



ASX Announcement

Thursday 18th June 2020

Drilling Underway at Cortadera

Drill Hole Intersecting Wide Zone of Mineralisation

Highlights

- Diamond drilling re-commenced at the Cortadera copper-gold porphyry discovery in Chile, ahead of first resource estimate
- Initial drilling aims to expand the high grade core to the main porphyry
- Diamond hole CRP0042D, suspended in mineralisation at 616m in March due to COVID-19, has been re-entered and is being extended to 1,300m depth
- CRP0042D is currently at 880m and has remained in mineralised porphyry for over 300m down-hole extent thus far
- Metallurgical samples from Cortadera and San Antonio have arrived in Australia for oxide and sulphide testwork
- Preparations are advancing for mining and processing of Productora high grade copper ore in partnership with Chilean government agency ENAMI

Hot Chili Limited (ASX code HCH) ("Hot Chili" or "Company") is pleased to announce that diamond drilling has re-commenced at the Company's Cortadera copper-gold discovery in Chile and is on-track to deliver another exceptionally wide porphyry intersection.

The Company has re-entered a 250m step-out hole (CRP0042D), which was temporarily suspended at 616m depth in March 2020 due to COVID-19

Mineralised porphyry has been observed over 300m to date with the hole planned to extend a further 420m at this stage.

The Company plans to initially drill seven diamond holes focussed on significantly expanding the extent of high grade copper and gold at Cortadera. First drill holes, including CRP0042D, will target areas within the high grade core of the main porphyry (Cuerpo 3) which have not been tested and remain open.

With average drill intersection grades ranging between 0.7% to 0.9% copper and 0.2g/t to 0.5g/t gold, Cortadera's high grade core has grown rapidly since its discovery in late July 2019.

Work is on-track to deliver first resource estimates at Cortadera and then San Antonio from drilling undertaken prior to March this year.

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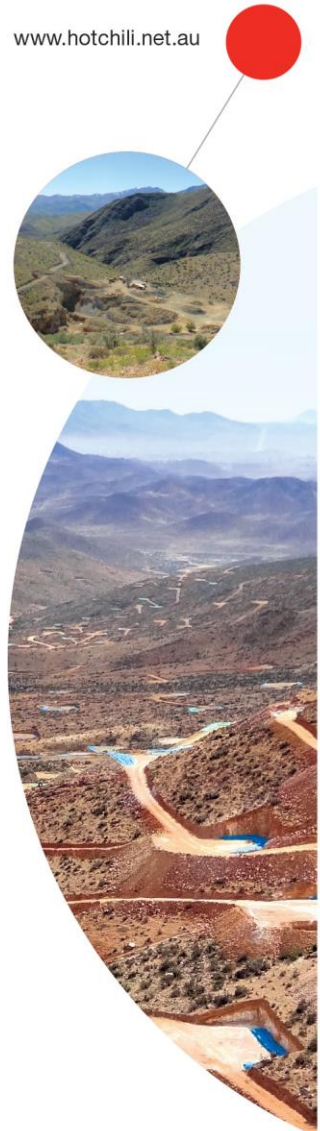
HCH

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Update on Preparation for Commencement of Lease Mining at Productora

Hot Chili is assisting Chilean government agency ENAMI in its preparations for the commencement of lease mining and processing of high grade ore from Hot Chili's Productora copper project, as outlined in the Company's last announcement to the Australian Securities Exchange (ASX) on 2nd June 2020.

A review of high grade reserve areas located close to the existing underground mines at Productora has outlined the Habanero Lode as the likely target for lease mining.

Habanero was discovered by Hot Chili in 2013, lying immediately adjacent (80m development distance) to the Productora underground mine and hosting numerous high grade drilling intercepts over significant widths (including PRP00711 – 71m grading 1.6% copper & 0.4g/t gold from 91m down-hole depth, as announced to ASX 8th October 2013).

The recently executed agreement with ENAMI contemplates lease mining and processing of Productora ore at a target grade of 1% to 1.2% copper. Exploitation of Habanero is expected to commence later this year and has the potential to generate annual revenue in excess of A\$1.2 million to A\$1.5 million to Hot Chili.

The Company looks forward to providing further updates on its diamond drilling activities at Cortadera and releasing first results once assays are received during July.

This announcement is authorised by the Board of Directors for release to ASX.

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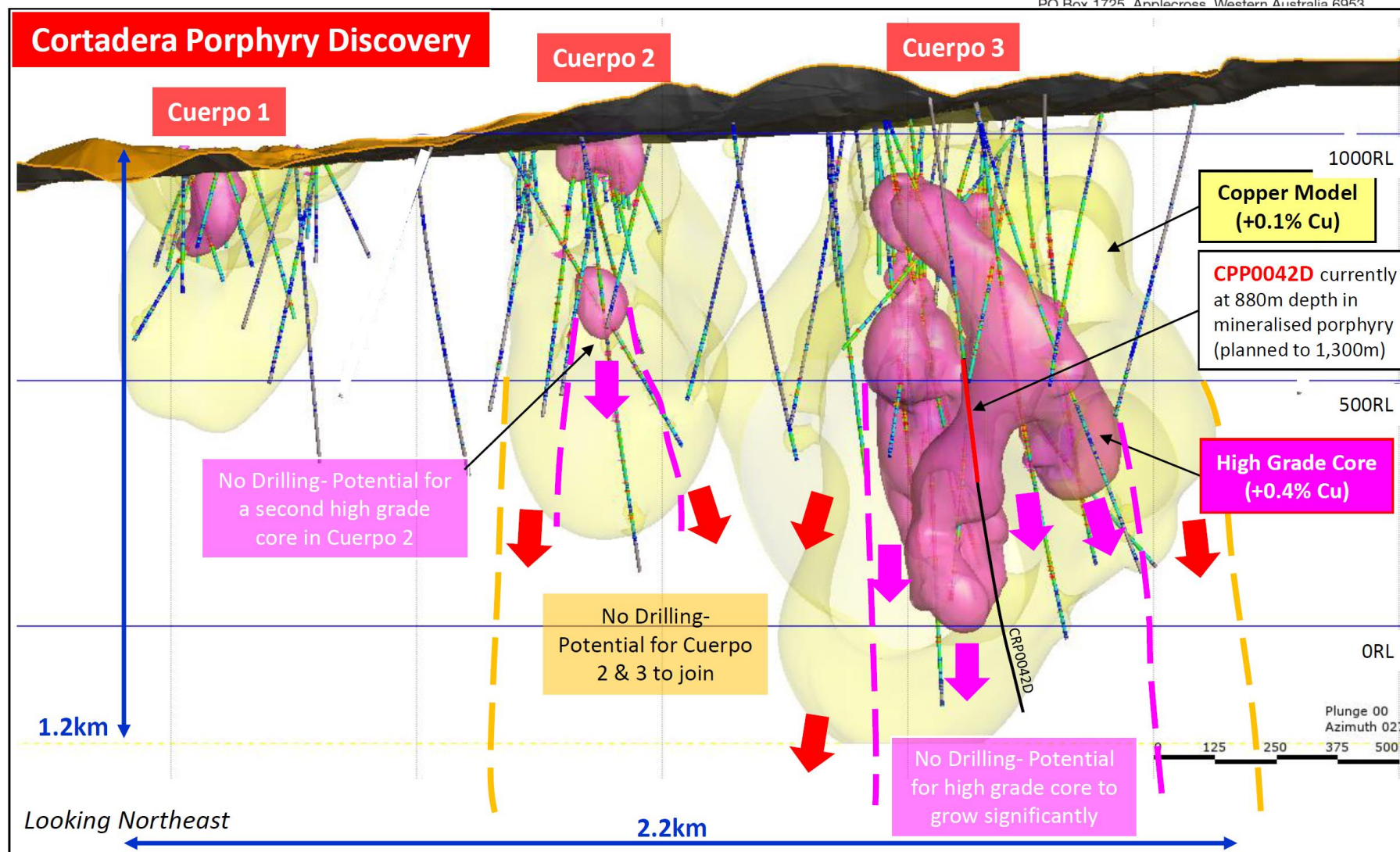


Figure 1 Long Section of the Cortadera discovery copper distribution model from the recently updated 4-dimmmensional geological model. Note the growing extent of the high grade core within Cuerpo 3 and Cuerpo 2, and the location of CRP0042D.

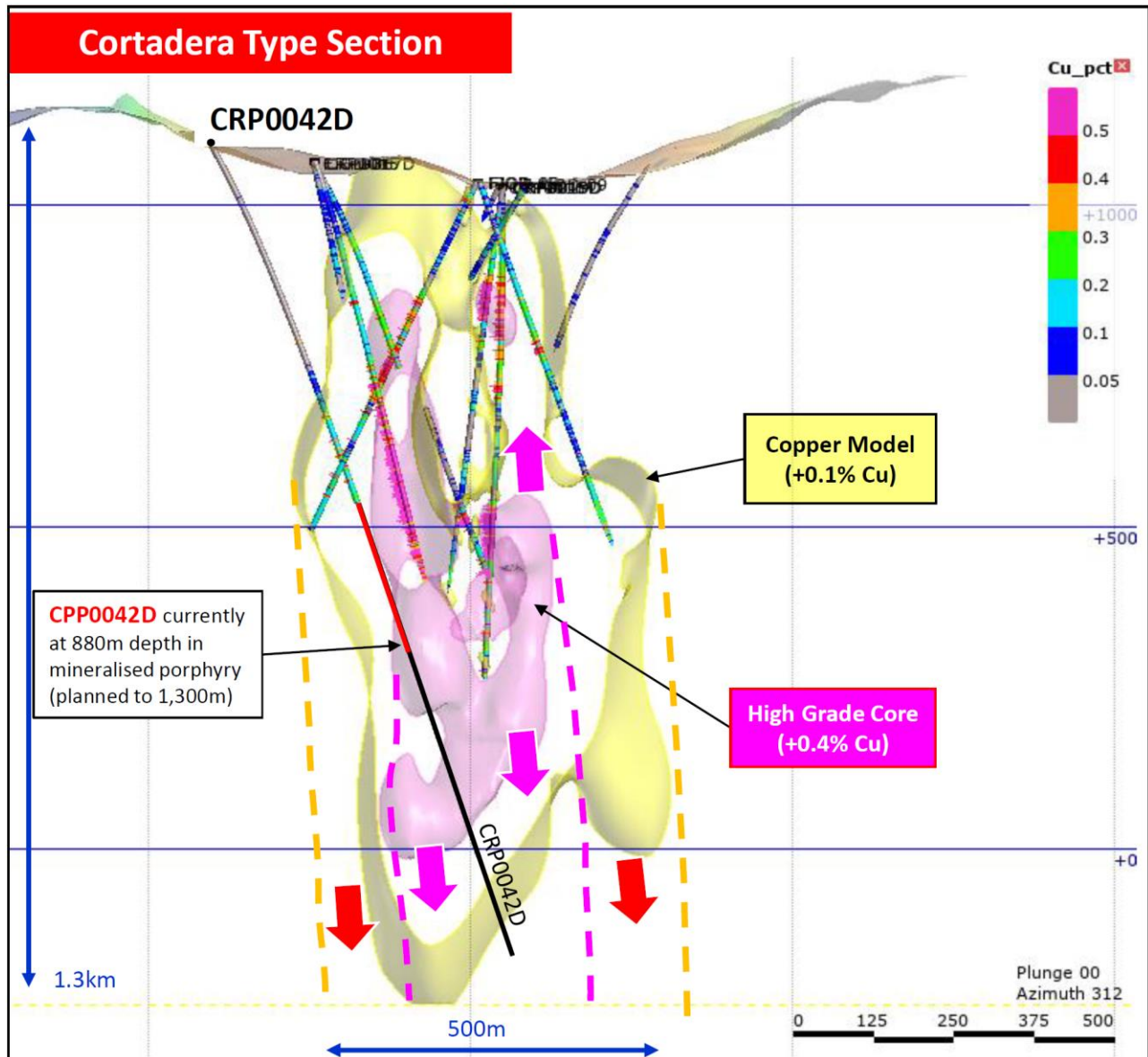


Figure 2 Type Section of the Cortadera discovery copper distribution model from the recently updated 4-dimensional geological model. Note the location of CRP0042D.

About Cortadera

Cortadera is a privately-owned, major copper-gold porphyry discovery located 600km north of Santiago along the Chilean coastal range, where historical world-class discovery drill results were only publicly released by Hot Chili in February 2019.

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

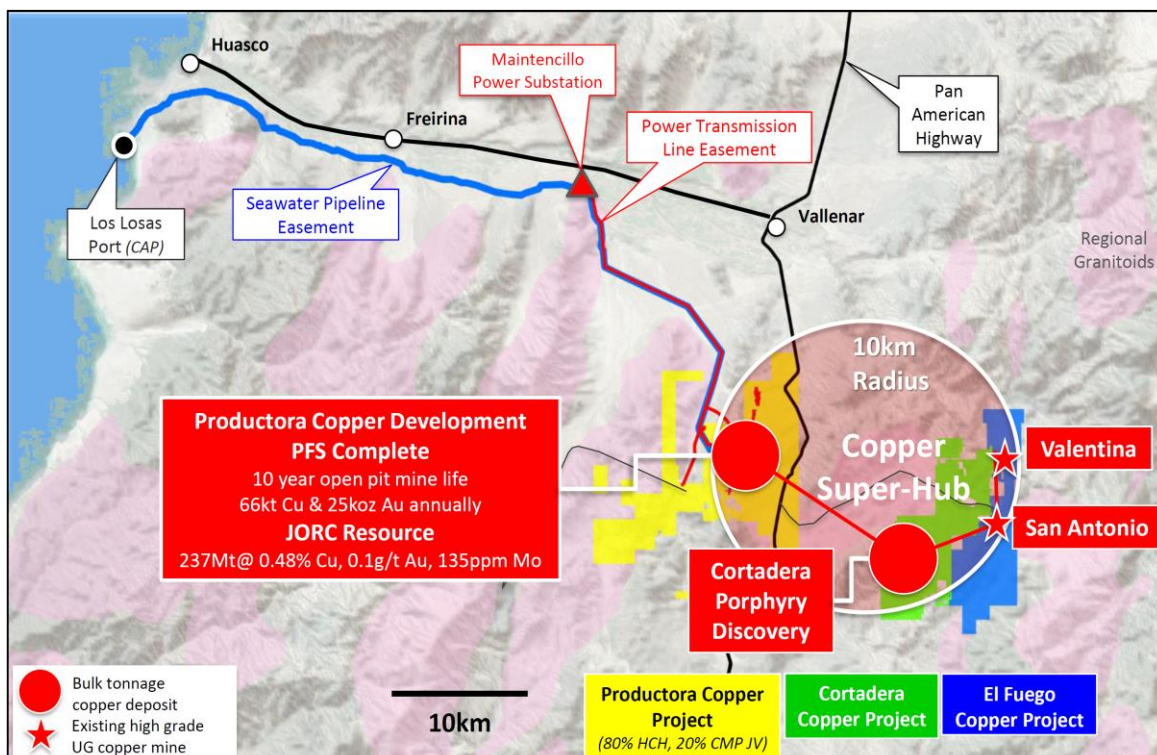


Figure 3 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure

On 22 February 2019, Hot Chili announced 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.

The drilling has confirmed and extended areas of surface enrichment and wide, higher-grade, copper-gold sulphide mineralisation at depth, which had not previously been closed off by 23,000m of historical diamond drilling.

Hot Chili's recent drill holes at Cuerpo 3 (the largest of the four porphyries discovered to date) include some of the world's stand-out copper-gold porphyry drill results reported in recent time. The Cuerpo 3 porphyry remains open to the north, south and at depth. Significant intersections include:

- 972m grading 0.5% copper and 0.2g/t gold from surface
(including 412m grading 0.7% copper and 0.3g/t gold)
- 750m grading 0.6% copper and 0.2g/t gold from 204m down-hole depth
(including 188m grading 0.9% copper and 0.4g/t gold)



- 848m grading 0.4% copper and 0.2g/t gold from 112m down-hole depth (including 184m grading 0.7% copper and 0.3g/t gold)
- 864m grading 0.4% copper and 0.1g/t gold from 62m down-hole depth (including 348m grading 0.6% copper and 0.2g/t gold),
- 649m grading 0.4% copper and 0.1g/t gold from 328m down-hole depth (including 440m grading 0.5% copper and 0.2g/t gold),
- 596m grading 0.5% copper and 0.2g/t gold from 328m down-hole depth (including 184m grading 0.7% copper and 0.3g/t gold), and
- 542m grading 0.5% copper and 0.2g/t gold from 422m down-hole depth, (including 218m grading 0.7% copper and 0.2g/t gold)

Note: Please refer to ASX announcement "Another Record Step-Out Drill Result at Cortadera" 20th March 2020 for Table 1 information relating to the reporting of exploration results, data and sampling techniques

**Table 1 SNL List of Best 25 Cu-Au Drill Intercepts Since January 2018
(Ordered by Width of Drill Intersection)**

Project Name	Company	Country	Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au%
Altar	Aldebaran Resources Inc	Argentina	ALD-18-209	482	1,537	1,055	0.5	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-067	886	1,914	1,028	0.7	0.9
Cascabel	SolGold Plc	Ecuador	CSD-18-043	600	1,574	974	0.5	0.4
Cortadera	Hot Chili Limited	Chile	CRP0020D	surface	972	972	0.5	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-041-D1-D2	926	1,779	853	0.5	0.6
Cascabel	SolGold Plc	Ecuador	CSD-18-069	740	1,592	852	0.8	0.6
Timok	Zijin Mining Group Company Limited	Serbia	TC170187	1,354	2,202	848	0.8	0.2
Cortadera	Hot Chili Limited	Chile	CRP0011D	112	960	848	0.4	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-042	278	1,124	846	0.7	0.5
Cascabel	SolGold Plc	Ecuador	33-D1	736	1,560	824	0.5	0.4
AntaKori	Regulus Resources Inc	Peru	AK-19-034	165	985	820	0.5	0.2
Winu	Rio Tinto	Australia	WINU0006	46	809	763	0.4	0.7
Cortadera	Hot Chili Limited	Chile	CRP0013D	204	954	750	0.6	0.2
Winu	Rio Tinto	Australia	WINU0006	68	809	741	0.5	0.5
AntaKori	Regulus Resources Inc	Peru	AK-18-014	5	719	714	0.7	0.4
Cascabel	SolGold Plc	Ecuador	CSD-18-068	1,004	1,668	664	0.9	1.0
Cortadera	Hot Chili Limited	Chile	CRP0029D	330	979	649	0.4	0.1
AntaKori	Regulus Resources Inc	Peru	AK-18-021	127	746	619	0.7	0.4
AntaKori	Regulus Resources Inc	Peru	AK-19-031	4	614	610	0.8	1.0
Cortadera	Hot Chili Limited	Chile	CRP0017D	328	924	596	0.5	0.2
Timok	Zijin Mining Group Company Limited	Serbia	TC170177	1,310	1,867	557	1.0	0.2
Cortadera	Hot Chili Limited	Chile	CRP0040D	422	964	542	0.5	0.2
Kwanika	Kwanika Copper Corporation	Canada	K-180	33	547	514	0.6	0.8
Cascabel	SolGold Plc	Ecuador	CSD-18-042	620	1,124	504	0.9	0.6
Kwanika	Kwanika Copper Corporation	Canada	K-182	25	525	500	0.7	0.8

Source- Regulus Resources (TSXV. REG) November 2019 Corporate Presentation (slide 10) as per SNL financial, SNL search criteria include: >450 m interval, primarily copper interval & reported after Jan 1, 2018. Only longest reported interval considered. Results ordered by down-hole width of drill intersection and addition of CRP0029D and CRP0040D result.

Cortadera is shaping up as a globally significant standalone copper-gold project which can utilise the Productora project resources, and leverage from a central processing and combined infrastructure approach along the coastline of Chile.

The Company's recent discovery and definition of a higher grade bulk tonnage underground development opportunity in combination with shallow, high grade bulk tonnage open pit sources - places Cortadera in a unique position amongst potential large-scale global copper-gold developments.



Qualifying Statements

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.

Forward Looking Statements

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