



ASX Announcement

Friday 10th July 2020

High Grade Copper-Gold Core Growing Rapidly at Cortadera

Results Expected Shortly

Highlights

- Further diamond drilling at the Cortadera porphyry discovery records wide zones of strong mineralisation - high grade copper-gold core expected to grow significantly
- Recently completed drill hole CRP0016D recorded a broad 220m zone of strongly mineralised porphyry confirming a major expansion of the high grade core – assays pending on priority turnaround
- CRP0042D recorded 330m of mineralised porphyry to end of hole at 945m
- A third hole, CRP0043D, has commenced testing further potential extensions to the high grade core
- Maiden resource estimates for Cortadera and San Antonio remain on schedule

ASX CODE

HCH

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Hot Chili Limited (ASX code HCH) ("Hot Chili" or "Company") is pleased to announce that diamond drilling is providing strong encouragement for continued growth of the high grade copper-gold core at the Company's Cortadera discovery in Chile.

Strongly mineralised porphyry has been observed over a broad 220m zone in recently completed drill hole CRP0016D.

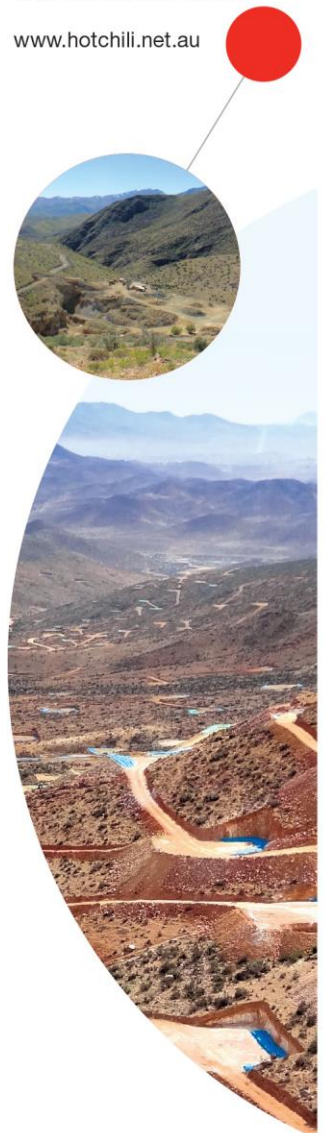
CRP0016D - a 350m diamond tail - was designed to test the potential for a significant up-dip extension to the southern flank of the high grade copper-gold core.

Results from CRP0016D are being prioritised for analysis and are expected to be reported within the coming fortnight.

Diamond drill hole CRP0042D recorded approximately 330m of mineralised porphyry. The hole was terminated early (in mineralisation) owing to significant deviation from its intended target and will be re-entered for a wedge hole at a later date.

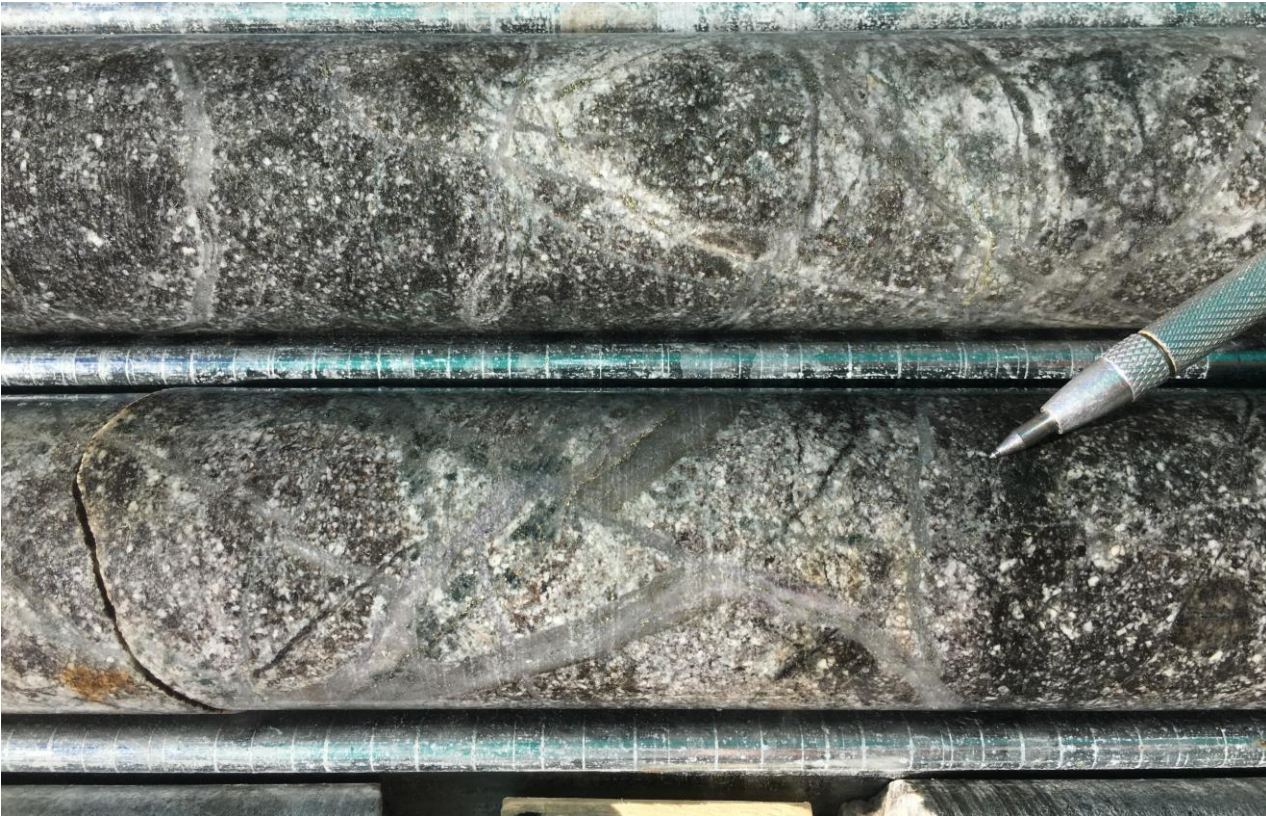
Hot Chili has just commenced its third diamond drill hole (CRP0043D), designed to test a major up-dip extension to the northern flank of the high grade copper-gold core.

Resource workstreams remain on-track for delivering first resource estimates at Cortadera and then San Antonio in late July.



The Company will carefully assess the potential implications of these new drill holes on the forthcoming resource estimate for Cortadera. The maiden resource estimate, currently in preparation, incorporates all previous drilling.

The current drilling programme is initially focussed on growth of high grade copper and gold within the 2.3km discovery zone and aims to facilitate a second resource estimate for Cortadera.



Photograph 1 - Strongly mineralised proximal skarn xenolith within host porphyry, displaying strongly disseminated chalcopyrite and pyrite in association with biotite-magnetite-chlorite alteration and +10% B-vein abundance (516m down-hole depth, CRP0016D)

The Company looks forward to releasing drilling results from CRP0016D and CRP0042D once all assays are received.

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

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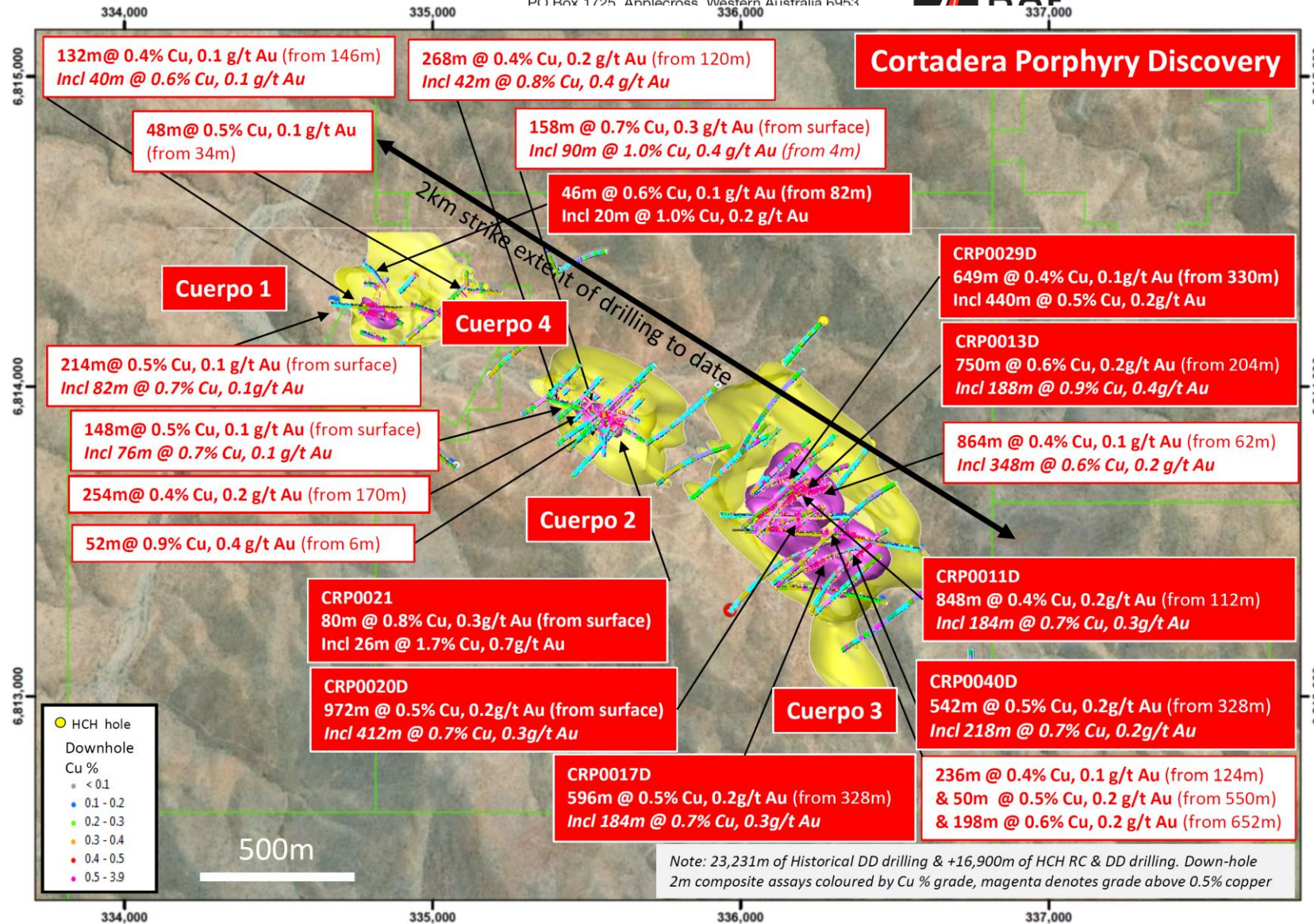


Figure 1 Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow- +0.1% Cu and magenta +0.4% Cu). Note the location of the inset plan area for Cuerpo3 associated with the following figures. Note the HCH drilling intersection (Red) and historical drilling intersections (white).

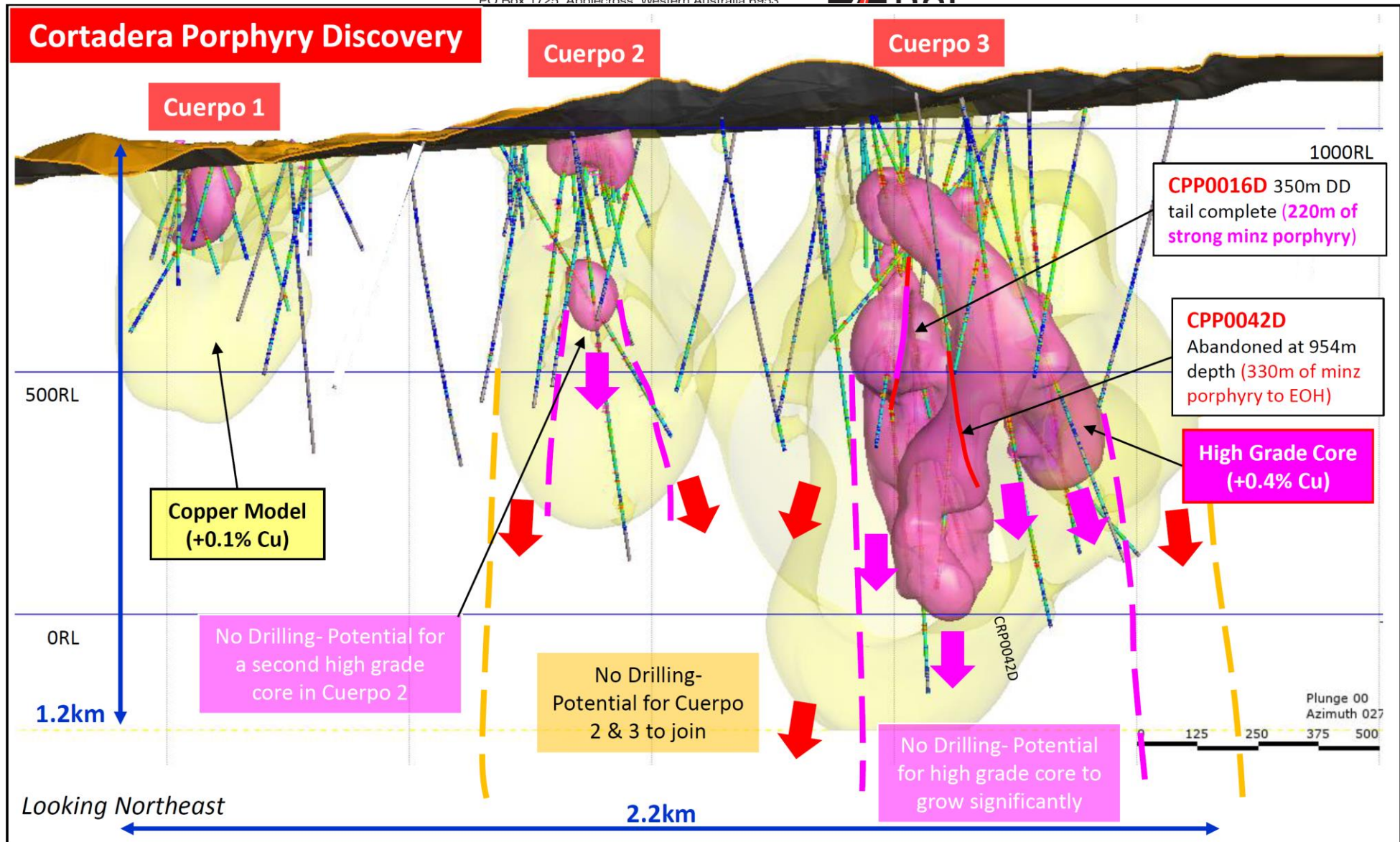


Figure 3 Long Section of the Cortadera discovery copper distribution model from the recently updated 4-dimmmensional geological model. Note the growing extent of the high grade core within Cuerpo 3 and Cuerpo 2, and the location of CRP0042D.

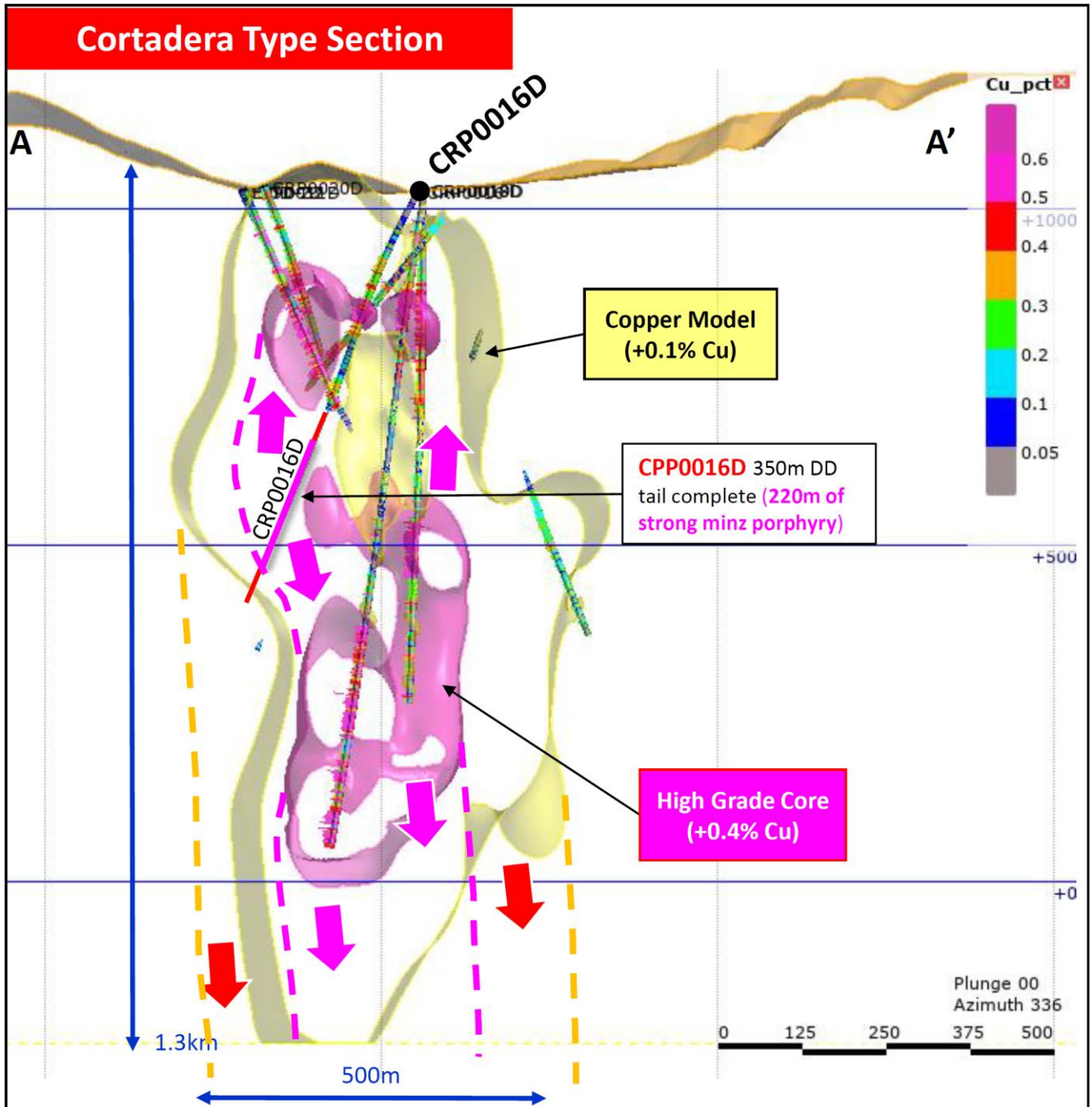


Figure 4 Type Section A displaying HCH DD extensional drill results and recent 3D modelling of copper distribution at Cortadera. The section lies in the centre of Cuerpo 3. Note the location of hole CRP0016D in relation to the modelled high grade zone. .

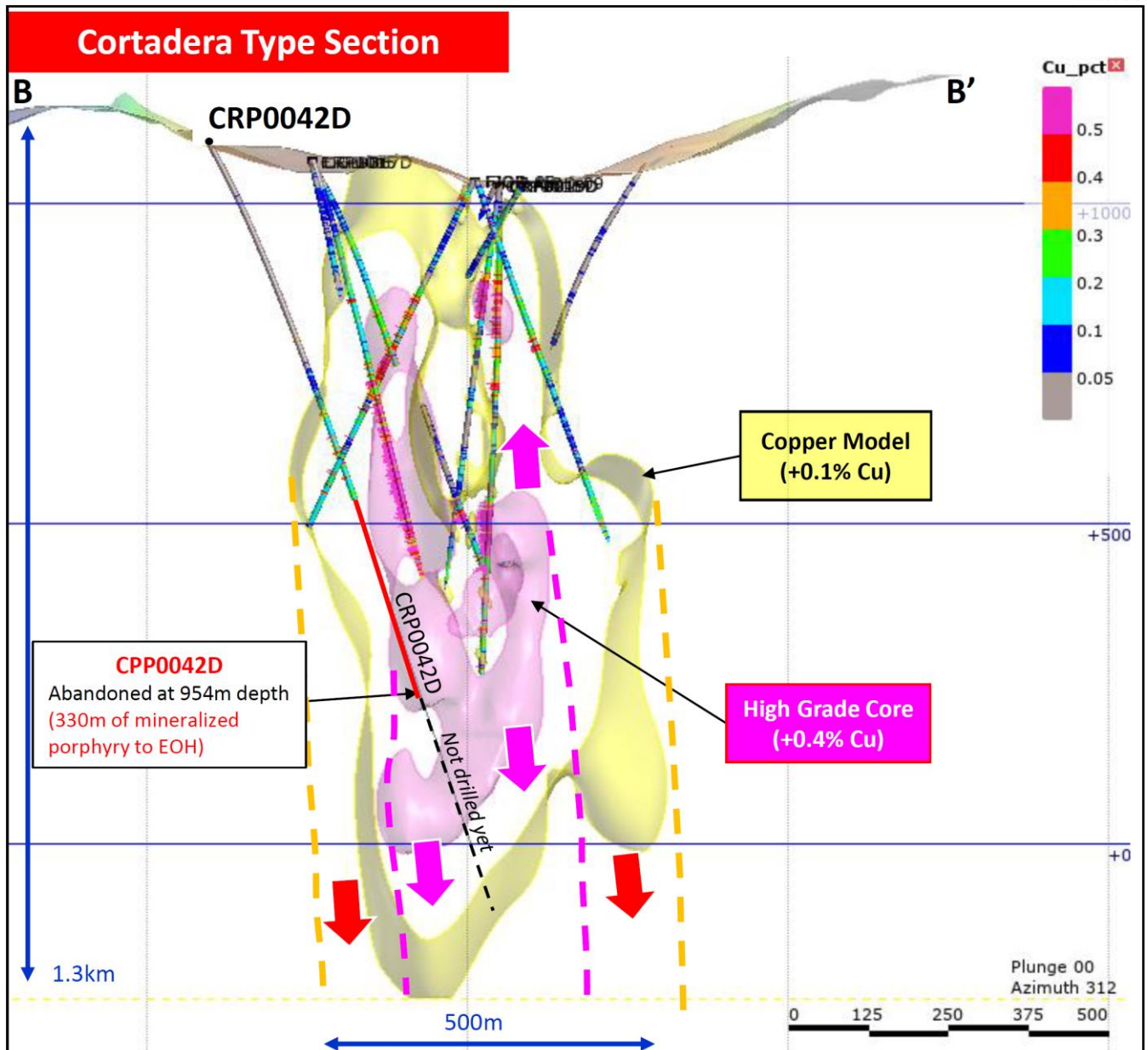


Figure 5 Type Section B displaying HCH DD drill results and recent 3D modelling of copper distribution at Cortadera. The section lies along the southeastern extent of Cuerpo 3 and displays the recently abandoned diamond hole CRP0042D which ended in mineralised porphyry. Note the location of where CRP0042D was meant to extend. This hole deviated significantly in its azimuth and is planned to be re-entered and navi/wedge drilled at a later date.

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.

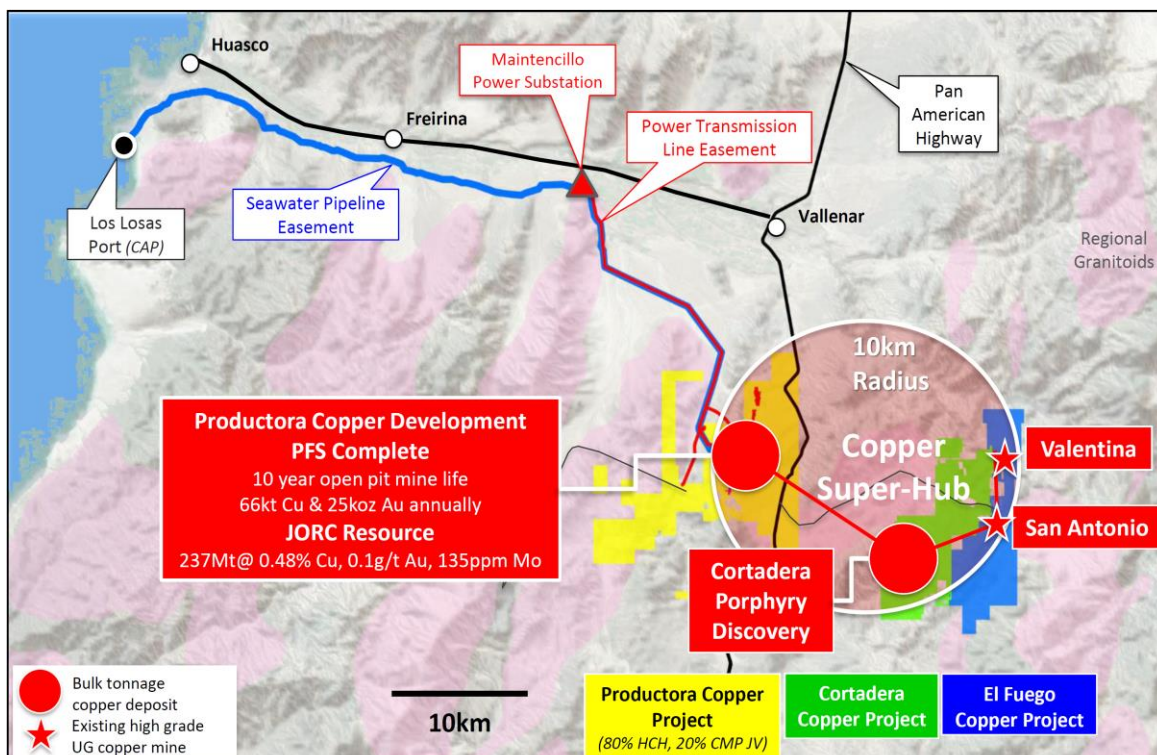


Figure 6 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure

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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