



Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, 6953, Western Australia
P: +61 8 9315 9009 F: +61 8 9315 5004

QUARTERLY REPORT

Period Ending December 31st 2013

Highlights

- **Further growth of the high-grade Habanero zone to boost impending resource revision at Productora copper project**
- **Productora continues to deliver strong drill results highlighting bulk tonnage nature of copper-gold**
- **102,000m drilling campaign successfully completed at Productora during 2013**
- **First reserve estimate and resource revision for Productora underway**
- **Discussions with Chilean resources major Compañía Minera del Pacífico S.A (CMP) regarding infrastructure agreement well advanced and on track**



*Drilling completed over the high-grade Habanero discovery zone, looking north.
Productora copper project, Chile*

ASX Code

HCH

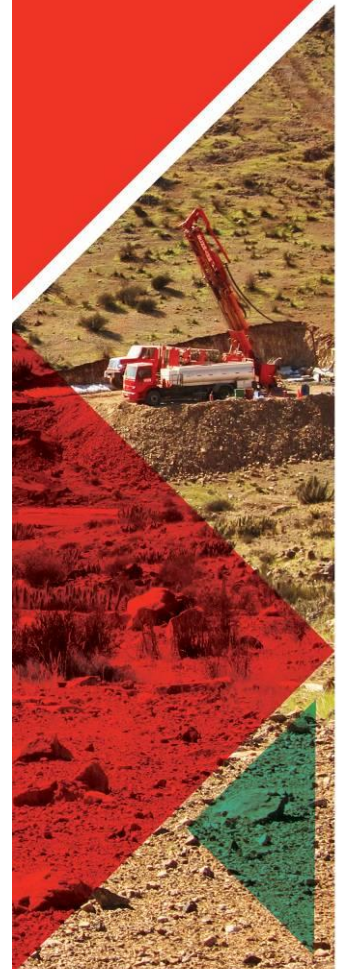
Contact

Mr Christian Easterday
Managing Director

M: +61 409 64 1214

E: christian@hotchili.net.au

www.hotchili.net.au





Summary of Activities

Activities for the final quarter of 2013 were focussed towards completion of a major drilling campaign at the Company's flagship Productora Copper Project in Chile.

The 2013 drilling campaign aimed to prepare the Company to report a first reserve estimate at Productora through:

1. An increase to the current resource within the planned central pit development area through extensional drilling in areas previously thought to be waste,
2. An upgrade to the classification of the inferred component of the current resource within the planned pit areas by infill and QAQC verification drilling.

In mid-December the Company completed its 2013 drilling campaign with over 102,000m completed at Productora. This major investment has advanced Productora towards a position to report a first reserve in the coming months. Key outcomes include:

- Substantial additional mineralisation has been successfully identified within the proposed central development area, of which a significant component is high-grade. This has the potential to enhance Productora's economics through growth in high-grade material and reductions in strip ratios,
- Successful completion of in-fill and QAQC drilling will result in an expected upgrade in resource classification and maximisation of any first reserve estimate.



View looking southeast over the southern extent of the planned central pit development at the Productora. Field of view approximately 4km.

The Company continued to grow the size and tenor of the high-grade Habanero zone, with significant intersections now recorded in excess of 600m in strike length and remaining open to the northeast. Further extensional drilling is planned in the New Year.

Work streams are progressing towards the completion of a first reserve estimate and resource revision at



Productora incorporating all drilling completed during 2013.

In addition to reserve and resource estimates for Productora, Hot Chili is also advancing towards the completion of a first resource estimate for its second copper-gold project, Frontera, 70km south of Productora. The first resource estimate at Frontera will provide early indication of the expected grade and potential of the larger copper-gold porphyry project identified within development distance of Productora.



PROJECT ACTIVITIES

Productora Copper Project

Habanero Discovery- High-Grade Copper and Gold Zone Growing

Over the course of several months, Hot Chili has continued to successfully define and extend the Habanero zone, displayed in figure 1.

High-grade copper and gold at Habanero is associated with a moderately east-dipping zone of potassic alteration. The geochemical characterisation and modelling of this potassic alteration and its close relationship with copper mineralisation has only recently been recognised by the Company's technical team, and its significance is being further investigated.

Drilling was successfully directed towards Habanero during the quarter in an effort to further extend the strike length of the high-grade zone to over 600 metres, as displayed in figure 2. Drill results received from this targeted drilling included several intersections exceeding 1% copper in predicted locations. These include:

- 71m grading 1.6% copper and 0.4g/t gold from 97m down-hole depth (PRP0711)
- 43m grading 1.1% copper and 0.3g/t gold from 196m down-hole depth (PRP0817)
- 36m grading 1.0% Copper and 0.2g/t Gold from 138m down-hole depth (PRP0782)
- 35m grading 1.1% Copper and 0.2g/t Gold from 168m down-hole depth (PRP0745)

Importantly, drilling at the most northern extent of Habanero has recorded a result of 36m grading 1% copper and 0.2g/t gold from within a broader intersection of 54m grading 0.8% copper and 0.2g/t gold from 126m down-hole depth. This intersection provides further growth potential for the high-grade copper-gold zone at Habanero, which now extends significantly to the north of the Company's preliminary central pit design.

Integrated Predictive Targeting Model Developed at Productora

New advanced datasets are now being utilised by Hot Chili to more accurately predict and target the location and orientation of higher grade copper-gold mineralisation at Productora. Hot Chili's technical team have been advancing a generative project focussed on exploiting the extensive array of datasets that have been captured over Productora.

The aim of the generative work is to construct an integrated predictive targeting model to determine the potential for large-tonnage, higher grade, extensions both at depth and within the extents of Hot Chili's consolidated project position.

Drill testing of conceptual targets highlighted by the predictive model commenced late in the quarter, assay results are anticipated early in the New Year.



Major Resource Drilling Programme Complete

Resources at Productora currently stand at 165.2Mt grading 0.6% copper, 0.1g/t gold and 132g/t molybdenum containing 920,000 tonnes of copper, 590,000 ounces of gold and 22,000 tonnes of molybdenum. High grade, shallow resources at Productora currently stand at 53Mt grading 0.8% copper and 0.2g/t gold, enhancing the overall economics of the project.

A major drilling programme at Productora commenced in January 2013 utilising 4 multi-purpose diamond (DD) and reverse circulation (RC) drilling rigs. During the quarter Hot Chili successfully completed over 102,000m of drilling. The addition of substantial resources from a 2km long zone along the eastern flank of the planned central pit development was a major focus for 2013 drilling. Any additional resource defined within this area had a high likelihood to reduce strip ratio and increase resource to reserve conversion.

In addition, significant in-fill and QA/QC drilling was directed towards upgrading the classification of inferred resources to indicated.

The success of the 2013 drilling campaign has justified the Company's "front-end loading" strategy and the establishment of the central pit area as the centre piece of the Productora development.

All operational and drilling activities ceased on the 16th December 2013 and will be recommenced once the Company's 2014 activity plan is ready to initiate. During this operational hiatus, planning is underway for drilling and development studies to position the company with a completed PFS along with a robust reserve base in 2H 2014.

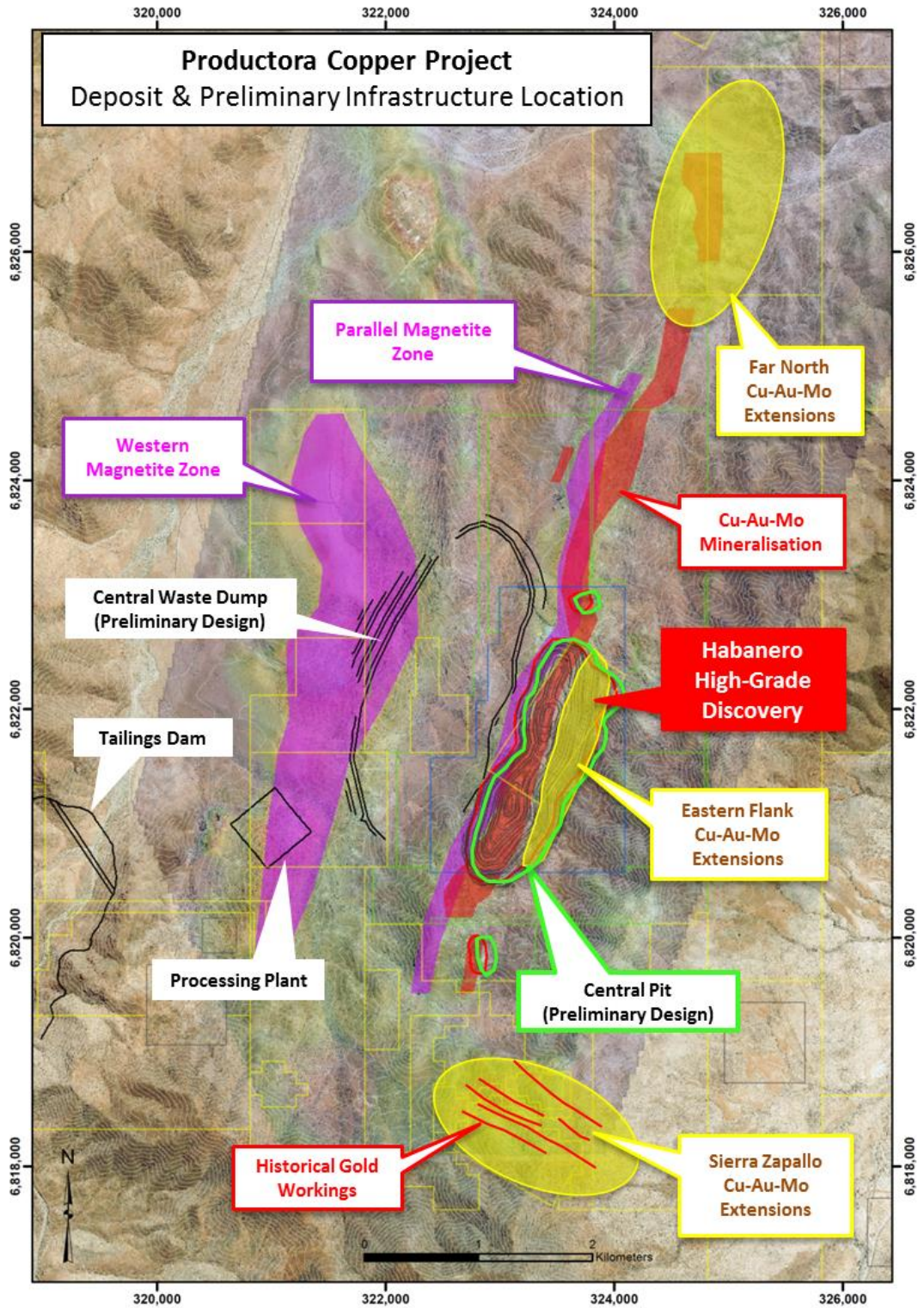


Figure 1. Productora project preliminary development layout in relation to 2013 drilling focus

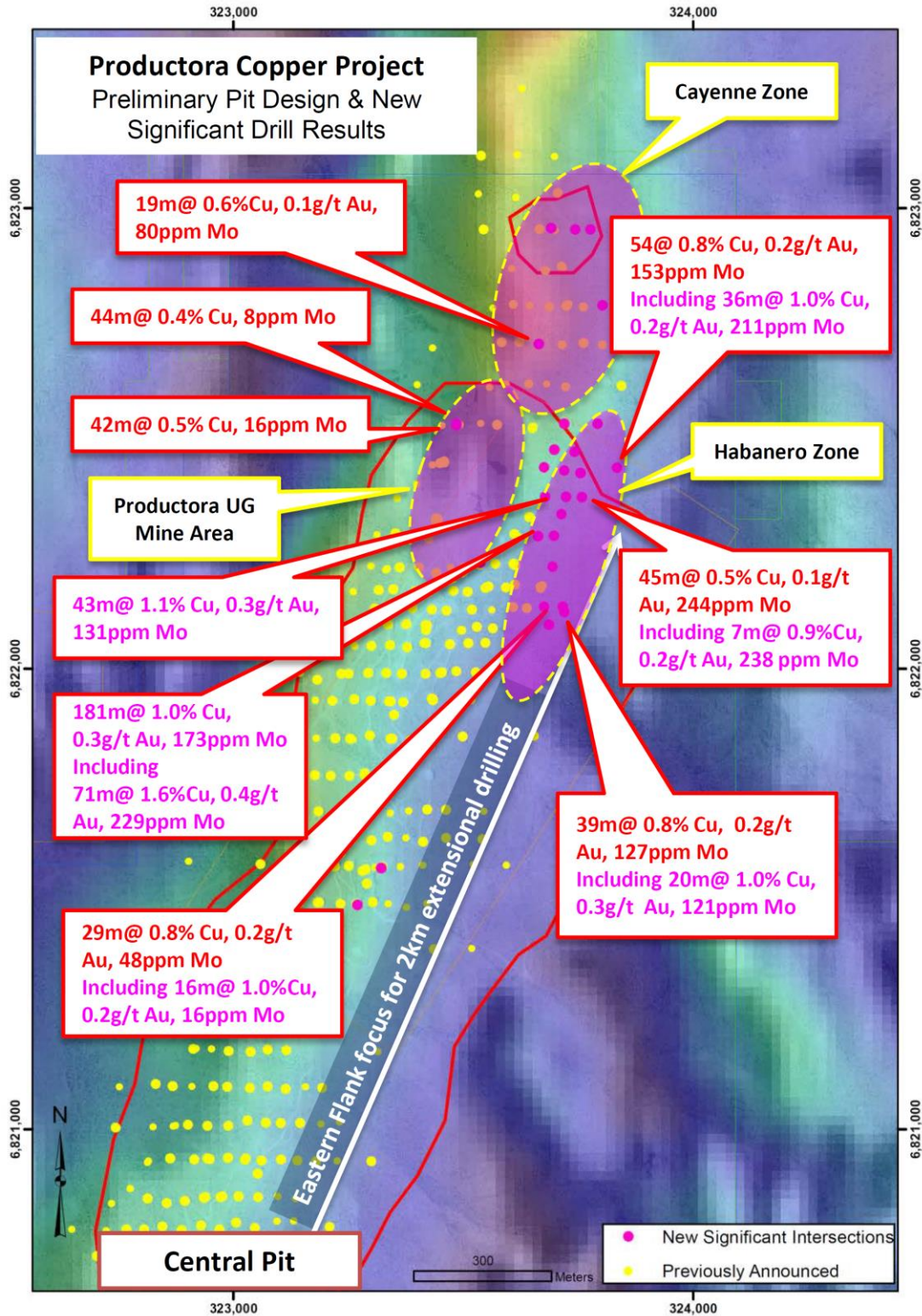


Figure 2. Significant drilling intersections during the quarter in relation to the planned central pit design at Productora. The figure displays the three focus areas for extensional drilling during the quarter.

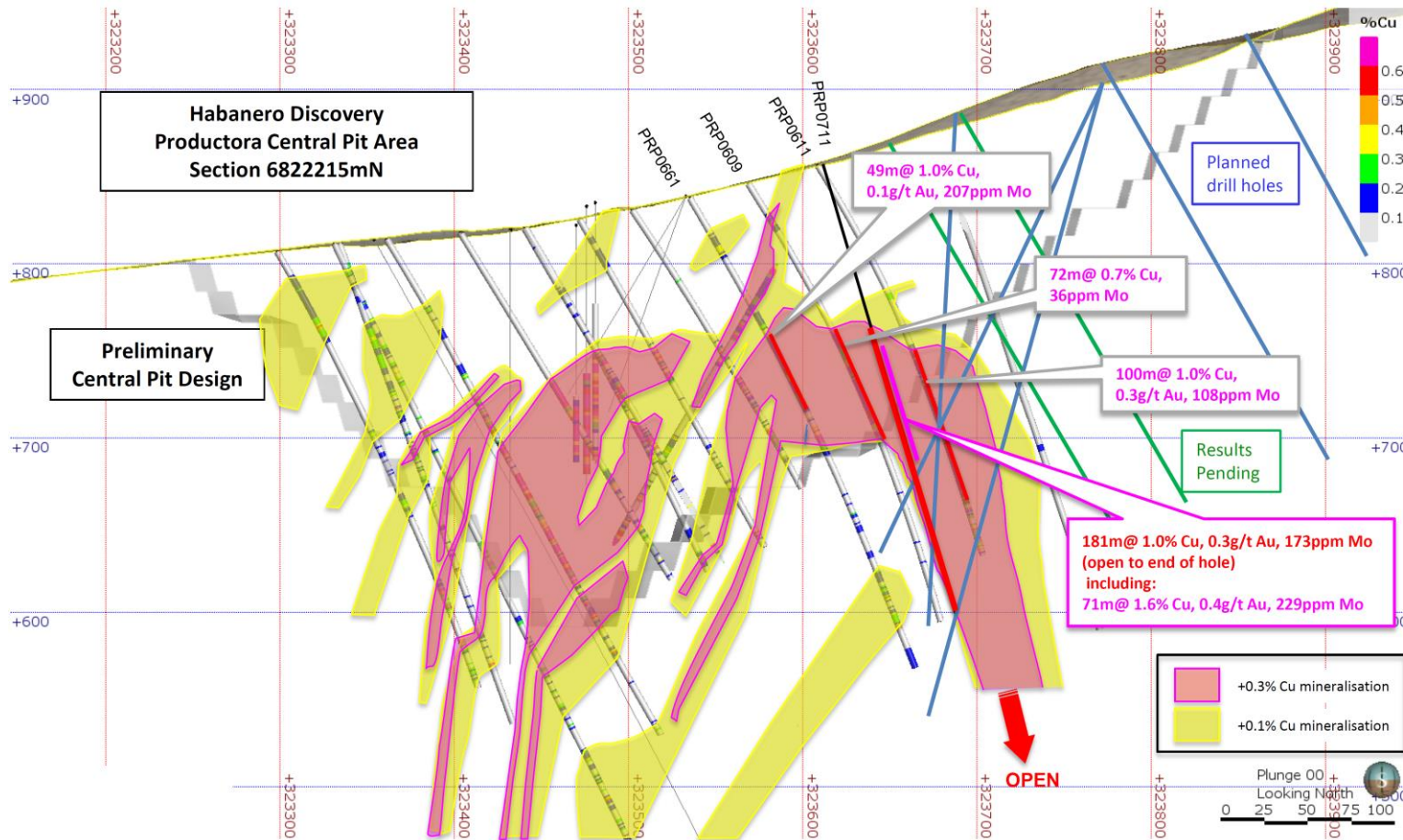


Figure 3. Cross section showing significant intersections being recorded in the new high-grade Habanero discovery zone on the eastern flank of the planned central pit development- Section 6,822,215mN



Productora Pre-feasibility Study Targeted for Delivery in 2H 2014

During the quarter, the Company has been preparing to undertake throughput optimisation studies in advance of re-commencement of Pre-feasibility studies. This work will continue into early 2014 when the company plans to complete a first reserve estimate to facilitate final throughput optimisation.

The upcoming first reserve estimate is designed to capture the next resource revision, which will incorporate all drilling completed in 2013. The company is well positioned to produce an optimal Pre-feasibility study outcome following the completion of the impending resource and subsequent reserve estimates.



Figure 4. Productora infrastructure location plan

Productora Infrastructure Negotiations with Chilean Resource Major CAP/CMP

Hot Chili and its project partner Compañía Minera del Pacífico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business, are in advanced discussions on establishing a joint infrastructure agreement for the development of the Productora copper project.

Such negotiation could result in substantial operational synergies given that Productora lies in the heart of CMP's existing coastal infrastructure, including rail, port, easement corridor, magnetite concentrator and iron pellet plant, and should facilitate project implementation.

Securing a joint infrastructure agreement with CMP is considered a key catalyst for the development of Productora and would bring benefits for both companies. Negotiations are on-track and an announcement is expected once discussions and negotiations are finalised.



Frontera Copper Project

Work Advanced on Maiden Resource at Frontera

The Frontera copper project lies 70km directly south of Productora at low altitude in Region IV of Chile.

Drilling by Hot Chili has confirmed the discovery of a second major copper-gold project for the Company. Frontera adds substantially to Hot Chili's longer term objective of establishing a multi-project Chilean coastal copper production hub, leveraged to existing infrastructure.

Frontera exhibits classic copper-gold porphyry characteristics and is located within a linear trend of Porphyry intrusions which include the Dos Amigos copper-gold mine (approximately 10km NNE of Frontera). Mineralisation at Frontera is hosted within an andesitic volcanic/volcaniclastic pile intruded by multiple phases of variably hornblende-rich Dioritic porphyry intrusions.

Best drilling results have been returned from a potassic alteration zone characterised by intense veining and biotite-magnetite alteration. Copper is associated with finely disseminated chalcopyrite, vein-related chalcopyrite and bornite.

Resource modelling of the Frontera copper-gold porphyry deposit is well advanced and is expected to be completed early in 2014. The estimation of the Frontera resource is aimed at increasing the production hub resource inventory centred around Productora.

Banderas Copper Project

Environmental Approval for Maiden Drill Programme at Banderas 1H 2014

Surface mapping and sampling programmes conducted throughout 2013 have identified several high-priority targets within the core area of the Banderas project. These targets comprise historical high-grade copper underground workings and outcropping surface mineralisation which has not previously been drill tested.

A comprehensive soil geochemical programme has been designed over the project and this will be completed prior to drill target ranking exercises planned for early 2014.

A first pass 10,000m drilling campaign has been designed to test identified targets at the project. Environmental approvals for this drill programme were received during the quarter and drilling is expected to be undertaken in the first half of 2014.

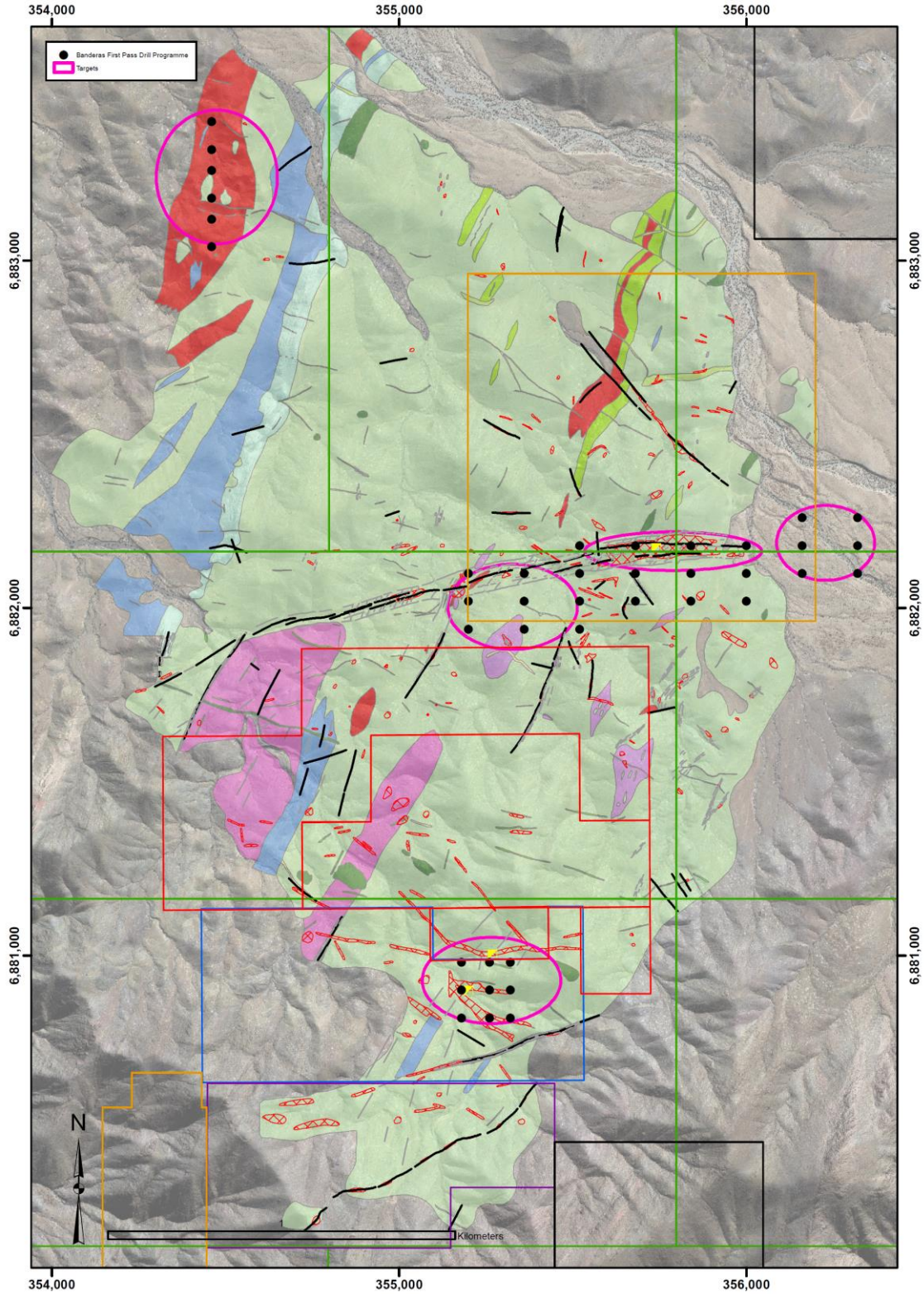


Figure 5. Banderas proposed first-pass drill programme in relation to geological mapping



Tenement Details

Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
PRODUCTORA	FRAN 1, 1-48	SMEAL	100%	Mining Claim	300
	FRAN 2, 1-20	SMEAL	100%	Mining Claim	300
	FRAN 3, 1-60	SMEAL	100%	Mining Claim	300
	FRAN 4, 1-20	SMEAL	100%	Mining Claim	300
	FRAN 5, 1-20	SMEAL	100%	Mining Claim	300
	FRAN 6, 1-60	SMEAL	100%	Mining Claim	300
	FRAN 7, 1-37	SMEAL	100%	Mining Claim	300
	FRAN 8, 1-30	SMEAL	100%	Mining Claim	300
	FRAN 12, 1-40	SMEAL	100%	Exploitation concession	200
	FRAN 13, 1-40	SMEAL	100%	Exploitation concession	200
	FRAN 14, 1-40	SMEAL	100%	Exploitation concession	200
	FRAN 15, 1-60	SMEAL	100%	Mining Claim	300
	FRAN 18, 1-60	SMEAL	100%	Mining Claim	300
	FRAN 21, 1-60	SMEAL	100%	Mining Claim	300
	FRAN 22	SMEAL	100%	Exploration concession	400
	ALGA 7A, 1-32	SMEAL	100%	Exploitation concession	89
	ALGA VI, 5-24	SMEAL	100%	Exploitation concession	66
	MONTOSA 1-4	SMEAL	100%	Exploitation concession	35
	CHICA	SMEAL	100%	Exploitation concession	1
	ESPERANZA 1-5	SMEAL	100%	Exploitation concession	11
	LEONA SEGUNDA 1-4	SMEAL	100%	Exploitation concession	10
	CARMEN I, 1-60	SMEAL	100%	Mining Claim	300
	CARMEN II, 1-60	SMEAL	100%	Mining Claim	300
	ZAPA 1, 1-10	SMEAL	100%	Exploitation concession	100
	ZAPA 3, 1-23	SMEAL	100%	Exploitation concession	92
	ZAPA 5A, 1-16	SMEAL	100%	Exploitation concession	80
	ZAPA 7, 1-24	SMEAL	100%	Exploitation concession	120
	CABRITO, CABRITO 1-9	SLM CABRITO	80%	Exploitation concession	50
CUENCA A, 1-51	CMP	65%	Exploitation concession	255	
CUENCA B, 1-28	CMP	65%	Exploitation concession	139	
CUENCA C, 1-51	CMP	65%	Exploitation concession	255	
CUENCA D	CMP	65%	Exploitation concession	3	



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	CUENCA E	CMP	65%	Exploitation concession	1
	CHOAPA 1-10	CMP	65%	Exploitation concession	50
	ELQUI 1-14	CMP	65%	Exploitation concession	61
	LIMARÍ 1-15	CMP	65%	Exploitation concession	66
	LOA 1-6	CMP	65%	Exploitation concession	30
	MAIPO 1-10	CMP	65%	Exploitation concession	50
	TOLTÉN 1-4	CMP	65%	Exploitation concession	70
	CACHIYUYITO 1, 1-60	CMP	65%	Mining Claim	300
	CACHIYUYITO 2, 1-60	CMP	65%	Exploitation concession	300
	CACHIYUYITO 3, 1-60	CMP	65%	Exploitation concession	300
	LA PRODUCTORA 1-16	SMEAL	100%	Exploitation concession	75
	BUENA SUERTE 1-6	SLM BUENA SUERTE	100%	Exploitation concession	30
	PILAR 1-2	SLM PILAR	100%	Exploitation concession	10
	ORO INDIO I, 1-20	JGT	100%	Exploitation concession	82
	AURO HUASCO I, 1-8	JGT	100%	Exploitation concession	35
	URANIO, 1-70	CCHEN	100%	Exploitation concession	350
	JULI 1	SMEAL	100%	Mining Petitions	300
	JULI 2	SMEAL	100%	Mining Petitions	300
	JULI 3	SMEAL	100%	Mining Petitions	300
	JULI 4	SMEAL	100%	Mining Petitions	300
	JULI 5	SMEAL	100%	Mining Petitions	100
	JULI 6	SMEAL	100%	Mining Petitions	200
	JULI 7	SMEAL	100%	Mining Petitions	200
	JULI 8	SMEAL	100%	Mining Petitions	300
	JULI 9	SMEAL	100%	Mining Petitions	300
	JULI 10	SMEAL	100%	Mining Petitions	300
	JULI 11	SMEAL	100%	Mining Petitions	300
	JULI 12	SMEAL	100%	Mining Petitions	300
	JULI 13	SMEAL	100%	Mining Petitions	100



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	JULI 14	SMEAL	100%	Mining Petitions	300
	JULI 15	SMEAL	100%	Mining Petitions	300
	JULI 16	SMEAL	100%	Mining Petitions	300
	JULI 17	SMEAL	100%	Mining Petitions	200
	JULI 18	SMEAL	100%	Mining Petitions	300
	JULI 19	SMEAL	100%	Mining Petitions	300
	JULI 20	SMEAL	100%	Mining Petitions	300
	JULI 21	SMEAL	100%	Mining Petitions	300
	JULI 22	SMEAL	100%	Mining Petitions	300
	JULI 23	SMEAL	100%	Mining Petitions	300
	JULI 24	SMEAL	100%	Mining Petitions	300
	JULI 25	SMEAL	100%	Mining Petitions	300
	JULI 26	SMEAL	100%	Mining Petitions	300
	JULI 27	SMEAL	100%	Mining Petitions	200
	JULI 28	SMEAL	100%	Mining Petitions	300
	JULIETA 1	SMEAL	100%	Mining Petitions	100
	JULIETA 2	SMEAL	100%	Mining Petitions	200
	JULIETA 3	SMEAL	100%	Mining Petitions	300
	JULIETA 4	SMEAL	100%	Mining Petitions	200
	JULIETA 5	SMEAL	100%	Mining Petitions	300
	JULIETA 6	SMEAL	100%	Mining Petitions	300
	JULIETA 7	SMEAL	100%	Mining Petitions	300
	JULIETA 8	SMEAL	100%	Mining Petitions	300
	JULIETA 9	SMEAL	100%	Mining Petitions	300
	JULIETA 10	SMEAL	100%	Mining Petitions	300
	JULIETA 11	SMEAL	100%	Mining Petitions	300
	JULIETA 12	SMEAL	100%	Mining Petitions	300
	JULIETA 13	SMEAL	100%	Mining Petitions	300
	JULIETA 14	SMEAL	100%	Mining Petitions	300
	JULIETA 15	SMEAL	100%	Mining Petitions	200
	JULIETA 16	SMEAL	100%	Mining Petitions	200
	JULIETA 17	SMEAL	100%	Mining Petitions	200
	JULIETA 18	SMEAL	100%	Mining Petitions	200
	JULIETA 19	SMEAL	100%	Mining Petitions	200
LOS MANTOS	FELIZ DIECIOCHO 1	ICS	100%	Exploration	200
	FELIZ DIECIOCHO 2	ICS	100%	Exploration	200



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	FELIZ DIECIOCHO 3	ICS	100%	Exploration	200
	FELIZ DIECIOCHO 4	ICS	100%	Exploration	200
	ANTONIO 1-29	ACG	100%	Exploitation	139
	ESPADA 1-12	ACG	100%	Exploitation	36
	ROSITA 1-6	ACG	100%	Exploitation	30
	ALINDERAMIENTO Y OTRAS	ACG	100%	Exploitation	9
	ENSUEÑO 1-11	ACG	100%	Exploitation	50
	HAPI E1	MLA	60%	Exploration	900
	HAPI E2	MLA	60%	Exploration	900
	HAPI E3	MLA	60%	Exploration	300
	HAPI E4	MLA	60%	Exploration	300
	HAPI E5	MLA	60%	Exploration	200
	HAPI E6	MLA	60%	Exploration	600
	HAPI E7	MLA	60%	Exploration	200
	HAPI E8	MLA	60%	Exploration	400
	HAPI E9	MLA	60%	Exploration	200
	HAPI E10	MLA	60%	Exploration	300
	HAPI E11	MLA	60%	Exploration	300
	HAPI E12	MLA	60%	Exploration	400
	HAPI E13	MLA	60%	Exploration	600
	HAPI E14	MLA	60%	Exploration	200
	JADABA D1	MLA	60%	Exploration	200
	JADABA D2	MLA	60%	Exploration	200
	JADABA D3	MLA	60%	Exploration	300
	JADABA D4	MLA	60%	Exploration	200
	JADABA D5	MLA	60%	Exploration	400
	JADABA D6	MLA	60%	Exploration	600
	JADABA D7	MLA	60%	Exploration	300
	JADABA D8	MLA	60%	Exploration	400
	JADABA D9	MLA	60%	Exploration	1200
	JADABA D10	MLA	60%	Exploration	1200
	JADABA D11	MLA	60%	Exploration	800
	JADABA D12	MLA	60%	Exploration	600
	JADABA D13	MLA	60%	Exploration	800
	JADABA D14	MLA	60%	Exploration	300
	JADABA D15	MLA	60%	Exploration	200
	MONICA D1	MLA	60%	Exploration	200
	LEONOR E7	MLA	60%	Exploration	200
	LEONOR E8	MLA	60%	Exploration	200
	LEONOR E9	MLA	60%	Exploration	400
	HAPI C1, 1-30	MLA	60%	Exploitation concession	300
	HAPI C3, 1-60	MLA	60%	Exploitation concession	300
	HAPI C4, 1-30	MLA	60%	Mining claim	300
	HAPI C5, 1-30	MLA	60%	Mining claim	300
	HAPI C14, 1-30	MLA	60%	Exploitation concession	300
	HAPI D1, 1-60	MLA	60%	Exploitation concession	600
	HAPI D2, 1-60	MLA	60%	Exploitation concession	588
	HAPI D5, 1-30	MLA	60%	Mining claim	300
	HAPI D7, 1-60	MLA	60%	Mining claim	60
	HAPI D8, 1-10	MLA	60%	Mining claim	100
	HAPI D9, 1-30	MLA	60%	Mining claim	244
	JADABA B1, 1-20	MLA	60%	Exploitation concession	200
	JADABA B2, 1-30	MLA	60%	Mining claim	292



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	JADABA B3, 1-20	MLA	60%	Exploitation concession	172
	JADABA B15, 1-10	MLA	60%	Exploitation concession	99
	JADABA C2, 1-20	MLA	60%	Exploitation concession	200
	JADABA C3, 1-60	MLA	60%	Exploitation concession	504
	JADABA C12, 1-80	MLA	60%	Exploitation concession	723
	JADABA C14, 11-20	MLA	60%	Exploitation concession	100
	JADABA C15, 1-10	MLA	60%	Exploitation concession	100
	LEONOR C9, 1-20	MLA	60%	Mining claim	200
	JADABA E12 (overlaps Jadaba D12)	MLA	60%	Mining petition	600
	JADABA E13 (overlaps Jadaba C12, 1-80)	MLA	60%	Mining petition	723
	JADABA E14 (overlaps Jadaba D14)	MLA	60%	Mining petition	300
	JADABA D15 (overlaps Jadaba D15)	MLA	60%	Mining petition	200
	JADABA D9, 1-60 (overlaps Jadaba D9)	MLA	60%	Mining claim	1200
	JADABA D10, 1-20 (overlaps Jadaba D10)	MLA	60%	Mining claim	1200
	HAPI F1 (overlaps Hapi C1, 1-30)	MLA	60%	Mining petition	300
	HAPI F2 (overlaps Hapi E2)	MLA	60%	Mining petition	900
BANDERAS	COTOTO 1	IPL	65%	Exploration concession	200
	COTOTO 2	IPL	65%	Exploration concession	200
	COTOTO 3	IPL	65%	Exploration concession	200
	COTOTO 4	IPL	65%	Exploration concession	200
	COTOTO 5	IPL	65%	Exploration concession	300
	PIMPOLLA 1	IPL	65%	Exploration concession	300
	PIMPOLLA 2	IPL	65%	Exploration concession	300
	PIMPOLLA 3	IPL	65%	Exploration concession	300
	PIMPOLLA 4	IPL	65%	Exploration concession	300
	COTOTO A1	IPL	65%	Exploration concession	300
	COTOTO A2	IPL	65%	Exploration concession	300
	COTOTO A3	IPL	65%	Exploration concession	300
	COTOTO A4	IPL	65%	Exploration concession	300
	COTOTO A5	IPL	65%	Exploration concession	300
	COTOTO A6	IPL	65%	Exploration concession	300
	COTOTO A7	IPL	65%	Exploration concession	300
COTOTO A8	IPL	65%	Exploration concession	300	



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	PIMPOLLA A1	IPL	65%	Exploration concession	300
	PIMPOLLA A2	IPL	65%	Exploration concession	300
	PIMPOLLA A3	IPL	65%	Exploration concession	300
	PIMPOLLA A4	IPL	65%	Exploration concession	300
	PIMPOLLA A5	IPL	65%	Exploration concession	300
	PIMPOLLA A6	IPL	65%	Exploration concession	300
	PIMPOLLA A7	IPL	65%	Exploration concession	300
	PIMPOLLA A8	IPL	65%	Exploration concession	300
	TITIRUTA 2, 1-20	SMEAL	100%	Mining claim	57
	RENACIMIENTO 1-10	JSR	65%	Exploitation Concession	44
	ESCONDIDA 1-10	ADC	65%	Exploitation Concession	50
	BANDERITA 1-5	SLM BANDERITA	100%	Exploitation Concession	5
	RESGUARDO 1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14 y 20	SLM RESGUARDO	100%	Exploitation Concession	60
	RESGUARDO 9, 10, 11, 15, 16, 17, 18 y 20	SLM RESGUARDO	100%	Exploitation Concession	40
	CONEJA 1-10	SMEAL	100%	Exploitation Concession	100
	COTOTO 1, 1-60	IPL	100%	Mining Claim	300
	COTOTO 2, 1-60	IPL	100%	Mining Claim	300
	COTOTO 3, 1-60	IPL	100%	Mining Claim	300
	COTOTO 4, 1-60	IPL	100%	Mining Claim	300
	COTOTO 5, 1-60	IPL	100%	Mining Claim	300
	COTOTO 6, 1-60	IPL	100%	Mining Claim	300
	COTOTO 7, 1-60	IPL	100%	Mining Claim	300
	COTOTO 8, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 1, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 2, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 3, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 4, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 5, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 6, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 7, 1-60	IPL	100%	Mining Claim	300
	PIMPOLLA 8, 1-60	IPL	100%	Mining Claim	300
	BLANCA 1	SMEAL	100%	Mining Petition	200
	BLANCA 2	SMEAL	100%	Mining Petition	300
	BLANCA 3	SMEAL	100%	Mining Petition	300
	BLANCA 4	SMEAL	100%	Mining Petition	300
	BLANCA 5	SMEAL	100%	Mining Petition	300
	BLANCA 6	SMEAL	100%	Mining Petition	300
	BLANCA 7	SMEAL	100%	Mining Petition	300
	BLANCA 8	SMEAL	100%	Mining Petition	300
	BLANCA 9	SMEAL	100%	Mining Petition	300
FRONTERA	LA UNION 1-2	Compañía Minera Taruca SCM	100%	Exploitation Concession	10
	JOTA 1	Compañía Minera Taruca SCM	100%	Mining Claim	1
	MADRID 1	Compañía Minera Taruca SCM	100%	Mining Petition	100
	MADRID 2	Compañía Minera Taruca SCM	100%	Mining Petition	300



Qualifying Statements

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.



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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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). <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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- 	<ul style="list-style-type: none"> 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



Criteria	JORC Code explanation	Commentary
	<p><i>sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>internal diameter). Diamond drilling was double tube. Diamond core was oriented by the Reflex ACT III core orientation tool.</p>
<p>Drill sample recovery</p>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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.
<p>Logging</p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or</i> 	<ul style="list-style-type: none"> • 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



Criteria	JORC Code explanation	Commentary
	<p><i>costean, channel, etc) photography.</i></p> <ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>stored on the company's data server.</p> <ul style="list-style-type: none"> 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.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> 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"). <ul style="list-style-type: none"> 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.
<p>Quality of assay data and laboratory</p>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered</i> 	<ul style="list-style-type: none"> 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:



Criteria	JORC Code explanation	Commentary
<p>tests</p>	<p><i>partial or total.</i></p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> sample crushed to 70% > 2mm, riffle split off 1kg, pulverize split to > 85% passing 75 microns Analytical Technique involved: <ul style="list-style-type: none"> 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.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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
		<p>the database.</p> <ul style="list-style-type: none"> 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.
<p>Location of data points</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
	<i>orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<p>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.</p> <ul style="list-style-type: none"> • Drilling orientation and subsequent sampling is unbiased in its representation of reported material.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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
		<p>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:</p> <ul style="list-style-type: none"> a. 2% over all metals different from gold (ie. copper). b. 4% over gold. c. 5% over non-metallic. <p>2. All of the above are calculated over effective mineral sold.</p> <ul style="list-style-type: none"> • 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).
<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Exploration at the Productora Project has been completed by: <ul style="list-style-type: none"> ○ CCHEN (Chilean Nuclear Commission) in the late 1980's: <ul style="list-style-type: none"> ▪ 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 <ul style="list-style-type: none"> ▪ Compilation of mapping, surface geochemical sampling, ground geophysics (IP), percussion drilling. ○ Thesis (Colorado School of Mines), 1990's <ul style="list-style-type: none"> ▪ Thesis completed which involved field mapping, laboratory studies (petrology, whole rock geochemistry, geochronology, x-ray diffraction, sulphur isotope analysis).
<p>Geology</p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • 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.



Criteria	JORC Code explanation	Commentary								
		<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A complete list of all holes reported as significant exploration results are provided in Productora Project- New Significant Drilling Intersections table This listing includes: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>From</th> <th>To</th> <th>Interval</th> <th>Grade Cu%</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> 	From	To	Interval	Grade Cu%				
From	To	Interval	Grade Cu%							



Criteria	JORC Code explanation	Commentary																
	<p>results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<table border="1"> <tr> <td>236</td> <td>240</td> <td>4</td> <td>0.623</td> </tr> <tr> <td>240</td> <td>241</td> <td>1</td> <td>0.25</td> </tr> <tr> <td>241</td> <td>242</td> <td>1</td> <td>0.451</td> </tr> <tr> <td>242</td> <td>243</td> <td>1</td> <td>0.861</td> </tr> </table> <p>Weighted average = $((4 \times 0.623) + (1 \times 0.25) + (1 \times 0.451) + (1 \times 0.861)) / (4+1+1+1) = 7m @ 0.58\% Cu$</p> <ul style="list-style-type: none"> 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 	236	240	4	0.623	240	241	1	0.25	241	242	1	0.451	242	243	1	0.861
236	240	4	0.623															
240	241	1	0.25															
241	242	1	0.451															
242	243	1	0.861															
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> 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 volcanoclastic 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Refer to figures in announcement. A plan view of reported significant intersection drillhole collar locations is included. 																
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should 	<ul style="list-style-type: none"> 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
	<p><i>be practiced to avoid misleading reporting of Exploration Results.</i></p>	<p>reported as well as high grade intersections grading > 0.5% Cu.</p> <ul style="list-style-type: none"> Unmineralised intervals < 0.2% Cu have not been reported.
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Other exploration data available: <ul style="list-style-type: none"> 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)
<p>Further work</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Name of entity

Hot Chili Ltd

ABN

91 130 955 725

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(5918) (513) (912)	(13,891) (2,672) (2,163)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	58	106
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other GST	63	21
	(7,222)	(18,599)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(315) (41)	(315) (67)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	(356)	(382)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(7,578)	(18,981)



1.13	Total operating and investing cash flows (brought forward)	(7,578)	(18,981)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,924	16,586
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Cost of capital raising	(64)	(765)
1.19	Other (provide details if material)		
Net financing cash flows		2,860	15,821
Net increase (decrease) in cash held		(4,718)	(3,160)
1.20	Cash at beginning of quarter/year to date	12,782	11,112
1.21	Exchange rate adjustments to item 1.20	134	246
1.22	Cash at end of quarter	8,198	8,198

Payments to directors of the entity and associates of the directors

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

		Current quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	156
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries , Directors fees and consulting fees at commercial rates

Non-cash financing and investing activities

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

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



Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	500
4.3 Production	
4.4 Administration	700
Total	1,500

Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,128	12,712
5.2 Deposits at call	70	70
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,198	12,782



Changes in interests in mining tenements

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



Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	347,732,196	347,732,196		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	14,623,310	14,623,310	20 cents	20 cents
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				



7.7	Options <i>(description and conversion factor)</i>	1,000,000		<i>Exercise price</i> 90 cents	<i>Exercisable after</i> 19/7/2012 <i>Expiry date</i> 20/7/2014
		2,200,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		500,000		One dollar	<i>Exercisable after</i> 29/1/2014 <i>Expiry date</i> 30/1/2015
		300,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		39,754,097		75 cents	<i>Exercisable on or before</i> 30/11/2014
7.8	Issued during quarter				
7.9	Exercised during quarter	14,623,310		20 cents	3/11/2013
7.10	Expired/Cancelled during quarter	500,000		\$1	<i>Exercisable after</i> 26/9/2014 <i>Expiry date</i> 26/9/2015
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				



Compliance statement

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

Sign here: Date 31/1/2014

(Company secretary)

Print name: John Sendziuk.....

Notes

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

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