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QUARTERLY REPORT

Period Ending March 31st 2014

Highlights

- **First open pit Ore Reserve estimate for Hot Chili's flagship Productora project of 90.5Mt grading 0.48% copper, 0.1g/t gold and 172 ppm molybdenum.**
- **Productora resource now stands at 214.3Mt grading 0.48% copper, 0.1g/t gold and 138ppm molybdenum, for contained metal of 1.01Mt of copper, 675,000 oz of gold and 29,000 t of molybdenum.**
- **Maiden copper-gold resource established at Frontera of 50.5Mt grading 0.4% copper and 0.2g/t gold.**
- **Hot Chili's total coastal copper resource inventory (Productora and Frontera) now stands at 264.8Mt grading 0.46% copper, 0.1g/t gold for 1.22Mt of copper metal and 1.03Moz of gold.**
- **Drilling now aimed at further resource and reserve growth. Multiple near-pit resource extensions at Productora to be drill tested following recent discoveries at Habanero and Rocoto.**

RC drill rig in operation at the Productora copper project



ASX Code

HCH

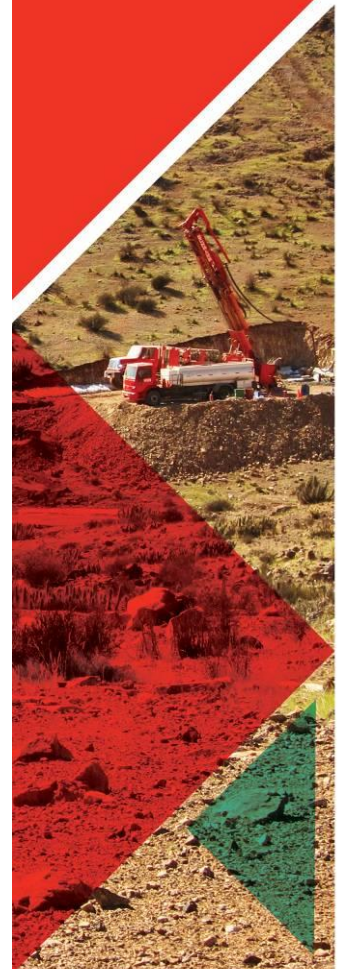
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Summary of Activities

The first quarter for 2014 has seen several major milestones successfully achieved by the Company. Activities were focussed towards completion of a maiden Ore Reserve estimate and Mineral Resource revision at the company's flagship Productora copper project.

A maiden Ore Reserve estimate of 433,000t of copper, 308,000oz of gold and 15,500t of molybdenum was completed for the Productora project in Chile. The Productora open pit Ore Reserve underpins a substantial initial mine life of 9 years which is set to see significant growth during 2014 and paves the way for Hot Chili to complete its Pre-feasibility study on Productora later this year.

The first Ore Reserve marks a major milestone in the growth and development of a new long-life, low-cost, bulk-tonnage Chilean copper mine.

During the quarter Hot Chili also grew the Mineral Resources at Productora to over 1 million tonnes of contained copper and 675,000 ounces of gold.

A maiden Mineral Resource at the company's Frontera Copper Project was also reported during the quarter.

The resource at Frontera, equates to an estimated 50.5 million tonnes at 0.4% copper and 0.2g/t gold for 187,000t of copper and 356,000oz of gold, and advances company's objective towards establishing a Chilean coastal range copper production hub

Hot Chili now has a total Chilean coastal resource base of more than 1.2 million tonnes of copper and 1 million ounces of gold based on the combination of Productora and Frontera.





The Productora copper project in Chile continues to strengthen, with the discovery of another large zone of copper-gold mineralisation early in the quarter. The latest drilling results at Productora have outlined a substantial new copper-gold zone, known as Rocoto, immediately below the planned central pit design.

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 high priority targets during 2014.

The Company is now set to deliver significant growth at Productora during 2014 through:

1. Capture of a major copper oxide opportunity- A study is underway to assess the potential for including a large copper oxide project to the Productora development. This was not previously considered and may significantly reduce the project's capital cost, overall strip ratio and provide an additional early revenue stream.
2. Drilling targeting large resource growth opportunities- Several near-pit resource extensions and new exploration targets are planned to be drilled in the coming months. Advanced targeting techniques (responsible for identifying the Habanero and Rocoto extensions) have unlocked a new phase of discovery at Productora.

Hot Chili made further significant progress during the quarter in its infrastructure negotiations with project partner Compañía Minera del Pacífico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business.

In addition, Hot Chili is facilitating due diligence enquiries by several parties who are engaged in discussions associated with the Company's financing requirements.

PROJECT ACTIVITIES

Productora Copper Project

Maiden Reserve for Productora Copper Project

During the quarter Hot Chili focussed its development study activities on successfully completing the first open pit Ore Reserve for Productora. This work now underpins the first nine years of mine life for the Company's sulphide operational plans from a single central pit.

The Ore Reserve estimate was completed by leading independent Chilean mining engineering firm NCL Ingeniería y Construcción SpA (NCL) and is summarised in table 1 below.



Table 1 - Productora Open Pit Probable Ore Reserve Statement- 31st March 2014

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

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC code 2012 guidance on mineral resource and ore reserve reporting.

Note 2: Average recoveries applied to Probable Ore Reserve estimate are: Fresh Cu- 88.8%; Fresh Au - 65%; Fresh Mo - 60%, Transitional Cu- 50%, Transitional Au- 50% and Transitional Molybdenum- 50%. Payability factors applied for Cu- 96.5%, Au- 78% and Mo- 98%

Hot Chili is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Hot Chili confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

Key focus areas in completing the first Ore Reserve estimate included geotechnical characterisation and slope angle design, mining methodology, mining cost estimation, mine optimisation and design, dilution studies and metallurgical assessment.

This was also supported by work completed by Ausenco at Scoping study level, and by benchmarking studies undertaken against several similar copper operations in Chile.

The Probable Ore Reserve was estimated using price assumptions of US\$3.00/lb copper, US\$1,250/oz gold and US\$10/lb molybdenum and an exchange rate (AUD:USD) of 0.88.

Studies have indicated that bulk tonnage mining utilising large fleet selection is optimal for the mining development of Productora.

At this stage, Hot Chili has only estimated an Ore Reserve for the central pit development at Productora and no copper oxide resources have been included within the Ore Reserve estimate. Excluding consideration of oxide resources from within the pit design, strip ratio is determined to be approximately 4:1. The recovery of any oxide resources into future Ore Reserve estimates has the potential to reduce overall strip ratio at Productora.

Metallurgical recoveries have been conservatively applied having consideration for benchmarking of other similar Chilean copper operations and limited test work results already achieved. No transitional ore type was used to drive pit optimisations ensuring the pit design process was considered robust against fresh sulphide ore types only.



Figure 1 displays a view of the central pit design which contains the first Ore Reserve estimate for Productora.

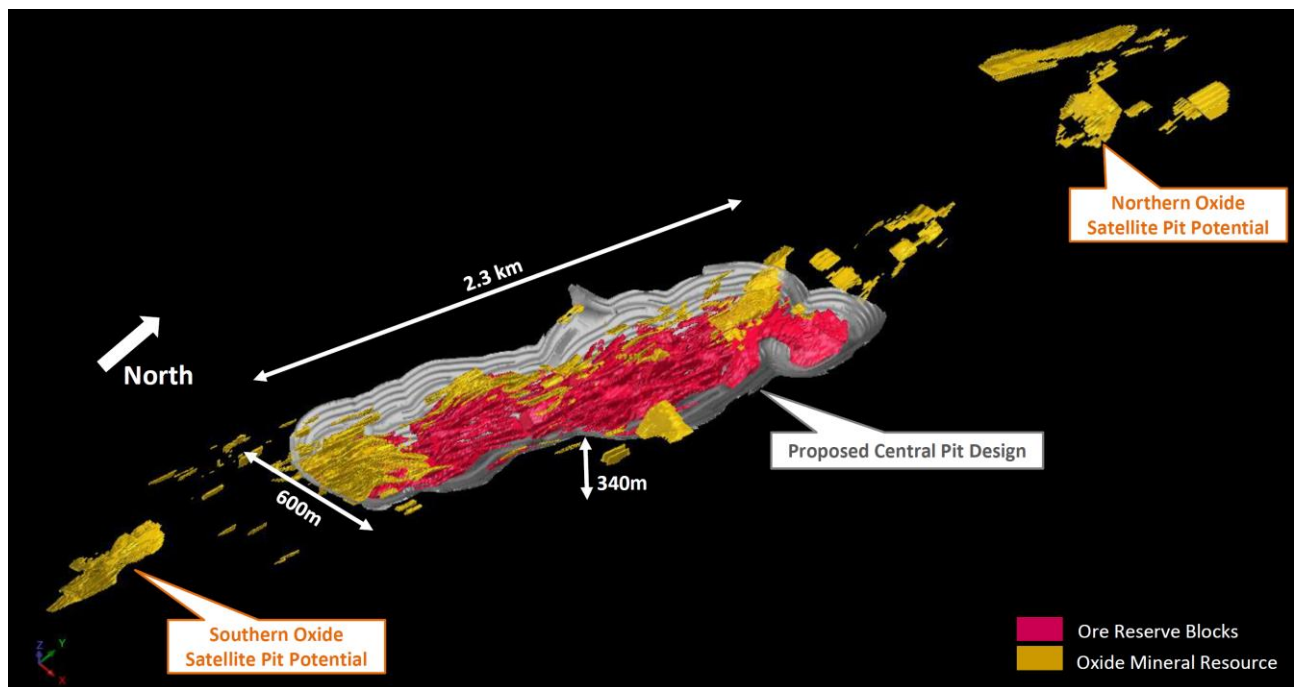


Figure 1 Central pit design displaying Ore Reserve blocks (pink) against oxide Mineral Resource block (yellow). Oxide Mineral Resources are currently considered waste within the Ore Reserve central pit design.

The second quarter will see the Company undertake mine scheduling and financial modelling in advance of planned project optimisation exercises for Productora. These exercises will investigate throughput optimisation and project right-sizing. Development studies will be expanded to also include the assessment of adding a potential copper oxide project to Productora.

Major Copper Oxide Project Opportunity Identified

A major copper oxide opportunity has been identified at Productora which has the potential to significantly reduce pre-strip capital expenditure and overall strip ratios, and add another revenue stream to the front-end of the project. Copper oxide resources were not previously considered in the Company's sulphide operational plans for Productora.

The Productora Mineral Resource estimate contains copper oxide resources of 25.6Mt grading 0.52% copper, 0.09g/t gold and 63ppm molybdenum for 132,000 tonnes of copper metal, 76,000 ounces of gold and 2,000 tonnes of molybdenum from surface. The in-pit portion (currently not considered in the current Ore Reserve) represents 15.4Mt grading 0.58% copper, 0.1g/t gold and 87ppm molybdenum.



Hot Chili has undertaken early geochemical analysis to understand the distribution and mineralogy of copper oxide species within the resource. Preliminary acid consumption and sequential acid digest tests have been completed.

Work to date has indicated that the copper oxide Mineral Resource has potential to be economically exploited. Large-scale, low-grade treatment of favourable copper oxide ore types is typical of many Chilean copper operations.

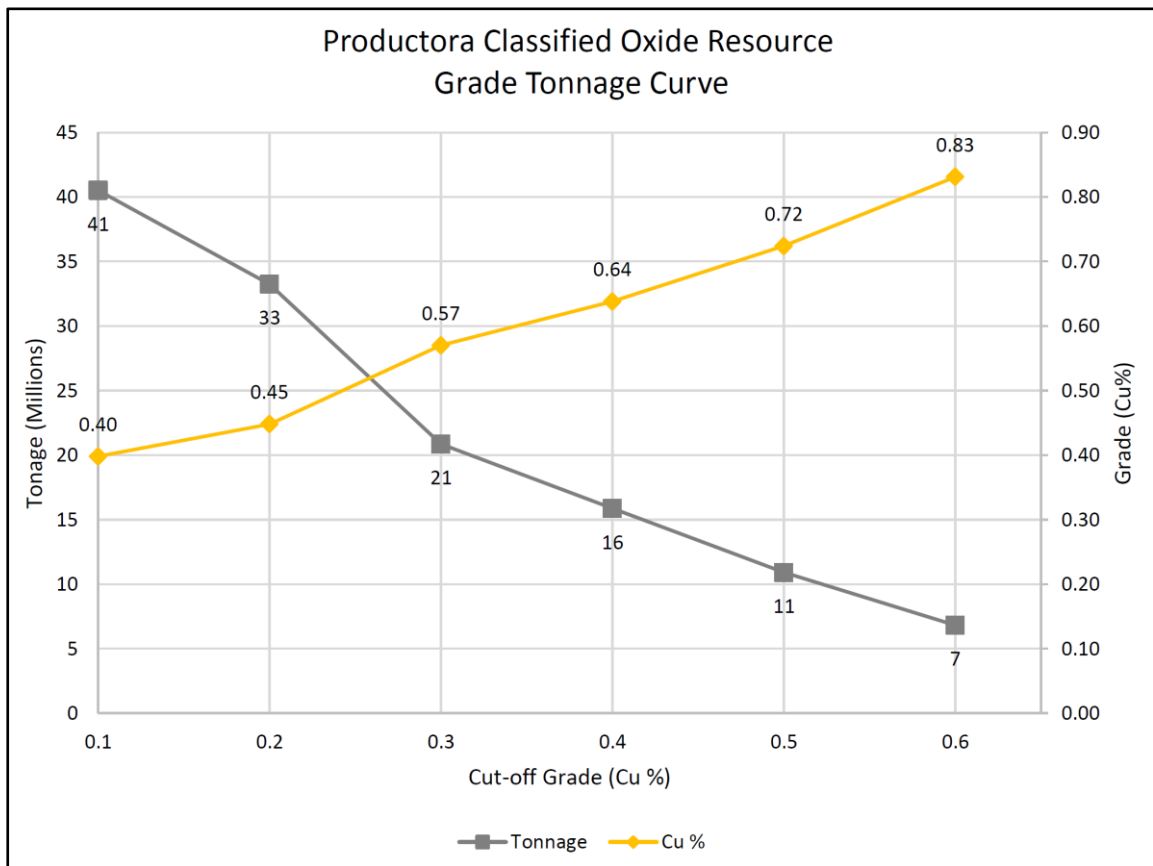


Figure 2 Grade-Tonnage curve of total copper oxide resource base at the Productora copper project as reported March 2014.

Copper oxide resources as shown in Figure 2 provide scalability at lower cut-off grades should further study into low-cost leaching options prove successful. Multiple pit optimisation scenarios using conservative benchmark comparisons to other Chilean oxide leaching operations have highlighted the potential for several satellite pits to become available north and south of the central pit design.

Copper oxide Mineral Resources at Productora now represents one of the largest recently identified opportunities at the project.



The Company is planning to initiate a detailed study into the definition of a potential copper oxide project for Productora during 2014. This work will also involve an escalation in study and analysis of transitional sulphide resources in order to demonstrate a robust definition for early revenue stream.

Bulk Tonnage Resource Grows to Over 1 Million Tonnes of Copper Metal

The Productora Mineral Resource estimate was completed by Hot Chili in co-operation with independent consultants Coffey Mining Pty Ltd (Coffey) and is summarised in Table 2 below. The resource estimate utilises a total drilling inventory of 905 holes for a cumulative 238,185m of drilling (211,708.5m Reverse Circulation (RC) and 26,476.5m of diamond (DD)).

The resource has been estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

Table 2 - Productora Mineral Resource Statement - 31st March 2014

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

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting.

Hot Chili is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Hot Chili confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

The Mineral Resource estimate has seen a 90% increase in Indicated resources since the first major revision released in February 2013. Copper metal at Productora is now classified as 78% Indicated and 22% Inferred.

The current Mineral Resource has involved a complete revision of the entire resource model to standardise a nominal +0.1%, +0.2% and +0.3% copper grade shell model that was utilised to constrain the block model Mineral Resource estimation.

Capturing the low-grade copper material at Productora has allowed a bulk tonnage mining methodology to be utilised and accurate dilution studies to be undertaken to assist in developing an optimal pit design.

Figure 3 below summarises the grade-tonnage curve for the Productora Mineral Resource estimate using varying minimum cut-off grade reporting.

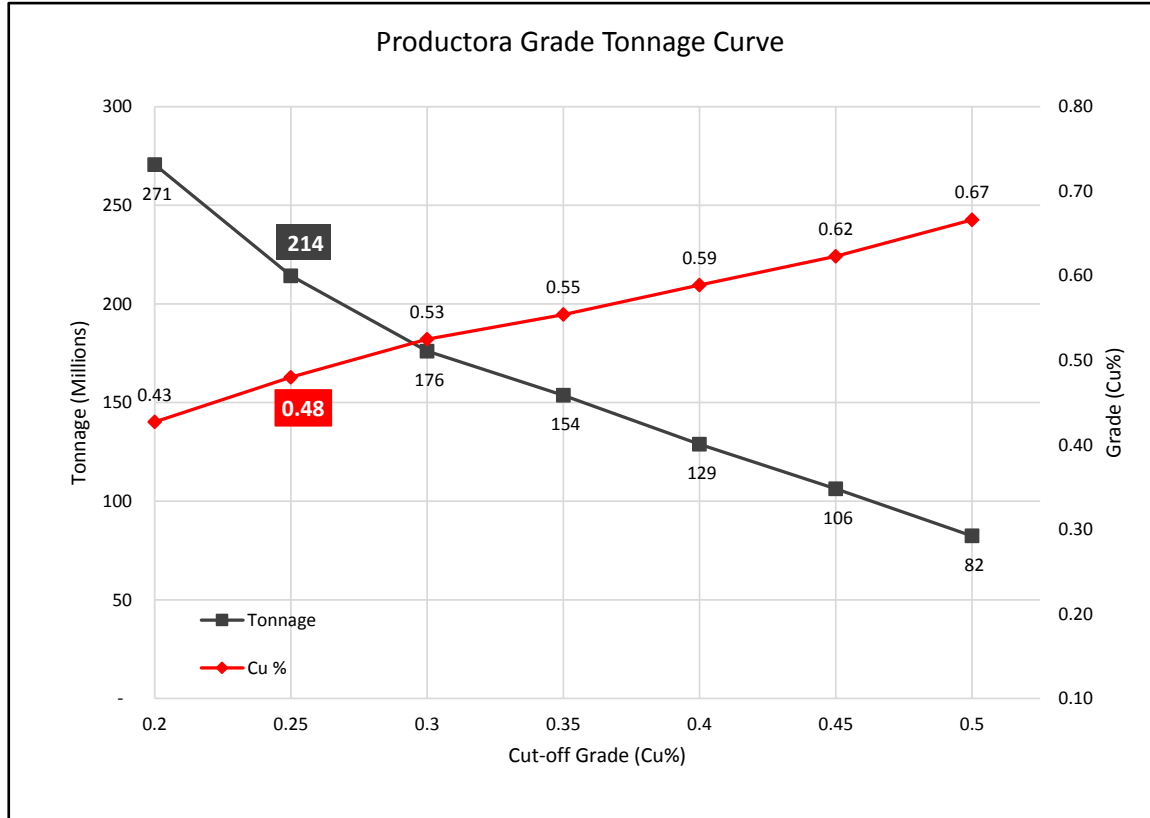


Figure 3 Grade-Tonnage curve of the total Mineral Resource estimate for the Productora copper project as reported March 2014.



Rocoto Discovery- Advanced Targeting Technique proven as drilling confirms new discovery zone

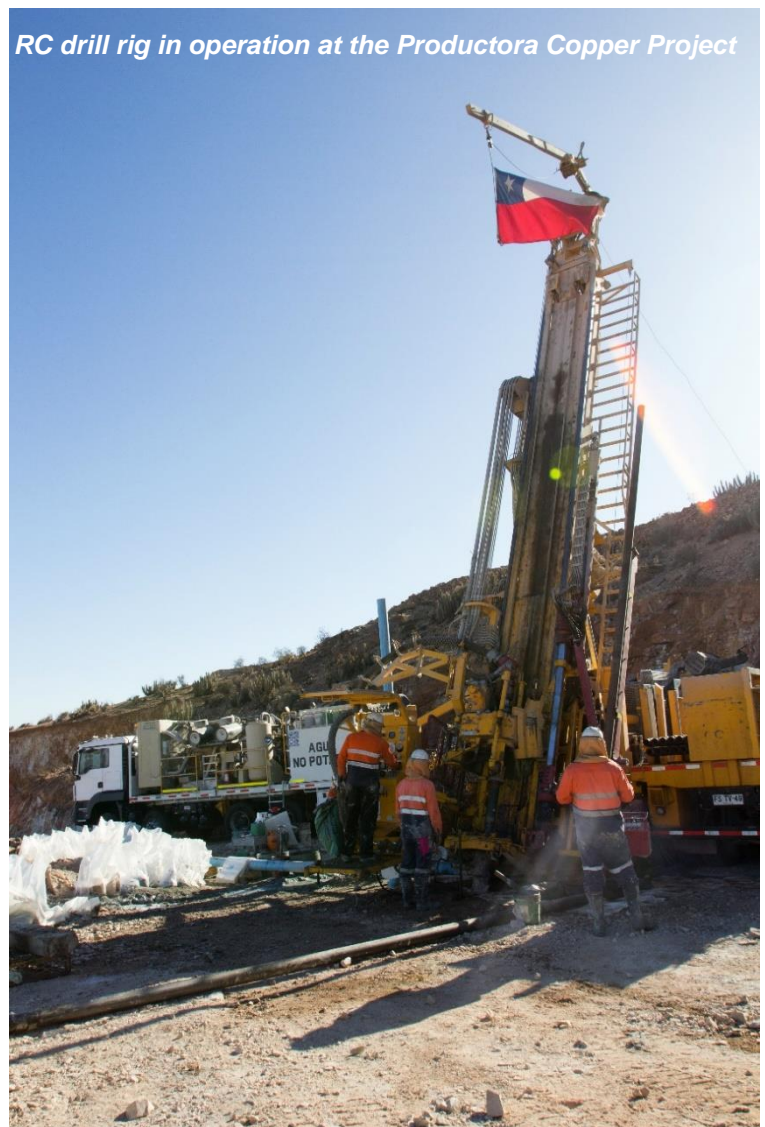
During the second half of 2013, Hot Chili's generative geology team completed a targeting review of the Productora copper project. A 3D alteration model was constructed through consolidation and interrogation of datasets, which highlighted strong alteration associations to copper metal at Productora. A total of eight targets were identified from this alteration targeting technique.

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 intersected.

A second round of drill testing of alteration targets late in 2013 resulted in the discovery of a second large-scale, copper-gold zone named Rocoto, located immediately below the planned central pit design.

A large drilling programme will be directed towards defining additional resources for incorporation into the planned central pit in 2014. The planned growth in resources will aid in finalising a pre-feasibility reserve base.

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, an 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 second quarter once environmental approvals are in place.



Productora Pre-feasibility Study Completes First-pass Optimisation Studies

Late in 2013 the Company commenced preparations for throughput optimisation studies in advance of re-commencement of Pre-feasibility studies. Optimisation studies continued this quarter, with a project optimisation workshop planned for the second quarter 2014.

Following successful completion of the maiden Ore Reserve estimate the Company is well positioned to produce an optimal Pre-feasibility study outcome.



Figure 4 Productora infrastructure location plan

Joint Infrastructure Negotiations

Hot Chili made further significant progress during the quarter in its infrastructure negotiations with project partner Compañía Minera del Pacifico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business.

These key negotiations, which are aimed at establishing a joint infrastructure agreement for the Productora copper project, are now well advanced, with due diligence expected to be completed shortly.



Frontera Copper Project

First Resource at Frontera

During the quarter a maiden Mineral Resource estimate for Frontera comprising 50.5Mt grading 0.4% copper and 0.2g/t gold for 187,000 tonnes of copper and 356,000 ounces of gold was reported.

The first resource estimate was confined to leases located within the centre of a larger identified cluster of copper-gold porphyries. The current Frontera mineralisation is open at depth and further drilling may extend the resource beyond the Company's land position. Efforts to expand the Company's landholding are being pursued through discussions with surrounding landholders.



Frontera Copper Project adjacent to Pan American Highway, looking south

The Mineral Resource estimate was completed by Hot Chili in co-operation with independent consultants Coffey Mining Pty Ltd (Coffey) and is summarised in Table 3 below. The resource has been estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).



Table 3 - Frontera Mineral Resource Statement - 11th March 2014

Frontera Resource					
Classification (>0.25% Copper)	Tonnage	Grade		Contained Metal	
		Cu %	Au g/t	Copper (tonnes)	Gold (ounces)
Indicated	16,100,000	0.4	0.2	61,000	116,000
Inferred	34,400,000	0.4	0.2	125,000	239,000
Total	50,500,000	0.4	0.2	187,000	356,000

Note 1: Figures in the above table are rounded, reported to one significant figure, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting.

Hot Chili is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Hot Chili confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

Figure 5 illustrates the distribution of grade and tonnes within the resource estimate using increasing minimum copper cut-off grade.

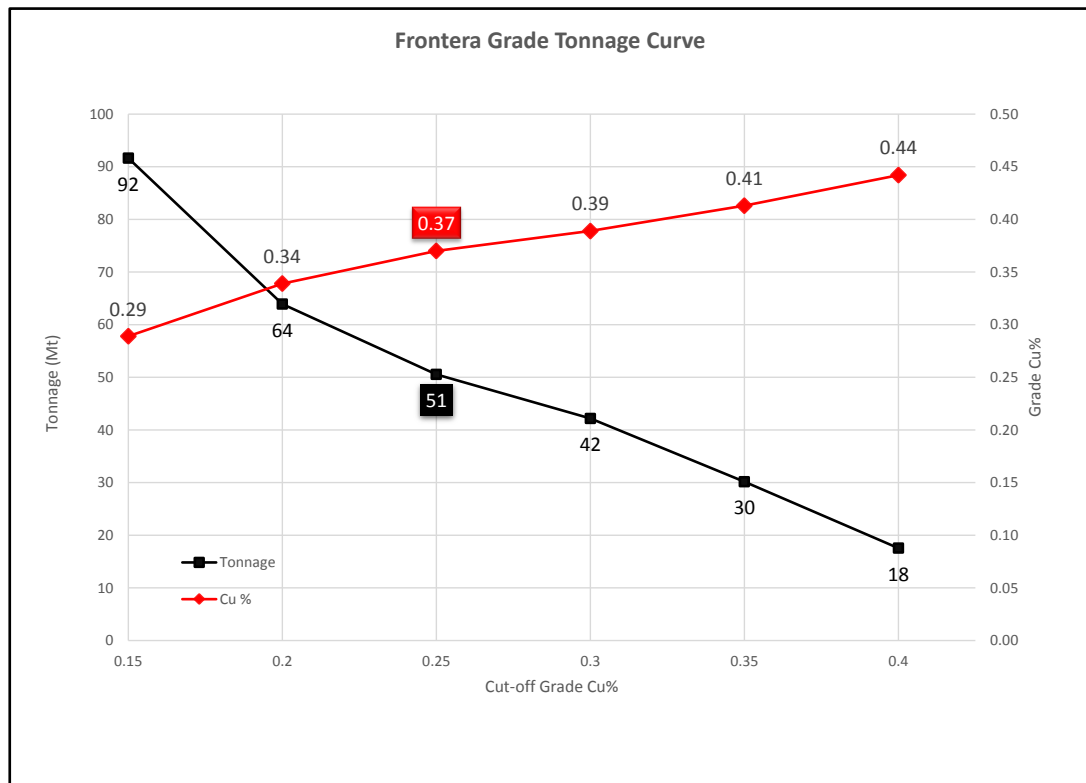


Figure 5 - Distribution of grade and tonnes with increasing copper cut-off grade



The resource extends from surface with transitional and sulphide material dominant and accessible from near-surface. Frontera 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 complex intruded by multiple phases of dioritic porphyry intrusions. Copper and gold mineralisation is commonly located in, or proximal to, potassic alteration zones characterised by intense veining and biotite-magnetite alteration.

Health, Safety, Environment and Quality

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

The company is pleased to report that there were no Incidents recorded for the quarter.

Highlights of the Company's HSEQ quarterly performance include:

- Risk and environmental control planning for 2014 completed:
 - Secure alignment with action plans derived from drilling applications
 - Schedule practical actions during normal operation to ensure operational continuity through environmental compliance
- Engagement with Environmental Authorities to discuss progress of proposed drilling approval assessment.
- Implementation of risk control for soil geochemical campaigns at Los Mantos and Banderas projects
- Re-induction of all site staff and contractors following Christmas break period
- Assessment of the waste storage facility at Productora

HSEQ Quarter 1 2014 Performance and Statistics

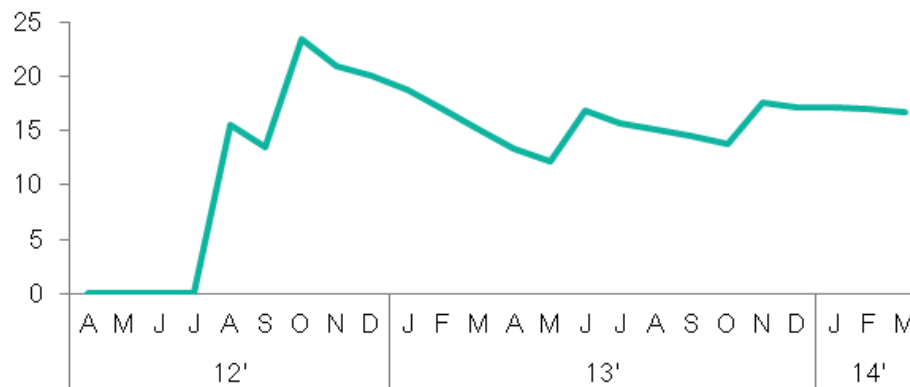
Item	Jan- Mar-14	Cumulative
LTI events	0	4
NLTI events	0	0
Days lost	0	126
LTIFR index	0.0	16.8



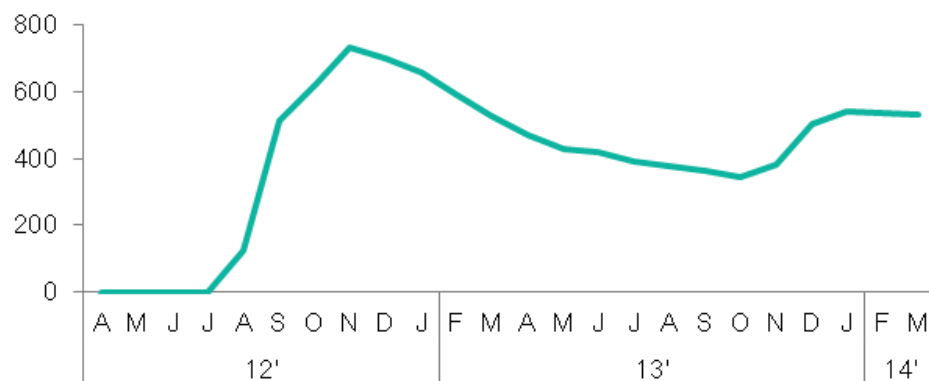
Item	Jan- Mar-14	Cumulative
IFR index	0.0	16.8
ISR index	0.0	536.1
Thousands of mh (1)	28.1	237.4
Material incidents	3	3
Environmental accidents	0	0
Headcount (2)	14	-

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Statistics monthly reported to the national Mine Safety Authority through an E-100 form; (1) man-hours; (2) Average headcount 2012: 47; (3) cumulative stats since JAN/2012

Cumulative LTIFR (staff and contractors)



Cumulative Injury Severity Rate (ISR) (staff and contractors)





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
	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



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	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
	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



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	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



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	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
	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



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	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
	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



Project	Licence ID	Holder	% Interest	Licence Type	Area (ha)
	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

Competent Person's Statement- *Exploration Results*

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

Competent Person's Statement- *Mineral Resources*

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

Competent Person's Statement- *Ore Reserves*

The information in this report that relates to Productora Ore Reserves is based on information compiled by Mr Carlos Guzmán who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Registered Member of the Chilean Mining Commission (RM- a 'Recognised Professional Organisation' within the meaning of the JORC Code 2012) and a full time employee of NCL Ingeniería y Construcción SpA. NCL has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Ore Reserve estimate. Mr. Guzmán has sufficient experience which is relevant to the style of mineralisation and type of deposit under Consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guzmán consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

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

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade ore recovery rates from those



assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.



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 March 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9months) \$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	(1,444) (661) (785)	(15,335) (3,333) (2,948)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	38	144
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other GST	(13)	v 8
Net Operating Cash Flows		(2,865)	(21,464)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(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)		(382)
Net investing cash flows			(382)
1.13	Total operating and investing cash flows (carried forward)	(2,865)	(21,846)



1.13	Total operating and investing cash flows (brought forward)	(2,865)	(21,846)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		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		(765)
1.19	Other (provide details if material)		
Net financing cash flows		-	15,821
Net increase (decrease) in cash held		(2,865)	(6,025)
1.20	Cash at beginning of quarter/year to date	8,198	11,112
1.21	Exchange rate adjustments to item 1.20	113	359
1.22	Cash at end of quarter	5,446	5,446

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

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	500
4.2 Development	300
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	5,376	8,128
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)	5,446	8,198



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 <i>(description)</i>				
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				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				




	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
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				
7.10 Expired during quarter				
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 30/4/2014
 (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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