

HABANERO RESOURCES INC.

Suite 300 – 750 West Pender St.

Vancouver, BC V6C 2T7

Telephone: (604) 689-2999

Facsimile: (604) 689-2939

January 7, 2000

Trading Symbol: CDNX :HAO

Habanero Resources Inc. (the “Company”) announces that it has closed its previously announced private placement of 2,000,000 special warrants for gross proceeds of \$300,000. Each special warrant is exercisable, without further payment, into one share and one non-transferable share purchase warrant entitling the holder to purchase one share for two years at a price of \$0.15 per share during the first year and \$0.1725 per share during the second year. The special warrants are exercisable at any time before the earlier of January 7, 2001, three business days after the Company gives notice to the holders of the special warrants that it is in a position to, and that it will, issue the certification contemplated by the British Columbia Securities Commissions’ Blanket Order and Ruling #98/7 at the time of the distribution of the shares and share purchase warrants issuable upon the exercise of the Special Warrants, or three business days after a receipt is issued by the British Columbia Securities Commission for a (final) prospectus or (final) exchange offering prospectus filed by the Company.

The special warrants are subject to a hold period in British Columbia expiring at 12:00 midnight on December 15, 2000.

For further information contact:

Tel: (604) 689-2999

Toll Free: 888-733-7753

www.habaneroresources.com

info@firstplacecapital.com

BY ORDER OF THE BOARD OF DIRECTORS

“Nick De Cotiis”

Nick De Cotiis

Director & Senior Vice President

No Stock Exchange has approved or disapproved the information contained herein.