



San Antonio Rising Scale & Grade

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ASX code: HCH

16th May 2018



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Triggering a Major Re-rate

Hot Chili in 2013

- HCH **Market Capitalisation A\$250M** (Cu price US\$3.00 – 3.30/lb)
- Half the current resource base, no completed PFS, no major partner or infrastructure access

Hot Chili Now

- **Current Market Capitalisation A\$30M** fully dilute (Cu price US\$3.00 – 3.30/lb)
- **Over US\$90M invested, 1.5Mt Cu & 1.0Moz Au Resource** and infrastructure access
- **PFS complete, 10Yr mine life with Av annual EBITDA of US\$185M over life of mine at US\$3.00/lb Cu price.** Chilean major CMP as 20% contributing JV partner

Three Triggers

Copper Price

Grade

Mine Life

Rising Momentum

Copper Price



- **Set to test Bull Market conditions** ahead of looming supply deficit expected in 2020
- **Advanced large copper developments are rare**



High Grade Growth to Deliver Major Upside

Grade



Major Chilean Copper Asset - Productora



- 10 Years Mine Life
- **66kt Cu and 25koz Au** production annually over first 8 Yrs
- **Extending to +17 Yrs** Mine Life

High Grade Options Drill Ready – El Fuego



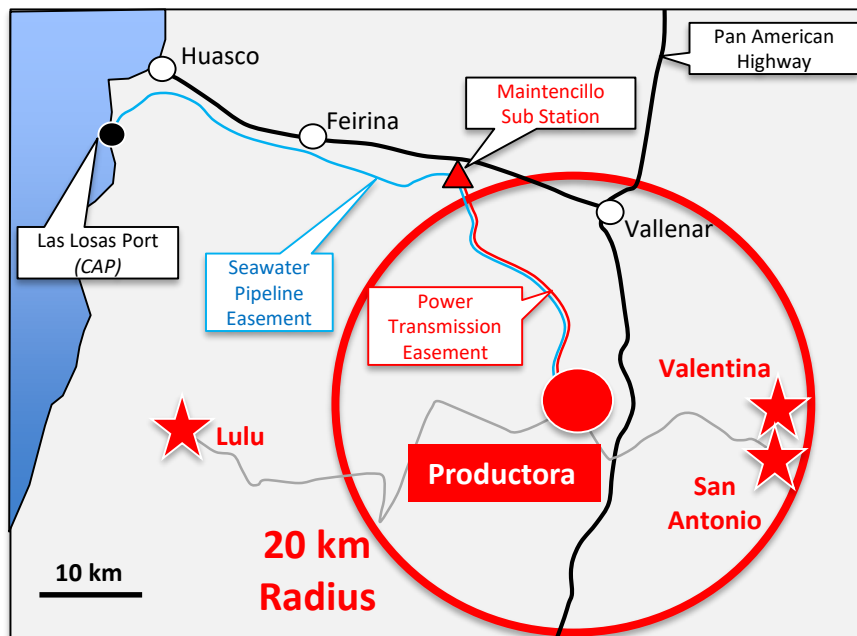
- 3 stranded copper mines
- **Historical Cu grades of 2% to 5%**
- **20km trucking distance**

Critical Mass

Mine Life



Emerging Large Coastal Operating Centre



- Taking advantage of **planned large-scale , low-cost processing facility**
- Combining **multiple ore sources to achieve higher grade and critical mass**
- **Further consolidation** being pursued

Positioning for Planned Dual Listing



- **Expanded metal production and higher margin** copper developer
- Getting set for **planned dual listing**

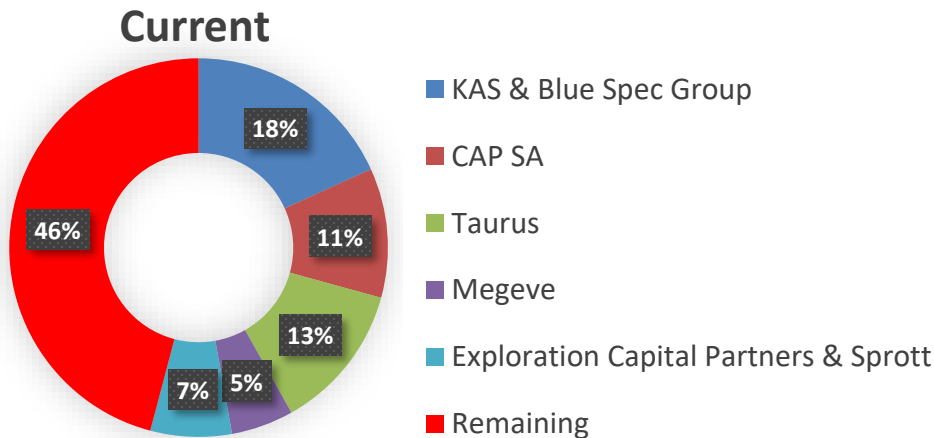
Corporate Overview



Board of Directors

| | |
|-------------------------------------|-------------------|
| Murray Black | Non Exec Chairman |
| Christian Easterday | Managing Director |
| Michael Anderson | Non Exec Director |
| Allan Trench | Non Exec Director |
| Roberto de Andraca Adriasola | Non Exec Director |
| Randall Nickson | Non Exec Director |

Substantial Shareholders

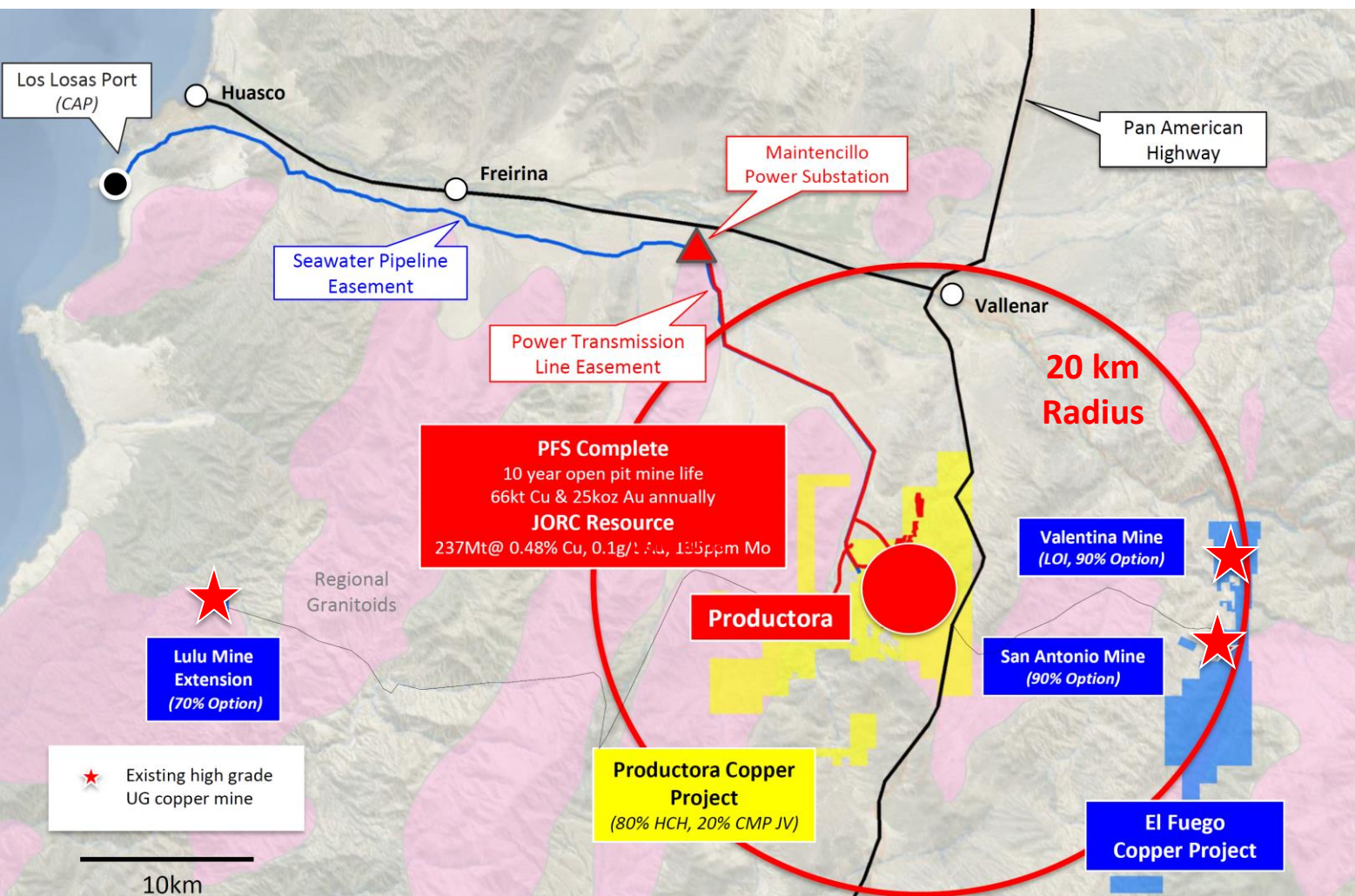


Capital Structure

| | |
|--|--|
| Issued Shares | 700.9M |
| Unlisted Options | 8.0M (10c, exp Sept 2018) 11.0 M (30c, exp Jun 2019) 20.0M (3.33c, exp Jun 2019) 52.2M (10c, exp May 2020) |
| Unlisted 5yr Convertible Notes | 112,559 (A\$100 face value) (convert @ 3.33c) |
| Share Price | A\$0.03 |
| Mkt Capitalisation | A\$21.0 M |
| Mkt Capitalisation (fully dilute) | A\$33.9M (incl Con Notes, Options) |
| Cash | A\$3.4M approx. Additional \$1.1M due post shareholder approval of Tranche 2 capital raising (EGM- 15 th June 2018) |
| Enterprise Value (EV) | A\$17.6M |
| Enterprise Value (fully dilute) | A\$30.8M |

Centre of Gravity

- Low altitude coastal range **copper operating centre**
- 700km north of Santiago Chile, **significant infrastructure advantage secured**



Productora

(Flagship JV)

- 80% HCH
- 20% CMP

El Fuego

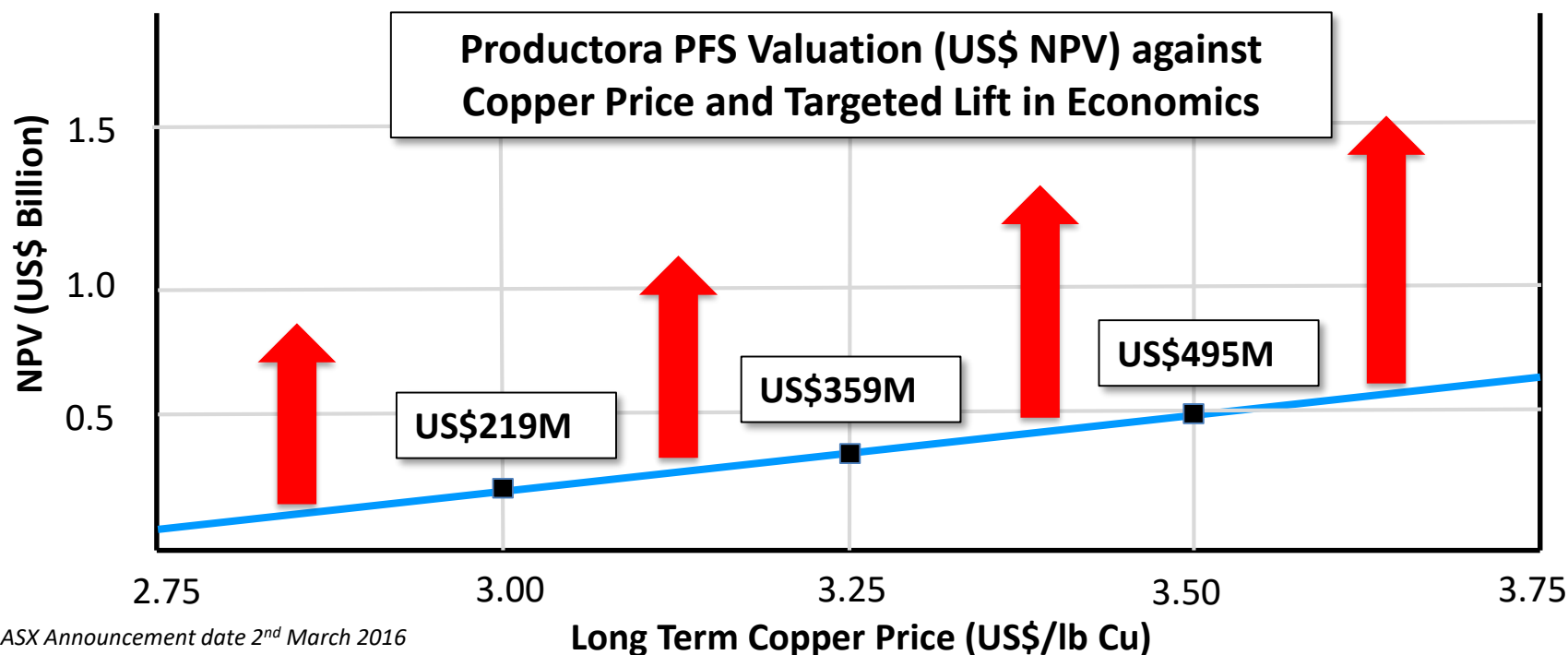
(4 Yr Options)

- San Antonio
- Valentina
- Lulu

Productora– Value Springboard



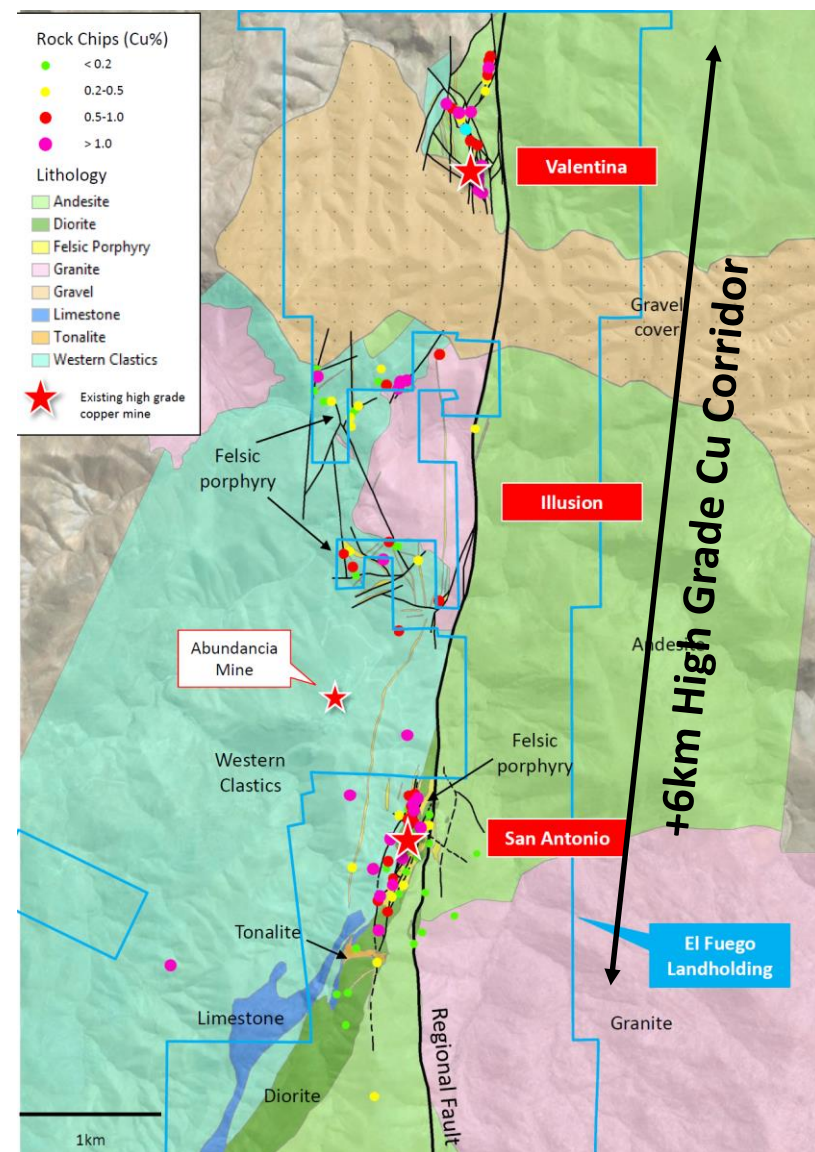
- Asset highly leveraged to **copper price**
- Economics also highly leveraged to **additional mine life** and **higher grade blend**
- **Confirming critical mass key to delivering standout economics and DFS green light**



Refer to ASX Announcement date 2nd March 2016
Independent Financial Analysis by AMEC Foster Wheeler

El Fuego – High Grade Options

- Option deals to earn controlling interest in **three high grade copper mines** combined as the El Fuego copper project
 - **San Antonio**
 - **Valentina**
 - **Lulu**
- **Family owned mines for over 50 years** with little/no modern exploration or resource drilling
- **2.5km of high priority strike potential containing historical +2 % copper mines developed from surface**



San Antonio- Scale & Grade

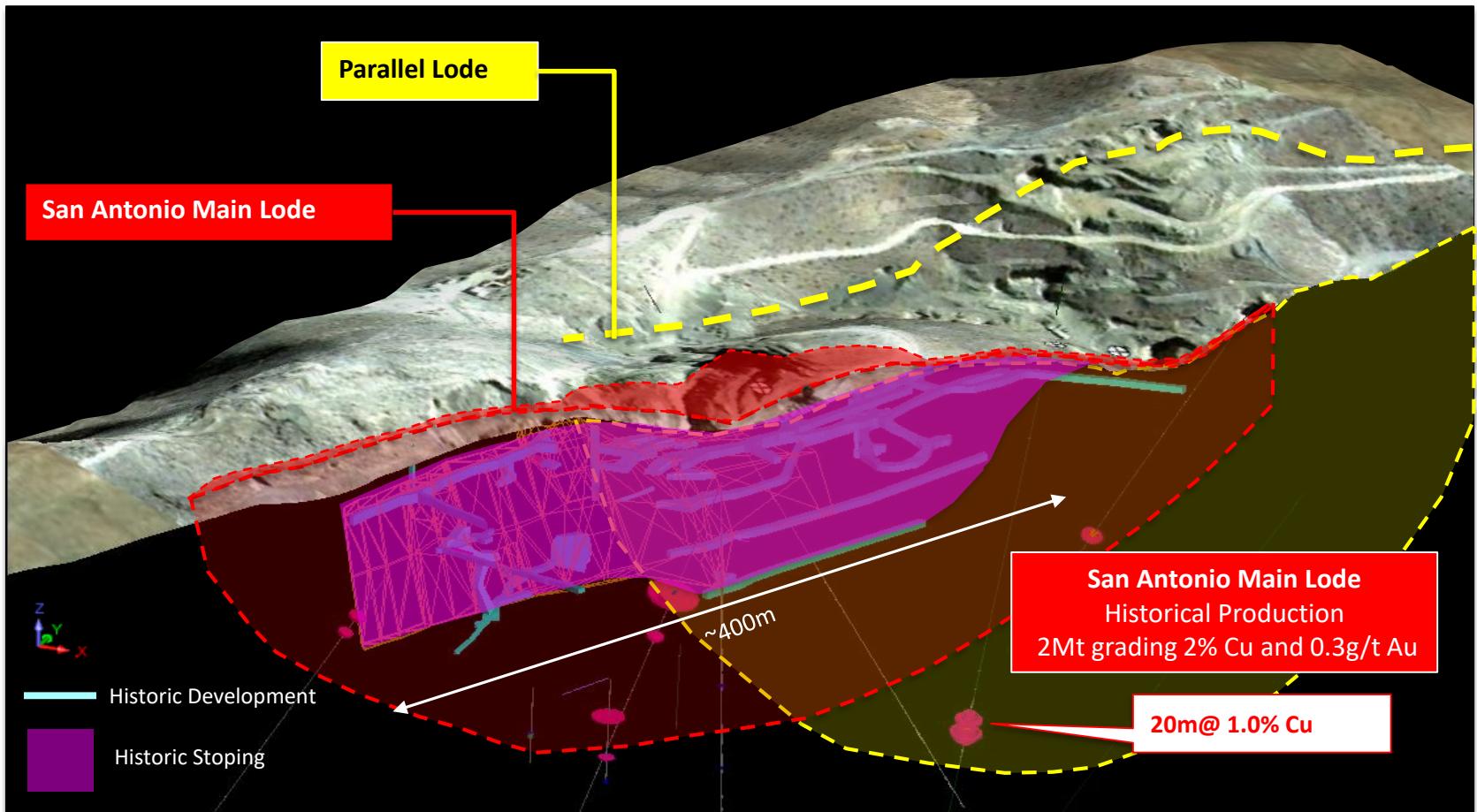


San Antonio Main Lode
Historical Production
2Mt grading 2% Cu and 0.3g/t Au
7 to 30m development widths
Mined to 130m vertical over 400m strike

- Privately owned and mined since 1964
- JV Option Agreement executed 8th Nov 2017
- **4 Yr term to earn 90% interest**
- **No payments/commitments in first 3 Yrs**
- Payment of US\$0.3M in 36 months and US\$6.7M in 48 months

Initial Mine Model

- Only 9 historical surface drill holes and limited information available.
- **Strike & depth potential untested and unknown – limited information initially**



Lease Miners Provide the Key

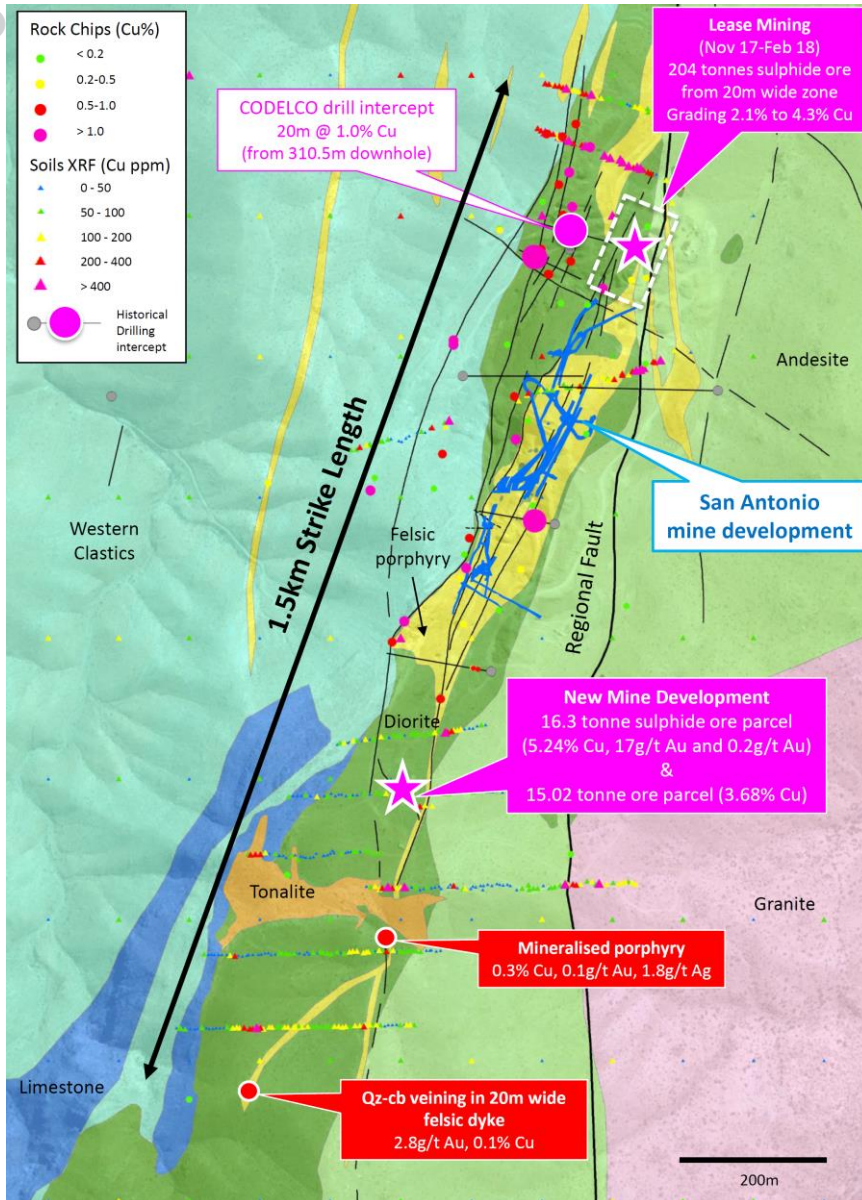
- **Lease mining allowed to continue** under capped 50ktpa arrangement during Option period
- **Sulphide copper being mined from near-surface** and processing of ore through nearby ENAMI plant
- **2- 4% Cu ore grades being exploited** from shallow depth along northern extent of mine



Note: HCH does not receive cashflows from lease mining activities

Refer to ASX Announcement dated 8th March 2018 "Miners Exploit Shallow High Grade Copper at San Antonio"

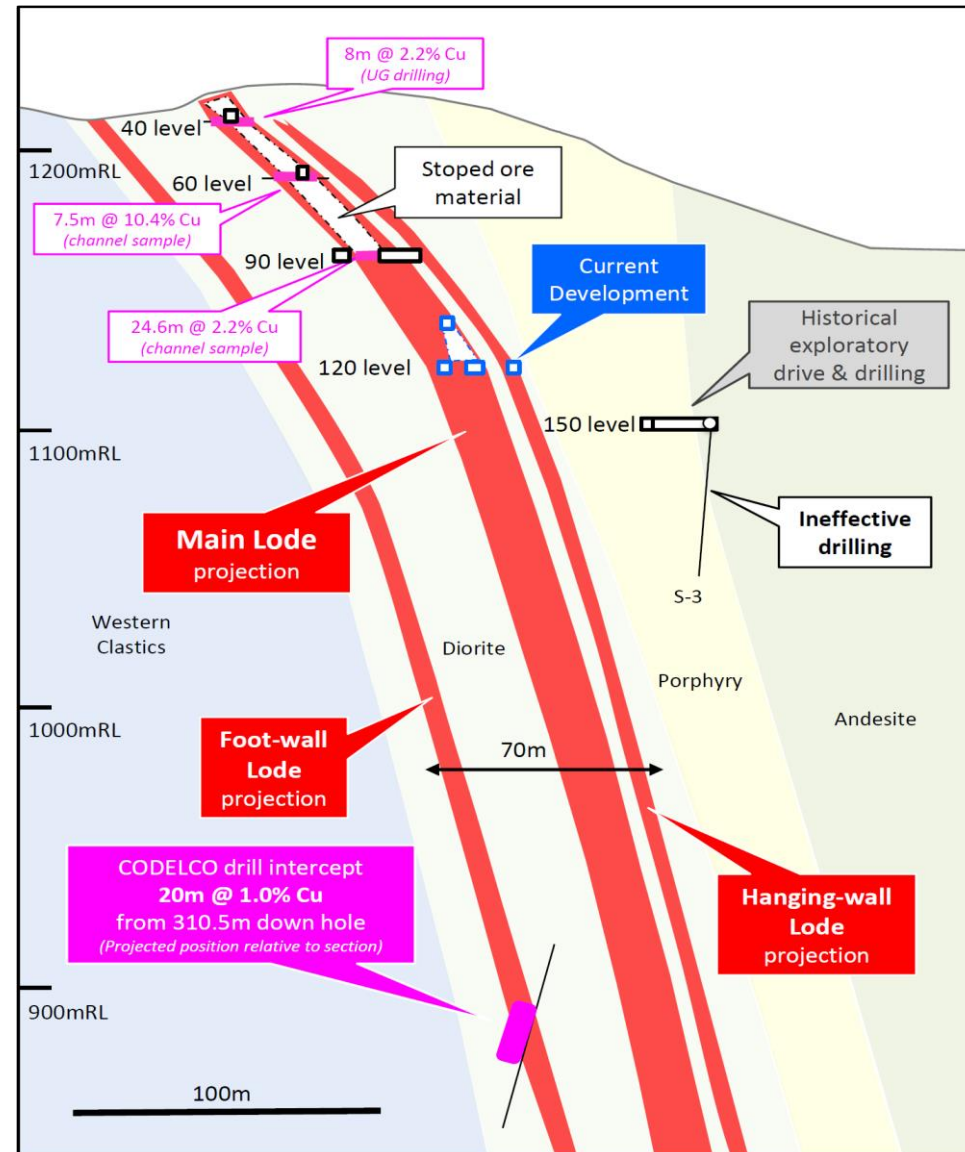
San Antonio- Bigger than First Recognised



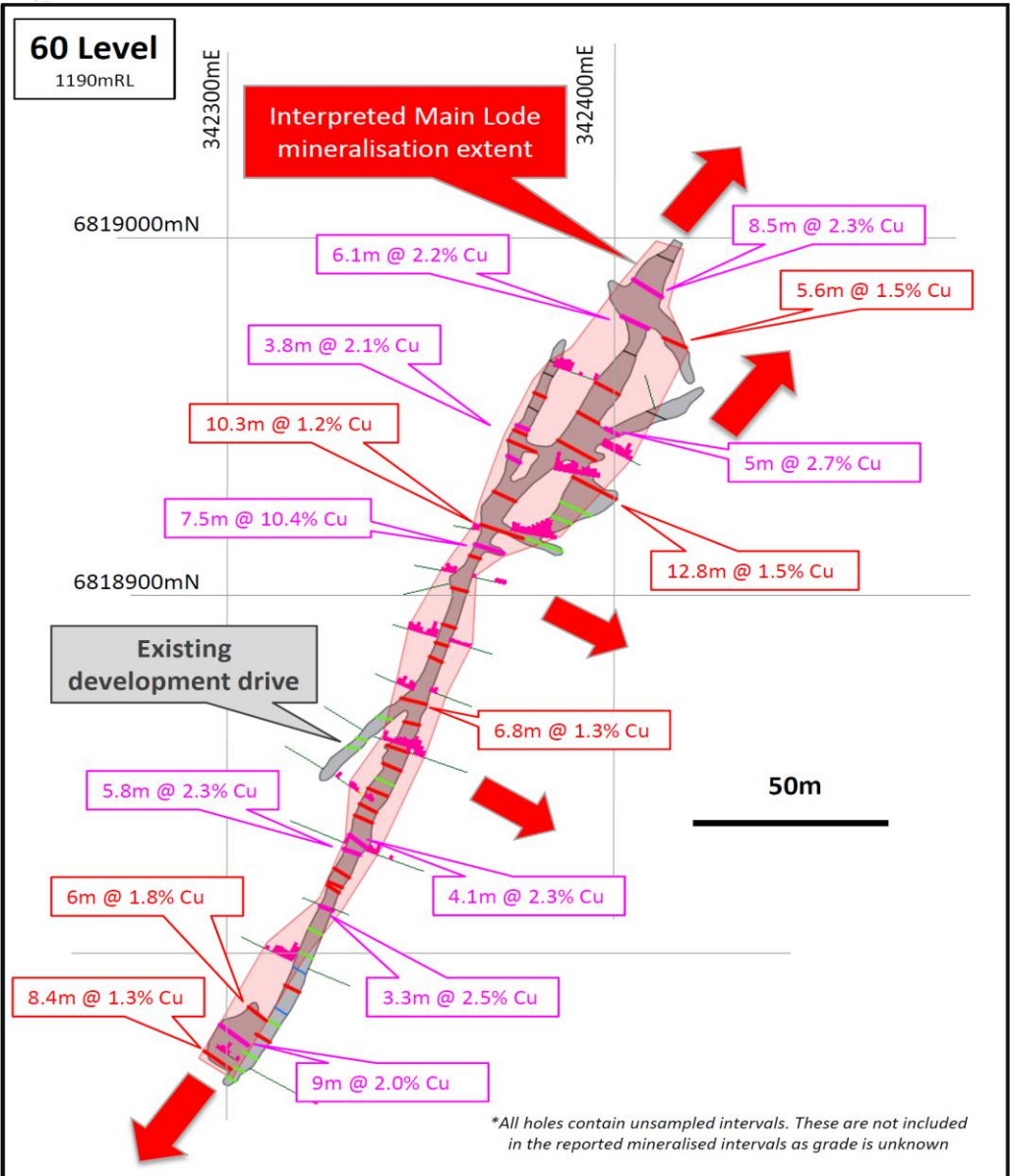
- Miners extract **16 tonne ore parcel in exploratory drive 300m south of underground**
- 5.2% Cu over 2m width from 12-15m depth** (ENAMI certified)
- Detailed mapping and sampling by HCH
- Large-scale deposit setting recognised with over 1.5km of mineralised strike extent**

Main Lode Open & Untested

- **30m wide Main Lode confirmed to Continue at depth – OPEN & UNTESTED**
- Lease Miners currently **developing direct extension of Main Lode, 110m** from surface
- **Multiple parallel Lodes confirmed** on hangingwall and footwall



San Antonio 60 Level- Main Lode



- Strong continuity of grade and width in historical mine data
- 7m to 30m development widths

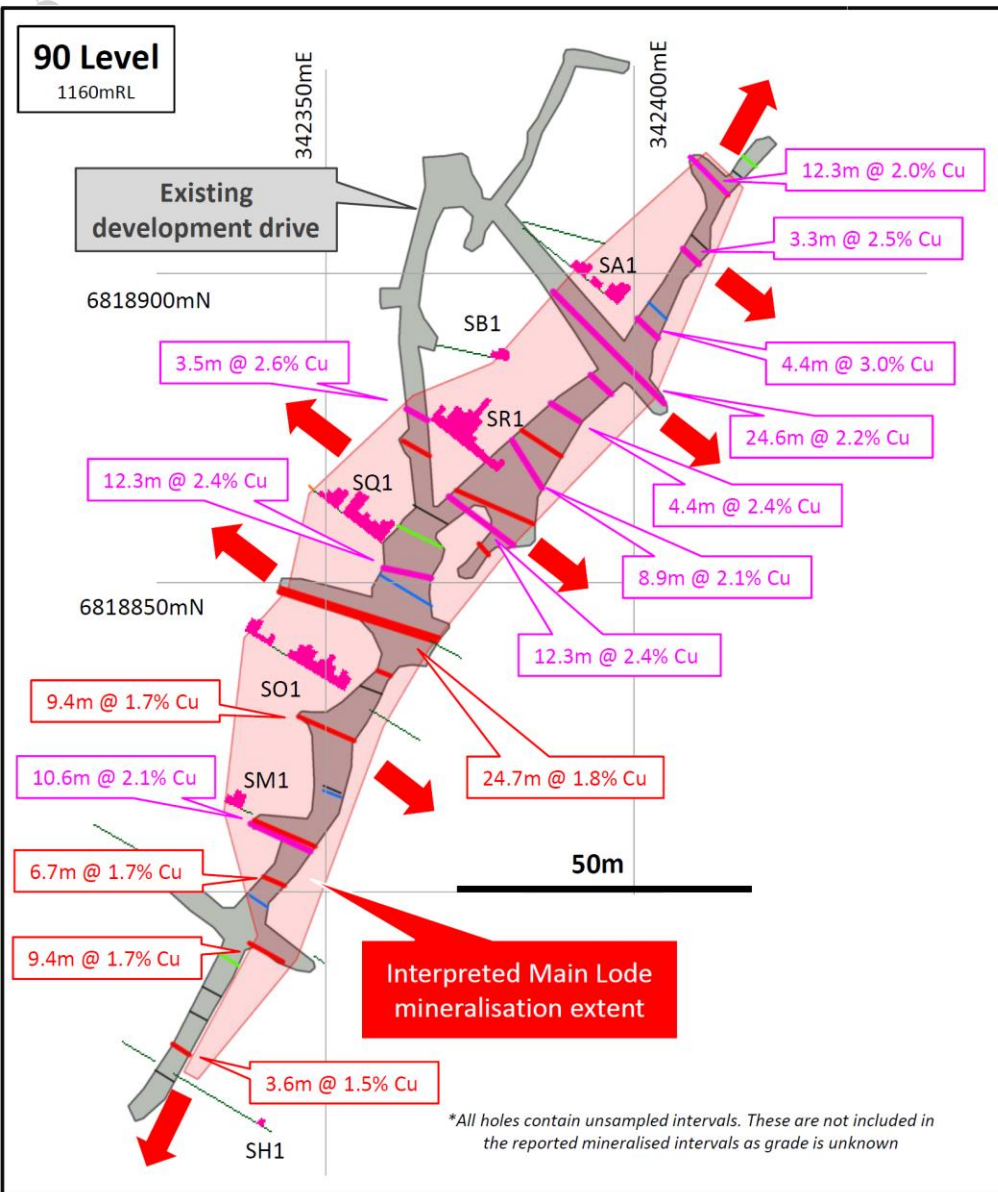
Selected UG Face Channel Results

| |
|------------------------------|
| 7.5m grading 10.4% Cu |
| 8.5m grading 2.3% Cu |
| 9m grading 2.0% Cu |
| 6.1m grading 2.2% Cu |

Selected UG Drilling Results

| |
|--|
| 12m grading 2.9% Cu (including 5m grading 4.3% Cu) |
| 12m grading 2.6% Cu (including 6m grading 3.2% Cu) |
| 10m grading 2.2% Cu |
| 9m grading 2.4% Cu |

San Antonio 90 Level- Main Lode



- Shallow development depth
- Sulphide orebody from near-surface (chalcopyrite, bornite association)

Selected UG Face Channel Results

24.6m grading 2.2% Cu

24.7m grading 1.7% Cu

24.7m grading 1.8% Cu

12.3m grading 2.4% Cu

Selected UG Drilling Results

14m grading 3.1% Cu

(including 5m grading 5.5% Cu)

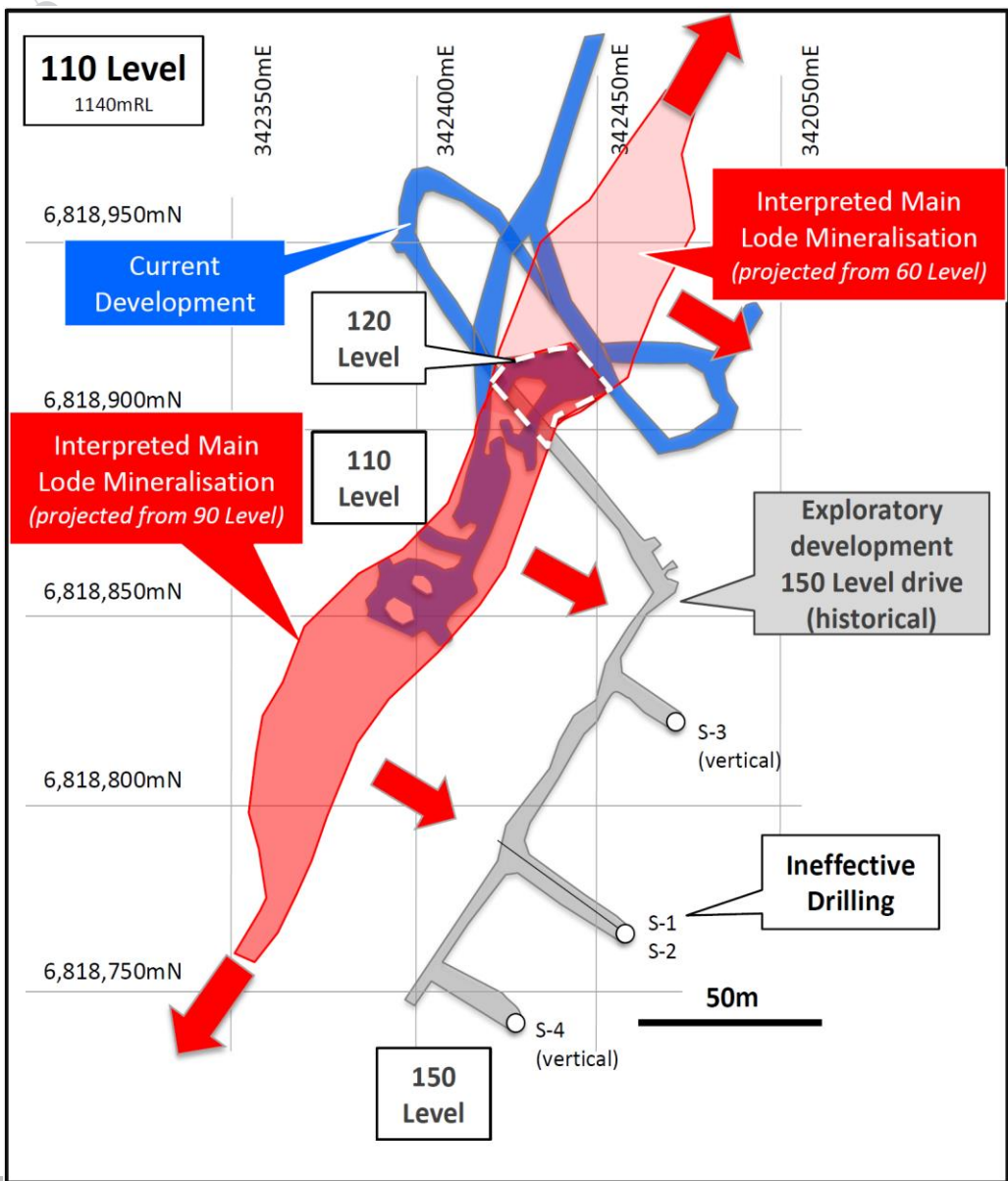
8m grading 3.1% Cu

11m grading 2.5% Cu

3m grading 3.0% Cu

(to end of hole)

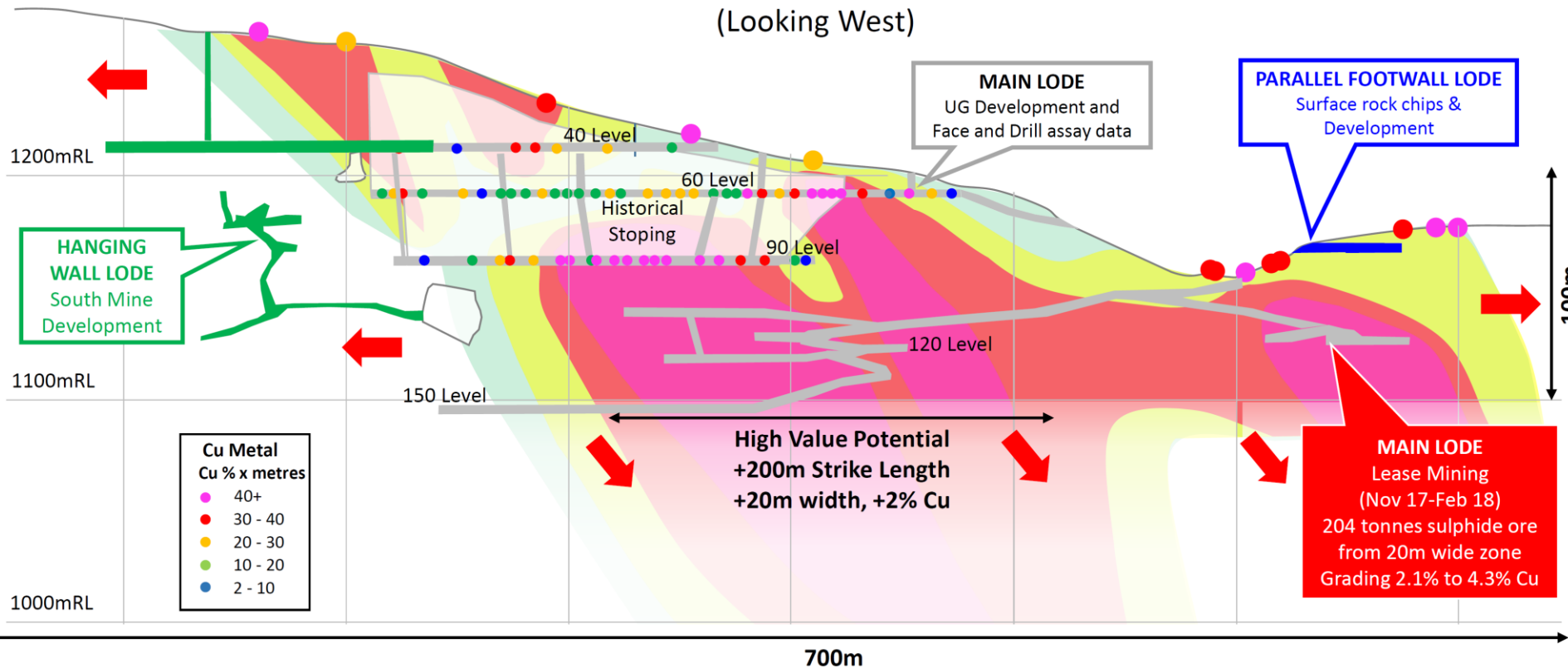
San Antonio 110 Level- Main Lode



- **Historical development on 150 Level ineffective (30m too far east)**
- **Main Lode dimensions potentially over 700m strike extent, at 7-30m width and +2% copper grade (+Au and Ag credits)**
- **Co-ordinated UG face sampling to commence shortly with Lease Miners**

San Antonio- Rare Opportunity

San Antonio Main Lode Long Section Cu Metal Distribution
(Looking West)



- **Brownfield high grade copper opportunity** – Large Open Pit and Underground potential
- **Initial drilling to target depth and strike extensions of San Antonio mine area**

Expected News Flow

- **Commencement of first drilling programme to test multiple high grade targets** across El Fuego in June
- **Drilling to focus on San Antonio and Valentina** high grade mine areas and extensions
- Results from **second campaign of detailed mapping and sampling** extending south of San Antonio **(underway now)**
- Partnerships for **other expansion opportunities being evaluated**
- Further consolidation and successful results to be combined with timing of a **planned dual listing this year**

Qualifying Statements



Mineral Resource and Ore Reserve Confirmation

The information in this presentation that relates to Mineral Resources and Ore Reserve estimates on the Productora copper project was previously reported in the ASX announcement “Hot Chili Delivers PFS and Near Doubles Reserves at Productora” dated 2nd March 2016, a copy of which is available on the ASX website at www.asx.com.au and the Company’s website at www.hotchili.net.au. The company confirms that it is not aware of any new formation or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Productora Project Ore Reserve Statement, March 2016 ¹

| Ore Type | Reserve Category | Tonnage (Mt) | Grade | | | Contained Metal | | | Payable Metal | | |
|--------------|------------------|--------------|-------------|-------------|------------|-----------------|----------------|---------------------|-----------------|----------------|---------------------|
| | | | Cu (%) | Au (g/t) | Mo (ppm) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) |
| Oxide | Probable | 24.1 | 0.43 | 0.08 | 49 | 103,000 | 59,600 | 1,200 | 55,600 | | |
| Transitional | | 20.5 | 0.45 | 0.08 | 92 | 91,300 | 54,700 | 1,900 | 61,500 | 24,400 | 800 |
| Fresh | | 122.4 | 0.43 | 0.09 | 163 | 522,500 | 356,400 | 20,000 | 445,800 | 167,500 | 10,400 |
| Total | Probable | 166.9 | 0.43 | 0.09 | 138 | 716,800 | 470,700 | 23,100 | 562,900 | 191,900 | 11,200 |

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Note 2: Price assumptions: Cu price - US\$3.00/lb; Au price US\$1200/oz; Mo price US\$14.00/lb. Note 3: Mill average recovery for fresh Cu - 89%, Au - 52%, Mo - 53%. Mill average recovery for transitional; Cu 70%, Au - 50%, Mo - 46%. Heap Leach average recovery for oxide; Cu - 54%. Note 4: Payability factors for metal contained in concentrate: Cu - 96%; Au - 90%; Mo - 98%. Payability factor for Cu cathode - 100%.

Productora JORC Compliant Mineral Resource

Productora Project Higher Grade Resource, March 2016

| Deposit | Classification | Tonnage (Mt) | Grade | | | Contained Metal | | |
|------------|------------------|--------------|-------------|-------------|------------|------------------|----------------|---------------------|
| | | | Cu (%) | Au (g/t) | Mo (ppm) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) |
| Productora | Indicated | 166.8 | 0.50 | 0.11 | 151 | 841,000 | 572,000 | 25,000 |
| | Inferred | 51.9 | 0.42 | 0.08 | 113 | 219,000 | 136,000 | 6,000 |
| | <i>Sub-total</i> | <i>218.7</i> | <i>0.48</i> | <i>0.10</i> | <i>142</i> | <i>1,059,000</i> | <i>708,000</i> | <i>31,000</i> |
| Alice | Indicated | 15.3 | 0.41 | 0.04 | 42 | 63,000 | 20,000 | 600 |
| | Inferred | 2.6 | 0.37 | 0.03 | 22 | 10,000 | 2,000 | 100 |
| | <i>Sub-total</i> | <i>17.9</i> | <i>0.41</i> | <i>0.04</i> | <i>39</i> | <i>73,000</i> | <i>23,000</i> | <i>700</i> |
| Combined | Indicated | 182.0 | 0.50 | 0.10 | 142 | 903,000 | 592,000 | 26,000 |
| | Inferred | 54.5 | 0.42 | 0.08 | 109 | 228,000 | 138,000 | 6,000 |
| | <i>Total</i> | <i>236.6</i> | <i>0.48</i> | <i>0.10</i> | <i>135</i> | <i>1,132,000</i> | <i>730,000</i> | <i>32,000</i> |

Reported at or above 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred.

Productora Project Low Grade Resource, March 2016

| Deposit | Classification | Tonnage (Mt) | Grade | | | Contained Metal | | |
|------------|------------------|--------------|-------------|-------------|-----------|-----------------|----------------|---------------------|
| | | | Cu (%) | Au (g/t) | Mo (ppm) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) |
| Productora | Indicated | 150.9 | 0.15 | 0.03 | 66 | 233,000 | 170,000 | 10,000 |
| | Inferred | 50.7 | 0.17 | 0.04 | 44 | 86,000 | 72,000 | 2,000 |
| | <i>Sub-total</i> | <i>201.6</i> | <i>0.16</i> | <i>0.04</i> | <i>60</i> | <i>320,000</i> | <i>241,000</i> | <i>12,000</i> |
| Alice | Indicated | 12.3 | 0.14 | 0.02 | 29 | 17,000 | 7,000 | 400 |
| | Inferred | 4.1 | 0.12 | 0.01 | 20 | 5,000 | 2,000 | 100 |
| | <i>Sub-total</i> | <i>16.4</i> | <i>0.13</i> | <i>0.02</i> | <i>27</i> | <i>22,000</i> | <i>9,000</i> | <i>400</i> |
| Combined | Indicated | 163.2 | 0.15 | 0.03 | 63 | 250,000 | 176,000 | 10,000 |
| | Inferred | 54.8 | 0.17 | 0.04 | 43 | 91,000 | 74,000 | 2,000 |
| | <i>Total</i> | <i>218.0</i> | <i>0.16</i> | <i>0.04</i> | <i>58</i> | <i>341,000</i> | <i>250,000</i> | <i>13,000</i> |

Reported at or above 0.1% Cu and below 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred. Metal rounded to nearest thousand, or if less, to the nearest hundred.

Qualifying Statements



Competent Person's Statement

Exploration Results

Exploration information in this Presentation 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.

Mineral Resources

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

Ore Reserves

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



View Across San Antonio





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