



Hot Chili Limited ACN 130 955 725

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QUARTERLY REPORT

Period Ending December 31st 2014

Highlights

- **Productora Pre-feasibility study (PFS) progressing well**
- **Productora Scoping Study for addition of a copper oxide project complete**
- **First exploration drilling at Productora in two years discovers a significant copper-porphyry deposit, 400m immediately west of the planned central pit- named Alice**
- **Latest significant intercepts returned from Alice, include 237m grading 0.5% copper, and 0.1g/t gold from surface** (*refer to ASX announcement dated 22nd January 2015*)
- **Alice being prepared for inclusion into an upgraded Mineral Resource and Ore Reserve estimate in advance of Productora PFS completion in 2015**

Summary of Activities

The final quarter for 2014 has seen the Company conclude drilling activities for the year, culminating in the discovery of a copper porphyry deposit, immediately adjacent to the planned central pit at the Productora copper project in Chile.

Drilling activities completed were directed at testing regional targets at the Productora project, and completing resource definition and extensional drilling at the newly discovered Alice porphyry copper deposit.

In addition, the Company's development group continued to advance the Productora PFS with a focus on metallurgical testwork, and capital/operating cost reviews.

Significantly, Hot Chili has now successfully completed a positive Scoping study into the addition of a copper oxide project at Productora. The results of this are being reviewed and internally verified in advance of releasing these outcomes.

ASX Code

HCH

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PROJECT ACTIVITIES

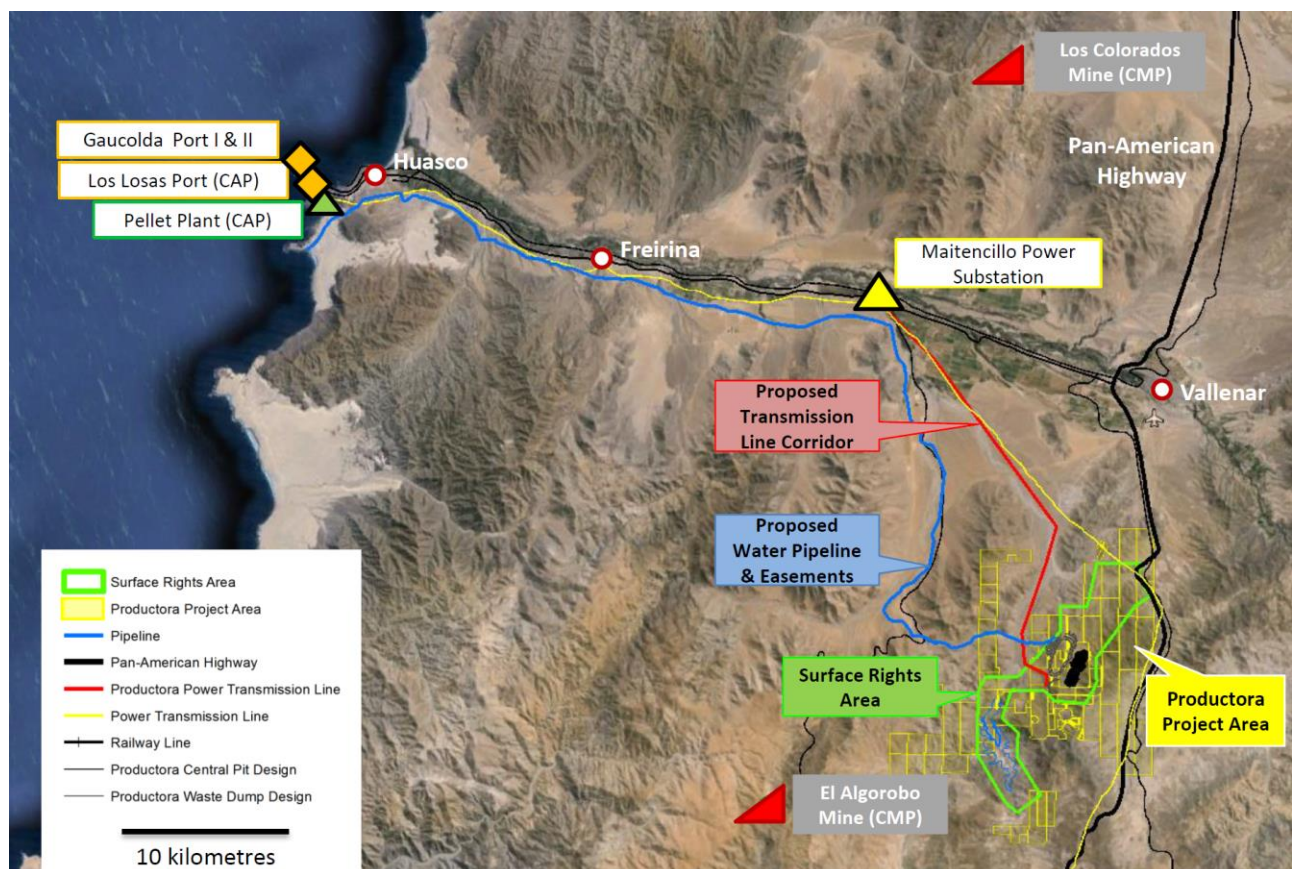
Productora Copper Project

Hot Chili and CMP Ratify Productora Joint Infrastructure Memorandum of Understanding

During the quarter, the Company and its project partner, Chilean resources major Compañía Minera del Pacífico S.A (CMP), continued to advance towards board approval of the finalised terms associated with the Memorandum of Understanding (MOU) to form a Joint Venture to develop Productora (as announced to the ASX on the 12th of August 2014).

Hot Chili has now confirmed that both companies have Board ratified the MOU (as announced to the ASX on the 29th of January 2015).

The transaction is subject to the approval of Hot Chili shareholders, the Productora project due diligence and the negotiations of the corresponding legal documentation. A Notice of Meeting to consider resolutions concerning the transaction is expected to be issued in the coming weeks.



Location and existing infrastructure surrounding the Productora copper project, Region III Chile.



Under the MOU, CMP will acquire a 17.5 per cent stake in Productora in return for contributing surface rights, easements and its mining rights related to Productora.

The deal is pivotal to Productora because the CMP assets will help save time and reduce costs associated with the infrastructure needed to underpin the project.

The MOU also establishes that Hot Chili will grant CMP an option to acquire an additional 32.6 per cent interest in Productora for a minimum cost of US\$80 million and maximum of US\$110 million (see details of the agreement as outlined in ASX announcement released 29th of January 2015).

Large Drilling Programme Completed

A drill programme totalling 32,000m of RC drilling and 3,000m of Diamond drilling concluded in December. The 2014 drilling campaign at Productora had three key objectives:

1. Ore Reserve growth- targeting extensions to the planned central pit and satellite oxide pit areas, and classification upgrades in areas of lower confidence,
2. Mineral Resource growth- drill testing of priority exploration targets within the larger Productora project, and
3. Pre-feasibility study (PFS) completion- Diamond drilling to complete scheduled metallurgical and geotechnical work streams.

The results from this drill programme will form a key part of the Productora PFS, with drilling results currently being compiled in advance of the forthcoming Mineral Resource revision.

Mineral resource growth drilling proved extremely successful with the discovery of the Alice copper porphyry deposit, just 400 metres west of the planned central pit design. Alice was discovered as part of the first exploration drilling to be completed in almost two years at Productora, and highlights the potential for further similar discoveries at the project.

Selected significant intersections reported to the ASX from Alice during the quarter include:

- **151m grading 0.4% copper from 116m down-hole depth**, including 54m grading 0.5% copper and 0.1g/t gold)
- **26m grading 0.7% copper from 95m down hole** followed by **105m grading 0.4% copper from 175m down-hole**
- **204m grading 0.6% copper and 0.1g/t gold** from within a broader intersection of 237m grading 0.5% copper and 0.1g/t gold from surface.
- **179m grading 0.4% copper from 61m down-hole**, including 81m grading 0.5% copper



The Alice porphyry copper discovery has significant implications for the growth potential of Productora as it is a bulk-style of mineralisation not previously identified at the project. The addition of Alice and any further porphyry-style discoveries will underpin substantial increases to Productora's Mineral Resources and Ore Reserves.

Diamond drilling activities in support of the Company's PFS were also completed this quarter. Metallurgical diamond holes were directed into the high-grade Habanero zone of the central pit area, and also the Alice porphyry deposit for inclusion in the PFS. These metallurgical samples will be used to facilitate variability sulphide flotation testwork for the project. Diamond drilling was also focussed toward a nine-hole geotechnical programme to further refine the Productora central pit design's slope angle model.

Metallurgical recoveries and pit slope angles utilised in the Company's first Ore Reserve estimate are considered conservative. Further refinement of these two particular items is being targeted by Hot Chili to capture further growth in the scale of the planned central pit design and its associated Ore Reserve.

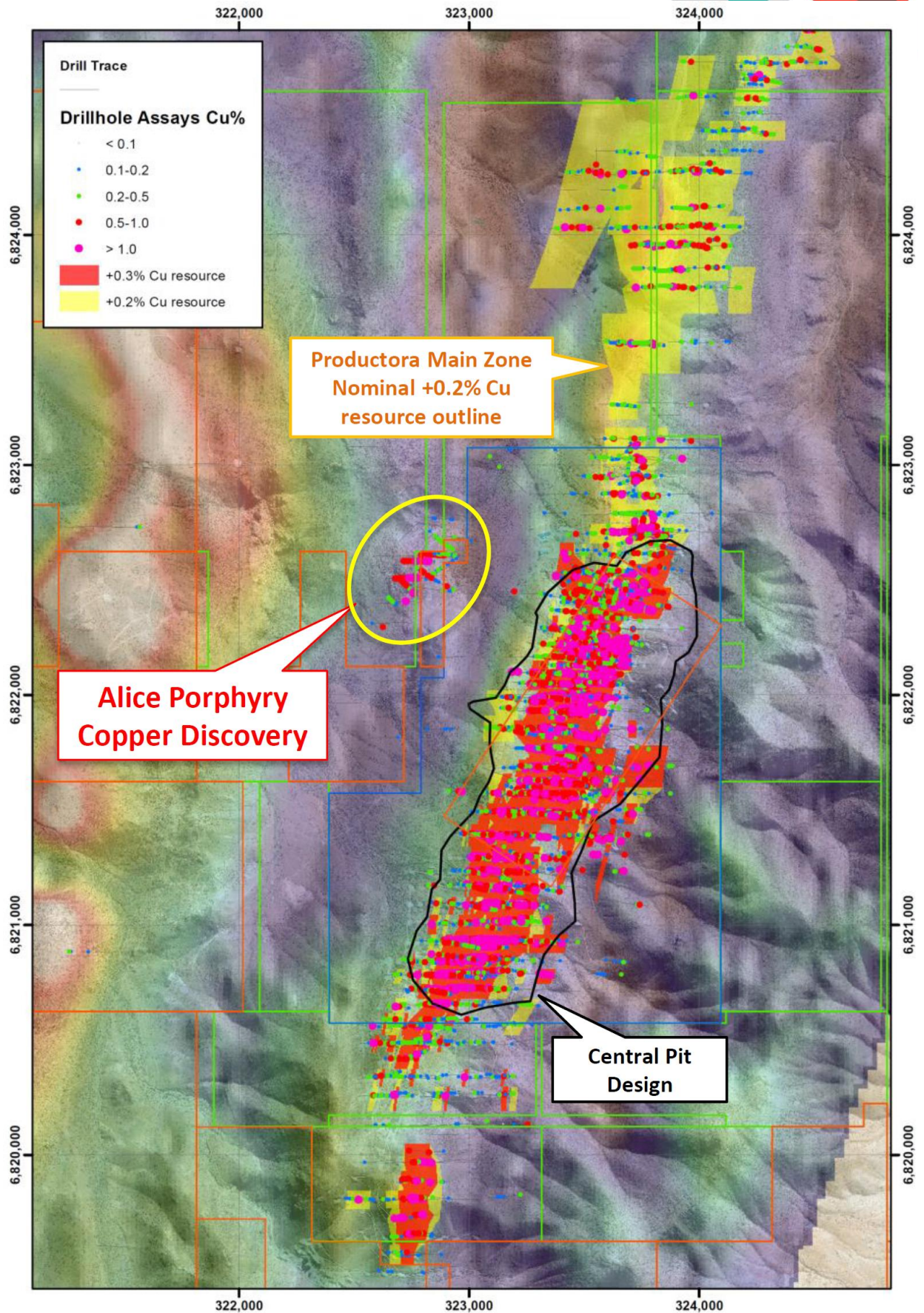


Location of the Alice copper discovery immediately adjacent to Hot Chili's site office location at Productora (looking west).

Alice Porphyry Copper Discovery Set to Grow Productora Resource

Drilling undertaken late during the quarter at Alice, as announced to the ASX on 22nd January 2015, intersected very wide zones of copper extending from surface, outlining the potential for significant extensions of higher grade copper.

Results included 204m grading 0.6% copper and 0.1g/t gold from within a broader intersection of 237m grading 0.5% copper and 0.1g/t gold from surface.



Plan displaying the location of the Alice porphyry copper discovery in relation to the planned Productora central pit design, Mineral Resource outlines and TMI.



Importantly, these wide zones of higher grade copper at Alice remain open toward the west and at depth. A follow-up round of drilling is being planned to expand the known extent of the Alice mineralisation prior to completion of a maiden resource estimate. This estimate will then form part of an increased Mineral Resource and Ore Reserve estimate for the overall Productora Pre-feasibility study (PFS).

Productora's entire Mineral Resource of more than 1Mt of copper and 675,000 ounces of gold¹ is a breccia style deposit hosted within a structural corridor known as the main zone.

The Company's confirmation of Alice as a porphyry-style copper deposit adjacent to the main zone (breccia hosted) is an exciting development in the growth of Productora into a multi-deposit copper project, and demonstrates the exploration potential of the wider project.

Hot Chili is now reviewing its exploration and drilling results over other potential porphyry footprints identified at Productora. The Company believes there is strong evidence to suggest that Productora may host a cluster of deposits, as is the case at other known copper porphyry systems globally and within Chile.

The Alice discovery strengthens further resource additions into the PFS and highlights the potential for Productora to elevate into a new class of much larger emerging copper developments.

Productora Pre-feasibility Study Progress Update

During the quarter, the Company completed a high level technical review of the Productora Pre-Feasibility Study work completed to date. The review was conducted by engineering consulting and project management group Mintrex, and included a comprehensive review of:

- Start-up capital expenditure estimates and operating cost estimates
- Tailings Storage Facility (TSF) design and associated capital costs
- PFS metallurgical testwork programme (sulphide and oxide)

The review process acted as an independent audit and gap analysis of the Pre-Feasibility study work completed by the Company to date. It also provided guidance for remaining work streams moving forward in the PFS.

The Company is pleased that the review findings were positive, indicating the PFS work completed thus far to be robust, and without material flaw. Several opportunities to reduce capital and operating cost were identified as part of the review, and these have been included for study in further detail as part of the PFS.

During the quarter, sulphide flotation and comminution testwork was advanced and is nearing completion. Some variability testwork remains to be completed as well as pilot scale molybdenum recovery work as part of the Company's PFS sulphide metallurgical testwork programme.

¹ Refer to ASX announcement dated 31 March 2014 and Qualifying Statements attached to this announcement.



A copper oxide Scoping Study was successfully completed late during the quarter. The results of this study have been positive and confirm that a substantial copper oxide project may be economically exploitable at Productora. PFS level studies of the Productora copper oxide project commenced during the quarter.

The Scoping Study results are currently being reviewed and internally verified by Hot Chili in advance of announcing further details of its outcome.

Health, Safety, Environment and Quality

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

The company is pleased to report that there were no serious incidents recorded for the quarter. The Company's HSEQ quarterly performance is summarised below:

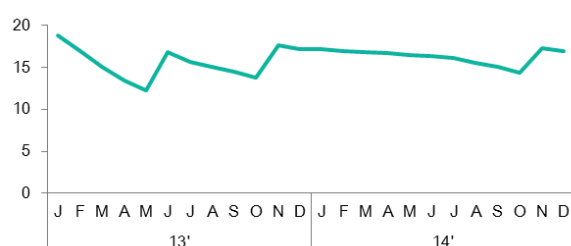
- A drilling contractor was injured by a PVC tube propelled from the sample collection by air pressure- the tube hit the worker's back when it fell back to the ground. The cause of the incident has been investigated and procedures implemented to ensure the incident doesn't occur again. The incident resulted in 2 days lost.
- Mining Authority Site Inspection. Recommendations made to the Company and drilling contractor in the context of continuous improvement.
- Archaeology inductions to Hot Chili and contractor personnel as part of the environmental authority (DIA) action plan
- Removal of industrial waste after completion of drilling activities

HSEQ Quarter 4 2014 Performance and Statistics

Item	Sep-Dec /14	Cumulative (3)
LTI events	1	5
NLTI events	0	1
Days lost	2	128
LTIFR index	86.1	17.0
IFR index	86.1	20.3
ISR index	172.2	434.2
Thousands of mh (1)	9.7	294.7
Material incidents	0	5
Environmental accidents	0	0
Headcount (2)	57	-

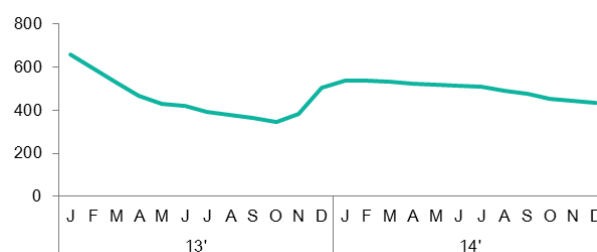


Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Statistics monthly reported to the national Mine Safety Authority through an E-100 form; (1) man-hours; (2) Average headcount for the quarter: 44; (3) cumulative stats since JAN/2012.



Cumulative LTIFR (staff and contractors).

Last 24 months



Cumulative Injury Severity Rate (ISR) (staff and contractors). Last 24 months

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Statistics monthly reported to the national Mine Safety Authority through an E-100 form; (1) man-hours; (2) Average headcount for the quarter: 44; (3) cumulative stats since JAN/2012

Corporate

Hot Chili Successful with Second VAT Recovery Application to Chilean Taxation Authority

Late during the quarter, the Company prepared a second VAT recovery application to the Chilean Taxation Authority. The application was submitted in early January and on the 23rd of January 2015; a VAT refund payment of A\$1.75 million equivalent in Chilean pesos was received by the Company.

The VAT refund payment relates to the future exporting capacity of Hot Chili's Productora copper project in Chile. Hot Chili is able to claim VAT Refund Payments for ongoing expenditure up to US\$643 million over the course of its development activities at Productora (see ASX announcement dated 11th July 2014 for further details).

The recently received VAT refund payment was not included in this Quarterly cash flow report.



Tenement Details

Tenements held at end of quarter

Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
PRODUCTORA	FRAN 1, 1-48	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 2, 1-20	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 3, 1-60	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 4, 1-20	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 5, 1-20	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 6, 1-60	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 7, 1-37	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 8, 1-30	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 12, 1-40	SMEA SpA	100%	Exploitation concession	200		Constituted
PRODUCTORA	FRAN 13, 1-40	SMEA SpA	100%	Exploitation concession	200		Constituted
PRODUCTORA	FRAN 14, 1-40	SMEA SpA	100%	Exploitation concession	200		Constituted
PRODUCTORA	FRAN 15, 1-60	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 18, 1-60	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 21, 1-60	SMEA SpA	100%	Exploitation concession	300		Constituted
PRODUCTORA	FRAN 22	SMEA SpA	100%	Mining Petition	400		Constituted
PRODUCTORA	ALGA 7A, 1-32	SMEA SpA	100%	Exploitation concession	89		Constituted
PRODUCTORA	ALGA VI, 5-24	SMEA SpA	100%	Exploitation concession	66		Constituted
PRODUCTORA	MONTOSA 1-4	SMEA SpA	100%	Exploitation concession	35		Constituted
PRODUCTORA	CHICA	SMEA SpA	100%	Exploitation concession	1		Constituted
PRODUCTORA	ESPERANZA 1-5	SMEA SpA	100%	Exploitation concession	11		Constituted
PRODUCTORA	LEONA SEGUNDA 1-4	SMEA SpA	100%	Exploitation concession	10		Constituted
PRODUCTORA	CARMEN I, 1-60	SMEA SpA	100%	Mining Claim	300		Being processed
PRODUCTORA	CARMEN II, 1-60	SMEA SpA	100%	Mining Claim	300		Being processed
PRODUCTORA	ZAPA 1, 1-10	SMEA SpA	100%	Exploitation concession	100		Constituted
PRODUCTORA	ZAPA 3, 1-23	SMEA SpA	100%	Exploitation concession	92		Constituted
PRODUCTORA	ZAPA 5A, 1-16	SMEA SpA	100%	Exploitation concession	80		Constituted
PRODUCTORA	ZAPA 7, 1-24	SMEA SpA	100%	Exploitation concession	120		Constituted
PRODUCTORA	CABRITO, CABRITO 1-9	SMEA SpA	80%	Exploitation concession	50		Constituted
PRODUCTORA	CUENCA A, 1-51	CMP	65%	Exploitation concession	255		5 Year- 65% JV Earn-in option Agreement executed Expiration date October 5th, 2014
PRODUCTORA	CUENCA B, 1-28	CMP	65%	Exploitation concession	139		



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
PRODUCTORA	CUENCA C, 1-51	CMP	65%	Exploitation concession	255		
PRODUCTORA	CUENCA D	CMP	65%	Exploitation concession	3		
PRODUCTORA	CUENCA E	CMP	65%	Exploitation concession	1		
PRODUCTORA	CHOAPA 1-10	CMP	65%	Exploitation concession	50		
PRODUCTORA	ELQUI 1-14	CMP	65%	Exploitation concession	61		
PRODUCTORA	LIMARÍ 1-15	CMP	65%	Exploitation concession	66		
PRODUCTORA	LOA 1-6	CMP	65%	Exploitation concession	30		
PRODUCTORA	MAIPO 1-10	CMP	65%	Exploitation concession	50		
PRODUCTORA	TOLTÉN 1-4	CMP	65%	Exploitation concession	70		
PRODUCTORA	CACHIYUYITO 1, 1-60	CMP	65%	Exploitation concession	300		
PRODUCTORA	CACHIYUYITO 2, 1-60	CMP	65%	Exploitation concession	300		
PRODUCTORA	CACHIYUYITO 3, 1-60	CMP	65%	Exploitation concession	300		
PRODUCTORA	LA PRODUCTORA 1-16	SMEA SpA	100%	Exploitation concession	75		Constituted
PRODUCTORA	BUENA SUERTE 1-6	SLM BUENA SUERTE	100%	Exploitation concession	30		5 Year- 100% Purchase-option Agreement executed Expiration date November 18th, 2014. Contract modification date November 13th, 2013
PRODUCTORA	PILAR 1-2	SLM PILAR	100%	Exploitation concession	10		
PRODUCTORA	ORO INDIO I, 1-20	JGT	100%	Exploitation concession	82		5 Year- 100% Purchase-option Agreement executed Expiration date February 13th, 2017
PRODUCTORA	AURO HUASCO I, 1-8	JGT	100%	Exploitation concession	35		
PRODUCTORA	URANIO, 1-70	CCHE N	100%	Exploitation concession	350		5 year (renewable to 30) lease agreement Termination date August 22nd, 2042
PRODUCTORA	JULI 1	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 2	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
PRODUCTORA	JULI 3	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 4	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 5	SMEA SpA	100%	Exploration concession	100	12/11/2015	Constituted
PRODUCTORA	JULI 6	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	JULI 7	SMEA SpA	100%	Exploration concession	200	21/10/2015	Constituted
PRODUCTORA	JULI 8	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 9	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 10	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 11	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 12	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 13	SMEA SpA	100%	Exploration concession	100	12/11/2015	Constituted
PRODUCTORA	JULI 14	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 15	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 16	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 17	SMEA SpA	100%	Exploration concession	200	21/10/2015	Constituted
PRODUCTORA	JULI 18	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 19	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 20	SMEA SpA	100%	Exploration concession	300	20/11/2015	Constituted
PRODUCTORA	JULI 21	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 22	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 23	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 24	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULI 25	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULI 26	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULI 27	SMEA SpA	100%	Exploration concession	200	21/10/2015	Constituted
PRODUCTORA	JULI 28	SMEA SpA	100%	Exploration concession	300	21/10/2015	Constituted
PRODUCTORA	JULIETA 1	SMEA SpA	100%	Exploration concession	100	5/11/2015	Constituted
PRODUCTORA	JULIETA 2	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	JULIETA 3	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULIETA 4	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	JULIETA 5	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULIETA 6	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULIETA 7	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULIETA 8	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULIETA 9	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
PRODUCTORA	JULIETA 10	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULIETA 11	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULIETA 12	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULIETA 13	SMEA SpA	100%	Exploration concession	300	12/11/2015	Constituted
PRODUCTORA	JULIETA 14	SMEA SpA	100%	Exploration concession	300	5/11/2015	Constituted
PRODUCTORA	JULIETA 15	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	JULIETA 16	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	JULIETA 17	SMEA SpA	100%	Exploration concession	200	12/11/2015	Constituted
PRODUCTORA	JULIETA 18	SMEA SpA	100%	Exploration concession	200	12/11/2015	Constituted
PRODUCTORA	JULIETA 19	SMEA SpA	100%	Exploration concession	200	5/11/2015	Constituted
PRODUCTORA	ARENA 1	SMEA SpA	100%	Mining petition	100		Being processed
PRODUCTORA	ARENA 2	SMEA SpA	100%	Mining petition	200		Being processed
BANDERAS	TITIRUTA 2, 1-14	SMEA SpA	100%	Mining claim	57		Being processed
BANDERAS	RENACIMIENTO 1-10	JSR	65%	Exploitation Concession	44		5 Year- 65% JV Earn-in option Agreement executed Expiration date December 12th, 2016
BANDERAS	ESCONDIDA 1-10	ADC	65%	Exploitation Concession	50		5 Year- 65% JV Earn-in option Agreement executed Expiration date February 28th, 2017
BANDERAS	BANDERITA 1-5	SLM BANDERITA	100%	Exploitation Concession	5		4 Year- 100% Purchase-option Agreement executed Expiration date November 29th, 2015
BANDERAS	RESGUARDO 1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14 y 20	SLM RESGUARDO	100%	Exploitation Concession	60		
BANDERAS	RESGUARDO 9, 10, 11, 15, 16, 17, 18 y 20	SLM RESGUARDO	100%	Exploitation Concession	40		
BANDERAS	CONEJA 1-10	SMEA SpA	100%	Exploitation Concession	100		Constituted
BANDERAS	COTOTO 1, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 2, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 3, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 4, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 5, 1-60	IPL	100%	Mining Claim	300		Being processed



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
BANDERAS	COTOTO 6, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 7, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	COTOTO 8, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 1, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 2, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 3, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 4, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 5, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 6, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 7, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	PIMPOLLA 8, 1-60	IPL	100%	Mining Claim	300		Being processed
BANDERAS	BLANCA 1	SMEA SpA	100%	Exploration concession	200	11/02/2016	Constituted
BANDERAS	BLANCA 2	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 3	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 4	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 5	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 6	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 7	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 8	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 9	SMEA SpA	100%	Exploration concession	300	11/02/2016	Constituted
BANDERAS	BLANCA 10	CNP	100%	Mining petition	100		Constituted



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
BANDERAS	BLANCA 11	CNP	100%	Mining petition	100		Being processed
BANDERAS	BLANCA 12	CNP	100%	Mining petition	200		Being processed
BANDERAS	BLANCA 13	CNP	100%	Mining petition	100		Being processed
FRONTERA	LA UNION 1-2	Compañía Minera Taruca SCM	100%	Exploitation Concession	10		30 month - 100% Purchase-option Agreement executed Expiration date November 30th, 2014
FRONTERA	JOTA 1	Compañía Minera Taruca SCM	100%	Exploration concession	1		
FRONTERA	MADRID 2, 1-60	Compañía Minera Taruca SCM	100%	Mining claim	300		
LOS MANTOS	LEONOR F3	MLA	60%	Exploration	200		
LOS MANTOS	LEONOR E8	MLA	60%	Exploration	200		
LOS MANTOS	LEONOR E9	MLA	60%	Exploration	400		
LOS MANTOS	HAPI C1, 1-30	MLA	60%	Exploitation concession	300		
LOS MANTOS	HAPI C3, 1-60	MLA	60%	Exploitation concession	300		
LOS MANTOS	HAPI C4, 1-30	MLA	60%	Exploitation concession	300		
LOS MANTOS	HAPI C5, 1-30	MLA	60%	Exploitation concession	300		
LOS MANTOS	HAPI C14, 1-30	MLA	60%	Exploitation concession	300		
LOS MANTOS	HAPI D1, 1-60	MLA	60%	Exploitation concession	600		
LOS MANTOS	HAPI D2, 1-60	MLA	60%	Exploitation concession	588		
LOS MANTOS	HAPI D5, 1-30	MLA	60%	Exploitation concession	300		



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
LOS MANTOS	HAPI D7, 1-60	MLA	60%	Exploitation concession	60		
LOS MANTOS	HAPI D8, 1-10	MLA	60%	Exploitation concession	100		
LOS MANTOS	HAPI D9, 1-30	MLA	60%	Mining claim	244		
LOS MANTOS	JADABA B1, 1-20	MLA	60%	Exploitation concession	200		
LOS MANTOS	JADABA B2, 1-30	MLA	60%	Mining claim	292		
LOS MANTOS	JADABA B3, 1-20	MLA	60%	Exploitation concession	172		
LOS MANTOS	JADABA B15, 1-10	MLA	60%	Exploitation concession	99		
LOS MANTOS	JADABA C2, 1-20	MLA	60%	Exploitation concession	200		
LOS MANTOS	JADABA C3, 1-60	MLA	60%	Exploitation concession	504		
LOS MANTOS	JADABA C12, 1-80	MLA	60%	Exploitation concession	723		
LOS MANTOS	JADABA C14, 11-20	MLA	60%	Exploitation concession	100		
LOS MANTOS	JADABA C15, 1-10	MLA	60%	Exploitation concession	100		
LOS MANTOS	LEONOR C9, 1-20	MLA	60%	Exploitation concession	200		
LOS MANTOS	HAPI F1 (OVERLAPS HAPI E1)	MLA	60%	Exploration	900		
LOS MANTOS	HAPI F2 (OVERLAPS HAPI E2)	MLA	60%	Exploration	900		5 Year- 60% JV Option Agreement executed
LOS MANTOS	HAPI G1(OVERLAPS HAPI E3)	MLA	60%	Exploration	600		
LOS MANTOS	HAPI F4 (OVERLAPS HAPI E4)	MLA	60%	Exploration	300		



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
LOS MANTOS	HAPI G3 (OVERLAPS HAPI E5)	MLA	60%	Exploration	200		
LOS MANTOS	HAPI F3 (OVERLAPS HAPI E6)	MLA	60%	Mining petition	200		
LOS MANTOS	HAPI E7, 1-20 (OVERLAPS HAPI E7)	MLA	60%	Mining petition	200		
LOS MANTOS	HAPI F5 (OVERLAPS HAPI E8)	MLA	60%	Exploration	400		
LOS MANTOS	HAPI F6 (OVERLAPS HAPI E9)	MLA	60%	Exploration	200		
LOS MANTOS	HAPI F7 (OVERLAPS HAPI E10)	MLA	60%	Exploration	300		
LOS MANTOS	HAPI F8 (OVERLAPS HAPI E11)	MLA	60%	Mining petition	300		
LOS MANTOS	HAPI F9 (OVERLAPS HAPI E12)	MLA	60%	Mining petition	400		
LOS MANTOS	HAPI F10 (OVERLAPS HAPI E13)	MLA	60%	Mining petition	600		
LOS MANTOS	HAPI F11 (OVERLAPS HAPI E14)	MLA	60%	Mining petition	200		
LOS MANTOS	JADABA E1 (OVERLAPS JADABA D1)	MLA	60%	Exploration	200		
LOS MANTOS	JADABA E2 (OVERLAPS JADABA D2)	MLA	60%	Exploration	200		
LOS MANTOS	JADABA E3 (OVERLAPS JADABA D3)	MLA	60%	Mining petition	300		
LOS MANTOS	JADABA E4 (OVERLAPS JADABA D4)	MLA	60%	Mining petition	200		
LOS MANTOS	JADABA E5 (OVERLAPS JADABA D5)	MLA	60%	Exploration	400		
LOS MANTOS	JADABA E6 (OVERLAPS JADABA D6)	MLA	60%	Exploration	600		
LOS MANTOS	JADABA E7 (OVERLAPS JADABA D7)	MLA	60%	Exploration	300		



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)	Expiration date of the concession (dd.mm.yyyy)	Comments
LOS MANTOS	JADABA E8 (OVERLAPS JADABA D8)	MLA	60%	Exploration	400		
LOS MANTOS	JADABA E9 (OVERLAPS JADABA D9)	MLA	60%	Exploration	1200		
LOS MANTOS	JADABA D9, 1-60 (OVERLAPS JADABA D9)	MLA	60%	Mining claim	600		
LOS MANTOS	JADABA E10 (OVERLAPS JADABA D10)	MLA	60%	Exploration	1200		
LOS MANTOS	JADABA D10, 1-20 (OVERLAPS JADABA D10)	MLA	60%	Mining claim	200		
LOS MANTOS	JADABA E11 (OVERLAPS JADABA D11)	MLA	60%	Exploration	800		
LOS MANTOS	JADABA E12 (OVERLAPS JADABA D12)	MLA	60%	Exploration	600		
LOS MANTOS	JADABA E13 (OVERLAPS JADABA D13)	MLA	60%	Exploration	800		
LOS MANTOS	JADABA E14 (OVERLAPS JADABA D14)	MLA	60%	Exploration	300		
LOS MANTOS	JADABA E15 (OVERLAPS JADABA D15)	MLA	60%	Exploration	200		
LOS MANTOS	MONICA E1 (OVERLAPS MONICA D1)	MLA	60%	Exploration	200		

Tenement Changes during the Quarter

None.



Qualifying Statements

JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 31st March 2014

Ore Type	Category	Tonnage (Mt)	Grade			Contained Metal			Payable Metal		
			Copper	Gold	Molybdenum	Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
			(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)	(tonnes)	(ounces)	(tonnes)
Transitional	Probable	10.2	0.54	0.10	128	55,000	34,000	1,300	27,000	13,000	1,000
Fresh	Probable	80.3	0.47	0.11	177	378,000	274,000	14,200	323,000	139,000	8,000
Total	Probable	90.5	0.48	0.11	172	433,000	308,000	15,500	350,000	152,000	9,000

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: Average recoveries applied to Probable Ore Reserve estimate are: Fresh Cu– 88.8%; Fresh Au - 65%; Fresh Mo - 60%, Transitional Cu- 50%, Transitional Au- 50% and Transitional Molybdenum- 50%. Payability factors applied for Cu- 96.5%, Au- 78% and Mo- 98%. The Probable Ore Reserve was estimated using price assumptions of US\$3.00/lb copper, US\$1,250/oz gold and US\$10/lb molybdenum and an exchange rate (AUD:USD) of 0.88.

JORC Compliant Mineral Resource Statements

Productora Mineral Resource Statement – Reported 31st March 2014

Classification (+0.25% Cu)	Tonnage (Mt)	Grade			Contained Metal		
		Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
		(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)
Indicated	158.6	0.50	0.11	152	799,000	540,000	24,000
Inferred	55.6	0.41	0.08	97	229,000	133,000	5,000
Total	214.3	0.48	0.10	138	1,029,000	675,000	29,000

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.

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 “Maiden Ore Reserve at Productora Set for Strong Growth in 2014”, dated 31st March 2014. 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 Mineral Resource is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a full-time employee of Hot Chili Ltd. Mr Macdonald is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirchner is employed by Coffey Mining Pty Ltd (Coffey). Coffey has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Mineral Resource estimate. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists. 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 ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 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 Ore Reserves is based on information compiled by Mr Carlos Guzmán who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), 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 has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Ore Reserve estimate. Mr. Guzmán has sufficient experience which 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'. Mr Guzmán consents to the inclusion in the ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this 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 and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade ore 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 this 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 this 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 this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment advice to any person.



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Name of entity

Hot Chili Ltd

ABN

91 130 955 725

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(5,131)	(9,411)
	(b) development	(3,098)	(3,385)
	(c) production	(744)	(1,788)
	(d) administration	(267)	(267)
	Research and Development		
1.3	VAT credit received	-	9372
1.4	Interest and other items of a similar nature received	13	24
1.5	Interest and other costs of finance paid	(384)	(767)
1.6	Income taxes paid		
1.7	Other GST	-	67
	Net Operating Cash Flows	(9,611)	(6,155)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(1,053)	(1,053)
	(b) equity investments		
	(c) other fixed assets	(22)	(34)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(1,075)	(1,087)



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

1.13	Total operating and investing cash flows (carried forward)	(10,686)	(7,242)
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1.13	Total operating and investing cash flows (brought forward)	(10,686)	(7,242)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12	12
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Cost of capital raising		
1.19	Other (provide details if material)(Borrowing costs)		(358)
	Net financing cash flows	12	(346)
	Net increase (decrease) in cash held	(10,674)	(7,588)
1.20	Cash at beginning of quarter/year to date	16,380	12,769
1.21	Exchange rate adjustments to item 1.20	582	1,107
1.22	Cash at end of quarter	6,288	6,288

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	160
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries, Directors fees and consulting fees at commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available	Amount used
3.1 Loan facilities	18.5 Million USD	10 Million USD
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,300
4.2 Development	1,000
4.3 Production	
4.4 Administration	700
Total	3,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,200	16,292
5.2 Deposits at call	88	88
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	6,288	16,380



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	347,747,954	347,747,954		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,758	15,758	75 Cents	75 Cents
7.5 +Convertible debt securities (description)				



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	500,000		One dollar	<i>Exercisable after 29/1/2014</i> <i>Expiry date 30/1/2015</i>
	11,000,000		30 cents	<i>Exercisable on or before 27 June 2019</i>
7.8 Issued during quarter				
7.9 Exercised during quarter	15,758	15,758	75 Cents	<i>Exercisable on or before 30/11/2014</i>



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.10	Expired during quarter	39,738,339	39,738,339	75 Cents	<i>Exercisable on or before 30/11/2014</i>
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

A handwritten signature in purple ink, appearing to read "John Sendziuk", written over a horizontal line.

Date: 30/01/2015

Print name: John Sendziuk
(Company Secretary)



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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