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ASX ANNOUNCEMENT

Monday 3rd February 2014

Hot Chili Discovers Another Large Zone of Copper-Gold at Productora

Plus, maiden reserve being prepared for release

- **Drilling uncovers new wide zone of copper and gold at the flagship Productora project in Chile**
- **Productora maiden reserve and resource revision being finalised and expected to be released in the current quarter**
- **Discussions with Chilean resources major Compañía Minera del Pacífico S.A (CMP) re infrastructure agreement on-track**
- **Maiden resource estimation underway at Hot Chili's second project, Frontera**

New Drill Results at Productora Copper Project, Chile

97m grading 0.6% Copper and 0.1g/t Gold
(and 222ppm Molybdenum)

from 243m down-hole, and including:

25m grading 1.1% Copper and 0.2g/t Gold
(and 342ppm Molybdenum)

from 243m down-hole

67m grading 0.6% Copper and 0.2g/t Gold
(and 354ppm Molybdenum)

from 132m down-hole, and including:

25m grading 1.0% Copper and 0.2g/t Gold
(and 403ppm Molybdenum)

from 149m down-hole

54m grading 0.7% Copper and 0.2g/t Gold
(and 197ppm Molybdenum)

from 173m down-hole

ASX Code
HCH

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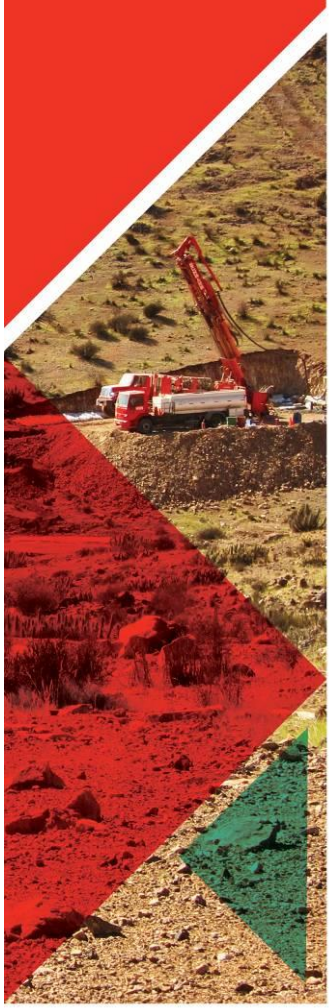

Hot Chili (ASX: HCH) is pleased to advise that its Productora copper project in Chile is continuing to strengthen, with the discovery of another large zone of copper-gold mineralisation and preparations for a maiden reserve estimate almost complete.

The latest drilling results at Productora have outlined a substantial new copper-gold zone, known as Rocoto, immediately below the planned central pit design.

The results from Rocoto include 97m grading 0.6 per cent copper and 0.1g/t gold from 243m down-hole depth.

These recent results are important because they demonstrate the potential for significant resource growth within development distance of the current planned central pit.

Rocoto was identified using the same advanced targeting technique that led to the discovery last year of the high-grade Habanero zone at Productora.

This is important because Hot Chili now has two firm pieces of evidence that this technique, which identified a total of eight targets close to the central pit, is extremely effective. Hot Chili plans to progressively drill test these other targets during 2014.

The Rocoto discovery comes as Hot Chili finalises the maiden reserve estimate and revised resource for Productora. These are expected to be released in the current quarter.

Advanced Targeting at Productora- Drilling confirms new discovery zone at Rocoto

During the second half of 2013, Hot Chili's generative geology team completed a targeting review of the Productora copper project. This involved the consolidation and analysis of various large datasets that had been assembled but not previously interrogated. During this review, a 3D alteration model was constructed which highlighted strong alteration associations to copper metal at Productora.

Eight targets were generated from this work, including the Habanero and Rocoto targets. The alteration model was a key driver in the Company's decision to drill-test Habanero for mineralisation dipping to the east when most mineralisation at Productora dips to the west.

Drilling success was immediate at Habanero, with the definition of a significant new zone of high-grade copper and gold located within the eastern waste wall of the planned central pit at Productora.

A second round of drill testing over a number of the remaining alteration targets was undertaken during the final stages of the Company's 2013 drilling programme. This has resulted in the discovery of a second large-scale, copper-gold zone at the Rocoto target, immediately below the planned central pit design.

In addition, a further two significant drilling intercepts have been returned from the north-east extension of Habanero. The results confirm that Habanero remains open to the north-east and continues outside the

preliminary planned central pit design. Drill targeting during 2014 will be directed towards this area to define further resources for incorporation into the planned central pit.

A 35,000m resource drilling programme is being planned to add further resources to Productora during 2014 and finalise a pre-feasibility reserve base during the second half of this calendar year.

The resource drilling will focus on testing remaining alteration targets and areas that have high potential for the definition and conversion of resources to reserve. In addition, a 10,000m RC drilling programme will be directed towards testing a number of high-priority satellite targets within the larger Productora copper project.

Drilling is planned to commence in the coming months once environmental approvals are in place.

Progress Towards Milestones

The Company is currently finalising all technical and corporate work streams in advance of delivering several milestones aimed at achieving the Company's objective of establishing a large-scale, multi-project copper production hub on the Chilean coastal range. An update on these milestones is as follows:

- First resource estimate for Frontera - final stages of resource estimation and validation being completed. Announcement expected in the coming weeks.

- First reserve estimate and resource revision for Productora - external auditing and validation being completed in advance of final resource estimation. Reserve committee comprising Hot Chili technical team and external consultants underway with pit optimisation, geotechnical, hydrogeological and metallurgy work streams. Announcement expected during Q1 2014.

- Joint infrastructure agreement for Productora - discussions at an advanced level between Hot Chili and its project partner Compañía Minera del Pacífico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business, on establishing a joint infrastructure agreement for the development of the Productora copper project. Announcement expected once discussions and negotiations finalised.

The Company looks forward to releasing further information in relation to its 2014 activity plans shortly.

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or visit Hot Chili's website at www.hotchili.net.

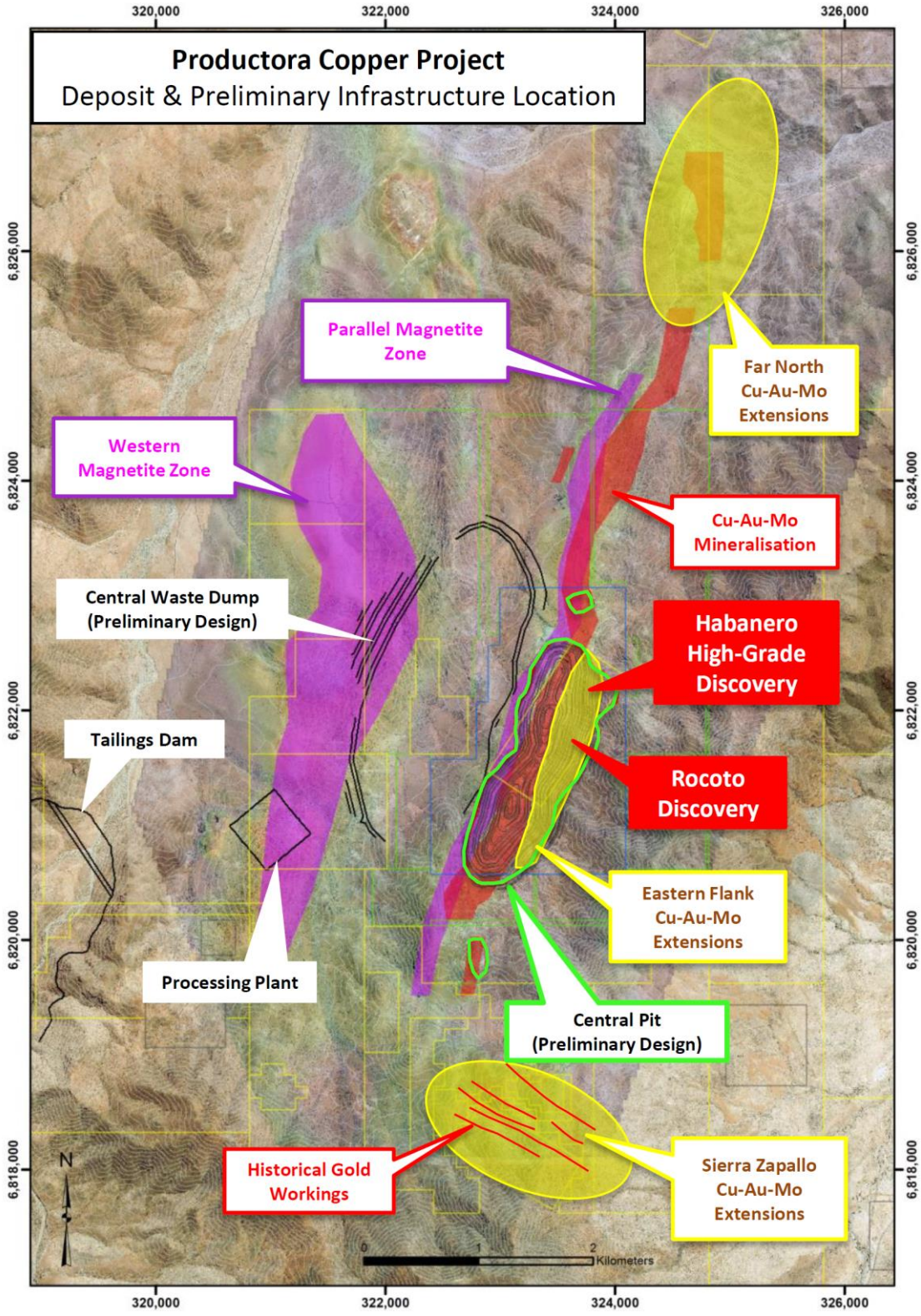


Figure 1. Productora copper project and preliminary development layout in relation to 2013 drilling programme focus

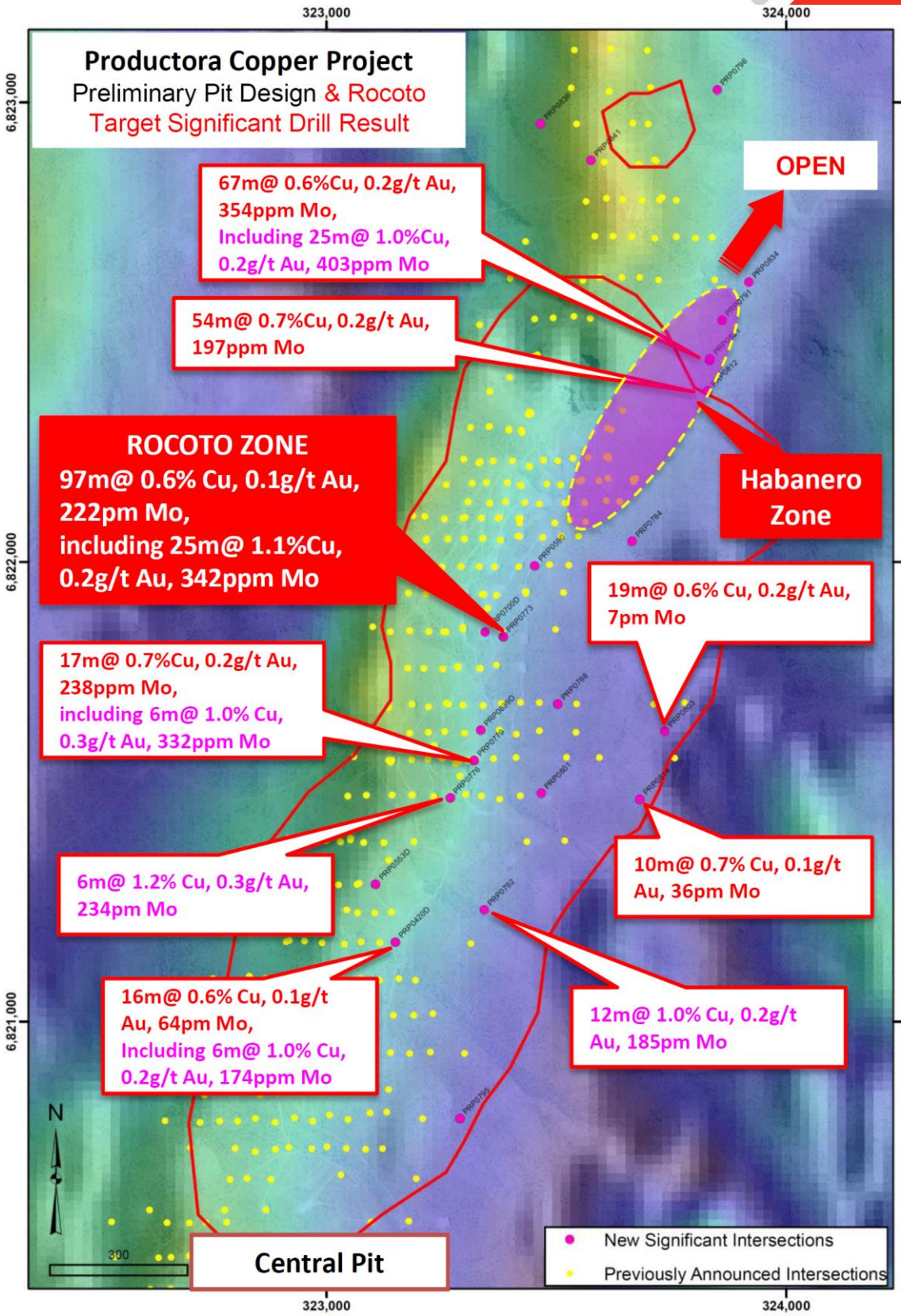


Figure 2. New significant drilling intersections in relation to the planned central pit design at Productora. The figure displays the location of the Rocoto zone located immediately below the planned central pit development

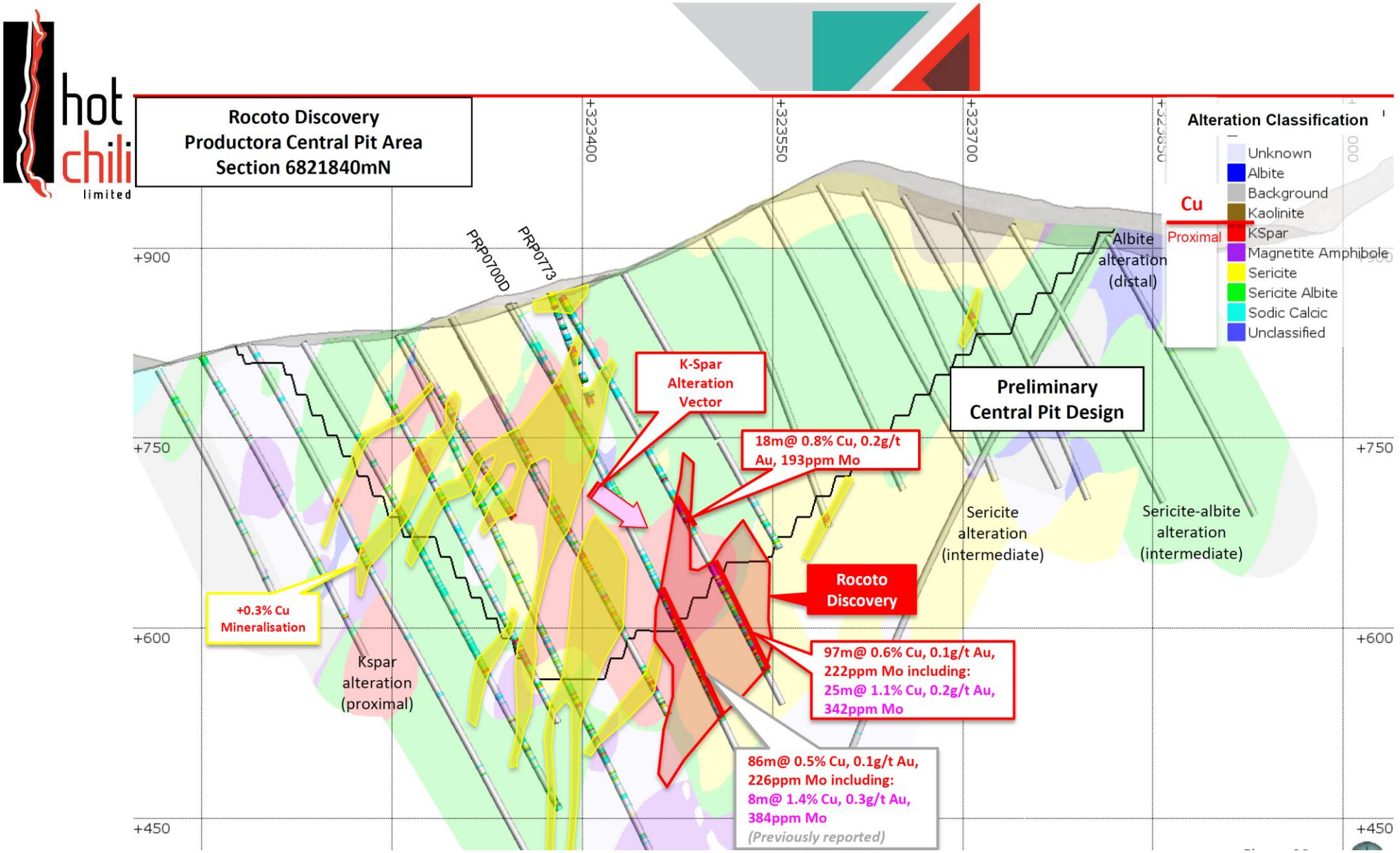
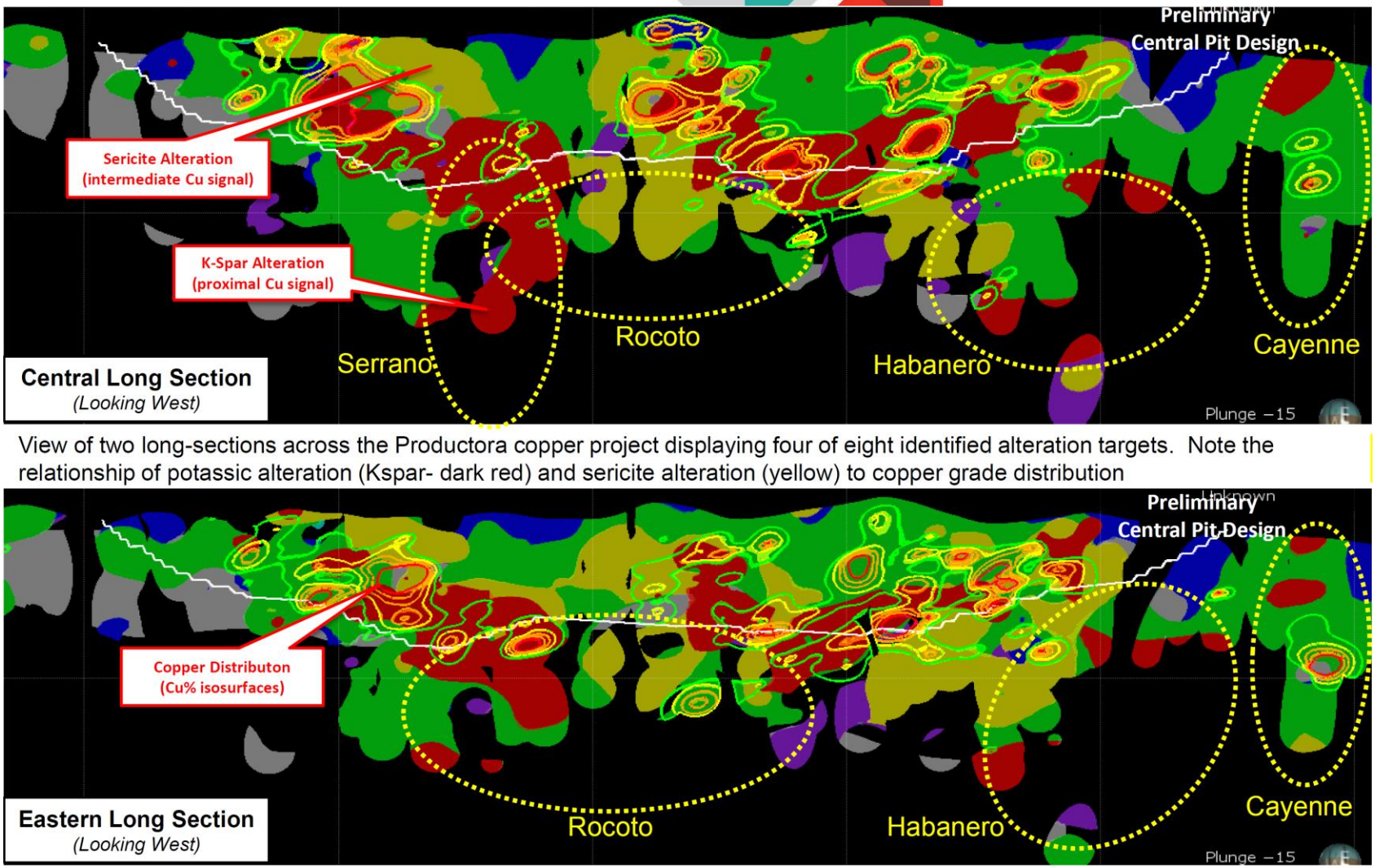


Figure 3. New significant drilling intersections at Rocoto in relation to the planned central pit design at Productora. The figure displays the relationship of alteration to copper distribution at Productora, key to the



View of two long-sections across the Productora copper project displaying four of eight identified alteration targets. Note the relationship of potassic alteration (Kspar- dark red) and sericite alteration (yellow) to copper grade distribution

Figure 4. Long Sections displaying alteration targets identified immediately below and adjacent to the planned central pit design at Productora. The figure displays the strong relationship between alteration and copper distribution.

Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Molybdenum
	North	East	RL				From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)
PRP0773	6821838	323384	862	95	-60	367	**0**	**11**	**11**	**0.5**	**0.2**	**113**
					including		***0***	***4***	***4***	***1.0***	***0.3***	***73***
							187	**205**	**18**	**0.8**	**0.2**	**193**
							243	**340**	**97**	**0.6**	**0.1**	**222**
					including		***243***	***268***	***25***	***1.1***	***0.2***	***342***
PRP0776	6821487	323269	887	92	-60	396	**192**	**198**	**6**	**1.2**	**0.3**	**234**
							232	250	18	0.4	0.1	279
							300	306	6	0.6	0.1	430
PRP0779	6821568	323321	902	92	-60	401	28	40	12	0.5	0.1	19
							73	**144**	**71**	**0.4**	**0.0**	**119**
							276	302	26	0.4	0.1	197
					including		***293***	***298***	***5***	***0.8***	***0.2***	***341***
							320	**337**	**17**	**0.7**	**0.2**	**238**
					including		***331***	***337***	***6***	***1.0***	***0.3***	***332***
PRP0784	6822045	323665	855	270	-75	222	188	199	11	0.4	0.1	87
PRP0788	6821691	323503	903	90	-60	270	206	212	6	0.4	0.1	52
							238	244	6	0.7	0.2	50
PRP0791	6822526	323860	823	270	-60	376	98	112	14	0.6	0.1	255
							142	155	13	0.4	0.1	146
							319	324	5	0.4	0.1	344
PRP0792	6821243	323343	888	90	-60	252	**112**	**124**	**12**	**1.0**	**0.2**	**185**
PRP0795	6820789	323290	918	90	-60	250	**61**	**69**	**8**	**1.0**	**0.2**	**12**
							69	84	15	0.4	0.1	5
							122	136	14	0.6	0.1	16
PRP0796	6823028	323850	770	240	-60	300	191	224	33	0.2	0.1	127
PRP0801	6821497	323467	900	90	-60	250	178	192	14	0.5	0.1	31
PRP0803	6821632	323736	944	90	-60	150	**0**	**19**	**19**	**0.6**	**0.2**	**7**
PRP0812	6822373	323829	866	270	-60	408	**173**	**227**	**54**	**0.7**	**0.2**	**197**
							232	236	4	0.5	0.1	229
							288	299	11	0.5	0.1	849
PRP0814	6821484	323682	945	90	-60	224	15	33	18	0.4	0.1	27
							39	52	13	0.3	0.1	41
							55	**65**	**10**	**0.7**	**0.1**	**36**
PRP0639D	6821634	323335	875	90	-60	475	316	343	27	0.3	0.1	184
							382	390	8	0.6	0.1	404
PRP0700D	6821848	323345	856	90	-60	446	362	366	4	0.6	0.2	178
PRP0834	6822609	323919	854	240	-60	270	170	178	8	0.5	0.1	271
PRP0836	6822954	323466	740	90	-60	324	243	247	4	0.6	0.1	109
PRP0841	6822874	323575	763	90	-60	132	105	111	6	0.5	0.1	6
PRP0420D	6821173	323150	871	90	-60	451.3	271	280	9	0.5	0.1	128
							290	297	7	0.5	0.1	80
							342	382	40	0.3	0.1	60
							387	**403**	**16**	**0.6**	**0.1**	**64**
							409	**415**	**6**	**1.0**	**0.2**	**174**

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Molybdenum
	North	East	RL				From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)
PRP0553D	6821299	323107	885	90	-60	473.8	313	326	13	0.4	0.1	180
							363	373	10	0.6	0.1	281
							390	396	6	0.3	0.2	13
							439	445	6	0.2	0.0	85
PRP0590	6821992	323453	880	90	-60	350	312	316	4	0.6	0.1	108
PRP0815	6822439	323833	848	270	-75	250	160	168	8	0.6	0.1	54
							176	**196**	**20**	**0.6**	**0.1**	**291**
							226	234	8	0.4	0.1	199
PRP0821	6822442	323834	848	300	-60	300	**132**	**199**	**67**	**0.6**	**0.2**	**354**
	including						**149**	**174**	**25**	**1.0**	**0.2**	**403**

Notes to Significant Drilling Intersections

- *All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" are diamond holes.*
- *Results comprise ICP analysis (ME-ICP61) of all 1m whole core samples (D); 1m selective cone split samples (RC) and 4m composite samples (RC).*
- *Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 1.0%.*
- *Priority MS analysis (ME-MS61) results were utilised where analysis was undertaken for uranium results greater than 50ppm.*
- *Gold analysis only undertaken over copper results greater than 0.2%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over 90 percent of the samples taken within the length of the intersection.*
- *All results were analysed by ALS Chemex (La Serena) laboratories.*

JORC Compliant Productora Resource Statement- Reported 13th February 2013

Classification	Resource Series (+0.3% Cu)	Tonnage	Grade			Contained Metal		
			Cu %	Au g/t	Mo g/t	Copper (Tonnes)	Gold (Oz)	Molybdenum (Tonnes)
INDICATED	Res Upgrade 1	39,400,000	0.6	0.1	124	230,000	150,000	5,000
	Central Resource	31,200,000	0.6	0.1	159	190,000	110,000	5,000
	Total	**70,600,000**	**0.6**	**0.1**	**140**	**420,000**	**260,000**	**10,000**
INFERRED	Res Upgrade 1	40,600,000	0.5	0.1	110	200,000	130,000	4,000
	Central Resource	54,000,000	0.6	0.1	138	300,000	180,000	8,000
	Total	**94,600,000**	**0.5**	**0.1**	**126**	**500,000**	**310,000**	**12,000**
TOTAL	Res Upgrade 1	80,000,000	0.5	0.1	117	440,000	290,000	9,000
	Central Resource	85,200,000	0.6	0.1	146	480,000	290,000	13,000
	Total	**165,200,000**	**0.6**	**0.1**	**132**	**920,000**	**580,000**	**22,000**

Note: Figures in the above table are rounded and are reported to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

This information was prepared and first disclosed under the JORC Code 2004 edition. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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 this presentation of the statements based on his information and context in which they appear.

Mineral Resources

The information in this report that relates to the Central Mineral Resource, Productora is based on information compiled by Alf Gillman, who is a fellow of the Australasian Institute of Mining and Metallurgy. Alf Gillman is a director of Odessa Resources Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Alf Gillman consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates outside of the Central Mineral Resource is based on information compiled by Aloysius Voortman and Fleur Muller. Aloysius Voortman is a Fellow of the Australasian Institute of Mining and Metallurgy, and Fleur Muller is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Aloysius Voortman is an employee of Coffey Mining, and Fleur Muller was an employee of Hot Chili Ltd at the time of the resource estimation. Both have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. Mr Voortman and Mrs Muller are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Voortman and Mrs Muller consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Appendix- JORC Code, 2012 Edition Table 1

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. Diamond drilling was used to produce drill core with a diameter of 63.5mm (HQ). Diamond holes were logged and sampled in their entirety. Diamond core was whole sampled in one metre intervals, regardless of geological interpretation. • RC sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance / testing (QA). ○ Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. ○ Examples of QA include (but are not limited to), collection of drilling duplicates ("field duplicates"), the use of certified standards and certified blank samples, as well as umpire-laboratory checks. • Industry standard practices for sampling techniques were employed at the Productora project. Geological logging was completed and mineralised intervals were determined by the geologists to be submitted as 1m split samples. In zones logged as unmineralised geologists directed field assistants to collect a 4m composite sample and this was 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 collected and submitted to the laboratory for analysis. • The drill samples (RC and diamond) were submitted to ALS La Serena. Laboratory analysis involved: sample crushed to 70% > 2mm, riffle/ rotary split off 1kg, pulverize split to > 85% passing 75 microns, then 100g analysis by ME-ICP61 technique. • Samples were submitted to ALS Global, La Serena which is ISO accredited.
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 tube, depth of diamond tails, face-sampling bit or other type, whether*	• The Reverse Circulation drilling method was predominantly down-the-hole hammer drilling with 140 to 130mm diameter drill bits used. • Diamond drilling used HQ drill bits (96mm external and 63.5mm internal diameter). Diamond drilling was double tube. Diamond

Criteria	JORC Code explanation	Commentary
	core is oriented and if so, by what method, etc).	core was oriented by the Reflex ACT III core orientation tool.
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 included the use of "booster" air pressure as well as limits on angle of drilling. 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 collection method (ie. split or composite), and comments ▪ Overall logging of RC sample recovery recorded 96% of samples as "Good", 3% "Moderate" and 1% "Poor". ▪ Recovery in diamond core recorded, 93% "Good", 2% "Moderate", 2% "Poor", and 4% "No Recovery/ No Record". ▪ RC sample intervals recorded ~80% 1m split samples, and ~20% 4m composite samples (generally composite samples are located in unmineralised zones) • 1m split sample weights submitted for analysis averaged 3.5kg. There does not appear to be any bias in sample weight with respect to sample depth, in fact sample weight slightly increases with depth from ~3.8kg at surface to 4kg at 500m depth down-hole. • The sample condition was reviewed with average weight for dry sample being 3.4 kg, moist samples 3.0kg, and wet samples 4.0kg, showing fairly consistent weights across all sample conditions. • Sample weights and corresponding assay grades were reviewed and no discernible bias was detected.
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*	• 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. Diamond core logging included additional fields such as structure and geotechnical parameters. • Photography of diamond core was routinely completed and is stored on the company's data server.

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	• Every metre (100%) of RC and DD drilling was geologically logged and sampled. • Quantitative alteration geochemistry characterization was also completed using ME-ICP61 assay data. This characterization has identified seven main alteration types- albite, kaolinite, potassic (k-feldspar), magnetite-amphibole, sericite, sericite-albite and sodic-calcic. • A clear correlation between silicate mineralogy (alteration) and sulphide mineralogy (copper mineralisation) is evident from the geochemical alteration classification work completed, and this has been used to guide exploration drilling and resource modelling.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *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.*	• Entire whole HQ diamond core was sampled to ensure maximum sample representivity. • Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. • Cone Splitting of RC drill samples occurred regardless of whether the sample was wet or dry. • Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices, as well as drilling/ sub-sample duplicates ("field duplicates"). ○ RC Sample condition was routinely recorded ○ Field duplicates were taken at a rate of 1 in every 50th meter of drilling. Results of field duplicate assays show very good correlation to original assay results, giving high confidence in the sub-sample representivity at Productora. • Sample sizes (width and length) were based on industry best practice. • Comparison between diamond and RC samples shows a good correlation and supports the use of RC samples as representative of the in-situ material.
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,*	• All samples (RC chips and diamond core) were assayed by industry standard methods. • All samples were submitted to ALS, La Serena for analysis. Sample preparation involved: ○ sample crushed to 70% > 2mm, riffle split off 1kg, pulverize split

Criteria	JORC Code explanation	Commentary
	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.*	to > 85% passing 75 microns • Analytical Technique involved: ○ ALS Method ME-ICP61 (31 element analysis), with additional assaying triggered as follows; samples which returned copper >2,000ppm were analysed for gold by ALS Method Au-ICP21 (30g Fire Assay). ○ Samples with Cu >10,000ppm were analysed by ALS "ore grade" method Cu-AA62 (represents ~ 2% of samples) • Reported gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over >90 percent of the samples taken within the length of the intersection. • Routine "mineralized" Certified Reference Material (CRM) were inserted by Hot Chili Ltd at a rate of 1 in 50 samples. Routine Blank Certified Reference Material ("Blanks") were inserted by Hot Chili Ltd at a rate of 1 in 100 samples. Results from CRM (standards, blanks), and results from umpire laboratory testwork (ACME), gives confidence in the accuracy and precision of assay data returned from ALS. • 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.*	• Umpire checks were performed by an alternative and independent laboratory (ACME). 5% of coarse rejects were submitted for Umpire checks and validation against the primary laboratory. Umpire laboratory results correlate very well with primary laboratory (ALS) results, and no discernible bias was detected. • Twinned holes were used for validation of RC sampling methods. A population to population cross check (via 20-40m interval length weighted averages) was completed; this showed that generally the populations correlate well, with no discernible bias returned from sampling of either the RC or diamond holes. • Hot Chili has strict procedures for data capture, flow and data storage, a full description of these procedures is included in the resource report. • Limited adjustments were made to returned assay data; values returned lower than detection level were set to the methodology's detection level, and this was flagged by code in

Criteria	JORC Code explanation	Commentary
		the database. • 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 value 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.*	• Collar surveys were completed by topographical surveying company (Geotopo's Exploraciones). • Down-hole directional surveys using a gyroscopic instrument were completed by reputable down-hole surveying company's Wellfield (pre June 2013) and North Tracer (post June 2013). Down-hole surveys were completed using a north-seeking gyroscope, eliminating the risk of magnetic interference. • The WGS 84 UTM Zone 19S coordinate system was used for all Hot Chili undertakings. • Magnetic north has been used for directional surveys. • Accuracy and adequacy of topographic control was validated visually in 3D software by comparison of drill collar locations and high resolution satellite (1m contours) derived DEM.
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 applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing at Productora within the preliminary central pit design is on a nominal 80m by 40m grid, with some infill control sections drilled on 40 x 40m spacing. • This drillhole spacing has provided a high level of support for robust geological and mineralisation modeling. Geological and grade continuity is sufficient for mineral resource estimation, with both indicated and inferred resources being classified at Productora. • In unmineralised areas four metre composite samples were taken. These 4m composite samples represent ~25% of the assay sample data, while the 1m split samples comprise ~75% of the samples. The majority of the 4m composite samples lie outside the mineralised geological wireframes.
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*	• The majority of drilling was oriented perpendicular to the overall NE structural trend of the Productora project area, with drillholes angled at 60 degrees towards 090 degrees to optimize drill intersections of the west dipping orebody. Where the mineralisation has been interpreted to dip moderately to the east, drilling has been oriented at 60 degrees towards 270

Criteria	JORC Code explanation	Commentary
	orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	degrees. In some areas of the project, where drill rig access was limited by lack of drill platforms some variable drilling orientations were used for targeting the mineralisation. • Drilling orientation and subsequent sampling is 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.*	• Coffey Mining Limited has completed an audit on the sampling techniques and data used for the Productora resource estimate. This audit has involved a site visit, review of drilling and sampling techniques, and independent grab sampling and analysis by an umpire laboratory.

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. • 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.	• Hot Chili (through its subsidiary company SMEAL) 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. • Three types of lease agreements have been executed at the project: ○ joint venture earn-in agreements with CMP (HCH to earn 65% over five years) ○ 100% purchase-option agreements (Central Lease Productora 1/16 Purchase Option agreement was executed in February 2013) ○ 30 year lease agreement for Uranio 1/70 (CCHEN-Comisión Chilena de Energía Nuclear) ○ Hot Chili (through its subsidiary company SMEAL) has also secured large tenement holdings in its own right across available extensions at the project. • The URANIO 1/70 lease is subject to a royalty payment, and the royalty agreement is with CCHEN. Details are as follows:

Criteria	JORC Code explanation	Commentary
		1. After the first 5 years of the lease agreement or upon beginning of the exploitation phase if this situation happens before, the following minimum Net Smelter Royalty (NSR) shall be charged: a. 2% over all metals different from gold (ie. copper). b. 4% over gold. c. 5% over non-metallic. 2. All of the above are calculated over effective mineral sold. • The majority of Hot Chili's landholding at Productora is held in Exploitation Concessions (Mining Lease would be the Australian equivalent term), with Mining Claims and Mining Petitions being the other main landholding types at the project (outside the main mineralised corridor and the preliminary central pit design).
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.*	• The majority of copper-gold-molybdenum mineralisation at Productora is hosted in a structurally focused breccia and fracture network developed within a larger body of K-feldspar-tourmaline-magnetite breccia. Structurally-focused mineralised breccia zones are evident trending broadly sub-parallel to the Productora fault zone (NNE). • The association between mineralisation, breccia zones and manto horizons shows that an interplay between units with significant primary permeability (mantos) and fault-related secondary permeability (breccias) exert a critical control on the distribution of mineralisation.

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		• Mineralised breccias are clearly visible in both RC drilling and in diamond core. The intensity of brecciation, alteration and sulphide mineralisation is generally greater within higher-grade domains. • Sulfides comprise pyrite, chalcopyrite, bornite and molybdenite developed as breccia, vein and cavity fill, as well as disseminations within the brecciated host rocks. This sulphide distribution creates centimetre to metre-scale higher-grade patches enclosed by moderate-grade disseminated sulphide minerals.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information 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.*	• A complete list of all holes reported as significant exploration results are provided in Productora Project- New Significant Drilling Intersections table • This listing includes: ○ collar coordinates WGS84_19S), ○ elevation, ○ hole orientation (dip and azimuth- magnetic), ○ downhole intersection depth and length ○ total hole depth ○ length weighted average grade for Cu%, Au g/t, Mo ppm • 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*	• 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 grade Cu%), divided by sum of interval lengths • For example an aggregation of results could look like the below: **From To Interval Grade Cu%**

Criteria	JORC Code explanation	Commentary
	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.*	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 @ 0.58% Cu** • Exploration results are nominally reported where copper results are greater than 0.3% Cu, significant intersections have a minimum down-hole width of 4m, internal dilution of up to 4 metres has been incorporated in some instances to allow continuity of significant intersections. • 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').*	• Mineralisation at Productora can be located within steeply west dipping breccia hosted envelopes, or within moderately east dipping steeply plunging shoots, and to a lesser extent shallow dipping permeable volcaniclastic bedding horizons. • Due to the variable nature of mineralisation geometry, the drilling orientation is chosen according to the mineralisation geometry type being targeted. • Where practical the drilling orientation has been designed to intersect mineralisation perpendicular to the lode orientation, however 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*	• It is not practical to report all exploration results. • Low grade intersections grading 0.2-0.5% Cu have been

Criteria	JORC Code explanation	Commentary
	be practiced to avoid misleading reporting of Exploration Results.	reported as well as high grade intersections grading> 0.5% Cu. • Unmineralised intervals <0.2% Cu 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 substances.*	• Other exploration data available: ○ Surface mapping- geological observations (lithological and structural) ○ Geophysical and radiometric surveys (airborne) ○ Bulk density analysis is completed on every 5th metre of diamond core and pycnometer analysis is performed on every 25th RC metre ○ Preliminary metallurgical test work has been completed at Productora as part of the scoping study. These results have indicated that conventional processing will be suitable, with metallurgical recoveries of >90% for copper, ~80% for gold, ~75% for molybdenum (recoveries achieved from coarse 180µm grind size)
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.	• Resource definition drilling (copper-gold-molybdenum) and resource extensional drilling continue at Productora within the preliminary central pit design (which covers ~3km of the Productora mineralised corridor strike extent). • Outside of the preliminary central pit design further exploratory testing for copper-gold-molybdenum and iron mineralization will be completed over the entire project holding. A systematic geochemical soil sampling programme has been designed as a first pass technique for discovering potential mineralisation, this will be followed up by prioritization and subsequent drill testing of favourable targets. • Drill targeting of conceptual high grade shoots at depth, along strike and down plunge will also be a focus for future exploration.