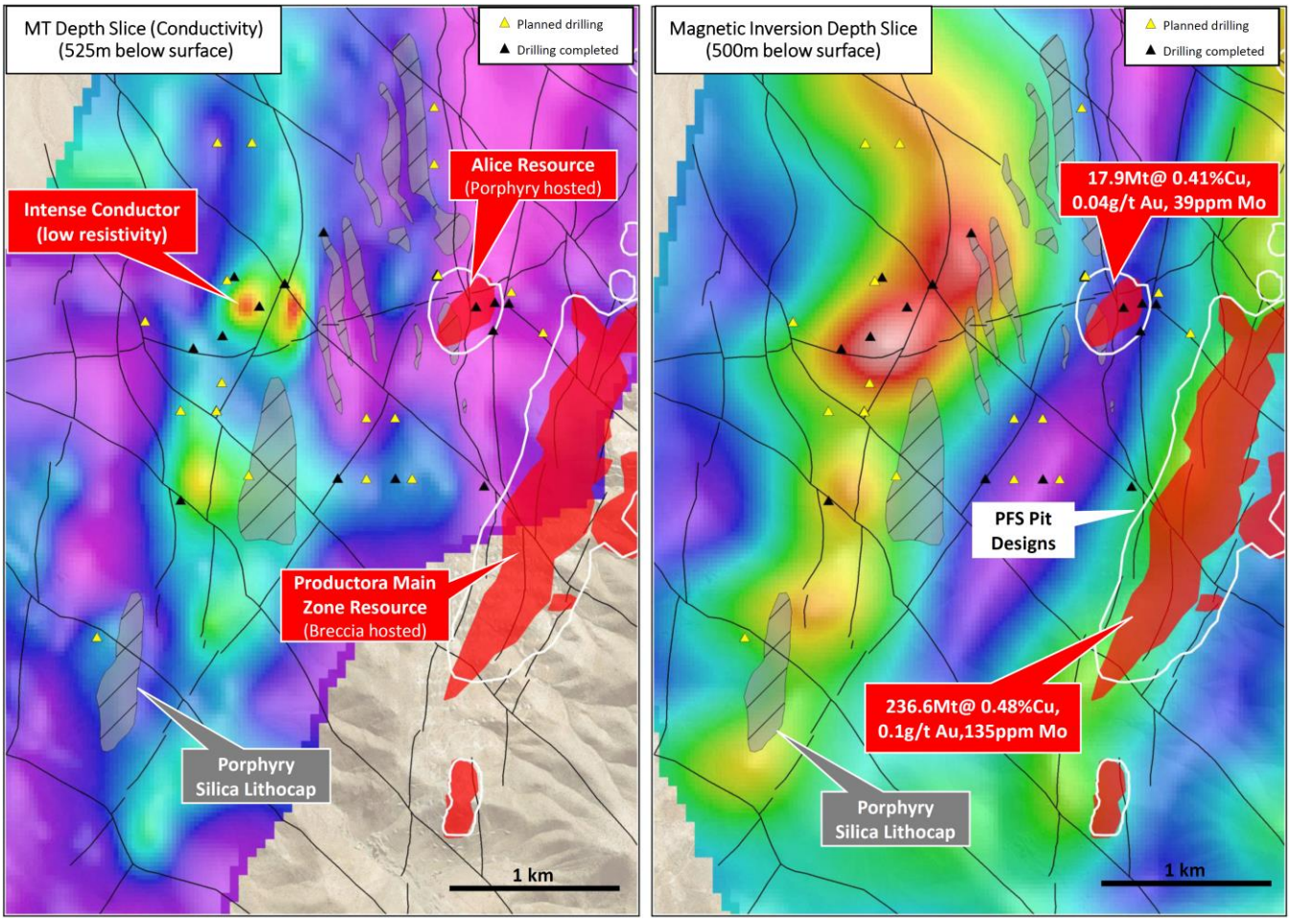

Figure 1 Location of reconnaissance RC drill holes in relation to key exploration datasets at Productora.

First Drilling Results Extend Alice Porphyry Copper Resource

First assays from Hot Chili's reconnaissance RC drilling programme at the Productora copper project have returned a significant intersection of **64m grading 0.5% copper, 0.1g/t gold and 185 ppm molybdenum** from 200m down-hole depth. The significant drilling intersection was recorded from an extension of a previous drill hole (PRP0930) at the Alice porphyry copper resource which had ended in mineralisation at 200m depth.

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The drill hole (PRP0930EXT) was designed to test for the potential of Alice to extend and dip towards the east. The entire 64m extension of PRP0930 was mineralised with the hole being abandoned (due to difficult ground conditions) at 264m depth and ending in mineralisation.

A review of down-hole multi-element data had highlighted a broad east dip to molybdenum distribution at Alice, in contrast to the current west-dipping interpretation of the Company's Mineral Resource copper wireframes as shown in Figure 2.

The result has several important implications for Alice and the wider porphyry copper drilling campaign, including:

1. Alice porphyry copper mineralisation extends down-dip towards the east and may converge at depth with the Productora Main Zone resource (breccia hosted).

2. The molybdenum grade of the significant intersection is more than four-times the grade of the Alice resource, similar to the molybdenum resource grade of Productora Main Zone.

3. Hot Chili's exploration vectoring techniques are assisting in successful porphyry copper drill targeting at Productora

Information already compiled and being compiled from the current reconnaissance drilling has highlighted several high-conviction porphyry copper target areas for diamond drilling assessment.

Hot Chili looks forward to the commencement of diamond drilling, and releasing further updates and results as they become available.

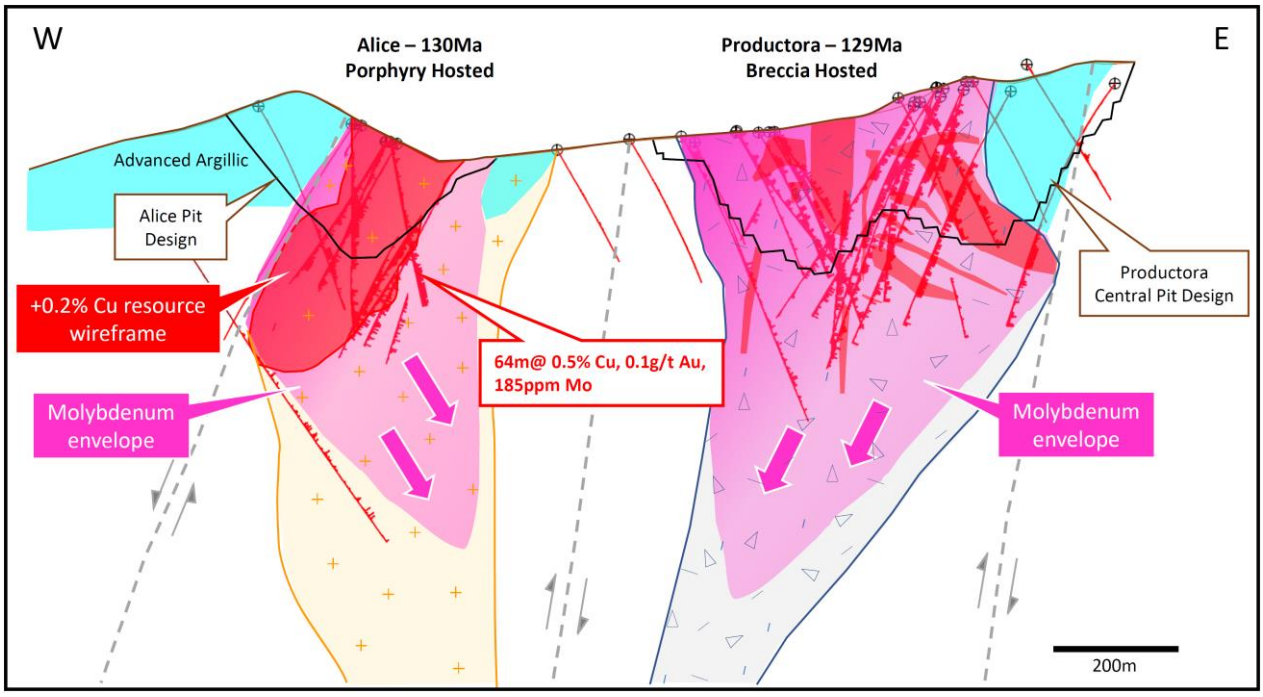

Figure 2 Productora-Alice cross section (looking north) showing location of new drill result in relation copper resource envelopes and molybdenum distribution

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Productora Copper Project- New Significant Drilling Intersections

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Molybdenum
	North	East	RL				From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)
PRP0930*	6822581	322854	786	90	-80	264	200	264	64	0.5	0.1	185.0

Notes to Significant Drilling Intersections

- *All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" are diamond holes.*
- *Results comprise ICP analysis (ME-ICP61) of 4m composite samples (RC).*
- *Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 1.0%.*
- *Gold analysis only undertaken over copper results greater than 0.1%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances, generally gold analysis has been undertaken over 90 percent of the samples taken within the length of the intersection.*
- *All results were analysed by ALS Chemex (La Serena and Lima) laboratories*

** denotes RC extension of previously drilled RC hole.*

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Qualifying Statements

JORC Compliant Ore Reserve Statement

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

Ore Type	Reserve Category	Tonnage	Grade			Contained Metal			Payable Metal		
		(Mt)	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 Cu (%)	Au (g/t)	Mo (ppm)	Contained Metal 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
	Sub-total	*218.7*	*0.48*	*0.10*	*142*	*1,059,000*	*708,000*	*31,000*
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
	Sub-total	*17.9*	*0.41*	*0.04*	*39*	*73,000*	*23,000*	*700*
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.

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

			Grade			Contained Metal		
Deposit	Classification	Tonnage (Mt)	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
	Sub-total	*201.6*	*0.16*	*0.04*	*60*	*320,000*	*241,000*	*12,000*
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
	Sub-total	*16.4*	*0.13*	*0.02*	*27*	*22,000*	*9,000*	*400*
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.

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Appendix- JORC Code, 2012 Edition Table 1

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *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.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *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.*
		• Reverse circulation drilling (RC) was used to produce 4m composited samples.
		• Industry standard practices for sampling techniques were employed at the Productora project. Geological logging was completed with mineralised intervals determined by the geologists. Geologists directed field assistants to collect a 4m scoop composite for laboratory for analysis.
		• RC sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance / testing (QA).
		  ○ Examples of QC typically include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures.
		  ○ Examples of QA typically include (but are not limited to), collection of drilling duplicates ("field duplicates"), the use of certified standards and certified blank samples, as well as umpire-laboratory checks.
		• The drill samples were submitted to ALS Coquimbo. Laboratory analysis involved: sample crushed to 70% > 2mm, riffle/ rotary split off 1kg, pulverize split to > 85% passing 75 microns, then 100g analysis by ME-ICP61 technique.
		• Samples were submitted to ALS Coquimbo, which is ISO accredited.
		• The sampling techniques used are deemed appropriate for the style of mineralisation and deposit type.

Drilling techniques	• *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).*	• Reverse Circulation drilling used 140 to 130mm diameter drill bits. RC drilling employed face sampling hammers ensuring contamination during sample extraction is minimised.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drilling techniques to ensure adequate RC sample recovery included the use of "booster" air pressure as well as limits on angle of drilling. Air pressure used for RC drilling was 700-800psi. • 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 collection method (ie. split or composite), and comments • There does not appear to be any apparent bias in sample weight, recovery or sample quality. No observed relationships between grade and recovery were noted in the drilling programme.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging of samples followed established company and industry common procedures. Qualitative logging of samples included (but was not limited to); lithology, mineralogy, alteration, veining and weathering. • Every metre (100%) of RC drilling was geologically logged and sampled. • Quantitative alteration geochemistry characterization was also completed using ME-ICP61 assay data. • At Productora a clear correlation between silicate mineralogy (alteration) and sulphide mineralogy (copper mineralisation) is evident from the geochemical alteration classification work completed, and this has been used to guide exploration drilling and resource modelling.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone Splitting of RC drill samples occurred regardless of whether the sample was wet or dry. • 4m composite samples were collected from 4 consecutive 1m intervals using a scoop. • Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices, as well as drilling/ sub-sample duplicates ("field duplicates"). ○ RC Sample condition was routinely recorded ○ Field duplicates were taken at a rate of 1 in every 50th meter of drilling. Results of field duplicate assays give

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Criteria	JORC Code explanation	Commentary
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	confidence that acceptable relative levels of accuracy and precision of assay data returned from Productora. • Sample sizes (width and length) were based on industry best practice and mineralisation style. • Previous comparison between diamond and RC samples at Productora shows an acceptable correlation and supports the use of RC samples as representative of the in-situ material.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples (RC chips and diamond core) were assayed by industry standard methods. • All samples were submitted to ALS Coquimbo for analysis. Sample preparation involved: ○ sample crushed to 70% > 2mm, riffle split off 1kg, pulverize split to > 85% passing 75 microns • Analytical Technique involved: ○ ALS Method ME-ICP61 (31 element analysis), with additional assaying triggered as follows; samples which returned copper >1,000ppm were analysed for gold by ALS Method Au-ICP21 (30g Fire Assay). ○ Samples with Cu >10,000ppm were analysed by ALS "ore grade" method Cu-AA62. • Reported gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over >90 percent of the samples taken within the length of the intersection. • Routine "mineralized" pulp Certified Reference Material (CRM) were inserted by Hot Chili Ltd at a rate of 1 in 50 samples. Routine pulp Blank Certified Reference Material ("Blanks") were inserted by Hot Chili Ltd at a rate of 1 in 100 samples. Coarse blank material was also inserted in logged mineralized zones at a nominal rate of greater than 2 per hole. • Results from CRM (standards, blanks), and results from previous umpire laboratory testwork, gives confidence in the accuracy and precision of assay data returned from ALS. • The analytical laboratory (ALS) also provided their own routine quality controls within their own practices. The results from their own validations were provided to Hot Chili Ltd.

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Hot Chili routinely undertakes Umpire laboratory checks by an alternative and independent laboratory (ACME). Typically 5% of coarse rejects are submitted for Umpire checks and validation against the primary laboratory. To date, Umpire laboratory results have correlated well with primary laboratory (ALS) results, with no discernible bias detected. • In the main Productora deposit there are quite a few RC intervals twinned with diamond holes. A previous direct verification comparison between nominally equivalent intervals showed these is some short-scale structural and mineralisation noise in all elements. Population comparison plots for matched twins has previously been attempted but were not informative. This makes quantitative correlation troublesome, but visual validation of mineralisation domains suggest that there is acceptable correlation, and no apparent bias in the twinned mineralisation intervals and assay ranges. • Hot Chili has strict procedures for data capture, flow and data storage, a full description of these procedures is included in the resource report. • Limited adjustments were made to returned assay data; values returned lower than detection level were set to the methodology's detection level, and this was flagged by code in the database. Additionally, copper values are converted from ppm to %. • Various analytical techniques have been used for analysis of ore grade elements (including Au and Cu), therefore a ranking has been applied to these elements ensuring the highest priority assay value is used for resource estimation. All assay values (from all analytical techniques) are stored in the database for completeness.
Location of data points	• *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.*	• Collar surveys were completed by topographical surveying company (Geotopo's Exploraciones). • Down-hole directional surveys using a gyroscopic instrument were completed by reputable down-hole surveying company North Tracer. Down-hole surveys were completed using a north-seeking gyroscope, eliminating the risk of magnetic interference. • The WGS 84 UTM Zone 19S coordinate system was used for all Hot Chili undertakings. • Magnetic north has been used for directional surveys.

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Criteria	JORC Code explanation	Commentary
		• Accuracy and adequacy of topographic control was validated visually in 3D software by comparison of drill collar locations and high resolution satellite (1m contours) derived DEM.
Data spacing and distribution	• *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.*	• Drillhole spacing at Alice is on a nominal 80m by 40m spacing. • This drillhole spacing has provided a high level of support for robust geological and mineralisation modeling. Geological and grade continuity is sufficient for mineral resource estimation, with both indicated and inferred resources being classified at Productora. • Previously, within the Alice and Productora deposts, in unmineralised areas, 4 metre composite samples were taken from the RC drill holes. These 4m composite samples represent 8% for Productora deposit, and 6.6% for the Alice deposit, of all assay sample data used in resource estimation. The 1m samples comprise 91.9% and 93.3% for Productora and Alice respectively.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of Productora drilling has been oriented approximately perpendicular to the overall NNE structural trend of the Productora project area, with drillholes angled at -60° to -90° towards the east or west to optimize drill intersections of the moderate to steeply dipping mineralisation. • Considering the type of deposit and style of mineralisation, the drilling orientation and subsequent sampling is considered to be unbiased in its representation of reported material for estimation purposes.
Sample security	• *The measures taken to ensure sample security.*	• Hot Chili has strict chain of custody procedures that are adhered to for drill samples. All samples for each batch 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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• AMC Consultants have reviewed similar procedures for data collection methods used by Hot Chili at the Productora project. • In October 2014, an independent consultant from Coffey Mining (now employed by AMC Consultants) was engaged on a fee basis to conduct a site visit to review site practices, QA/QC methods, data capture, site sample processing, laboratory sample preparation, and to undertake a limited amount of independent check samples for comparison with Hot Chili sample results. This

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Criteria	JORC Code explanation	Commentary
		review found Hot Chili practices acceptable but with areas of potential improvement. The review also determined the outcome of the check samples had very good results and repeatability noted.

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	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Hot Chili (through its subsidiary JV company SMEA SpA) controls an area measuring approximately 12.5km N-S by 5km E-W at the project through various agreements with private land holders; CMP (Chile's largest iron ore producer) and government organisations. • The JV company, SMEA SpA, is a joint venture agreement between HCH and CMP that encompasses all leases at the Productora project, whereby HCH owns 80% and CMP owns 20%. • The URANIO 1/70 lease is subject to a royalty payment, and the royalty agreement is with CCHEN. Details are as follows: 1. After the first 5 years of the lease agreement or upon beginning of the exploitation phase if this situation happens before, the following minimum Net Smelter Royalty (NSR) shall be charged: a. 2% over all metals different from gold (ie. copper). b. 4% over gold. c. 5% over non-metallic. 2. All of the above are calculated over effective mineral sold. • The majority of Hot Chili's landholding at Productora is held in Exploitation Concessions (Mining Lease would be the Australian equivalent term), with Mining Claims and Mining Petitions being the other main landholding types at the project (outside the main mineralised corridor and the preliminary central pit design).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration at the Productora Project has been completed by: ○ CCHEN (Chilean Nuclear Commission) in the late 1980's: ▪ Mapping, geochemical sampling, ground spectrometry, magnetometry, trenching, drilling (28 shallow percussion holes). Focus was on near surface, secondary uranium potential). ○ GMC-Teck in the 1990's

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Criteria	JORC Code explanation	Commentary
		▪ Compilation of mapping, surface geochemical sampling, ground geophysics (IP), percussion drilling. ○ Thesis (Colorado School of Mines), 1990's ▪ Thesis completed which involved field mapping, laboratory studies (petrology, whole rock geochemistry, geochronology, x-ray diffraction, sulphur isotope analysis).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The majority of the mineralisation at the Productora Project is in the Productora copper-gold-molybdenum deposit, which is a structurally focused tourmaline breccia. This is located in the Neocomian (lower Cretaceous) Bandurrias Group, a thick volcano-sedimentary sequence comprising intermediate to felsic volcanic rocks and intercalated sedimentary rocks. Dioritic dykes intrude the volcano-sedimentary sequence at Productora, typically along west- to northwest-trending late faults, and probably represent sub-volcanic feeders to an overlying andesitic sequence not represented in the resource area. • The host sequence dips gently (15-30°) west to west-northwest and is transected by several major north- to northeast-trending faults zones, including the Productora fault zone which coincides with the main mineralised trend. These major fault zones are associated with extensive tectonic breccia (damage zones) that host copper-gold-molybdenum mineralisation. Later faults cross-cut and offset the volcano-sedimentary sequence together with the Productora (and sub-parallel) major faults. Late faults generally show a west to north-westerly strike and while generally narrow, are locally up to 20m wide. • The volcano-sedimentary sequence at Productora is extensively altered, particularly along major faults and associated damage zones, and a distinctive alteration zonation is evident. The distribution of alteration mineral assemblages and spatial zonation suggest a gentle northerly plunge for the Productora mineral system, disrupted locally via vertical and strike-slip movements across late faults. • The Alice copper-gold-molybdenum deposit is a mineralised porphyry hosted in the same broad lithological sequence as the Productora deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the*	• A complete list of all holes reported as significant exploration results are provided in Productora Project- New Significant Drilling Intersections table

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	following information for all Material drill holes: ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole 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 Competent Person should clearly explain why this is the case.*	• This listing includes: ○ collar coordinates WGS84_19S), ○ elevation, ○ hole orientation (dip and azimuth- magnetic), ○ downhole intersection depth and length ○ total hole depth ○ length weighted average grade for Cu%, Au g/t, Mo ppm ○ Length weighted average grade is rounded to one decimal place • No material drillhole information has been excluded
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• 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 grade Cu%), divided by sum of interval lengths and rounded to one decimal place • For example an aggregation of results could look like the below: **From** **To** **Interval** **Grade Cu%** 236 240 4 0.623 240 241 1 0.25 241 242 1 0.451 242 243 1 0.861 Weighted average = ((4 x 0.623) + (1 x 0.25) + (1 x 0.451) + (1 x 0.861)) / (4+1+1+1) = **7m @ 0.58% Cu** • Exploration results are nominally reported where copper results are greater than 0.3% Cu, significant intersections have a minimum down-hole width of 4m, internal dilution of up to 4 metres has been incorporated in some instances to allow continuity of significant intersections.

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		• No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• The Alice mineralisation has a single porphyry body in close proximity to a lithocap. Within the mineralisation, there appears to be a distinct difference between chalcopyrite-dominant and pyrite-dominant areas. Zones within the chalcopyrite dominant domains (i.e. low pyrite: chalcopyrite ratio) correlate with intense A-veins and B-veins, and also higher copper grades. Copper mineralisation appears both within veining and also disseminated within the groundmass proximal to veining. Late albite (+/- epidote +/-sericite) appears to have overprinted / removed chalcopyrite (Cu, S). • Considering the types of deposit and style of mineralisation, the drilling orientation and subsequent sampling is considered to be unbiased in its representation of reported material for estimation purposes.
Diagrams	• *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.*	• Refer to figures in announcement. A plan view of reported significant intersection drillhole collar locations is included.
Balanced reporting	• *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.*	• It is not practical to report all exploration results. • Low grade intersections grading 0.2-0.5% Cu have been reported as well as high grade intersections grading> 0.5% Cu. • Unmineralised intervals <0.2% Cu have not been reported.
Other substantive exploration data	• *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.*	• Other exploration data available: ○ Surface mapping- geological observations (lithological and structural) ○ Surface sampling ○ Airborne geophysical surveys (e.g magnetics, radiometrics) ○ Ground geophysical surveys (e.g. IP, MT)

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Further work	• 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.	• Further exploratory testing for copper-gold-molybdenum mineralisation will be completed over the entire project holding. • Drill targeting of conceptual high grade shoots at depth, along strike and down plunge will also be a focus for future exploration.