



Quarterly Report

Period Ending June 30th 2019

Highlights

- First phase RC and DD drilling programme completed at Cortadera
- Hot Chili records standout diamond drill result, confirming the discovery of a new, large, high grade zone at depth on the main porphyry of the Cortadera copper-gold discovery in Chile
 - 750m grading 0.6% copper and 0.2g/t gold from 204m depth**
 - including a New High Grade Zone comprising:**
 - 188m grading 0.9% copper and 0.4g/t gold from 516m depth**
- \$5.0M placement arranged, with funds used to satisfy the first US\$2 million part-payment towards acquisition of a 100% interest in the Cortadera copper-gold porphyry discovery
- Variation to the Carola Option Agreement executed with SCM Carola to provide a 90 day extension to US\$3M of the first US\$5M payment
- Independent consultant AMC engaged to prepare initial Mineral Resource estimate for Cortadera
- Appointment of Australian advisory firm Sternship Advisors to act as corporate advisers to Hot Chili's strategic funding process
- Diamond drilling planned to commence in coming weeks, focussed on the new high grade zone discovered at the main porphyry - Cuerpo 3

ASX CODE

HCH

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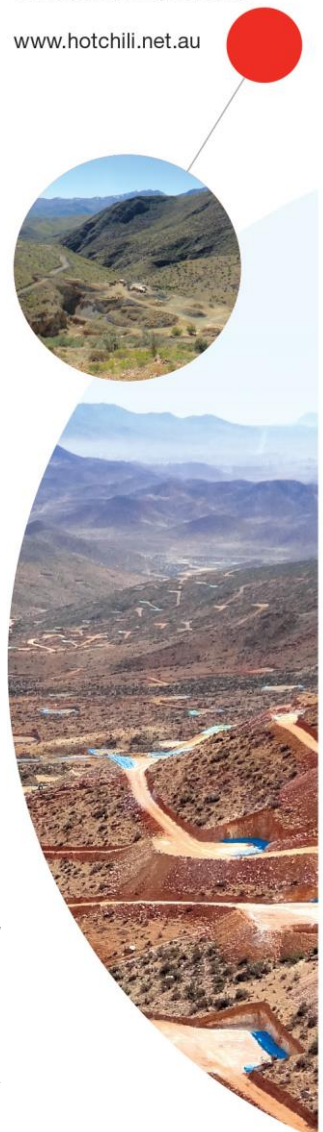
Summary of Activities

Hot Chili Limited (ASX: HCH) ("Hot Chili" or "Company") confirmed receipt of the best drilling intersection in the Company's history at its Cortadera copper-gold project, located along the Chilean coastal range during the quarter.

Results for diamond hole CRP0013D returned an impressive 750 metre intersection grading 0.6% copper and 0.2g/t gold, outlining the beginnings of a bulk tonnage, high grade zone at depth, materially changing the potential scale and pedigree of the Cortadera copper-gold porphyry discovery.

Hot Chili's team are now busy compiling numerous historical and new datasets at Cortadera to facilitate various geological models aimed at refining the Company's approach to drill design for a planned second phase of diamond (DD) and reverse circulation (RC) drilling.

Hot Chili have also engaged independent consultant AMC to prepare a Mineral Resource estimate for Cortadera, with several resource and QAQC work streams already well advanced.





Cortadera First Pass Drilling Yields Standout Results

In early April, the Company commenced a confirmation drilling programme comprising 17 holes for approximately 5,200m of RC and 1,240m of DD drilling.

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

Hot Chili has since received assay results for the first two diamond (DD) holes completed into the largest of four porphyries (Cuerpo 3) discovered to date at the Cortadera copper-gold discovery in Chile.

The DD holes were designed to test large potential upside recognised at Cuerpo 3, namely:

1. Strike extensional potential, and
2. The potential for an increasing grade profile with depth

The first DD hole (CRP0012D) tested the northwest strike extent of the Cuerpo 3 porphyry and was successful in recording a wide intersection of porphyry from much deeper down-hole than expected (and further north than expected). Assays confirmed an intersection of:

200m grading 0.4% copper and 0.2g/t gold from 378m depth

Including 76m grading 0.5% copper and 0.2g/t gold from 494m depth

Mineralisation remains open towards the north and northwest indicating the Cuerpo 3 porphyry is at least 600m in strike extent and approximately 220m average width.

The second DD hole (CRP0013D) tested the extent of a potential higher grade core at Cuerpo 3, where previous work had highlighted an increasing grade profile with depth (evident for copper, gold, silver and molybdenum).

It was in this hole where Hot Chili successfully recorded the best drilling intersection in the Company's history and the best result to date at Cortadera, and ranks amongst some of the world's standout copper-gold porphyry drill intersections ever recorded globally.

Results for CRP0013D were:

750m grading 0.6% copper and 0.2g/t gold from 204m depth

including a New High Grade Zone comprising:

188m grading 0.9% copper and 0.4g/t gold from 516m depth

which includes:

100m grading 1.0% copper and 0.5g/t gold from 530m depth

(including significant silver and molybdenum credits)





The result returned from CRP0013D has outlined the beginnings of a bulk tonnage, high grade zone at depth at Cortadera, materially changing the potential scale and pedigree of the Cortadera copper-gold porphyry discovery.

Near-Surface Enrichment & Extensive Copper-Gold Confirmed at Cortadera

Assay results from shallow Reverse Circulation (RC) drilling by Hot Chili has confirmed significant near-surface enrichment and extensive copper-gold from surface, validating previous historical diamond drill results at Cortadera.

Significant new results from shallow RC holes include:

20m grading 1.2% copper and 0.5g/t gold from 40m depth

(within 122m grading 0.6% copper and 0.3g/t gold from surface)

68m grading 0.7% copper and 0.1g/t gold from 58m depth

(within 144m grading 0.5% copper and 0.1g/t gold from surface)

22m grading 0.7% copper and 0.4g/t gold from 26m depth

(within 118m grading 0.5% copper and 0.3g/t gold from surface)

6m grading 1.1% copper and 0.4g/t gold from 52m depth

(within 74m grading 0.5% copper and 0.2g/t gold from 2m depth)

72m grading 0.5% copper and 0.3g/t gold from surface

These results confirm the potential for Cortadera to host significant zones of higher grade copper associated with chalcocite enrichment in the near-surface profile of the deposit. Results from shallow RC drill holes at Cuerpo 2 have also highlighted consistent gold enrichment in the near-surface profile.

Several deep RC drill holes completed across the near-surface extent of Cuerpo 3 ended in wide intersections of mineralisation at the limit of RC depth penetration (approximately 350m down-hole). Results returned from this deep RC drilling have confirmed an increasing grade profile with depth.

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

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

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

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

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



Preliminary modelling of Cuerpo 1, 2 and 3 has highlighted a much larger porphyry system than first recognised, but more importantly, exhibiting many characteristics that suggest Cortadera has the potential to get even larger.

The following figures 1, 2, 3, 4 and 5 display the location of the recent significant intersections at Cortadera in plan, long section and cross section view.

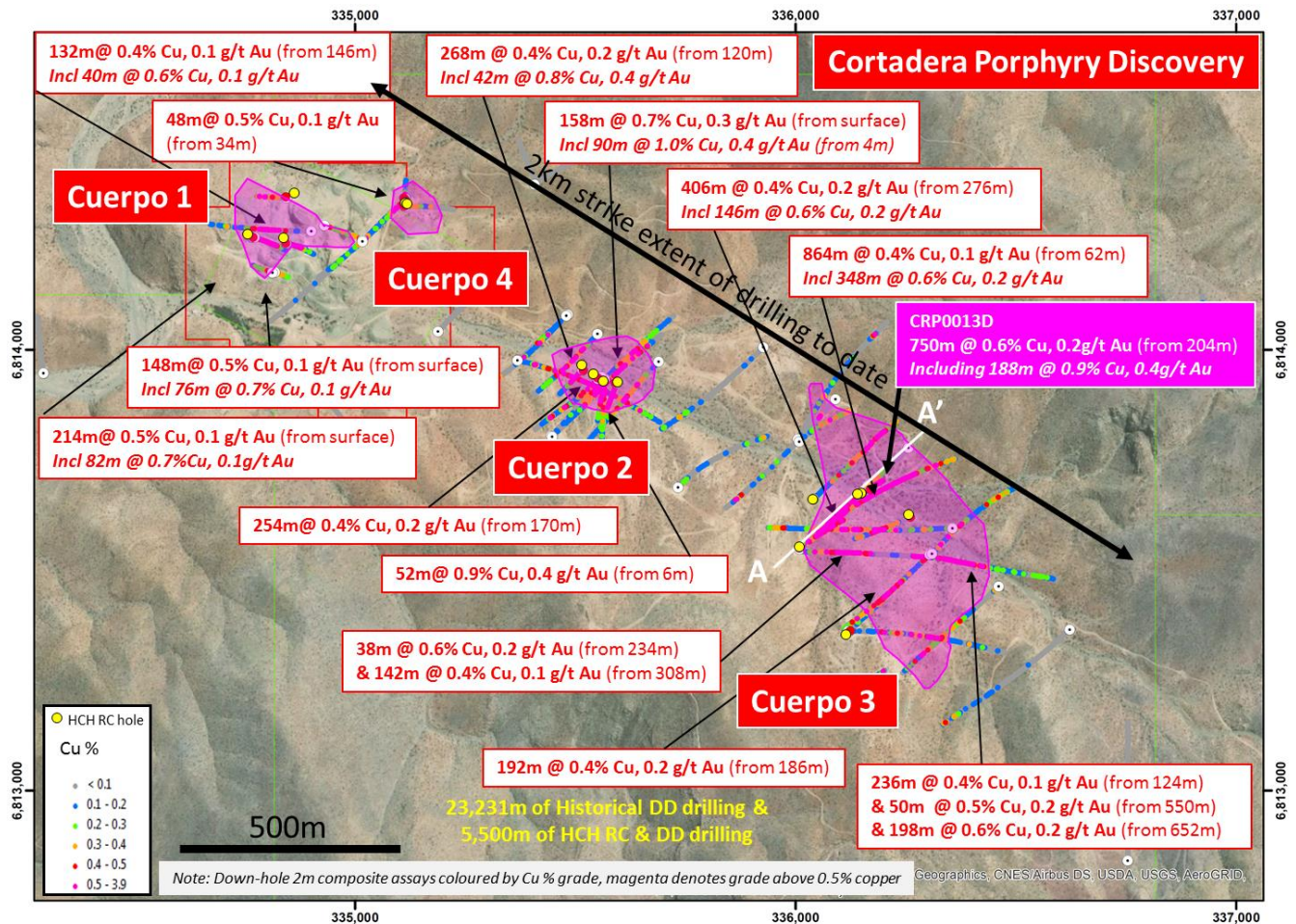


Figure 1 Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2 and 3 tonalitic porphyry intrusive centres. Note the location of Type Sections A, and the inset plan are for Cuerpo3 associated with the following figures. The new drilling intersection recorded in CRP0013D is also annotated.

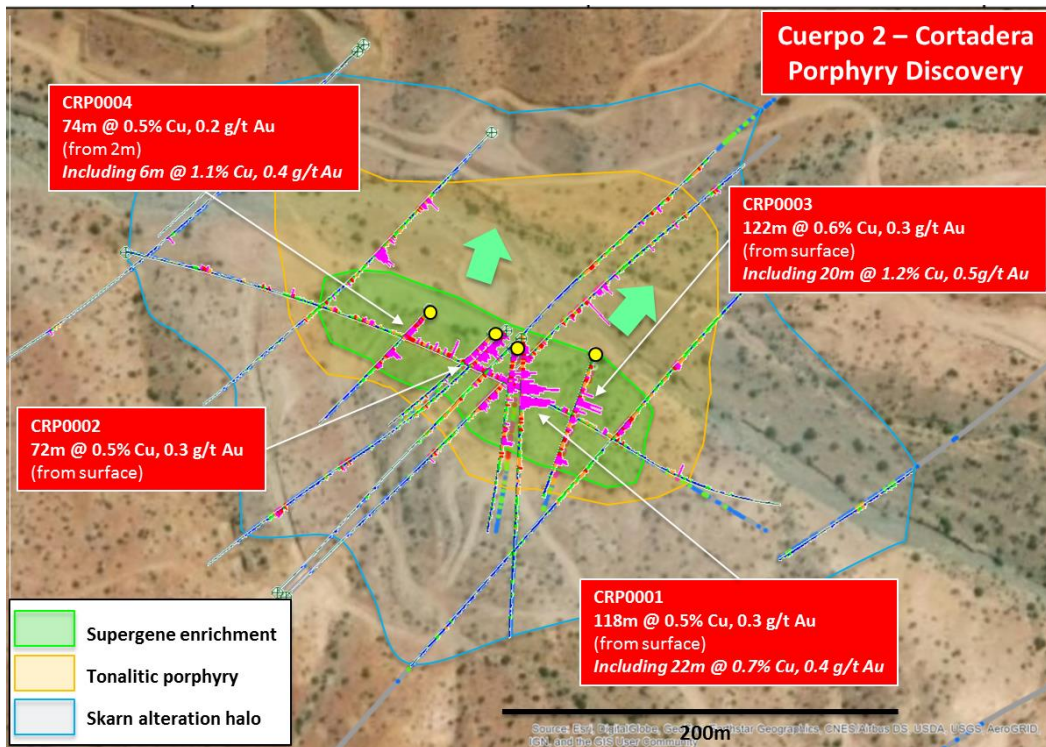


Figure 2 Plan view across Cuerpo 2 of the Cortadera discovery displaying significant new drilling intersections in relation to the tonalitic porphyry intrusive centre, recognised zones of near-surface chalcocite enrichment and skarn alteration halo.

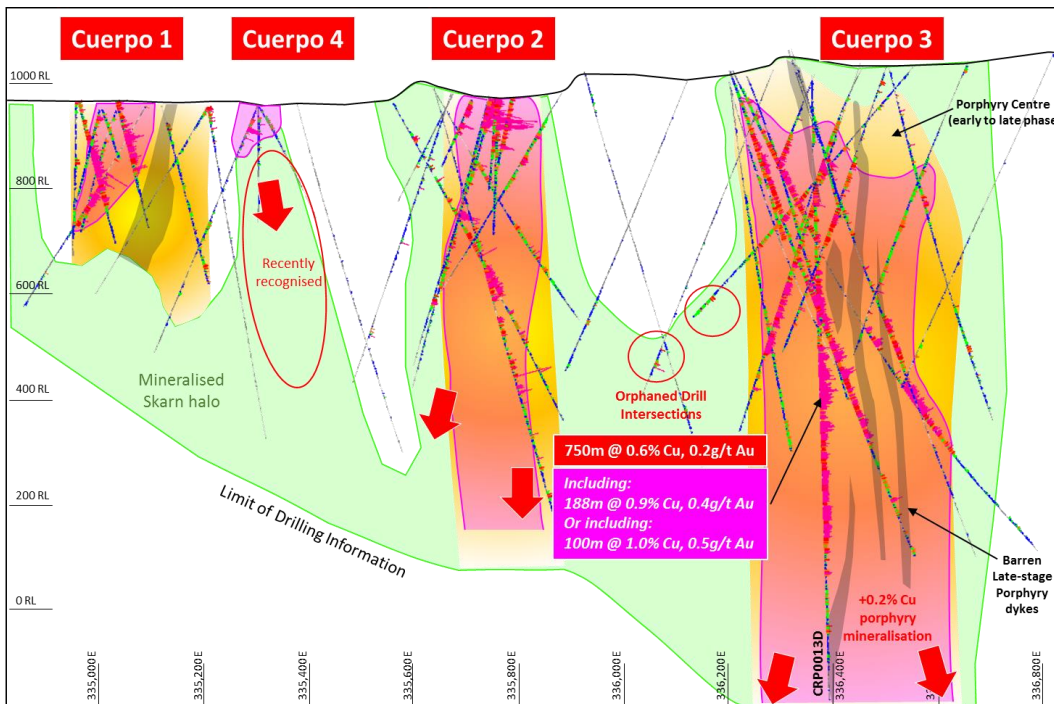


Figure 3 Long Section looking north across Cuerpo 1, 2 and 3 at the Cortadera copper-gold discovery. Note the location of CRP0013D which has identified a significant new high grade zone at depth below the main porphyry – Cuerpo 3

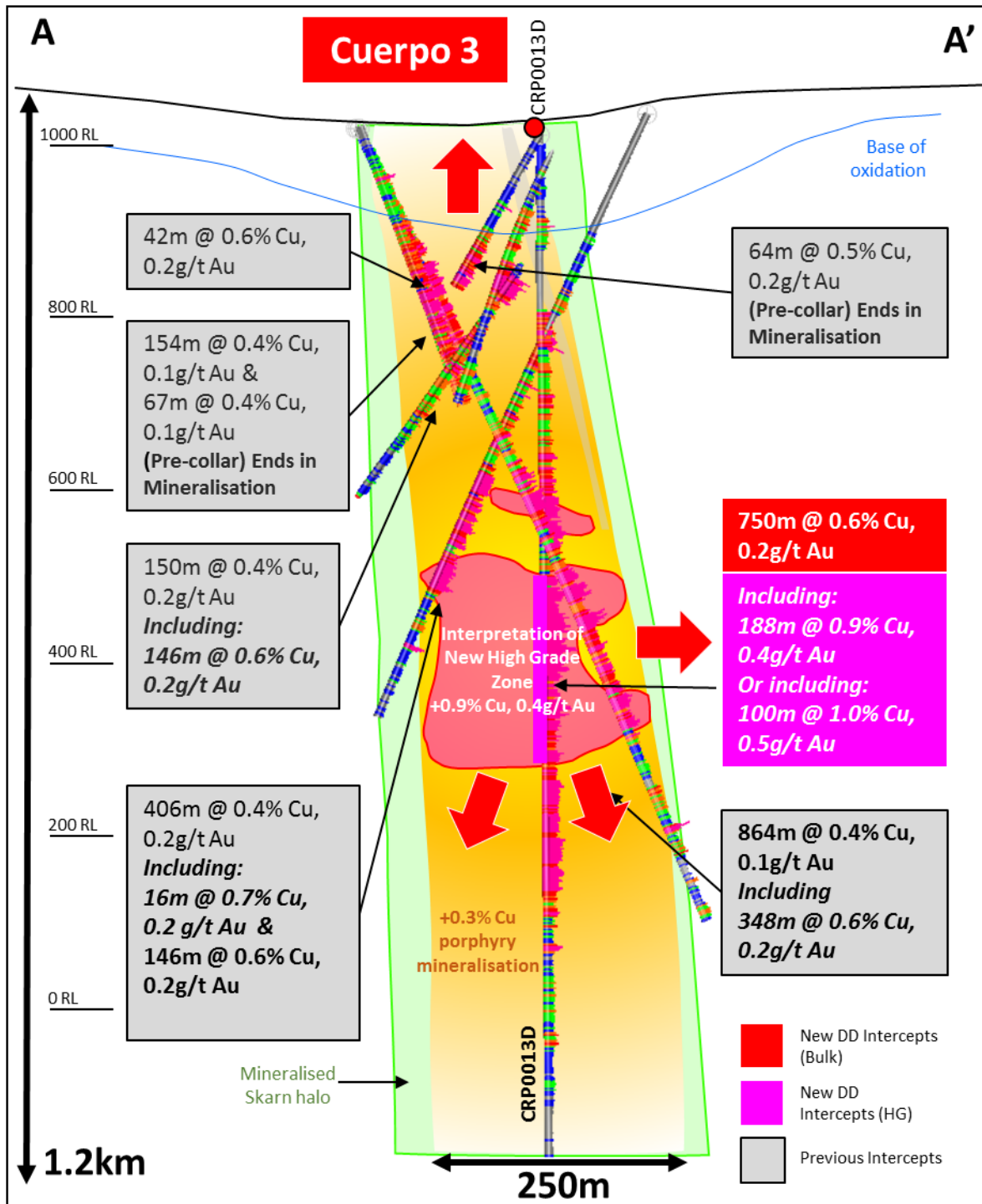


Figure 4 Type Section A displaying historical DD drill results and an interpretation of Cuerpo 3 - the main host tonalitic porphyry intrusion at Cortadera.

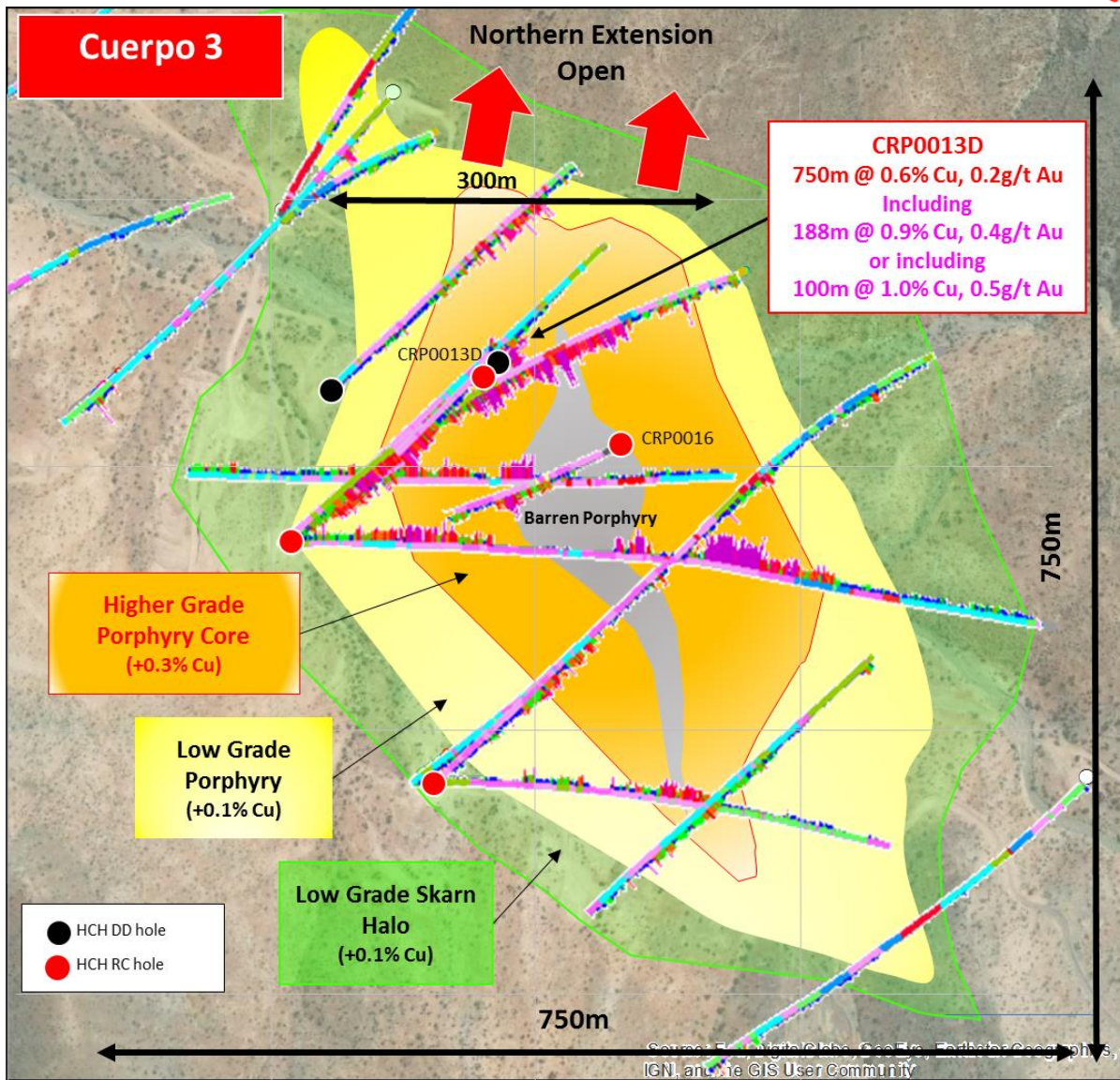


Figure 5 Plan view of Cuerpo 3 - the Main porphyry of the four porphyry centres discovered to date at Cortadera. The plan displays the location and basic geology of the mineralised tonalitic host porphyry and the surrounding lower grade mineralised skarn halo. Note the location of significant new results released for CRP0013D

Next Steps at Cortadera

Hot Chili has now received all assay results for its first phase of drilling at the Cortadera copper-gold discovery in Chile.

Hot Chili's team are busy compiling numerous historical and new datasets at Cortadera to facilitate various geological models aimed at refining the Company's approach to drill design for a planned second phase of diamond (DD) and reverse circulation (RC) drilling.





In addition, Hot Chili confirms that it has engaged independent consultant AMC to prepare an initial Mineral Resource estimate for Cortadera.

Various resource and QA/QC work streams have been underway for several months in preparation for an initial Mineral Resource to be estimated at Cortadera with high degree of rigour and confidence.

The new, bulk tonnage, high grade zone discovered at Cortadera exhibits many similar characteristics present in some of the world's most notable large-scale underground porphyry mines and developments, not least of all its combined copper and gold grade. The potential scale of this zone is unknown and remains largely open, representing a very exciting focus for Hot Chili's second phase of drilling.

Hot Chili's open pit development approach to combine two bulk tonnage deposits in Productora and Cortadera (located within 14km of one another), along with nearby high grade satellites, has been materially enhanced by the addition of this new bulk tonnage, high grade zone. Any potential underground development scenario that may eventuate given further success is advantaged by the presence of a significant open pit inventory already established and growing.

The Company looks forward to providing further updates related to Hot Chili's planned drilling, resource work and potential future funding initiatives over the coming weeks and months ahead.

About Cortadera

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

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

On 25th February 2019, Hot Chili announced to the Australian Securities Exchange (ASX) the execution of a formal Option Agreement to acquire a 100% interest in Cortadera.

In early April, the Company commenced a confirmation drilling programme comprising 17 holes for approximately 5,000m of RC and 1,500m of DD drilling. The drilling was completed to confirm and extend areas of surface enrichment and wide, higher-grade, copper-gold sulphide mineralisation, which had not previously been closed off by 23,000m of historical diamond drilling.



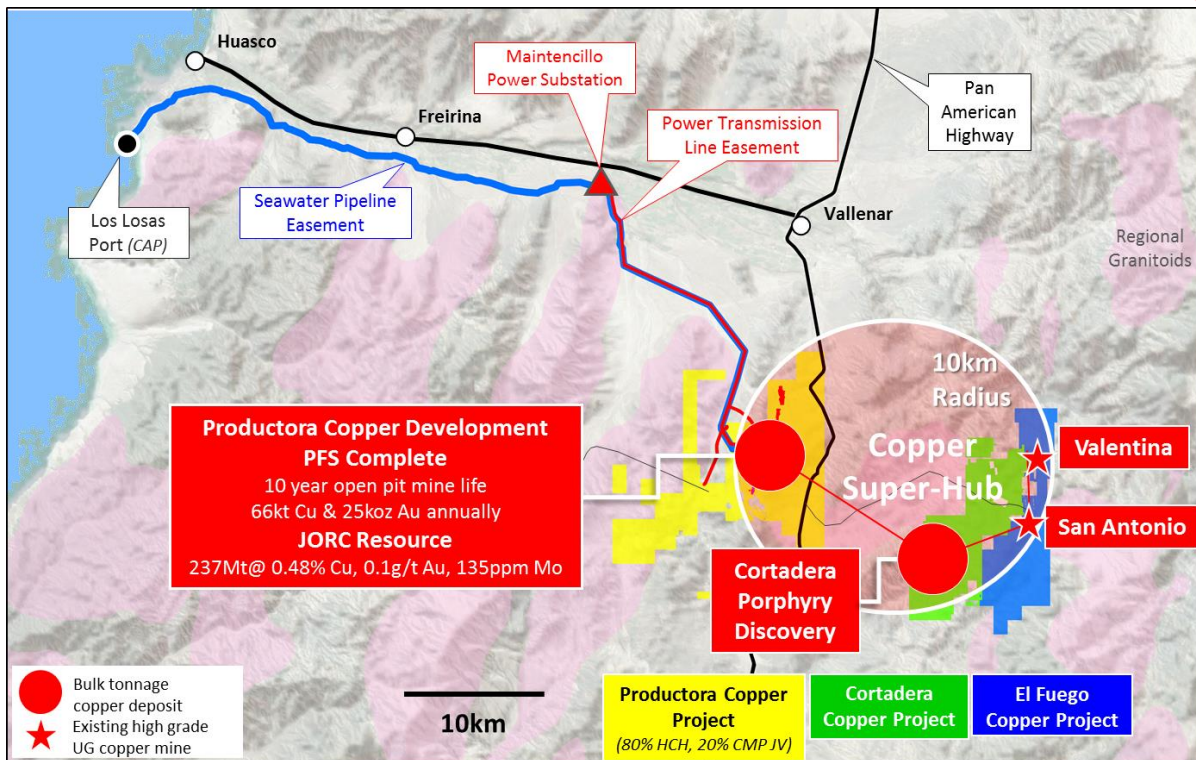


Figure 6 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure

As previously announced to ASX on 4th February 2019, drill results from the Cortadera discovery had never previously been publicly released, and included numerous significant drilling intersections from over 23,000m of diamond drilling completed to date, including:

- 90m grading 1.0% copper and 0.4g/t gold from 4m depth**
- 52m grading 0.9% copper and 0.4g/t gold from 6m depth**
- 864m grading 0.4% copper and 0.1g/t gold from 62m depth**
(including 348m grading 0.6% copper and 0.2g/t gold)
- 268m grading 0.4% copper and 0.2g/t gold from 120m depth**
(including 42m grading 0.8% copper and 0.4g/t gold)
- 406m grading 0.4% copper and 0.2g/t gold from 276m depth**
(including 146m grading 0.6% copper and 0.2g/t gold)
- 198m grading 0.6% copper and 0.2g/t gold from 652m depth**





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

Table 1 Significant RC Drill Results at Cortadera

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)
	North	East	RL				From	To					
CRP0001	6813928	335566	980	185	-60	200	0	118	118	0.5	0.3	1.0	4
	<i>including</i>						26	48	22	0.7	0.4	1.2	4
	<i>including</i>						100	104	4	1.2	0.9	2.6	4
CRP0002	6813931	335552	982	225	-70	200	0	72	72	0.5	0.3	1.0	4
CRP0003	6813918	335603	990	200	-60	150	0	122	122	0.6	0.3	1.3	4
	<i>including</i>						40	60	20	1.2	0.5	2.4	2
	<i>including</i>						106	114	8	1.0	0.6	2.7	2
CRP0004	6813947	335520	982	224	-59	150	2	76	74	0.5	0.2	0.9	3
	<i>including</i>						52	58	6	1.1	0.4	2.2	2
CRP0005	6814245	334853	976	106	-75	180	0	144	144	0.5	0.1	1.1	4
	<i>including</i>						58	126	68	0.7	0.1	1.5	3
CRP0006	6814257	334773	977	360	-90	294	0	24	24	0.3	0.1	0.9	16
							108	128	20	0.3	0.0	0.7	88
							206	236	30	0.3	0.0	0.4	41
CRP0007	6814345	334840	975	270	-70	240	12	20	8	0.3	0.1	0.9	27
							58	122	64	0.3	0.1	0.7	18
							162	170	8	1.0	0.0	4.4	95
							194	234	40	0.3	0.0	0.6	21
CRP0008	6814322	335111	966	90	-60	240	24	56	32	0.3	0.1	0.2	11
CRP0009	6814341	335114	966	360	-90	222	22	80	58	0.2	0.0	0.4	21
CRP0010	6814341	335114	966	360	-75	180	22	40	18	0.3	0.1	0.9	19
CRP0011	6813550	336006	1033	45	-65	345	64	218	154	0.4	0.1	0.6	31
							278	345	67	0.4	0.1	0.4	18
							Hole ends in mineralisation						
CRP0013	6813697	336170	1010	360	-90	362	98	118	20	0.4	0.2	0.5	12
							206	362	156	0.4	0.1	0.5	70
							Hole ends in mineralisation						
CRP0014	6813695	336163	1010	225	-60	204	140	204	64	0.5	0.2	0.8	29
							Hole ends in mineralisation						
CRP0015	6813362	336124	1070	45	-60	348	230	348	118	0.3	0.1	0.3	10
							Hole ends in mineralisation						



Table 2 Significant DD Drill Results at Cortadera

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)
	North	East	RL				From	To					
CRP0012D	6814039	336224	1017	44	-60	666.6	378	578	200	0.4	0.2	0.7	116
	<i>including</i>						494	570	76	0.5	0.2	0.9	205
CRP0013D	6814070	336348	1020	360	-90	1185.9	204	954	750	0.6	0.2	1.1	74
	<i>including</i>						516	704	188	0.9	0.4	1.7	94
	<i>or including</i>						530	630	100	1.0	0.5	2.4	96





Hot Chili Arranges \$5.0M Placement

Hot Chili successfully arranged a \$5 million private placement to sophisticated and professional investors through the issue of new shares at 3 cents per share (the "Placement"), as announced to the ASX on 2nd July 2019.

The Placement saw strong demand and was cornerstoned by existing major shareholdings managed by Taurus Funds Management and Blue Spec Drilling (an associate of Hot Chili's chairman Murray Black). The Placement was strongly supported by private clients of EverBlu Capital and DJ Carmichael.

Importantly, funds from the Placement were used to satisfy a US\$2 million part-payment for the first instalment of the Carola Option Agreement, with the remainder of funds to be used for general working capital requirements.

The US\$2 million part-payment has been paid to SCM Carola (as announced to the ASX on 17th July 2019) and is the first instalment towards the acquisition of a 100% interest in the Cortadera copper-gold porphyry discovery (as announced to the ASX on 25th February 2019).

Funds from the Placement will also allow the Company to focus on preparations to re-commence drilling of the new high grade zone discovered at Cuerpo 3, the largest porphyry of the four porphyry centres discovered to date at Cortadera.

In addition, the Company is focused on advancing strategic funding discussions with key stakeholders in relation to the proposed Carola transaction.

Details of the Placement

The Placement was undertaken in two tranches:

- The first tranche of 150,000,000 new shares, was not subject to shareholder approval and fell within the Company's 15% placement capacity under ASX Listing Rule 7.1 ("Tranche 1 Placement")
- The second tranche of 16,666,667 new shares to related parties is conditional upon shareholder approval, and applies to shares subscribed by Blue Spec Drilling Pty Ltd (an entity associated with Hot Chili's chairman Murray Black) ("Tranche 2 Placement").

Following the issue of the Tranche 1 Placement shares, the Company's remaining placement capacity under listing rule 7.1 is 17,911,152 ordinary securities.

Shares issued under the Tranche 1 Placement were fully paid ordinary shares in the Company and ranked equally with shares currently on issue.

Settlement and allotment of the Tranche 1 Placement shares occurred on Friday 5th July 2019.

Hot Chili will convene a general meeting of shareholders to approve the issue of the Tranche 2 Placement shares on Friday 23rd August 2019, with the issue of the Tranche 2 shares expected to take place shortly after the meeting, subject to shareholder approval.



Health, Safety, Environment and Quality

Hot Chili's sustainability framework ensures an emphasis on business processes that target long-term economic, environmental and social value. The Company is dedicated to continual monitoring and improvement of health, safety and the environmental systems.

The company is pleased to report that there were no incidents recorded for the quarter. Field operations during the period including geological reconnaissance activities, RC and diamond drilling, field mapping and sampling exercises at the Cortadera project.

The Company's HSEQ quarterly performance is summarised below:

HSEQ Quarter 2 2019 Performance and Statistics

Item	Apr-Jun /19	Last 24 Months
LTI events	0	0
NLTI events	0	0
Days lost	0	0
LTIFR index	0	0
ISR index	0	0
Thousands of mh (1)	3.104	22.644
Environmental incidents	0	0
Headcount (1)	21	6.7

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Safety performance is reported on a monthly basis to the National Mine Safety Authority on a standard E-100 form; (1) man-hours; (2) Average monthly headcount

Tenement Changes During the Quarter

There were no changes to the Company's tenement holdings during the quarter.





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
	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.



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
	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 presentation that relates to Mineral Resources, Ore Reserve estimates and Production Targets on the Productora copper project was previously reported in the ASX announcement “Hot Chili Delivers PFS and Near Doubles Reserves at Productora” dated 2nd March 2016, a copy of which is available on the ASX website at www.asx.com.au and the Company’s website at www.hotchili.net.au. The company confirms that it is not aware of any new formation or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Competent Person’s Statement- Exploration Results

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

Competent Person’s Statement- Mineral Resources

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



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'.

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Hot Chili Limited

ABN

91 130 955 725

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.12.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,271)	(3,490)
(b) development	-	(2)
(c) production	-	-
(d) staff costs	(243)	(825)
(e) administration and corporate costs	(286)	(1,048)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest paid	-	-
1.6 Income taxes paid	-	-
1.7 GST	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,800)	(5,362)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	(139)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12.....months) \$A'000
	(c) investments	-	-
	(d) other non-current assets- CHEN bond	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(139)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,217
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(71)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3,146

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12.....months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,050	3,657
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,800)	(5,362)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,146
4.5	Effect of movement in exchange rates on cash held	(1)	(53)
4.6	Cash and cash equivalents at end of period	1,249	1,249

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,161	2,962
5.2	Call deposits	88	88
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,249	3,050

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	125
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors fees, salaries and superannuation		

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	674
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Drilling services (Blue Spec Sondajes – an M Black related entity) and Office rental contracted on an arms-length basis.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	450
9.2	Development	-
9.3	Production	-
9.4	Staff costs	150
9.5	Administration and corporate costs	150
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	750

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		There have been no changes to tenement holdings during the quarter – please refer to the Activities Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		There have been no changes to tenement holdings during the quarter – please refer to the Activities Report		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date:31 July 2019.....

Print name:Lloyd Flint.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.