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ASX ANNOUNCEMENT

Wednesday 24th August 2016

High Grade Gold Results Confirm Resource Potential at Sierra Zapallo

- **13 high grade gold reefs identified by surface mapping and sampling programme**
- **New surface results for gold reef mine widths included:**
  - **2.0m @ 28.2g/t Au**
  - **1.0m @ 56.7g/t Au**
  - **1.5m @ 37.1g/t Au**
  - **1.2m @ 37.8g/t Au**
  - **1.0m @ 31.8g/t Au**
- **Individual gold reefs average 286m in strike length and 1.1m in width as determined by mine working exposure and outcrop**
- **Average grade of individual gold reefs is 6.0g/t Au (30g/t top cut)**
- **Depth continuation of gold reefs evident from small scale underground mine workings and copper-focussed drilling undertaken by Hot Chili in 2012**
- **Potential for single large open pit mine encompassing at least 10 gold reefs**
- **Necessary approvals to commence drilling are progressing well**

Further surface results continue to validate Hot Chili's strategy to delineate a potential high grade gold resource at the Company's Productora copper-gold project in Chile.

All results have now been received from a systematic surface mapping and sampling programme across thirteen high grade gold reefs exposed at surface within the historical Sierra Zapallo gold project, located in the southern extent of Productora.

Compilation and analysis of all mapping and surface sample results has revealed very attractive dimensions and grades demonstrating the potential for significant open pit resource potential at Sierra Zapallo, as summarised below in Table1.

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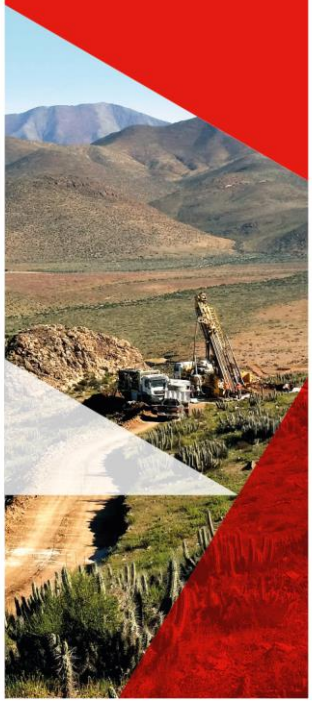

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Commenting on the results, Hot Chili Managing Director, Christian Easterday said:

"It is a rare opportunity to be able to produce an orebody flitch map of a high-grade gold deposit from surface.

"At this stage we are very impressed with the continuity of grades and historical mining widths across all thirteen reefs from surface at Sierra Zapallo.

"Given further successful drilling results, Sierra Zapallo is a very real front-end development option for Productora with the potential to add a lot of value quickly".

Table 1. Summary of Sierra Zapallo Surface Sampling and Mapping Results.

Attribute	Units	Detail
Number of gold reefs exposed at surface	#	**13**
Average strike length	m	**286**
Average mine working width from surface	m	**1.1**
Average dip orientation towards northeast	degrees	**80**
Weighted average gold reef grade (uncut)	g/t Au	6.6
Weighted average gold reef grade (30g/t top cut)	g/t Au	**6.0**
Weighted average wall rock grade (uncut)	g/t Au	0.3
Weighted average wall rock grade (3g/t top cut)	g/t Au	**0.2**

Importantly, the majority of gold reefs at Sierra Zapallo are densely clustered across a hill and contained within a strike length of approximately 900m. This presents an outstanding potential gold metal profile (Ounce per vertical metre) should forthcoming drilling confirm similar depth, width and grade continuity as indicated from surface mine workings and outcrop, providing the opportunity for a single open cut mine encompassing at least ten gold reefs.

Significant results from recently returned surface channel and gold reef spoil samples in association with mine working true widths at Sierra Zapallo include:

- 2.0m @ 28.2g/t Au (channel sample);
- 1.0m @ 56.7g/t Au (gold reef spoil sample);
- 1.5m @ 37.1g/t Au (channel sample);
- 1.2m @ 37.8g/t Au (channel sample);
- 1.0m @ 31.8g/t Au (gold reef spoil sample);
- 1.5m @ 17.9g/t Au (gold reef spoil sample);
- 1.2m @ 20.9g/t Au (gold reef spoil sample);
- 0.7m @ 35.2g/t Au (channel sample); and
- 0.8m @ 25.3g/t Au (channel sample).

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A 3-dimensional gold reef model has been constructed to facilitate drill targeting exercises at Sierra Zapallo and is displayed in Figures 1 and 2 below.

Figure 1- Sierra Zapallo Gold Deposit
3D Model of Gold Reefs and Surface Channel Sample Au Results (looking SE)

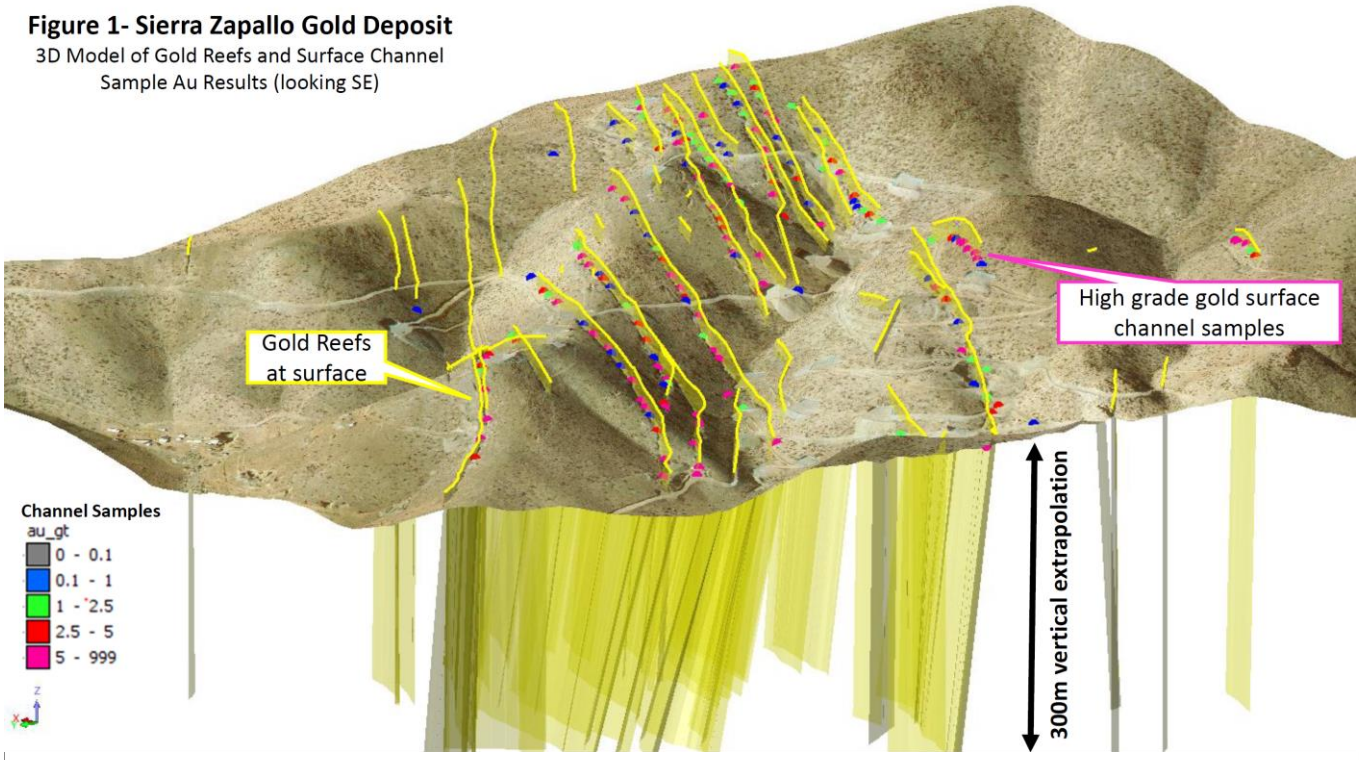
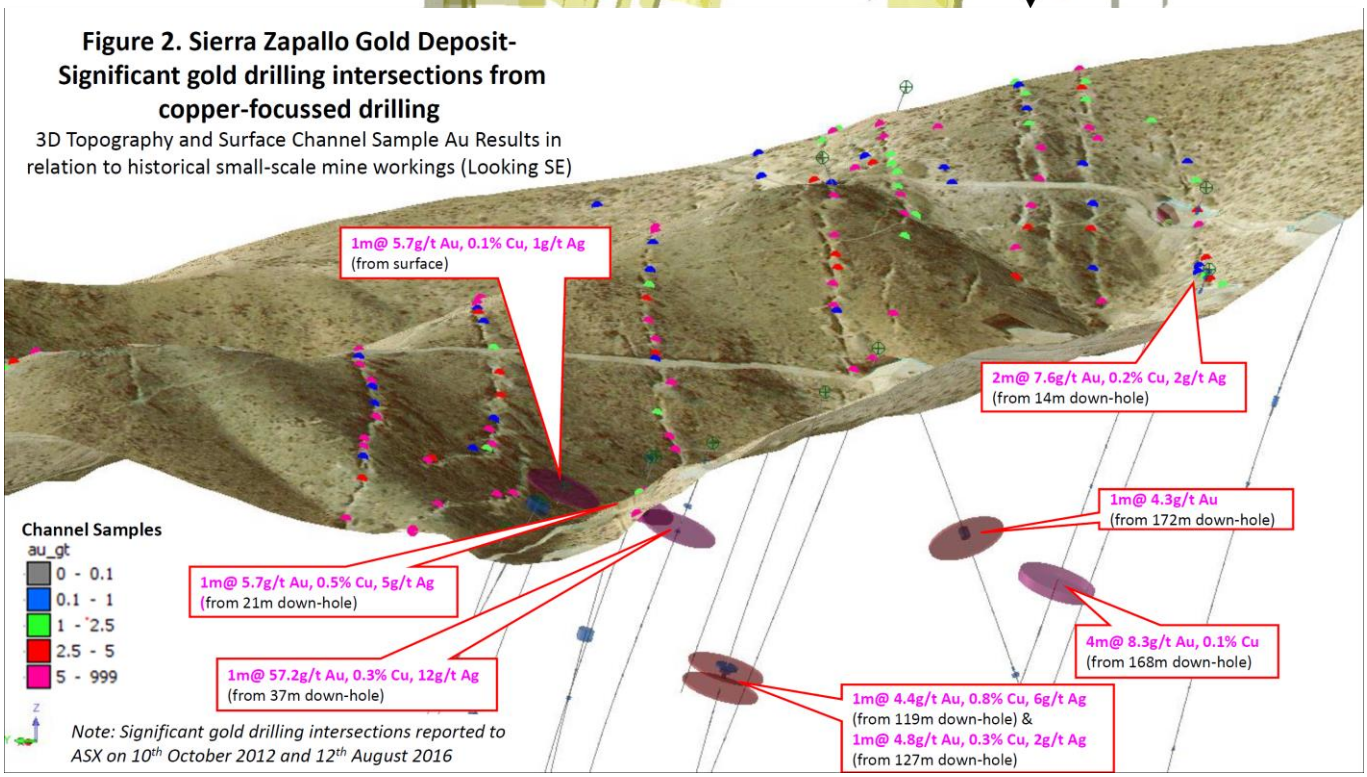


Figure 2. Sierra Zapallo Gold Deposit- Significant gold drilling intersections from copper-focussed drilling
3D Topography and Surface Channel Sample Au Results in relation to historical small-scale mine workings (Looking SE)



Note: Significant gold drilling intersections reported to ASX on 10th October 2012 and 12th August 2016

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Depth continuation of high grade gold reefs is evident from current and historical small-scale mine development at Sierra Zapallo. In addition, gold re-analysis of copper-focussed drilling undertaken by Hot Chili in 2012 has confirmed several significant gold reef drilling intersections as displayed in Figure 2 above.

A compilation of all surface mapping and sample results to date is summarised in table 2 below.

Table 2. Preliminary summary of dimensions and gold grades for each of Sierra Zapallo's thirteen gold reefs from exposed mine workings and outcrop.

Gold Reef Number	Strike Length at Surface	Average Mine Width	Average Reef Grade (Uncut)	Average Reef Grade (30g/t top cut)	Average Wall Rock Grade (Uncut)	Average Wall Rock Grade (3g/t top cut)
	(m)	(m)	(Au g/t)	(Au g/t)	(Au g/t)	(Au g/t)
1	500	1.4	8.6	8.2	0.2	0.2
2	540	1.0	4.5	4.5	0.1	0.1
3	520	1.0	12.4	9.5	0.1	0.1
4	130	1.1	2.5	2.5	0.3	0.3
5	360	1.0	6.5	6.5	0.1	0.1
6	200	1.0	9.6	9.4	2.7	0.7
7	100	1.1	3.4	3.4	0.2	0.2
8	240	1.1	4.1	4.1	0.4	0.4
9	290	1.1	3.9	3.9	0.1	0.1
10	170	1.1	2.8	2.8	0.3	0.3
11	460	1.0	3.2	3.2	0.0	0.0
12	100	1.1	12.0	9.0	0.0	0.0
13	110	1.4	9.6	8.6	0.2	0.2
Weighted Average	**286**	**1.1**	**6.6**	**6.0**	**0.3**	**0.2**

Surface mapping and sampling activities at Sierra Zapallo are currently focussed on in-fill sampling areas which have recorded higher gold grades (+5g/t Au) and widths of mine workings.

The exploration assessment of Sierra Zapallo is being undertaken in a staged and low-cost/low risk approach as the Company looks to confirm the impact of adding a potential high grade gold resource to the larger Productora copper-gold development.

Drill planning is advanced and the Company is making good progress towards securing all necessary approvals in order to commence drilling.

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Photo of Hot Chili's exploration mapping team at Sierra Zapallo (looking northwest).

For more information please contact:

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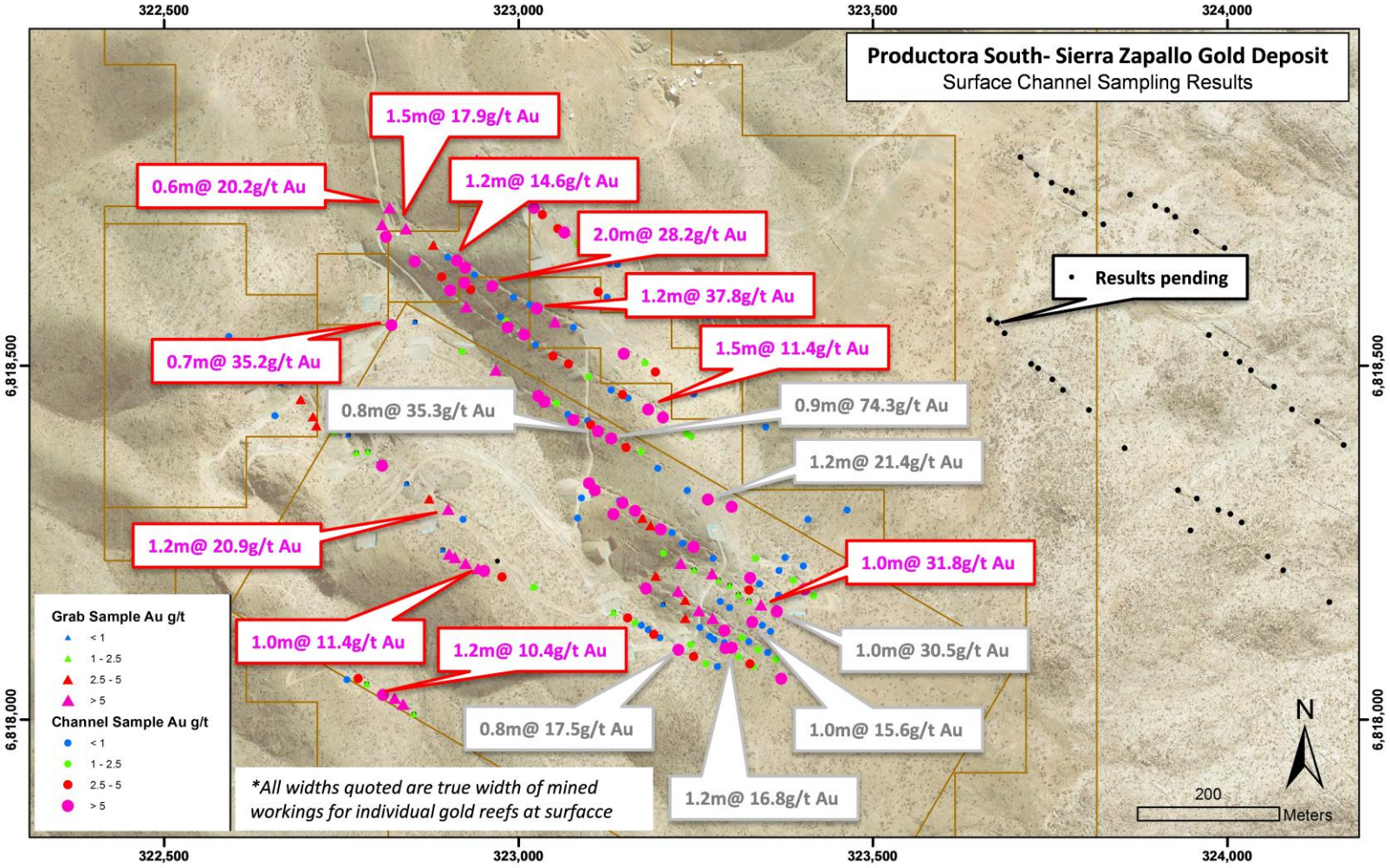

Figure 1. Plan view displaying recently returned (red) surface exploration sample results from Sierra Zapallo

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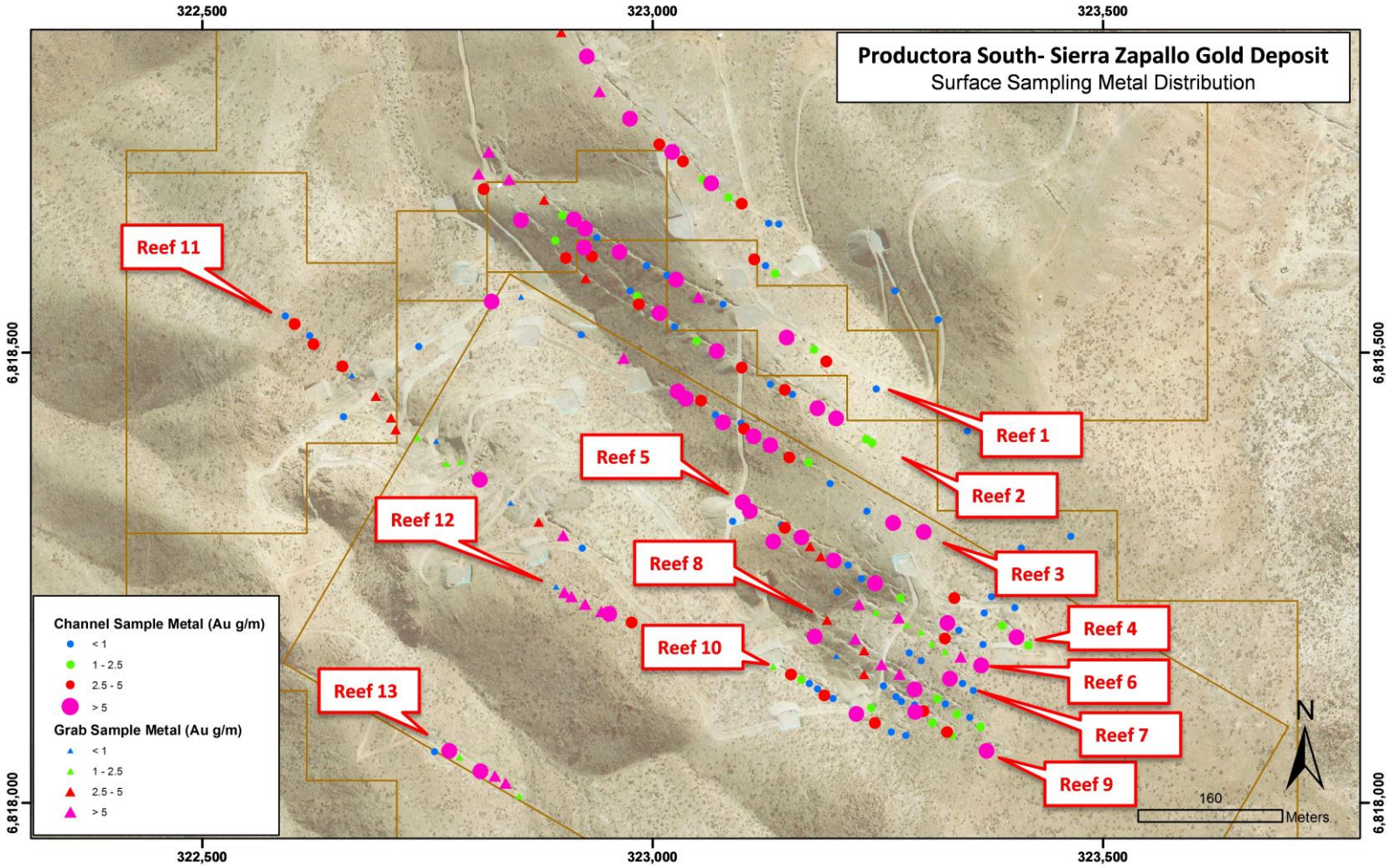

Figure 2. Plan view of the Sierra Zapallo gold deposit displaying the thirteen gold reefs which are currently being sampled and mapped.

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Productora Project- Sierra Zapallo Gold Deposit

Table 3. Selected significant surface channel samples from Sierra Zapallo (+2.5g/t Au)

Sample ID	Easting	Northing	Elevation	Reef Channel Sample		Wall Sample	Comment
				Au (g/t)	Mine Width	Au (g/t)	
SZV0117A	323147	6818459	1080	3.0	1.3	0.4	Two sets of veins on fine grained aplite dyke
SZV0119A	323183	6818438	1093	**11.4**	**1.5**	0.0	Two sets of veins on dioritic dyke. Andesite wallrock.
SZV0120A	323204	6818427	1099	**9.8**	**0.8**	0.1	Very weathered felsic intrusive.
SZV0125A	323193	6818491	1070	4.3	1.0	0.1	Very weathered felsic intrusive. Minor Cu oxide and replaced pyrite.
SZV0127A	323149	6818517	1066	**5.6**	**1.0**	0.1	Very weathered felsic intrusive. Minor Cu oxide and replaced pyrite.
SZV0130A	323026	6818581	1045	**37.8**	**1.2**	0.1	Set of veins in fine grained rock. Andesite strongly chlorite altered.
SZV0133A	322963	6818612	1028	**28.2**	**2.0**	0.0	Set of veins in fine grained rock. Andesite strongly chlorite altered. Minor Cu oxide
SZV0135A	322925	6818638	1017	**12.7**	**0.7**	0.0	Set of veins in fine grained rock. Andesite strongly chlorite altered.
SZV0136A	322913	6818648	1019	**14.6**	**1.2**	0.0	Two sets of veins on felsic intrusive. Andesite wallrock.
SZV0147A	323065	6818688	1040	**8.9**	**1.0**	0.0	Two sets of veins on felsic intrusive. Andesite wallrock. Minor Cu oxide
SZV0148A	323056	6818693	1044	2.7	0.7	0.0	Minor veins on felsic intrusive. Andesite wallrock. Minor Cu oxide
SZV0149A	323034	6818713	1054	2.7	1.5	0.1	Two sets of veins on felsic intrusive. Andesite wallrock. Strong Cu oxide
SZV0150A	323022	6818723	1053	**6.8**	**1.3**	0.2	Wide quartz vein with Cu oxide
SZV0151A	323008	6818732	1055	3.6	1.0	0.0	Wide quartz vein with Cu oxide
SZV0155A	323113	6818604	1043	4.2	1.0	0.0	Wide quartz vein with minor Cu oxide
SZV0163A	322933	6818607	1010	3.7	1.1	0.0	Wide quartz vein with minor Cu oxide and Mt veining
SZV0164A	322924	6818617	1013	**7.8**	**1.0**	0.2	Wide quartz vein with minor Cu oxide and Mt veining
SZV0166A	322656	6818485	989	5.0	0.5	0.0	Quartz vein with minor Cu oxide
SZV0197A	322952	6818210	1120	**6.8**	**1.0**	0.0	Outcropping Quartz vein within intermediate dyke.
SZV0198A	322977	6818201	1113	2.9	1.2	0.0	Outcropping Quartz vein within intermediate dyke.
SZV0209A	323165	6818295	1104	**6.5**	**1.0**	0.0	Quartz vein in very weathered rock. Minor Cu oxide and magnetite.
SZV0210A	323134	6818290	1088	**12.7**	**1.1**	0.1	Outcropping quartz vein in very altered rock.
SZV0216A	322809	6818035	1102	**37.1**	**1.5**	0.0	Outcropping quartz vein in very altered rock.
SZV0218A	322774	6818058	1100	**4.2**	**1.6**	0.0	Outcropping quartz vein in felsic to intermediate porphyritic dyke, Minor Cu oxide.
SZV0241A	322975	6818760	1039	**6.1**	**0.9**	13.2	Quartz vein on dyke with abundant Cu oxides.
SZV0243A	322927	6818829	1009	**25.3**	**0.8**	0.4	Quartz vein on dyke with abundant Cu oxides.

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Sample ID	Easting	Northing	Elevation	Reef Channel Sample		Wall Sample	Comment
				Au (g/t)	Mine Width	Au (g/t)	
SZV0245A	322821	6818557	996	**35.2**	**0.7**	0.3	Quartz vein on felsic dyke with minor Cu oxides.

Notes to Significant Surface Channel Sample Results

- *All surface channel samples taken on a nominal 10m spacing along the strike of each target gold reef at Sierra Zapallo.*
- *Gold results comprise Fire assay analysis (Au-AA26, 50 gram FA AA Finish)*
- *All results were analysed by ALS Global (La Serena) laboratories.*

Table 4. Selected significant surface grab samples from Sierra Zapallo (+2.5g/t Au)

Sample ID	Easting	Northing	Elevation	Reef Spoil Grab Sample		Wall Sample	Comment
				Au (g/t)	Mine Width	Au (g/t)	
SZV0129AG	323051	6818562	1055	**6.2**	2	0.0	Grabbed sample from workings spoil, void from surface
SZV0138AG	322880	6818670	1000	3.7	0.8	2.8	Grabbed sample from workings spoil, void from surface
SZV0139AG	322841	6818693	982	**17.9**	1.5	0.3	Grabbed sample from workings spoil, void from surface. Fine grained dyke with chlorite alteration.
SZV0140AG	322818	6818723	977	**20.2**	0.6	0.0	Grabbed sample from workings spoil, void from surface. Presence of chalcopyrite and minor Cu oxides and pervasive pyrite.
SZV0158AG	322901	6818297	1088	**20.9**	1.2	0.1	Grabbed sample. Deep mine void from surface. Presence of chalcopyrite and minor Cu oxides and pervasive pyrite.
SZV0159AG	322874	6818312	1082	3.4	1	0.0	Grabbed sample. 30m deep mine void from surface. Presence of chalcopyrite and minor Cu oxides and pervasive pyrite.
SZV0165AG	322715	6818415	1013	3.3		0.0	Grabbed sample. Deep mine void from surface. Strong development evident
SZV0188AG	322710	6818428	1015	2.8		0.0	Grab sample from mine working ROM pad
SZV0190AG	322693	6818452	1005	3.4		0.0	Grab sample from mine working ROM pad
SZV0193AG	322902	6818234	1118	**8.9**	1	0.0	No outcropping quartz vein. Strong alteration
SZV0194AG	322910	6818229	1119	**56.7**	1	NSR	No outcropping quartz vein. Outcropping Felsic dyke sampled
SZV0195AG	322925	6818221	1123	**11.4**	1	NSR	No outcropping quartz vein. Outcropping intermediate composition dyke sampled
SZV0196AG	322943	6818213	1121	**19.1**	1	0.0	Grab sample, No outcropping quartz vein
SZV0199AG	323342	6818162	1173	**31.8**	1	15.3	Minor quartz veins and minor Cu oxide
SZV0204AG	323273	6818206	1142	**11.2**		0.0	Minor quartz veins and minor Cu oxide
SZV0206AG	323229	6818221	1128	**19.3**		0.1	Minor quartz veins and minor Cu oxide
SZV0208AG	323175	6818285	1112	4.4		0.0	Minor quartz veins and minor Cu oxide
SZV0214AG	322837	6818022	1103	**11.7**		0.0	Grab samples of felsic dyke material

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Sample ID	Easting	Northing	Elevation	Reef Spoil Grab Sample		Wall Sample	Comment
				Au (g/t)	Mine Width	Au (g/t)	
SZV0215AG	322825	6818030	1103	**10.4**	1.2	0.9	Grab sample of felsic dyke material adjacent to deep mining void from surface. Abundant Cu oxide.
SZV0242AG	322941	6818790	1023	**15.7**		2.5	Felsic dyke material adjacent to deep mining void from surface. Abundant Cu oxide.
SZV0244AG	322899	6818856	1001	3.7		0.0	Grab sample of felsic dyke material adjacent to deep mining void from surface. Abundant Cu oxide.
SZV0246AG	322807	6818699	1013	**13.0**		NSR	Grab sample from Mining shaft spoil material

Notes to Significant Surface Grab Sample Results

- *All surface grab samples collected as an indicative sample from spoil material historically exploited from each target gold reef at Sierra Zapallo.*
- *Surface grab samples only taken where mining voids disallowed the collection of a surface channel sample*
- *Gold results comprise Fire assay analysis (Au-AA26, 50 gram FA AA Finish)*
- *All results were analysed by ALS Global (La Serena) laboratories.*

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Qualifying Statements

JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 2nd March 2016

Ore Type	Reserve Category	Tonnage (Mt)	Grade Cu (%)	Grade Au (g/t)	Grade Mo (ppm)	Contained Metal Copper (tonnes)	Contained Metal Gold (ounces)	Contained Metal Molybdenum (tonnes)	Payable Metal Copper (tonnes)	Payable Metal Gold (ounces)	Payable Metal 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 Cu (%)	Grade Au (g/t)	Grade Mo (ppm)	Contained Metal Copper (tonnes)	Contained Metal Gold (ounces)	Contained Metal 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.

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

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

Competent Person's Statement- *Exploration Results*

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

Competent Person's Statement- *Mineral Resources*

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

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Competent Person's Statement- ***Ore Reserves***

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

Forward Looking Statements

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

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

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Appendix- JORC Code, 2012 Edition Table 1

The following table relates to activities undertaken at the Sierra Zapallo gold deposit at the Productora copper-gold project.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation drilling (RC) was used to produce a 1m bulk sample and representative 1m split samples (12.5%, or nominally 3kg) were collected using a cone splitter. • Geological logging was completed and mineralised intervals were determined by the geologists to be submitted as 1m split samples. In logged unmineralised zones 4m composite scoop samples were submitted to the laboratory for analysis. If these 4m composite samples came back with Cu grade > 0.2% the corresponding original 1m split samples were submitted to the laboratory for analysis. • Chipped channel samples were collected within existing workings, and along gold reef strike extensions. • The RC and channel samples were crushed and split at the laboratory, with ~1kg pulversied and a 50 g charge taken for fire assay fusion (for gold), and ~150 g used for ICP-AES (for multi-element including Cu) • The sampling techniques used are deemed appropriate for the style of mineralisation and deposit type.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard*	• Reverse Circulation drilling used 140 to 130mm diameter drill bits. RC drilling employed face sampling hammers ensuring contamination during sample extraction is minimised.

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Criteria	JORC Code explanation	Commentary
	tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drilling techniques to ensure adequate RC sample recovery and quality included the use of "booster" air pressure. Air pressure used for RC drilling was 700-800psi. • Logging of all samples followed established company procedures which included recording of qualitative fields to allow discernment of sample reliability. This included (but was not limited to) recording: sample condition, sample recovery, sample split method. • Overall logging of RC recovery for the deposit; 96% of samples as "good", 3% "moderate" and <1% as "poor". • Sample weights were routinely measured by ALS laboratory. An analysis of these weights and their corresponding grades did not identify any bias concern. • There has not been a comparison between logged sample conditions ("wet", "moist" or "dry"), due to the lack of diamond or twinned holes that would enable a qualitative or quantitative sample recovery analysis. The "scoop" method was only used on holes qualitatively logged as "wet". Future studies will need to address sample quality and recovery in areas where this method was used.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging of samples followed established company and industry common procedures. Qualitative logging of samples included (but was not limited to) lithology, mineralogy, alteration, veining and weathering. • Every metre (100%) of HCH drilling was geologically logged. • Litho-geochemical logging was undertaken using the assay results from the ICP-AES technique (33 elements).
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Splitting of RC samples occurred via a cone splitter (24%), riffle splitter (57%) or scoop (19%) by the RC drill rig operators. Splitting of RC drill samples occurred regardless of the sample

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Criteria	JORC Code explanation	Commentary
preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	condition (wet, moist, or dry). The "scoop" method was only used on holes qualitatively logged as "wet". Future studies will need to address sample quality and recovery in areas where this method was used. • All samples were submitted to ALS Coquimbo for multi-element analyses. The sample preparation included: • RC and channel samples were crushed such that a minimum of 70% is less than 2 mm, • Samples were then split via a riffle splitter/ rotary splitter to achieve ~1kg split, • This split was then pulverised such that a minimum of 85% passes 75um and 150g was used for the analytical pulp (ICP-AES), and also 50g was used for fire assay fusion (gold). • Sample length, weight and collection methods of RC and channel samples are considered acceptable for of this style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All HCH samples were assayed by industry standard methods through commercial laboratories in Chile (ALS Coquimbo): • 150g pulps derived from sample preparation (outlined in the previous section) were used for multi-element analysis. ALS Method ME-ICP61 involves 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by ICP-AES determination. • Samples that returned Cu grades >10,000ppm were analysed by ALS "ore grade" method Cu-AA62, which is a four-acid digestion, followed by AAS measurement to 0.001% Cu. • Pulp samples were subsequently analysed for gold by ALS Method Au-ICP21 or Au-AA26 (50g Fire Assay). ALS Method Au-ICP21 (and Au-AA26) is a 30/50-gram lead-collection Fire Assay, followed by ICP-OES to a detection limit of 0.001 ppm Au. • Hot Chili utilised several multi-element pulp "mineralised standards" (certified reference material; "CRM") and one certified reference analytical (pulp) "blank", all supplied by Ore Research & Exploration Pty Ltd and GEOTSTATS Pty Ltd. • One "mineralised standard" was chosen at random and inserted every 50th metre into each batch of samples submitted for analysis. One certified "blank" sample was also inserted every

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Criteria	JORC Code explanation	Commentary
		100th sample. The material types and grade ranges for the CRMs correspond to the rock types and mineralisation grades routinely encountered within the drilling on the Productora project. • QA/QC samples and their Insertion Rates (IR), as a percentage of the 3,845 (ICP-AES) samples from Sierra Zapallo drilling were: • 78 Mineralised standard "CRMs", IR 2.0% • 14 "Blank" pulp standards (OREAS 22c), IR 0.4% (note; use of these began at the beginning of 2013) • 71 Coarse (RC) Duplicates, IR 1.8% • Routine Field Duplicates for RC samples were submitted at a rate of 1 in every 50 samples. Diamond core was whole sampled hence field duplicate samples were not able to be taken. However a split sample duplicate was taken after the initial crush stage at the laboratory, whereby the crushed sample was split in half, with one half retained as the primary sample and the second half being used a duplicate sample. This type of duplicate sample cannot test the precision of the primary sampling technique, however it can test the precision of all steps at the laboratory thereafter. • Results from CRM (standards, blanks) and the duplicates gives confidence that acceptable relative levels of accuracy and precision of assay data returned for ALS have been obtained. • The analytical laboratory (ALS) also provided their own routine quality controls within their own practices. The results from their own validations were provided to Hot Chili Ltd.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Routine Umpire laboratory checks have not been performed at Sierra Zapallo, as it is in early stage exploration. All coarse reject and pulp samples are kept in storage on site at Productora should independent verification be required at a later date. • Twinned diamond holes have not been competed at Sierra Zapallo, as it is in early stage exploration. • Hot Chili has strict procedures for data capture, flow and data storage, and validation. • Limited adjustments were made to returned assay data for the resource estimate; values that returned lower than detection level were set to the methodology's detection level and copper

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Criteria	JORC Code explanation	Commentary
		values were converted from ppm to %. • Various analytical techniques have been used for analysis of ore grade elements (including Au and Cu). Therefore a ranking has been applied to these elements ensuring the highest priority assay result is used for resource estimation. All assay values (from all analytical techniques) are stored in the database for completeness.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were surveyed by contract surveying company Geotopo Exploraciones Limited using a Topcon HiPer GPS, using dual frequency, Real Time, with +/- 0.1cm accuracy (N, E and RL). • Downhole surveys using a gyroscopic instrument were completed by contract downhole surveying company's Wellfield and North Tracer. All Hot Chili holes at Productora have gyroscopic DH survey measurements commencing at the start of hole with readings taken every 10th metre until end of hole. Gyroscopic surveys are an accurate form of downhole survey as there is no risk of magnetic interference to the measured survey reading. • The WGS84 UTM Zone 19S coordinate system was used for all Hot Chili undertakings. • A detailed topographic survey was supplied by Geoimage from satellite data corrected by regional STRM points. This provided spot heights at a 50cm spacing across the entire project area. Several subsampling steps were undertaken to balance file size vs. local accuracy with a final 20m x 20m grid was chosen as providing a management file size while still honouring and reproducing known local data points. The detail of topography is adequate for modelling.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications*	• Drillhole spacing at Sierra Zapallo is nominally 120m x 60m over areas of denser drill coverage, however a systematic drill pattern has not been completed in the area. • The drilling completed was first-pass exploration with the spacing being sufficient for this purpose. • In areas logged as unmineralised, four metre composite samples were taken. These 4m composite samples represent ~18% of the assay sample data, while the 1m split samples comprise

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Criteria	JORC Code explanation	Commentary
	applied. • *Whether sample compositing has been applied.*	~82% of the samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drillhole orientation at Sierra Zapallo was chosen to target both steeply-dipping NNE trending copper mineralisation, and the WNW trending sub-vertical high-grade gold reef style mineralisation. Drilling was nominally perpendicular to the high grade sub-vertical gold mineralisation. • Considering the style of mineralisation, the drilling orientation and subsequent sampling is considered to be unbiased in its representation of reported material.
Sample security	• *The measures taken to ensure sample security.*	• Hot Chili has strict chain of custody procedures that are adhered to for drill samples. All samples for each batch have the sample submission number/ticket inserted into each bulk polyweave sample bag with the id number clearly visible. The sample bag is stapled together such that no sample material can spill out and no one can tamper with the sample once it leaves Hot Chili's custody.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• AMC Consultants have reviewed similar procedures for data collection methods used by Hot Chili at the Productora project.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	• Hot Chili (through its subsidiary company SMEA SpA) controls an area measuring approximately 12.5km N-S by 5km E-W at the project through various agreements with private land holders; CMP (Chile's largest iron ore producer) and government organisations. • There is a joint venture agreement between HCH and CMP that encompasses all leases at the Productora project, whereby HCH owns 80% and CMP owns 20%.

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Criteria	JORC Code explanation	Commentary
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Lease agreements at Sierra Zapallo are owned 100% by the Joint Venture company (80% HCH, 20% CMP). • The leases at Sierra Zapallo are "Exploitation Concessions" (Mining Lease would be the Australian equivalent term).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration at the Productora Project has been completed by: ○ CCHEN (Chilean Nuclear Commission) in the late 1980's: ▪ Mapping, geochemical sampling, ground spectrometry, magnetometry, trenching, drilling (28 shallow percussion holes). Focus was on near surface, secondary uranium potential). ○ GMC-Teck in the 1990's ▪ Compilation of mapping, surface geochemical sampling, ground geophysics (IP), percussion drilling. ○ Thesis (Colorado School of Mines), 1990's ▪ Thesis completed which involved field mapping, laboratory studies (petrology, whole rock geochemistry, geochronology, x-ray diffraction, sulphur isotope analysis).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Gold mineralisation at Sierra Zapallo appears to be related to a small-scale fracture-fault network linked to a large northwest oriented cross fault. Primary gold mineralisation is present within numerous narrow fault and quartz-pyrite vein zones (<5m wide gold reefs) that make up the Sierra Zapallo fault corridor. • The Sierra Zapallo fault corridor is at least 2km in length. The most deformed part of the fault corridor is at least 600m wide and hosts significant gold mineralisation developed within small-scale fault segments in both veins and fault gouge. • Numerous historical small-scale workings are located along the line of the gold-mineralised fault segments. Significant gold has been exploited from an extensive gold palaeochannel system located immediately downstream from the primary bedrock mineralisation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information*	• A complete list of all holes reported as significant exploration results are provided in the body of this announcement in a significant drilling intersections table

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Criteria	JORC Code explanation	Commentary
	for all Material drill holes: ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• This listing includes: ○ collar coordinates (WGS84 Zone 19 South), ○ hole orientation (dip and azimuth- magnetic), ○ downhole intersection depth and length ○ total hole depth ○ length weighted average grade for Au g/t, Cu%, and Ag g/t ○ Length weighted average grade is rounded to one decimal place • No material drillhole information has been excluded
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• In reported exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval assay grade), divided by sum of interval lengths and rounded to one decimal place • For example an aggregation of results could look like the below: **From** **To** **Interval** **Grade Au g/t** 236 240 4 0.623 240 241 1 0.25 241 242 1 0.451 242 243 1 0.861 Weighted average = ((4 x 0.623) + (1 x 0.25) + (1 x 0.451) + (1 x 0.861)) / (4+1+1+1) = **7m @ 0.58g/t Au** • Exploration results are nominally reported where gold results are greater than 1.0g/t Au

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Criteria	JORC Code explanation	Commentary
		• No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections. • No metal equivalent values have been reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Sierra Zapallo gold mineralisation trends WNW and is sub-vertical in nature. • Drilling completed at Sierra Zapallo was nominally perpendicular to mineralisation ie. 60 degrees toward 075 (ie. ENE), meaning that intersection widths are broadly representative of the true width of mineralisation. • Where practical the drilling orientation has been designed to intersect mineralisation perpendicular to the lode orientation, however due to topographical conditions this is not always possible.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in announcement. A plan view of reported significant intersection drillhole collar locations is included.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• It is not practical to report all exploration results, as such, unmineralised intervals, <0.5 g/t Au, have not been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating*	• Other exploration data available: ○ Surface geological mapping conducted on behalf of Hot Chili in several mapping campaigns. ○ Geophysical and radiometric surveys (airborne). ○ During the 2013 drilling programme (which represents approximately half the total drilling at Sierra Zapallo), pycnometer analysis was performed on every 25th RC metre.

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Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow up exploration infill and extensional drilling. • Detailed mapping and channel sampling of identified gold bearing reef structures • Drill targeting of conceptual high grade shoots at depth, along strike and down plunge will also be a focus for future exploration. • Dedicated studies are required to test the reliability and representivity of RC samples, where the relationship of wet or deeper RC samples on Au-Cu (etc) grade needs to be defined.