



ASX Announcement

Wednesday 8th November 2017

San Antonio High Grade Satellite Copper Project Secured

Scale and Grade Potential Unveiled Drill Planning Underway

Key Points

- **San Antonio high grade satellite copper project added to Productora operating centre, following execution of a formal agreement to earn a 90% interest over a four-year option period**
- **San Antonio is a historical mine located 20km directly east of Productora and is one of the area's most substantial high grade underground copper mines**
- **Historical underground production of 2Mt grading 2% copper and 0.3g/t gold, and very little historical drill testing (9 drill holes in total)**
- **Regional soil geochemical programme reveals multiple large-scale copper targets over a prospective 4km long corridor**
- **Drill planning underway to initiate first drilling in 20 years at San Antonio early in the New Year**
- **Successful integration of satellite high-grade ore sources has potential to transform Productora into a higher margin and larger scale copper operating centre**
- **Expanded strategy aims to establish Hot Chili as the premier ASX listed copper developer moving into a rising copper price cycle**

Hot Chili Limited (ASX code HCH) (“Hot Chili” or “Company”) is pleased to announce the execution of a formal agreement to earn a 90% interest in the San Antonio high grade satellite copper project. San Antonio is a historical underground copper mine located within a short 20km trucking distance, directly east of the Company's Productora copper project in Chile.

This follows Hot Chili's announcement yesterday of the execution of another formal agreement to acquire a 70% interest in the Lulu high grade satellite copper project, located 30km west of Productora (*Lulu High Grade Satellite Copper Project Secured, ASX release 7th November 2017*).

ASX CODE

HCH

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High Grade Satellite Projects Secured - Strategic Value Building

Both projects contain or are adjacent to some of the area's most substantial underground high grade copper mines, which have seen little modern exploration or drilling owing to their private ownership for the past 50 years.

In the case of San Antonio, the mine has reportedly produced approximately 2Mt grading 2% copper and 0.3g/t gold and up to 15g/t silver during its operation. Ore was extracted over a 200m strike extent with average production widths of 10m to 30m and developed to a depth of 130m vertical.

Historical mine production adjacent to the Lulu project (direct extension) reportedly graded 6% copper and 3g/t gold over average widths of 1.5 to 2m and developed to a depth of 600m vertical.

Small-scale mining at Lulu and San Antonio is ongoing under a capped production arrangement (50,000 tonnes per annum) as part of the formal option agreements. This allows the owners of these projects to continue deriving lease mining revenue while providing Hot Chili access to active sulphide production areas.

The agreements provide that Hot Chili can exit the projects at any time and the Company only intends on exercising the option agreements in the event of exploration success.

Together, these projects form the beginning of Hot Chili's expanded growth strategy to secure and successfully delineate multiple, high grade satellite resources capable of supplying approximately 1Mtpa of high grade ore into Productora's planned 14-15Mtpa, low-cost production base.

This strategy aims to transform Productora by increasing margins and lowering production costs through higher head grade and expanded metal output.

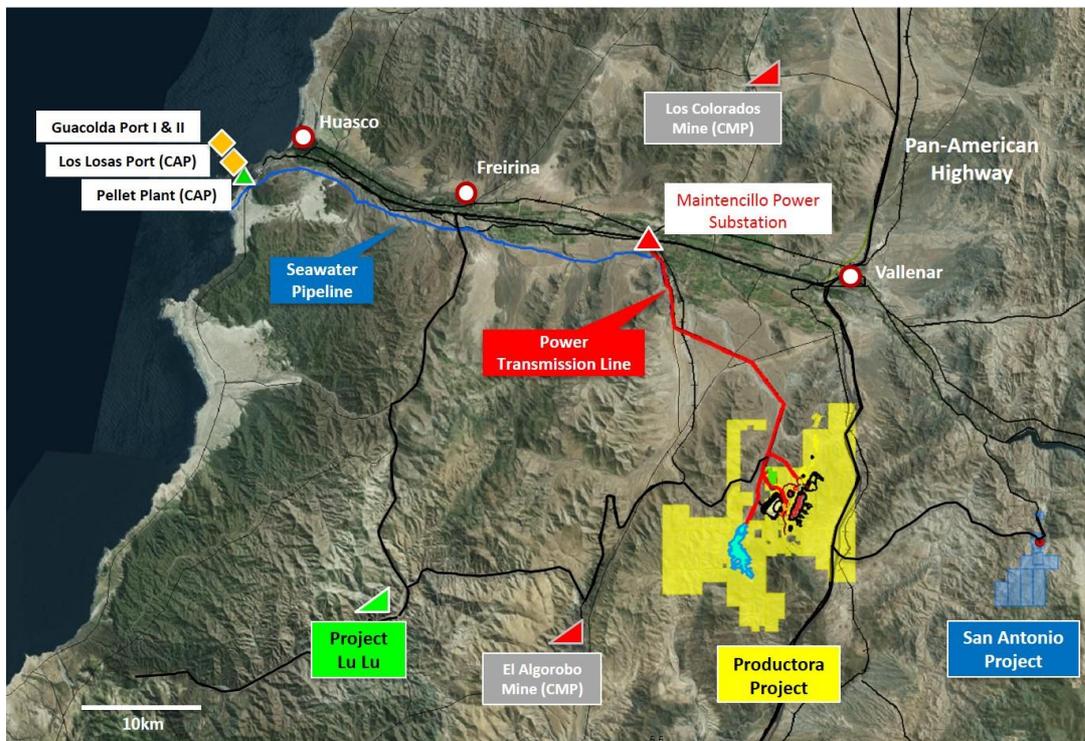


Figure 1 Productora copper project in relation to the San Antonio and Lulu satellite projects and coastal range infrastructure position.



Next Steps - San Antonio the Initial Focus

Drill planning is now underway along with preparations for environmental approval with the Company planning to commence drilling early in the New Year. In addition, the Company is expecting the return of surface rock-chip sample results from reconnaissance mapping at both San Antonio and Lulu in the coming weeks.

Technical compilation and review of the San Antonio project has revealed significant scale and grade potential and reinforced the Company's view to prioritise detailed litho-structural mapping and first drilling at this project early in the New Year.

The next 6-8 months will see an initial focus on achieving first-pass drill confirmation of extensional resource potential at the San Antonio mine area, in addition to assessing multiple large-scale surface geochemical copper anomalies which have been defined over a 4km long strike extent.

Planned drilling by Hot Chili will be the first drilling undertaken at San Antonio in over 20 years.

Exploration focus over the Lulu project is planned to ramp-up in the second half of 2018.

San Antonio Revealed - Largely Untested Mine Extensional Potential

The Company is excited to have compiled multiple generations of historical mining and exploration data to generate the first 3D underground mine and geological model to ever be produced since the project was discovered and commenced mining in 1964.

Constructing the San Antonio 3D model has unlocked the value of this legacy data, which has been acquired over several decades of mining. The San Antonio orebody dimensions and morphology can now be visualised, allowing controls on mineralisation to be better understood and more effectively targeted with drilling.

Figure 2 displays the main mineralised lodes identified at San Antonio in association with underground development and the few limited drill holes completed at the project.

The limited drilling data completed to date (9 holes) has been integrated into the 3D model, with one drill hole in particular displaying a significant high-grade copper intersection, revealing a potential parallel lode immediately to the west of the San Antonio main lode, as can be seen in Figure 3.

The historical CODELCO drilling intercept of **20m grading 1.0% copper from 310.5m down-hole depth**, was recorded north of the Main lode and below a series of more recent near-surface workings.

This result in combination with the first ever visualisation of the San Antonio deposit has provided significant encouragement for the presence of substantial extensional resource potential.



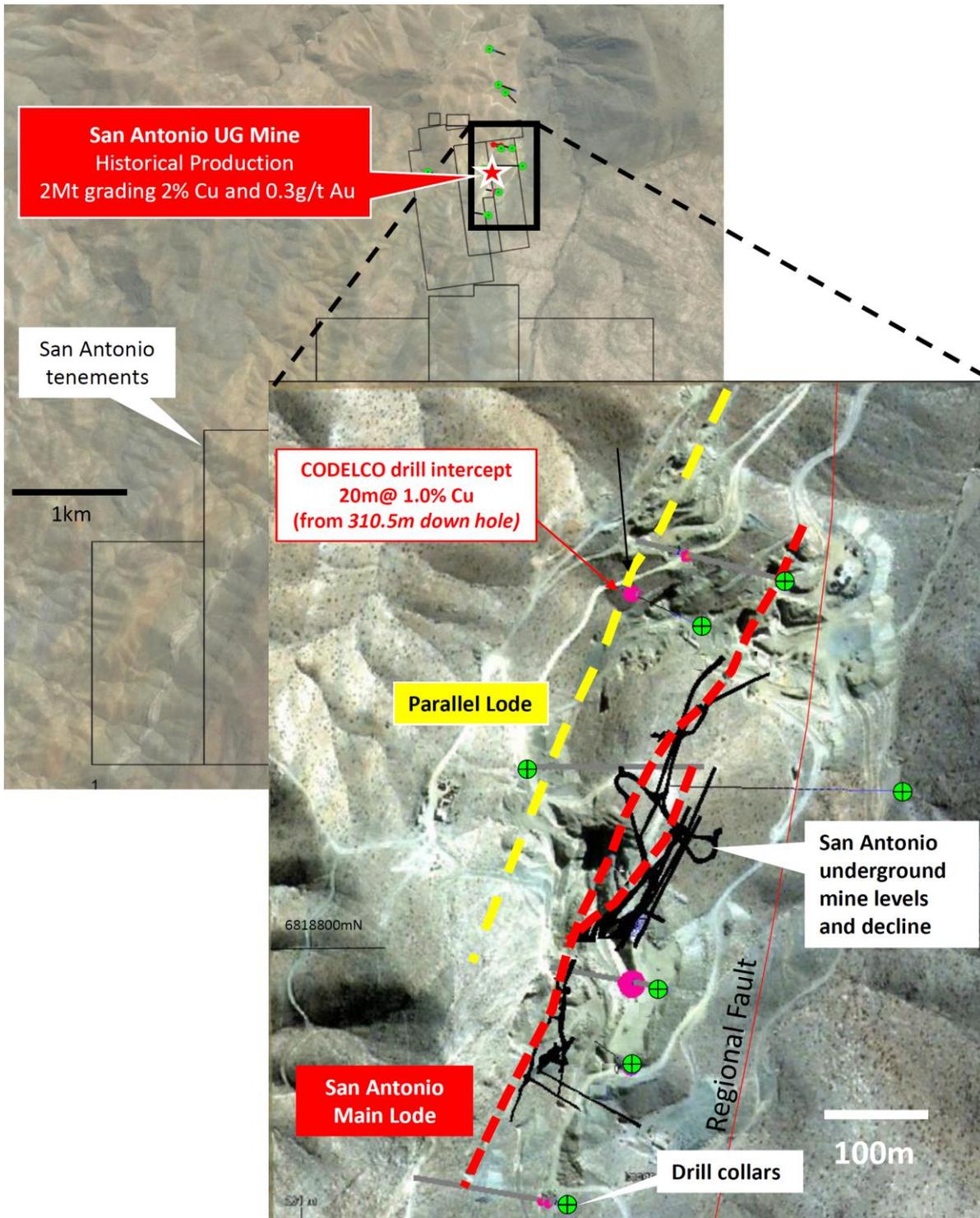
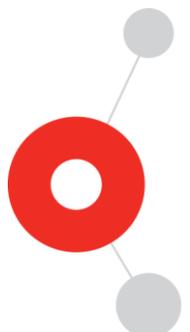
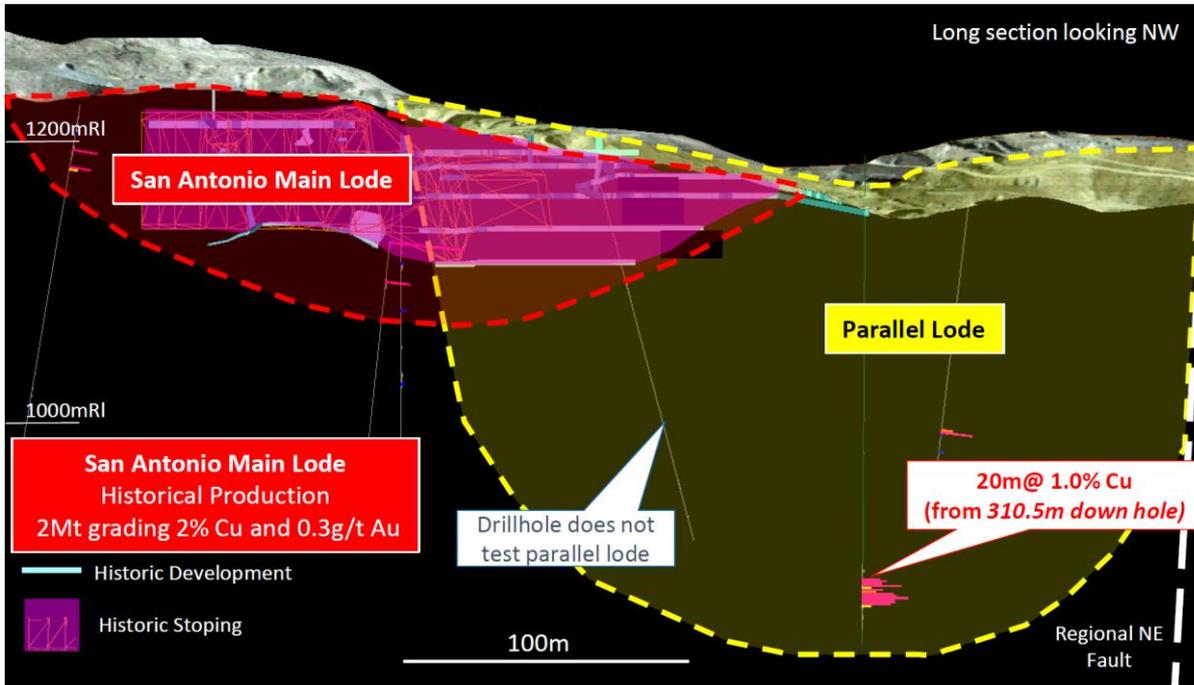


Figure 2 Plan view of the San Antonio underground mine area displaying two identified mineralised lodes in association with underground development and limited historical drill holes.



San Antonio Underground Mine Area Long Section



Orthographic View of San Antonio Underground Mine Area

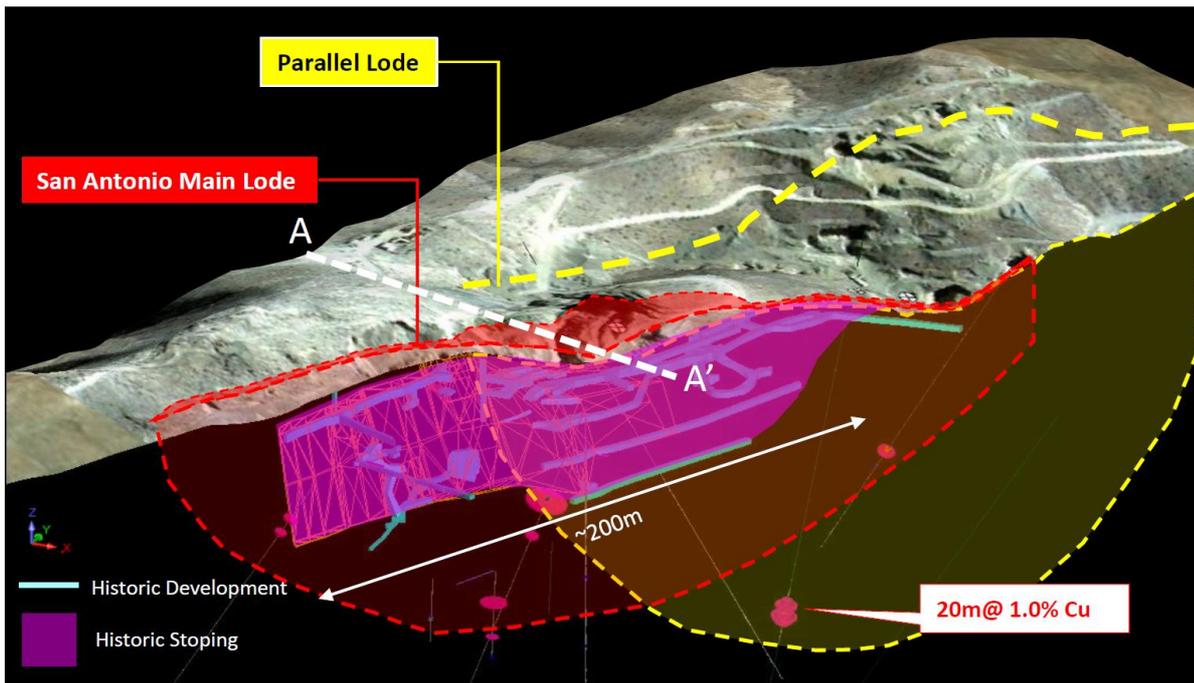
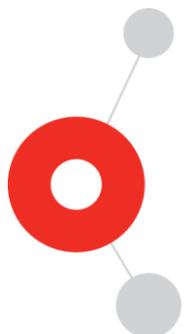


Figure 3 Long section and Oblique section displaying the recently completed 3D mine model and interpretation of the two mineralized lodes at San Antonio.

Copper mineralisation 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 4km strike extent within the project.



Andesite units host the majority of mineralisation which was exploited underground at true widths ranging between 10m and 30m (22m average) as shown in figure 4. Sulphide copper is associated with chalcopyrite, minor bornite, pyrrhotite and magnetite.

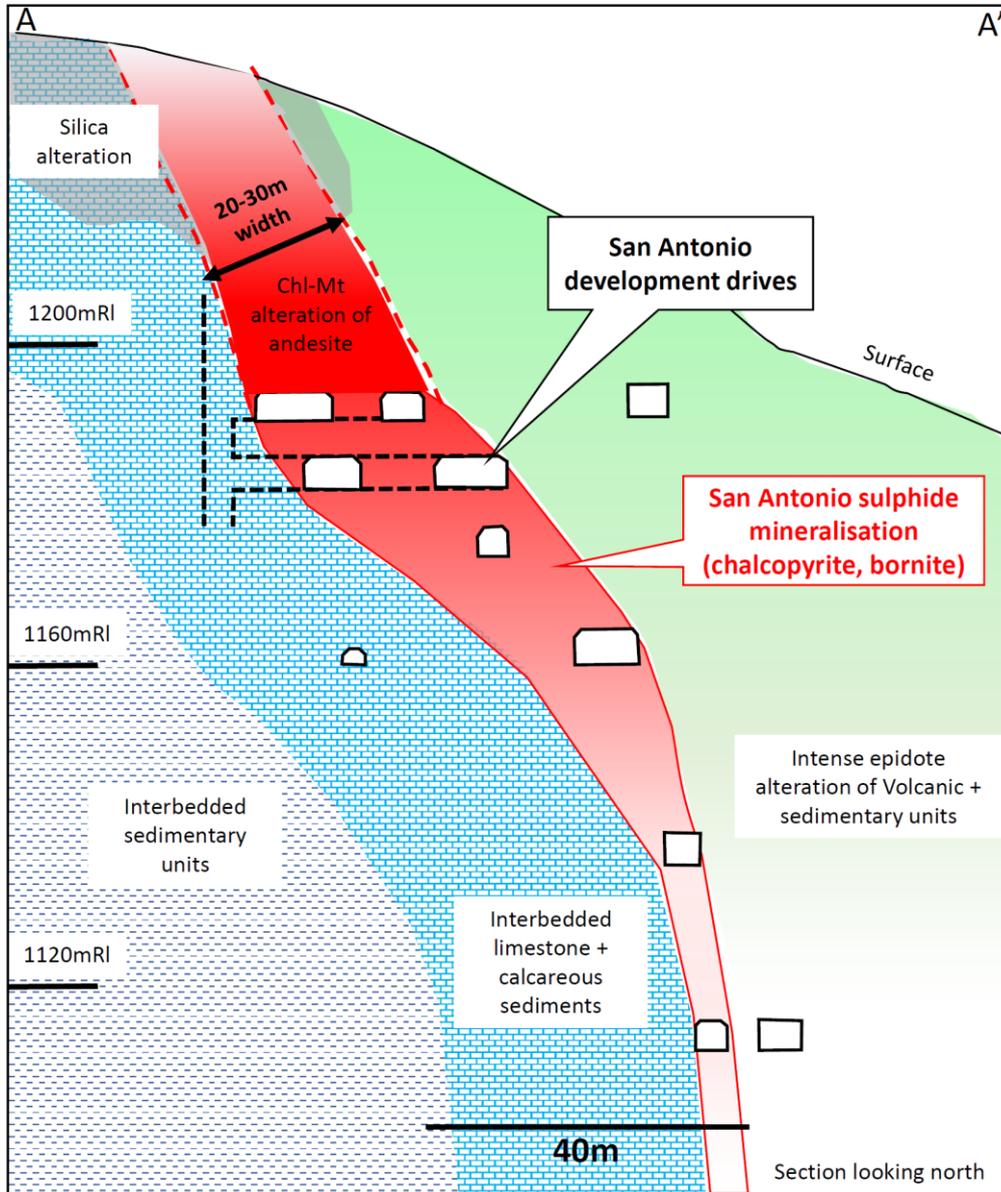
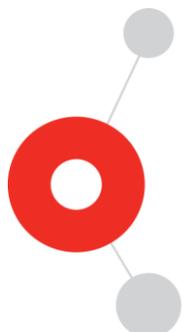


Figure 4 San Antonio Mine Cross Section, looking north

Historical production records indicate sulphide copper grades of approximately 3% to 3.5% were exploited in the upper levels of the underground, gradually decreasing to 1.5 to 2% at the base of development (130m vertical depth).

The Company is very encouraged with the immediate mine extensional potential that has been revealed in preliminary modelling and interpretation. Further results are planned to be incorporated following receipt of surface assays which will aid in the final design of first pass drilling.



Greater Project Potential- 4km Long Corridor of Large-Scale Copper Anomalies

An extensive surface soil geochemical survey was recently undertaken before Hot Chili secured its agreement over the San Antonio project. The survey has now been compiled and has illuminated a 4km long corridor of large-scale copper anomalies immediately south of the San Antonio mine area, with all anomalies displaying strike extents of approximately 1km or greater.

It is of importance to note that the San Antonio underground mine is approximately 200 metres in strike, extending to 130m depth and produced 2Mt grading 2% copper, 0.3 g/t gold and up to 15g/t silver.

The surface copper soil anomalies correlate with mapping of iron rich andesite host stratigraphy which are known to host mineralisation at the San Antonio underground mine (along with many other large-scale deposits in Chile’s Punta del Cobre IOCG belt).

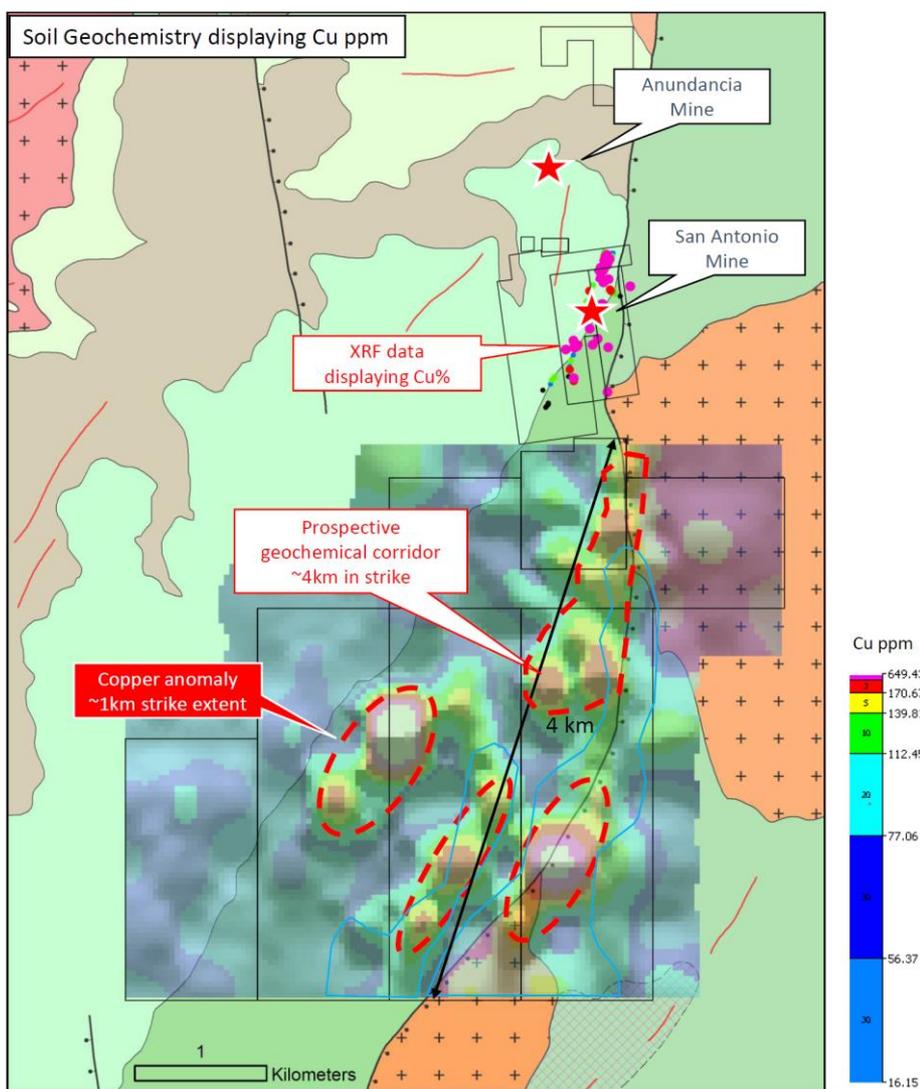


Figure 5 Soil geochemistry copper anomalies defined within the San Antonio copper project

Hot Chili is very encouraged by these large-scale geochemical targets, which have the potential to host multiple San Antonio style repetitions over a prospective corridor which extends over 4km.

The Company plans to focus forthcoming reconnaissance mapping and sampling over these soil anomalies to better refine our understanding of these targets and their potential.



Formal Agreement Terms

Hot Chili's 100% owned subsidiary Sociedad Minera Frontera SpA (Frontera) has executed a formal agreement to earn a 90% interest in the San Antonio copper-gold project over a four-year period. The Joint Venture (JV) Option agreement provides for full ownership of 90% of the mining rights of the project to 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.

Importantly, the agreement did not require an execution payment, and provides for no payments and no exploration commitments over the first three years of the JV Option period, allowing flexibility in the Company's exploration approach.

Exploration by Frontera at San Antonio shall be at its discretion and the owner will have the right to lease the exploitation of the mining rights to any third party with an annual cap of 50,000 tonnes of ore until exercise of the Option.

For more information please contact:

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

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

JORC Compliant Mineral Resource Statements

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

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

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



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

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

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

Mineral Resource and Ore Reserve Confirmation

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

Competent Person’s Statement- Exploration Results

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

Competent Person’s Statement- Mineral Resources

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



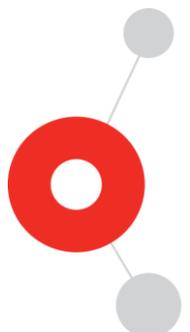
Competent Person's Statement- Ore Reserves

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

Forward Looking Statements

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

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



JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of</i> 	<p>The data 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>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 or surface samples.</p> <p>The Company is not aware of any retained samples, sample photographs or detailed logging that relate to the reported drilling or surface results.</p> <p>To the Company’s best knowledge, the drilling results provided in this report were drilled circa 2005, by reverse circulation drilling (RC) to produce a 1.5m length samples. Method of splitting in the field or at the laboratory is unknown.</p> <p>The surface sampling results. To the Company’s best knowledge, the surface sample results provided in this report were collected by handheld Niton XRF. The date of this field programme has not been confirmed. The Company has not verified the location, nor quality of the field programme. The Company has yet to establish repeatability of this data set.</p> <p>No geological logging data is available for either the drilling or surface sampling data.</p>

Criteria	JORC Code explanation	Commentary
	<i>detailed information.</i>	
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>To the Company's best knowledge, the drilling results provided in this report were drilled circa 2005, by reverse circulation drilling (RC) to produce a 1.5m length samples.</p> <p>Drill size and specific drill method, as well as standard protocols used by previous companies is unknown.</p>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>Recovery, splitting method, sample condition, representivity of sample 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 either drilling or surface sampling is unknown.</p> <p>The Company is not aware of any twinned drilling at the project.</p>
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and 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>The Company is not aware of any retained 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>

Criteria	JORC Code explanation	Commentary
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Standard protocols used by previous companies for either drilling or surface sampling is unknown.</p> <p>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.</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><i>Quality of assay data and laboratory tests</i></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</i> 	<p>The data 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 location, orientation, splitting or sampling methods, analytical technique or any QA/QC related to the reported drill hole.</p> <p>The surface sampling results were provided to the Company as part of a historic data compilation. To the Company's best knowledge, the surface sample results provided in this report were collected by handheld Niton XRF. The date of this field programme has not been confirmed. The Company has not verified the location, quality, scan parameters, reading times, nor calibration factors of the field programme.</p>

Criteria	JORC Code explanation	Commentary
	<i>laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	The Company has yet to establish repeatability, bias or overall quality of these data set.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>No verification of sampling or assaying has been undertaken in the Company as relate to the drilling or surface sampling programme.</p> <p>The Company is not aware of any twinned drilling at the project.</p> <p>The Company is not aware of any retained samples, sample photographs or detailed logging that related to the reported drilling or surface 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>
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>The method of original 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>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is</i> 	<p>The drilling at the San Antonio project is very limited with no specific spacing.</p> <p>The surface sampling spacing is variable between 50m to 200m in easting, with sections 200m</p>

Criteria	JORC Code explanation	Commentary
	<p><i>sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<p>to 500m apart in northing.</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 drilling data (as provided) was in equal lengths (1.5m). 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><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>A list of the drillhole(s) and orientations as reported with significant intercepts is provided in the main body of the report.</p> <p>The location of the surface sampling is provided in images in the main body of the report.</p> <p>Considering the types of mineralisation at the projects and the drilling orientation, apparent sampling is considered to be adequate in its representation for exploration reporting purposes.</p>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>The standard protocols used by previous companies for either drilling or surface sampling is unknown.</p>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>None completed.</p>

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<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>Exploration by Frontera at San Antonio 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>The location of the leases in this Option are shown in images in the main body of the report.</p>
<i>Exploration done by other parties</i>	<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.</p> <p>There is current small-scale mining activity at the project.</p> <p>There has been very limited exploration activity in areas beyond the San Antonio mine.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of</i> 	<p>Copper mineralisation is associated with a sequence of moderately east-dipping sandstone and limestone/andesite units which have seen extensive skarn alteration adjacent to a granitic</p>

Criteria	JORC Code explanation	Commentary
	<i>mineralisation.</i>	<p>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 ture widths ranging between 10m and 30m (22m average). Sulphide copper is associate with chalcopyrite, minor bornite, pyrrhotite and magnetite.</p>
<i>Drill hole Information</i>	<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 Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<p>A list of significant historic results is provided in the main body of the report.</p> <p>Drill hole information for RC-301 is as follows: Easting = 342475.4mE Northing = 6819110mN Azimuth = 295.2 degrees Dip = -70 degrees Depth = 382.5m</p> <p>The above coordinates are in MGA84 UTM Zone19S.</p> <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>
<i>Data aggregation methods</i>	<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</i> 	<p>The drilling data (as provided) was in equal lengths (1.5m). No adjustments were made to the historical data as supplied to the Company. The Company is unable to verify if any adjustments were made to the data prior to receipt.</p> <p>No metal equivalent values have been reported.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>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></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<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> 	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.
<i>Diagrams</i>	<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> 	Refer to figures in announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration</i> 	<p>It is not practical to report all exploration results as such unmineralised intervals. Low or non-material grades have not been reported.</p> <p>There has been selective sampling of holes where mineralisation is observed. The grades (or lack thereof) in unsampled material is unknown.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Results.</i></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><i>Other substantive exploration data</i></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><i>Further work</i></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>

