



ACN 130 955 725

# San Antonio Rising

- **Scale & Grade**
- **Strong First Drill Results**



**DIGGERS & DEALERS**  
MINING FORUM  
6th to 8th AUGUST **2018**  
Kalgoorlie, Western Australia

EXHIBITOR

**ASX code: HCH**

August 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**

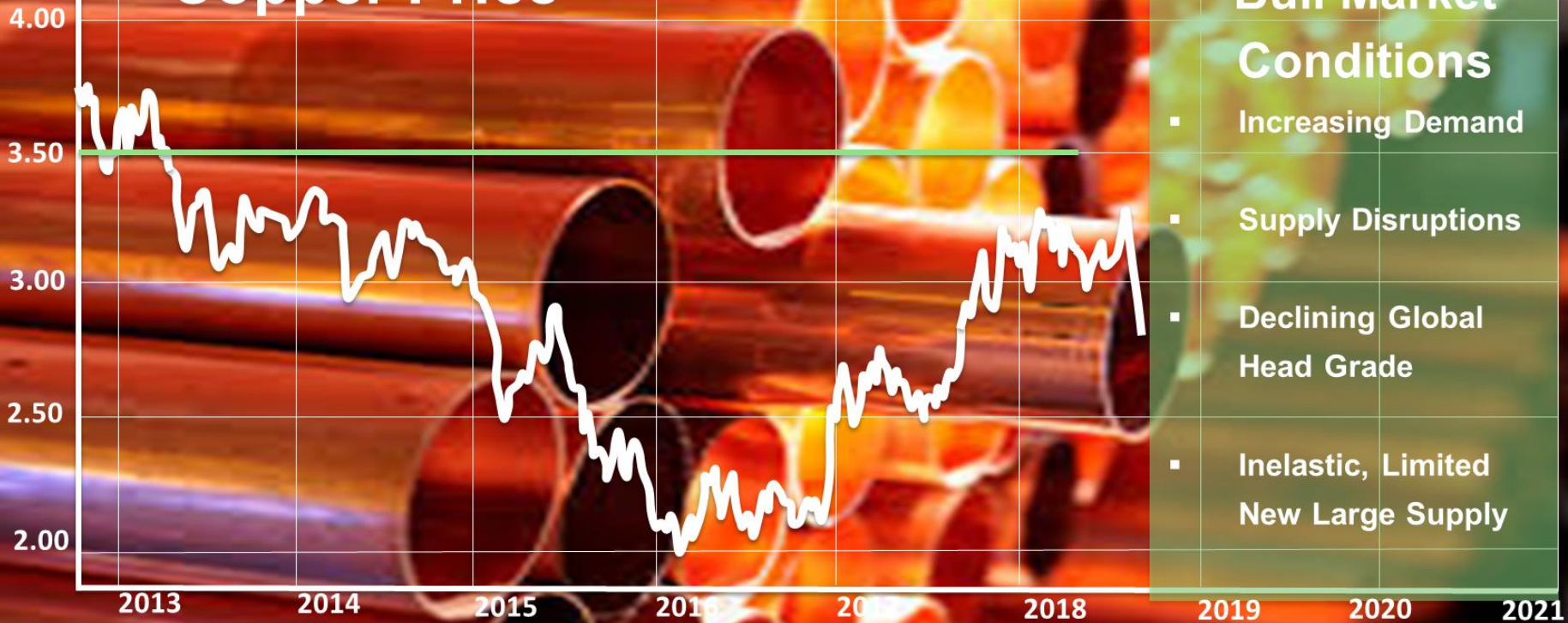
# Rising Momentum

Copper Price



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

## Copper Price



# 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



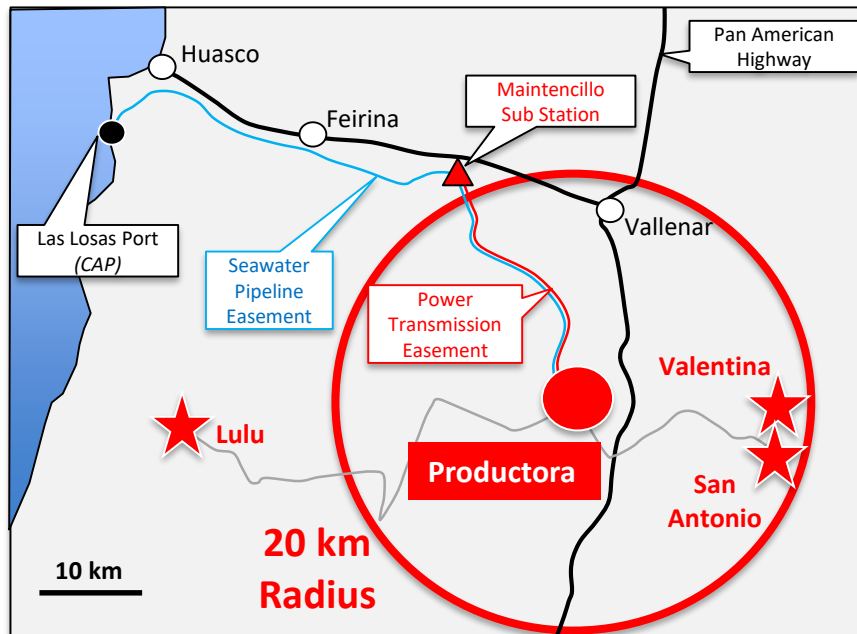
- 3 stranded copper mines
- **Historical Cu grades of 2% to 5%**
- **20km trucking distance**

# 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**

# Strong First Drill Results Confirm Large Extensional Discovery for San Antonio



- **First drill results released to ASX** confirm continuation of the San Antonio Main Lode.
  - SAP0001 – **19m grading 2.0% copper** from 61m down-hole depth (*including 11m grading 2.4% copper*)
  - SAP0002 – **15m grading 1.7% copper** from 80m down-hole depth, and
  - SAP0012 – **13m grading 1.3% copper** from 17m down-hole depth (*including 5m grading 2.3% copper*)
  - SAP0031 – **53m grading 0.9% copper** from 72m down-hole depth (*including 27m grading 1.3% copper*)
  - SAP0021 – **18m grading 1.3% copper** from 52m down-hole depth (*including 5m grading 2.1% copper*)
- **Results for a further 23 drill holes expected soon from San Antonio**

# Corporate Overview



## Board of Directors

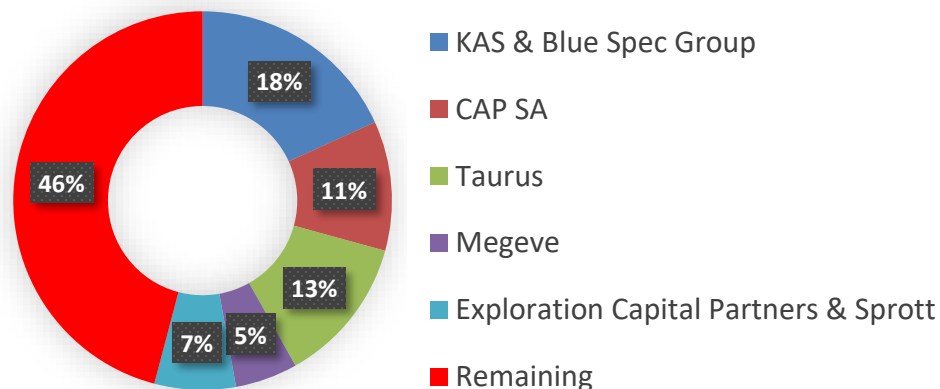
<b>Murray Black</b>	Non Exec Chairman
<b>Christian Easterday</b>	Managing Director
<b>Michael Anderson</b>	Non Exec Director
<b>Allan Trench</b>	Non Exec Director
<b>Roberto de Andraca Adriasola</b>	Non Exec Director
<b>Randall Nickson</b>	Non Exec Director

## Capital Structure

<b>Issued Shares</b>	<b>743.9M</b>
Unlisted Options	8.0M (10c, exp Sept 2018) 11.0 M (30c, exp Jun 2019) 20.0M (3.33c, exp Jun 2019) 69.7M (10c, exp May 2020)
Unlisted 5yr Convertible Notes	113,009 (A\$100 face value) (convert @ 3.33c)
<b>Share Price</b>	<b>A\$0.029</b>
Mkt Capitalisation	A\$21.6 M
<b>Mkt Capitalisation (fully dilute)</b>	<b>A\$34.6M (incl Con Notes, Options)</b>
<b>Cash</b>	<b>A\$3.5M approx.</b>
Enterprise Value (EV)	A\$18.1M
<b>Enterprise Value (fully dilute)</b>	<b>A\$31.1M</b>

## Substantial Shareholders

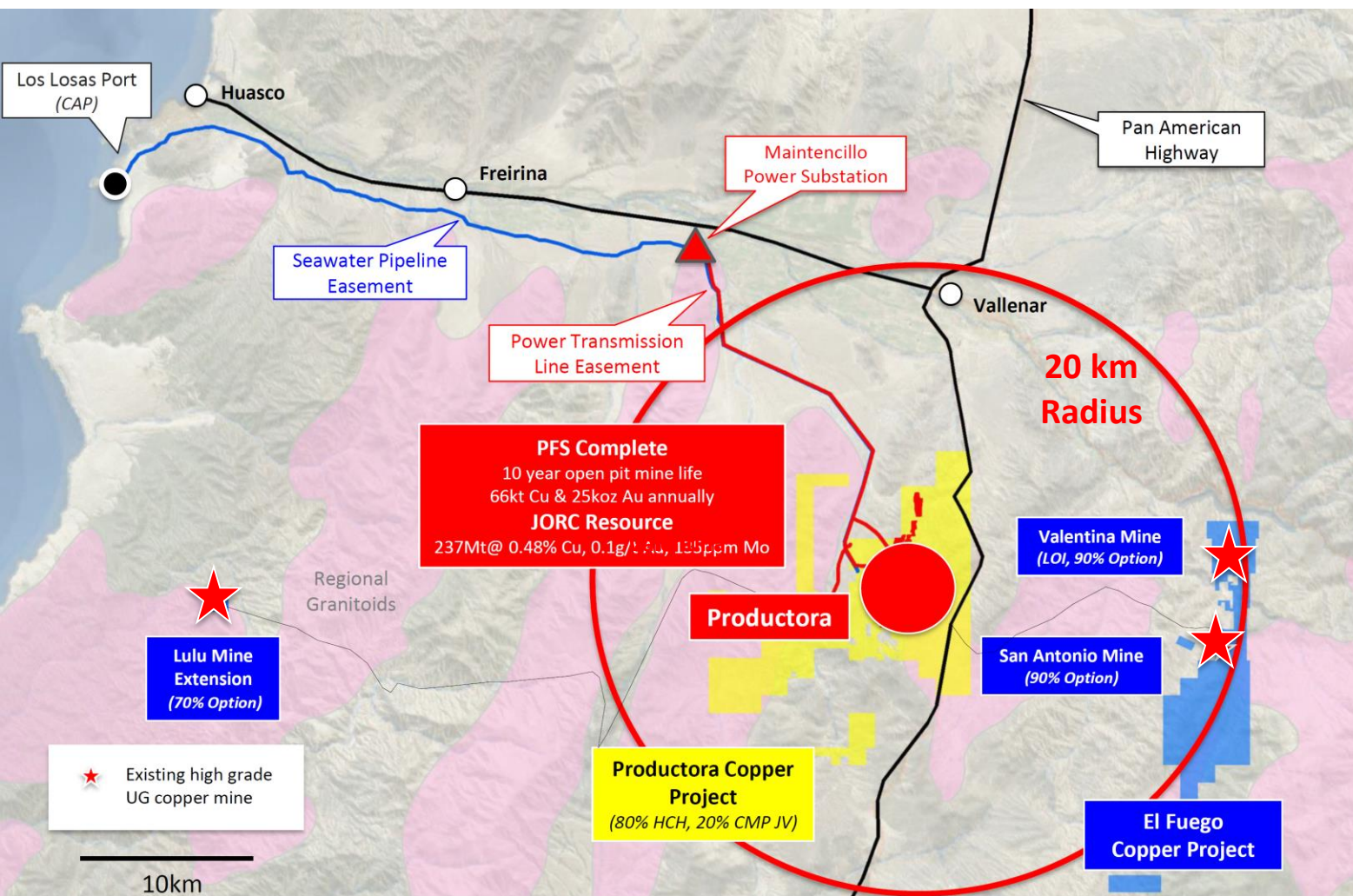
### Current





# 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

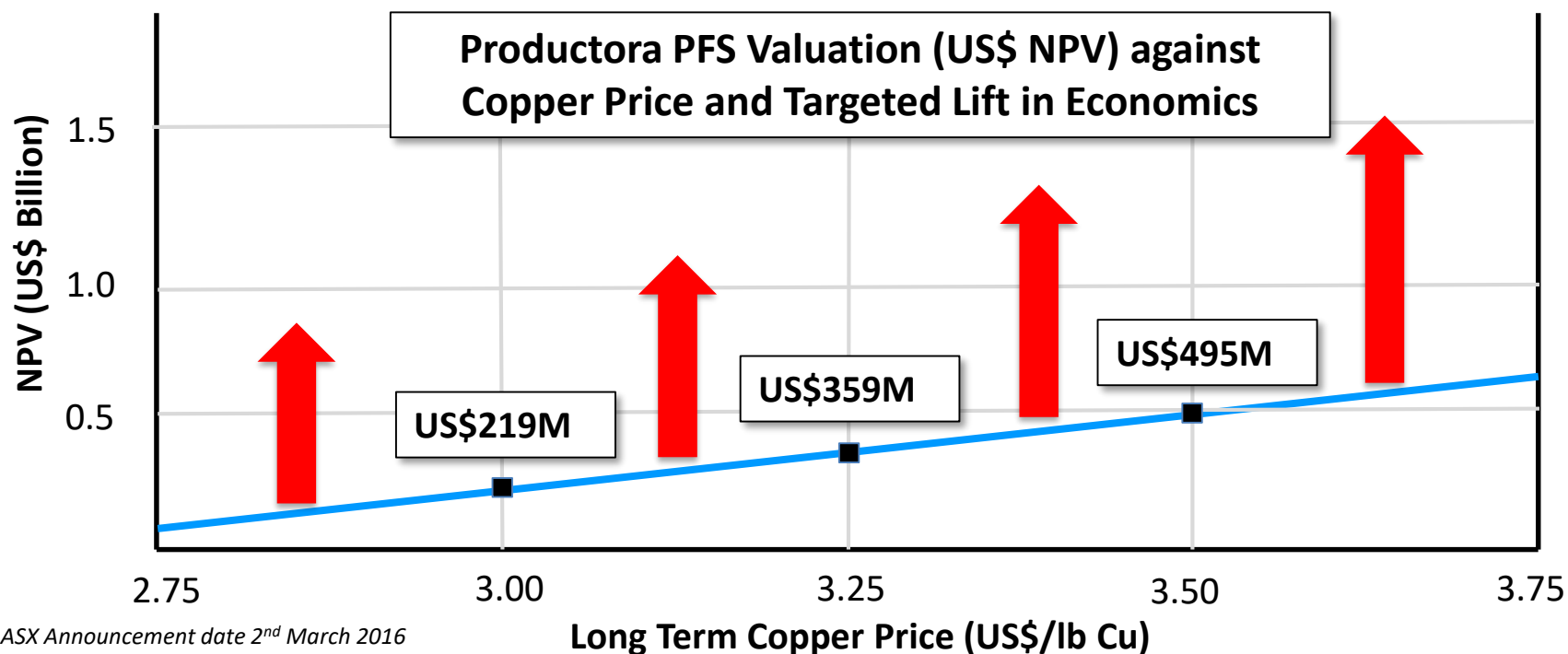
(4 Yr Options)

- San Antonio
- Valentina
- Lulu

# Productora– Value Springboard



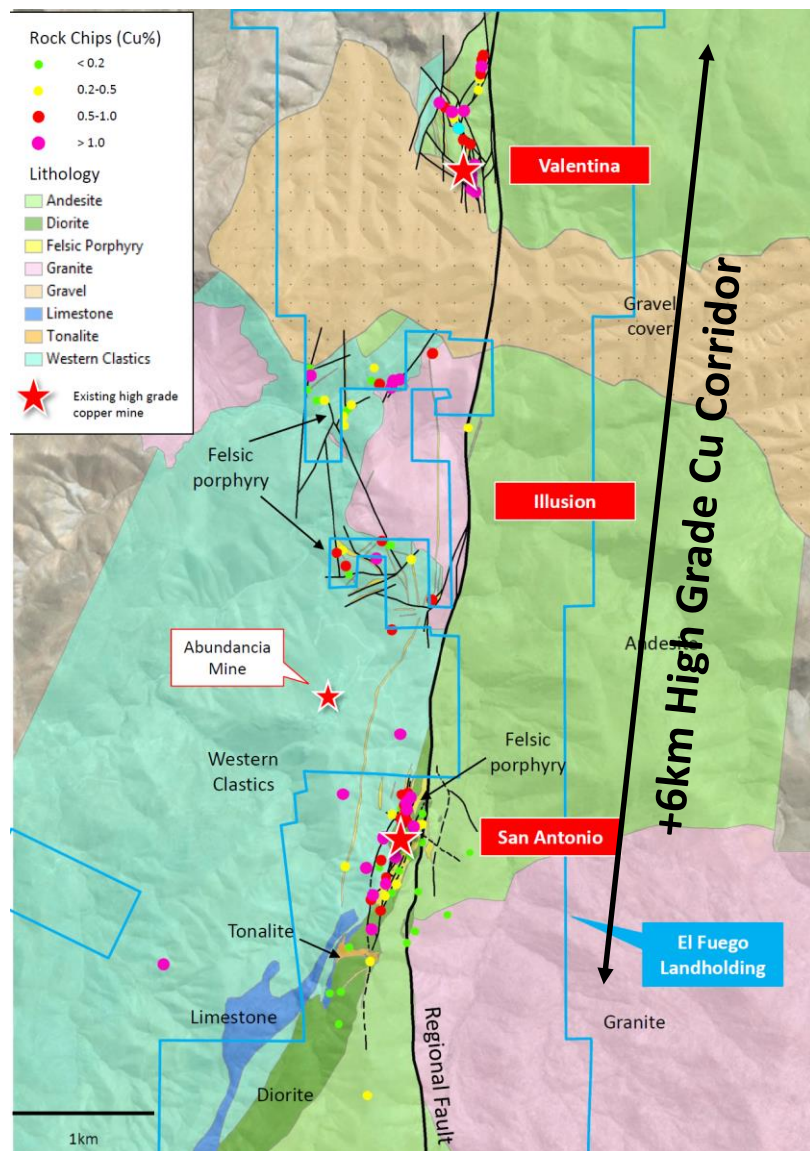
- Asset highly leveraged to **copper price**
- Economics also highly leveraged to **additional mine life** and **higher grade blend**
- **Confirming critical mass key to delivering standout economics and DFS green light**



Refer to ASX Announcement date 2<sup>nd</sup> 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

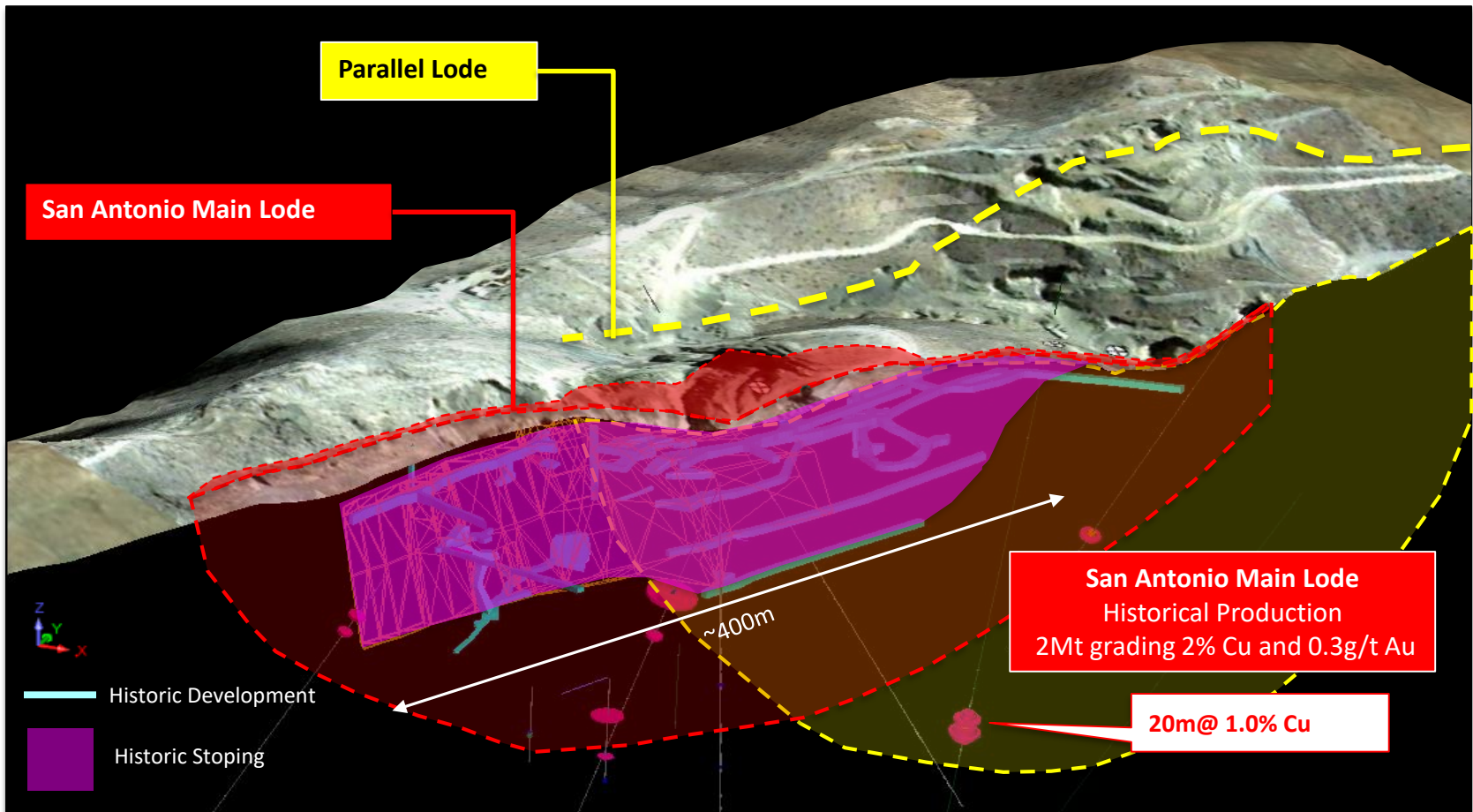


**San Antonio Main Lode**  
Historical Production  
2Mt grading 2% Cu and 0.3g/t Au  
7 to 30m development widths  
Mined to 130m vertical over 400m strike

- Privately owned and mined since 1964
- JV Option Agreement executed 8<sup>th</sup> 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

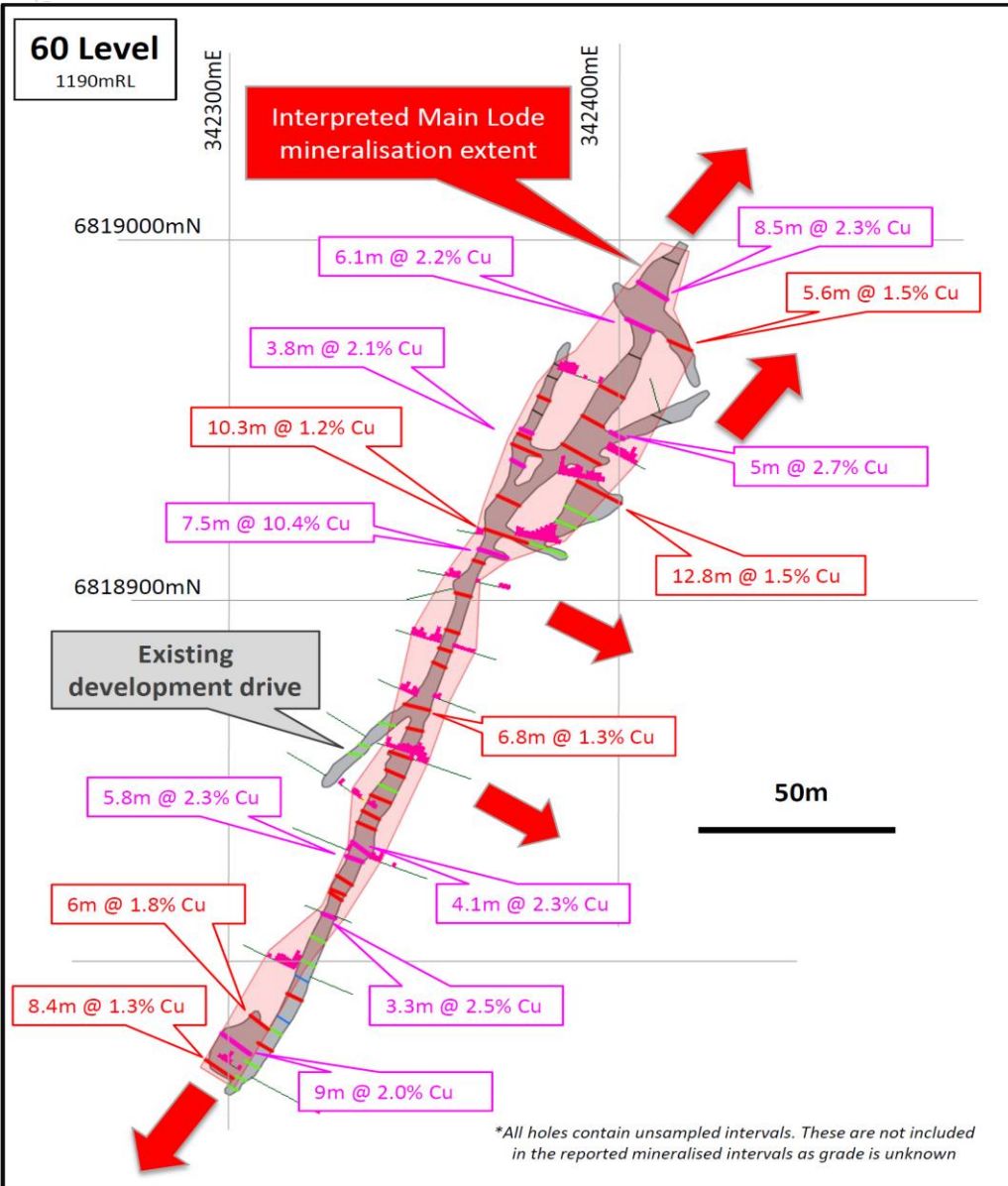


- **Lease mining allowed to continue** under capped 50ktpa arrangement during Option period
- **Sulphide copper being mined from near-surface** and processing of ore through nearby ENAMI plant
- **2- 4% Cu ore grades being exploited** from shallow depth along northern extent of mine

*Note: HCH does not receive cashflows from lease mining activities*

*Refer to ASX Announcement dated 8<sup>th</sup> March 2018 "Miners Exploit Shallow High Grade Copper at San Antonio"*

# 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

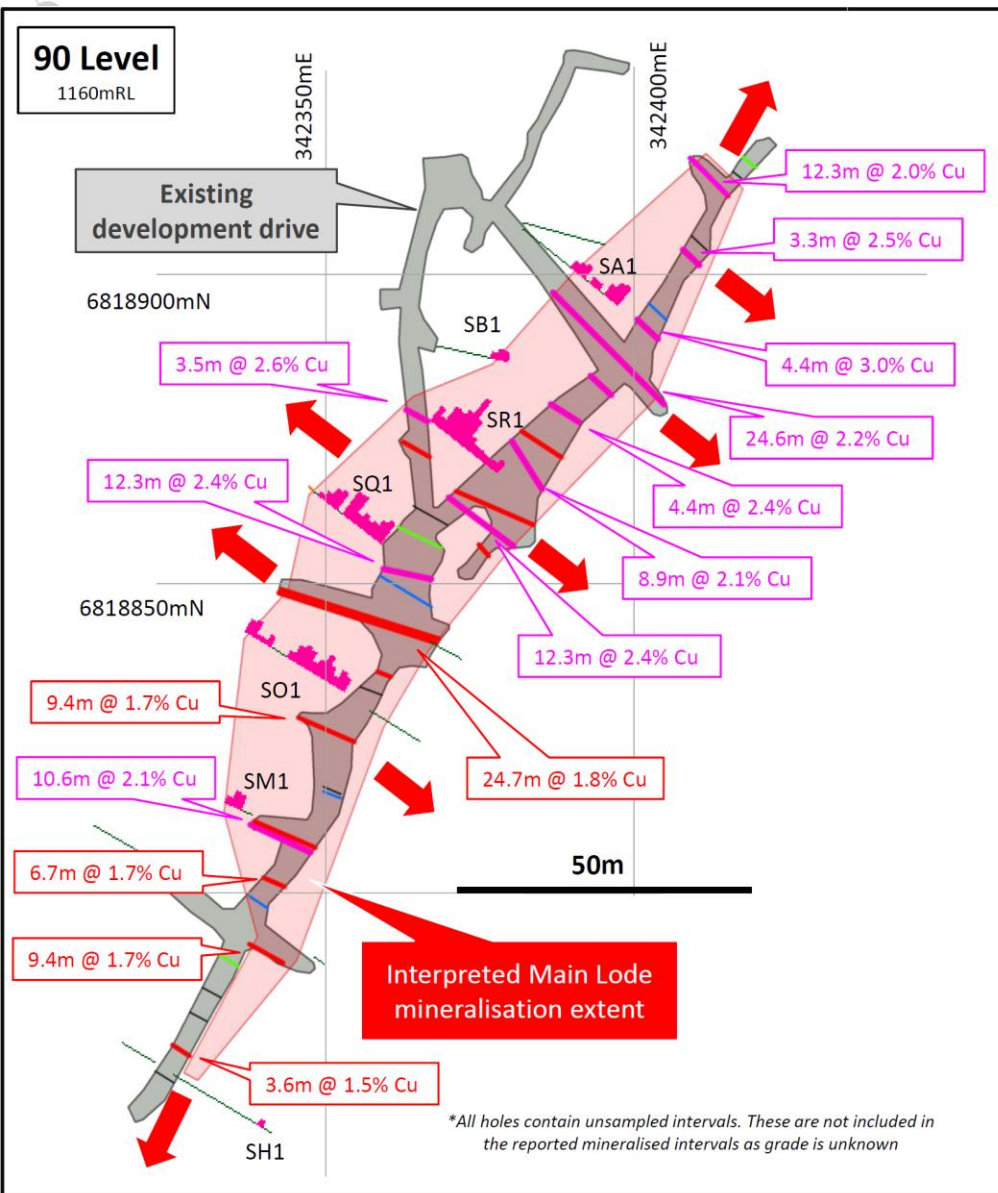
12m grading 2.9% Cu  
(including 5m grading 4.3% Cu)

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



\*All holes contain unsampled intervals. These are not included in the reported mineralised intervals as grade is unknown

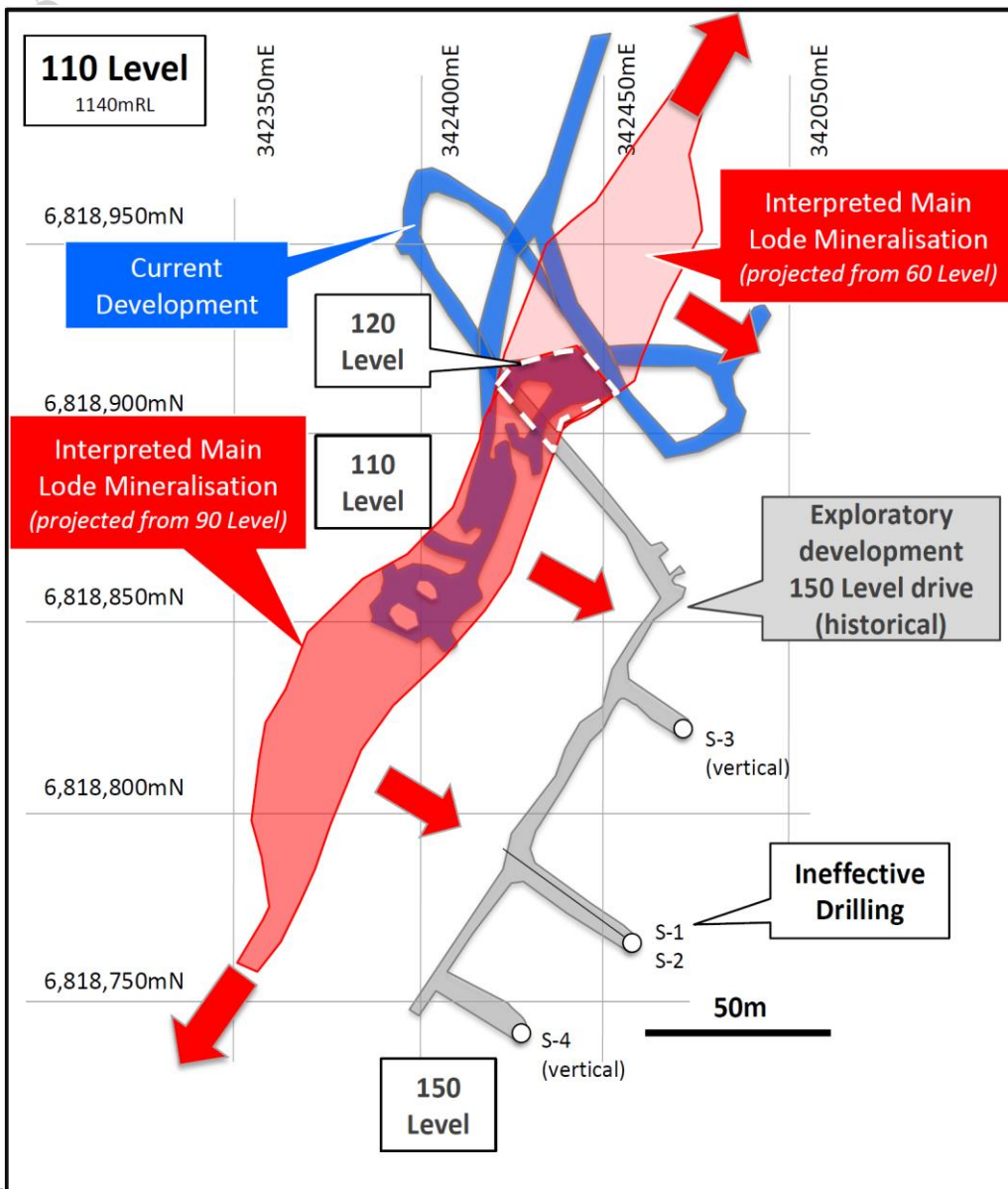
- **Shallow development depth**
- **Sulphide orebody from near-surface** (chalcopyrite, bornite association)

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 <i>(including 5m grading 5.5% Cu)</i>
8m grading 3.1% Cu
11m grading 2.5% Cu
3m grading 3.0% Cu <i>(to end of hole)</i>



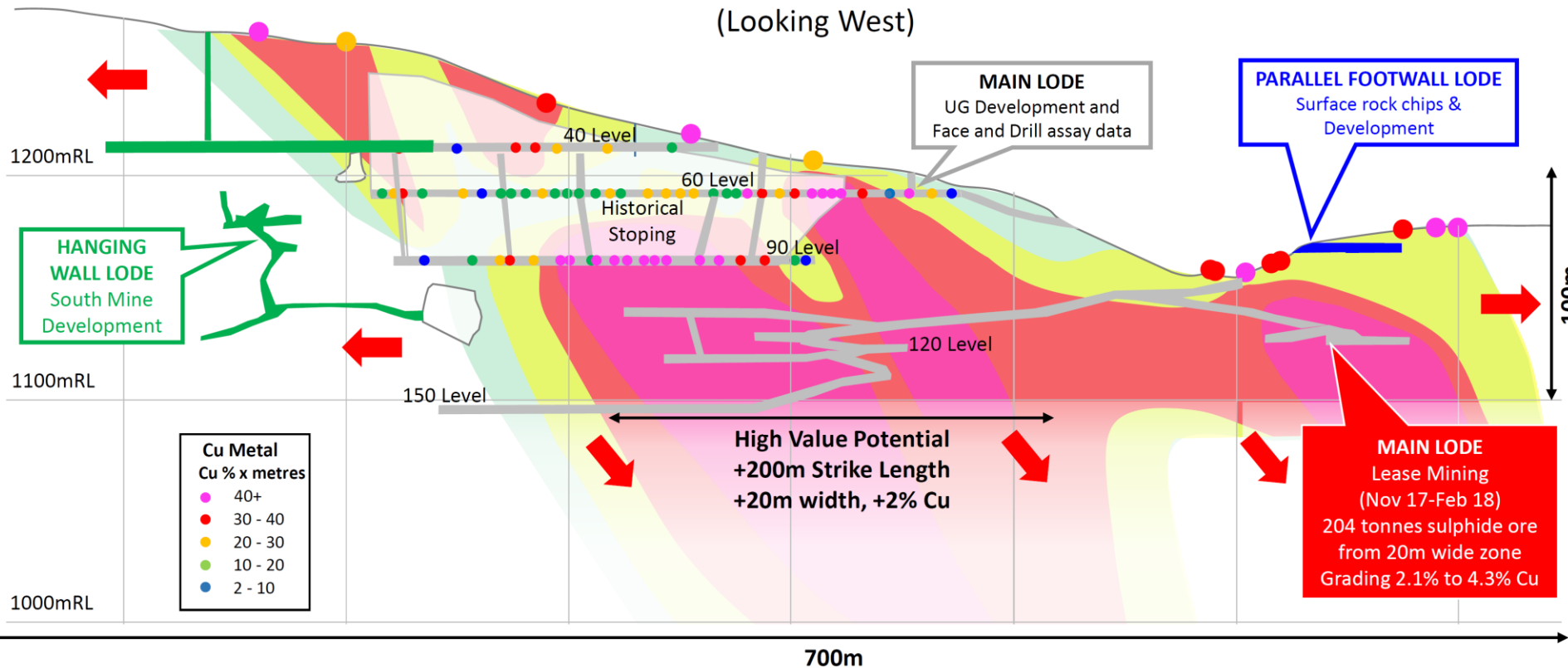
# San Antonio 110 Level- Main Lode



- **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

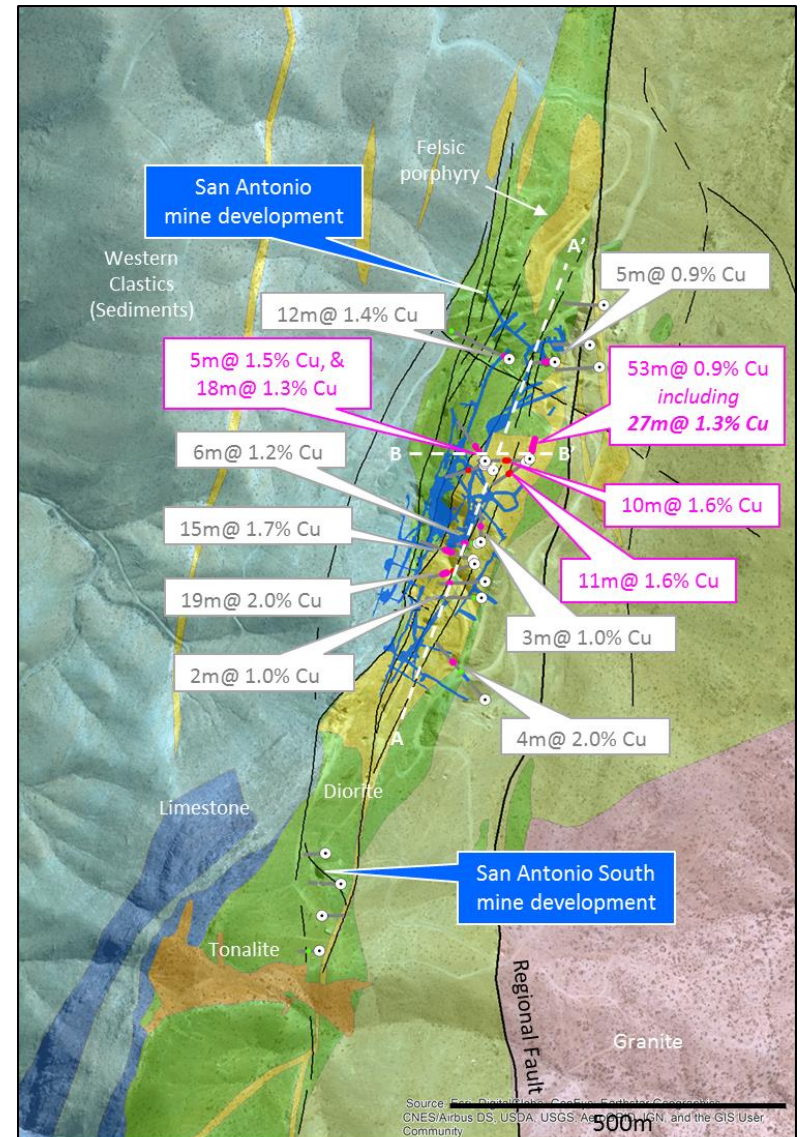
San Antonio Main Lode Long Section Cu Metal Distribution  
(Looking West)



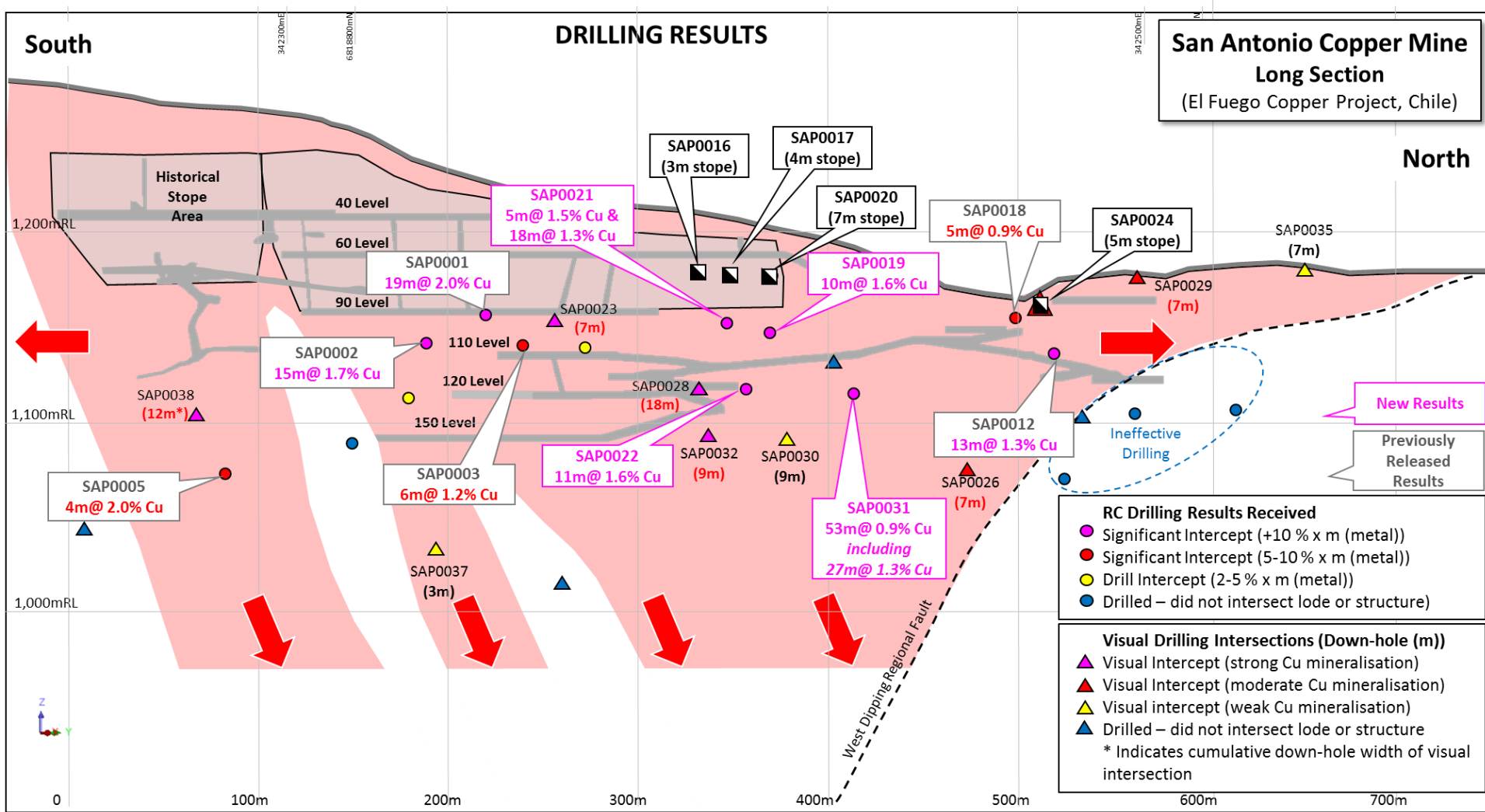
- **Brownfield high grade copper opportunity** – Large Open Pit and Underground potential
- **Initial drilling to target depth and strike extensions of San Antonio mine area**

# San Antonio – First Drill Results Impress

- 39 Reverse Circulation (RC) drill holes for approximately **4,600m completed across mine area over 700m**
- **Results released for first 16 holes**
- **Assays pending for 10 holes which have recorded strong visual copper intersection**
- **Drilling now underway across Valentina** high grade copper mine 5km north of San Antonio

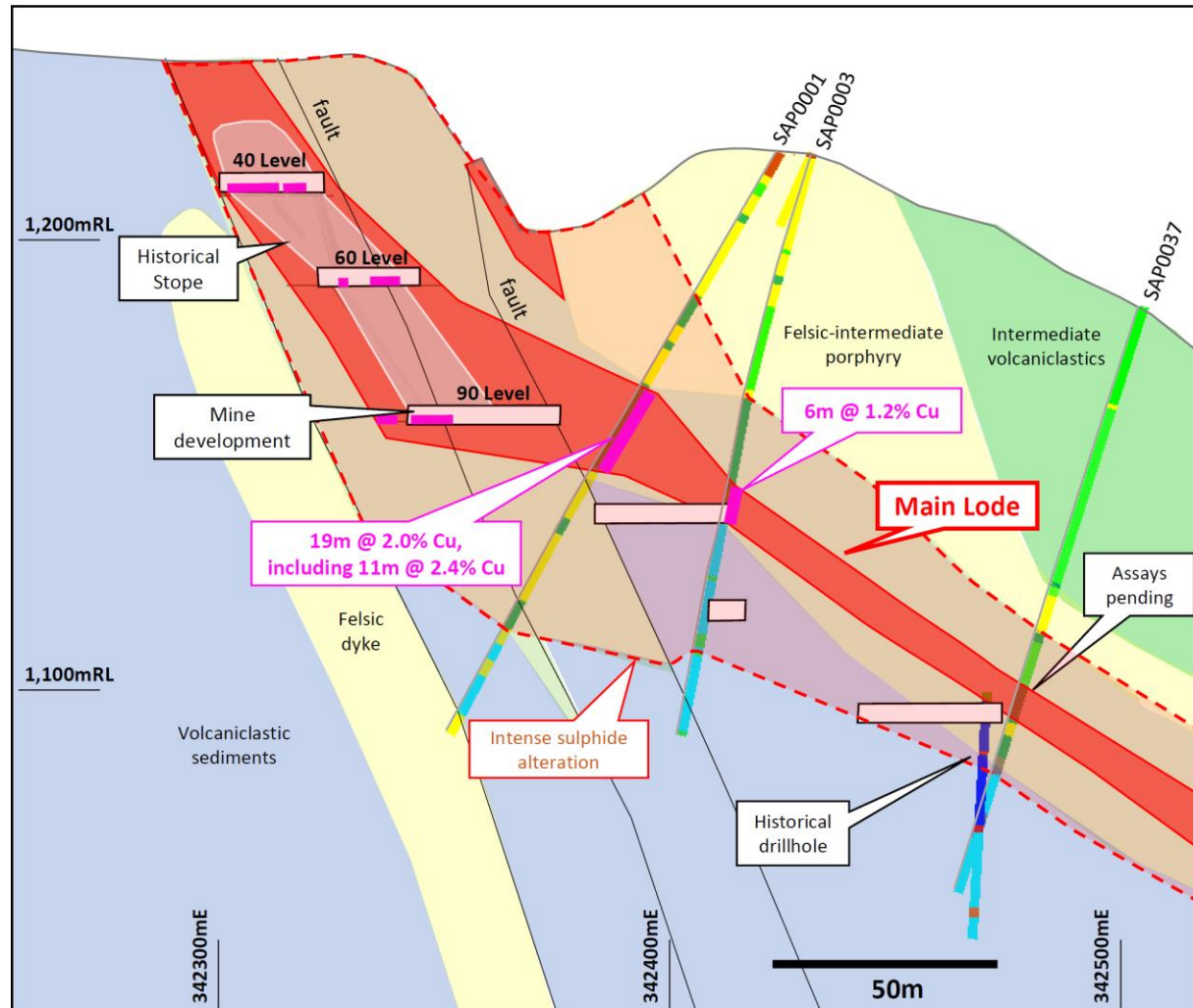


# San Antonio Long Section



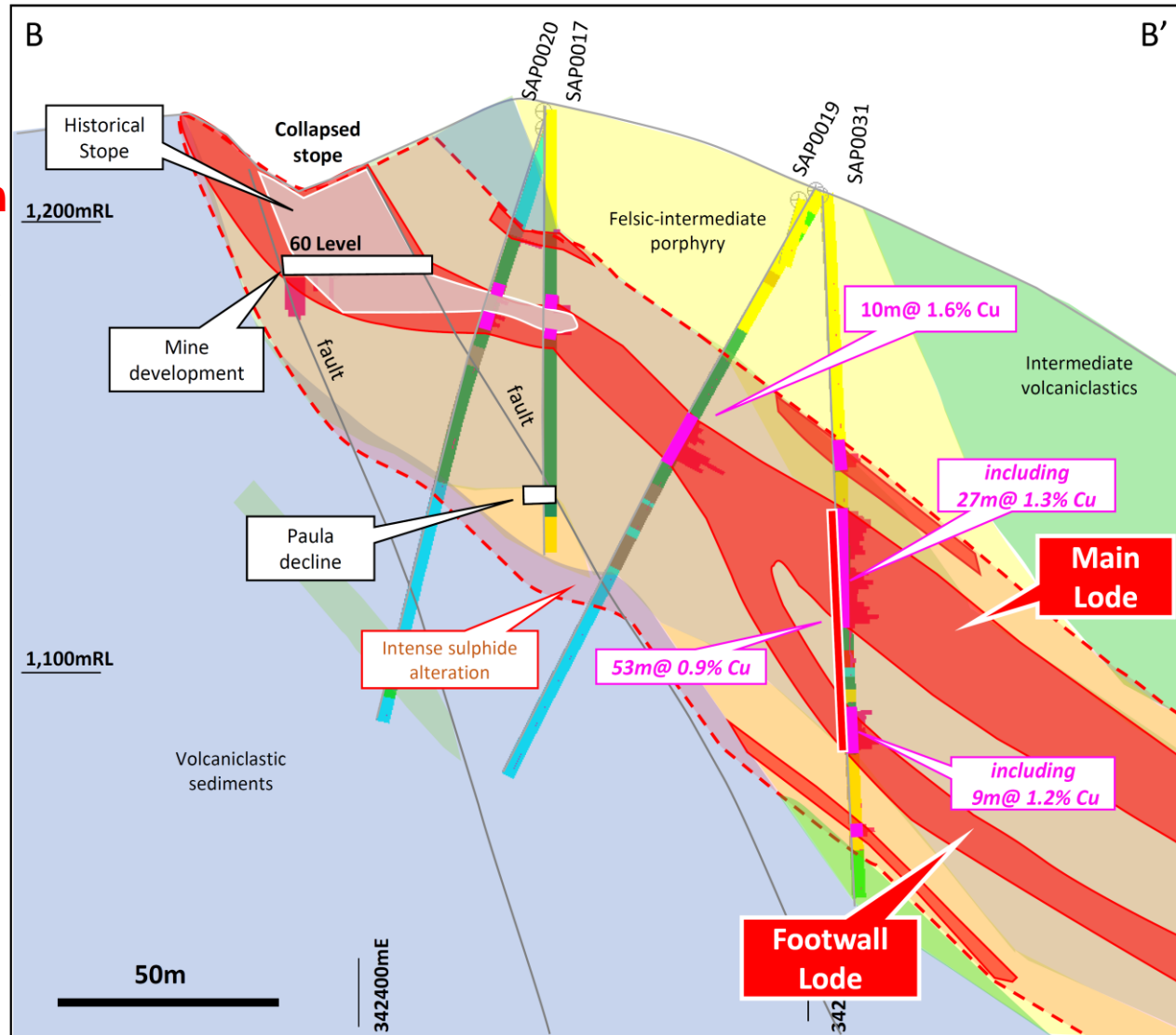
# San Antonio – Shallow Depth, Shallow Dip

- **Shallow dipping high grade copper mineralisation**
- Near true width drilling intersections
- High tonnage per vertical metre
- **Attractive for shallow open-cut mining**



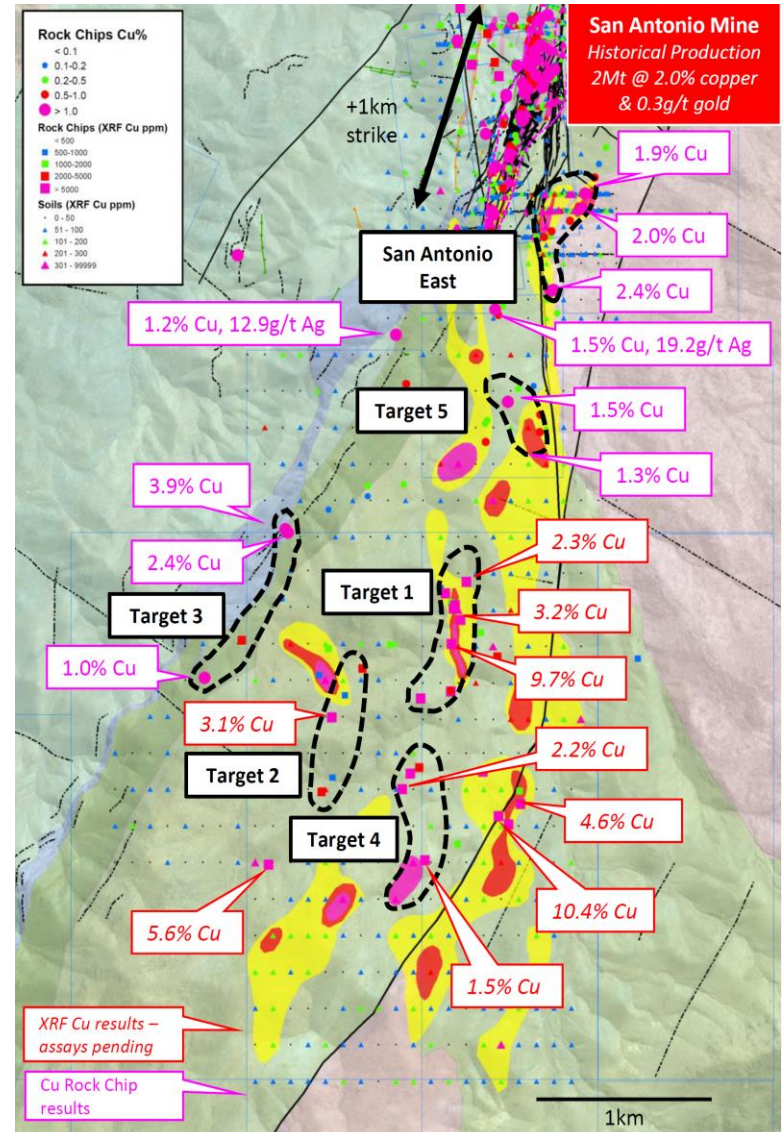
# San Antonio – Wide Extensions

- **Wide (20-30m widths) continuation** of Main Lode confirmed at depth by drilling
- Additional footwall lodes intersected



# Large Targets Confirmed South of San Antonio

- Follow-up confirmation **of 6 large targets** south of San Antonio
- Surface results up to 6.5% copper, 2g/t gold and 24g/t silver**
- Geophysics and details surface work being planned





# Expected News Flow

- **High priority drill results pending** for strongly mineralised visual intersections at San Antonio - **Results for 23 RC drill holes expected over the coming weeks**
- **Results for drilling at Valentina pending-** 2 high priority holes
- **Exploration work to kick-off across numerous large targets south of San Antonio**
- **Follow-up drill planning underway to advance to resource definition**
- **Further consolidation opportunities being evaluated**



# 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 2<sup>nd</sup> March 2016, a copy of which is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and the Company’s website at [www.hotchili.net.au](http://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 <sup>1</sup>

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
<b>Total</b>	Probable	<b>166.9</b>	<b>0.43</b>	<b>0.09</b>	<b>138</b>	<b>716,800</b>	<b>470,700</b>	<b>23,100</b>	<b>562,900</b>	<b>191,900</b>	<b>11,200</b>

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
	<b>Sub-total</b>	<b>218.7</b>	<b>0.48</b>	<b>0.10</b>	<b>142</b>	<b>1,059,000</b>	<b>708,000</b>	<b>31,000</b>
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
	<b>Sub-total</b>	<b>17.9</b>	<b>0.41</b>	<b>0.04</b>	<b>39</b>	<b>73,000</b>	<b>23,000</b>	<b>700</b>
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
	<b>Total</b>	<b>236.6</b>	<b>0.48</b>	<b>0.10</b>	<b>135</b>	<b>1,132,000</b>	<b>730,000</b>	<b>32,000</b>

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
	<b>Sub-total</b>	<b>201.6</b>	<b>0.16</b>	<b>0.04</b>	<b>60</b>	<b>320,000</b>	<b>241,000</b>	<b>12,000</b>
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
	<b>Sub-total</b>	<b>16.4</b>	<b>0.13</b>	<b>0.02</b>	<b>27</b>	<b>22,000</b>	<b>9,000</b>	<b>400</b>
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
	<b>Total</b>	<b>218.0</b>	<b>0.16</b>	<b>0.04</b>	<b>58</b>	<b>341,000</b>	<b>250,000</b>	<b>13,000</b>

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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