



## ASX Announcement

Friday 24<sup>th</sup> March 2017

# Drilling Underway to Test Large Porphyry Copper Targets at Productora

### Key Points

- **Reverse Circulation drilling kicks off at Productora to test multiple large-scale porphyry copper targets**
- **Drilling being undertaken by Blue Spec Sondajes Chile (associated with Hot Chili's Chairman Murray Black) at their own risk and at no cost to Hot Chili**

Hot Chili Limited (ASX code: HCH) ("Hot Chili") is pleased to confirm that it has accepted an offer by Blue Spec Sondajes Chile ("Blue Spec" a company associated with Hot Chili's Chairman Murray Black) to undertake a substantial Reverse Circulation (RC) drilling programme at the Company's Productora copper project in Chile at their own risk and at no cost to Hot Chili.

Drilling, already underway for several days now, is being directed towards several large-scale porphyry copper targets identified along the western extent of Productora's existing 1.5Mt copper and 1Moz gold Mineral Resource.

The current drilling programme marks the next step in a methodical exploration assessment of Productora's larger growth potential which commenced two years ago following the discovery of the Alice porphyry copper deposit, located 300m west of Productora's planned central pit development.

Hot Chili's December 2016 "Hunting Giants" presentation outlines details of the exploration targets being drill tested and their location at Productora as shown in figure 1 below. This presentation is available on Hot Chili's website ([www.hotchili.net.au](http://www.hotchili.net.au)).

Blue Spec's offer to initiate and undertake drilling over Productora's porphyry copper targets begins an exciting new phase of growth for Hot Chili.

The Company thanks Blue Spec for their ongoing support and looks forward to releasing results as they become available.

### ASX CODE

HCH

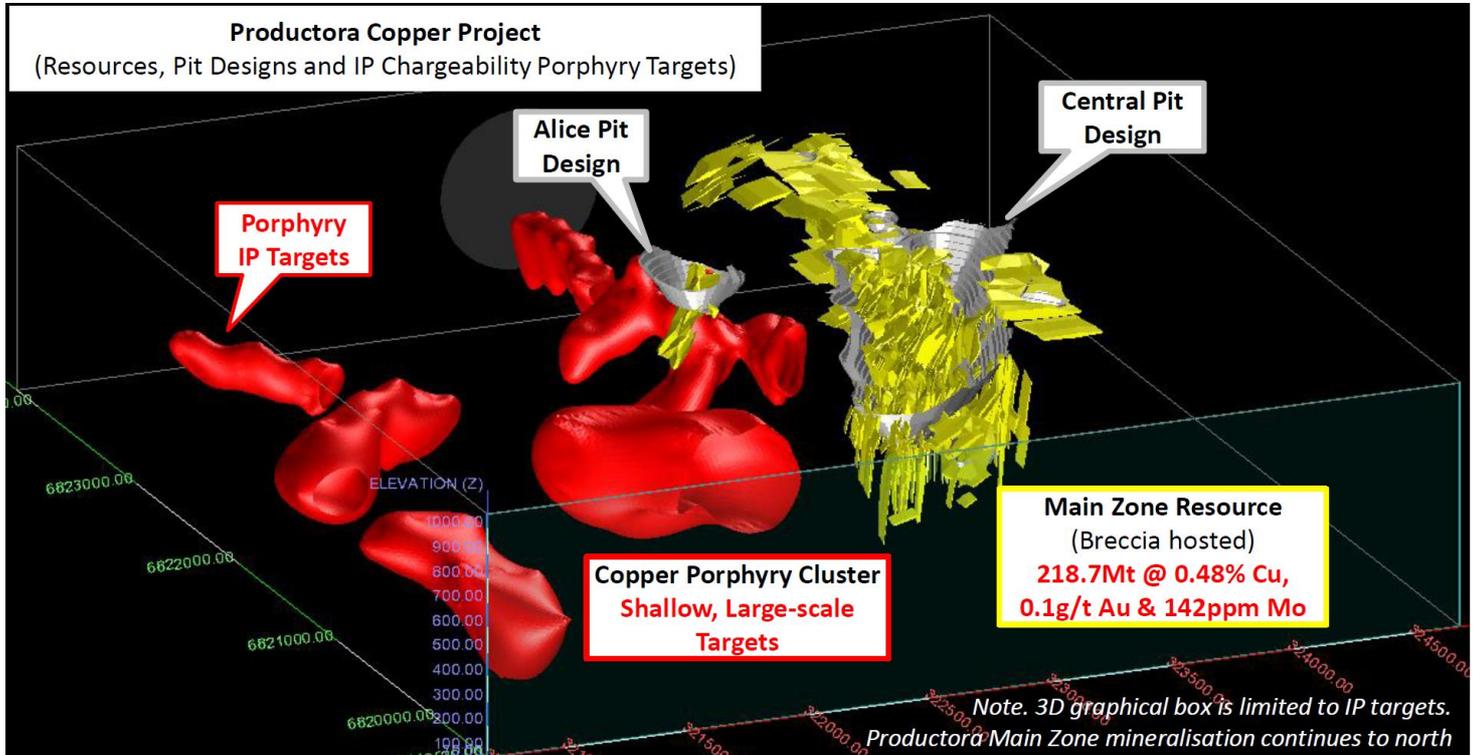
### Contact

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**Figure 1** Location of porphyry copper targets in relation to Mineral Resources and PFS pit designs at the Productora copper project, Chile.

**For more information please contact:**

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## Qualifying Statements

### JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 2<sup>nd</sup> March 2016

| 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> | <b>Probable</b>  | <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%.

### JORC Compliant Mineral Resource Statements

Productora Higher Grade Mineral Resource Statement, Reported 2<sup>nd</sup> 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               |
|            | <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 Low Grade Mineral Resource Statement, Reported 2<sup>nd</sup> March 2016**

| Deposit    | Classification   | Tonnage<br>(Mt) | Grade       |             |             | Contained Metal    |                  |                        |
|------------|------------------|-----------------|-------------|-------------|-------------|--------------------|------------------|------------------------|
|            |                  |                 | Cu<br>(%)   | Au<br>(g/t) | Mo<br>(ppm) | Copper<br>(tonnes) | Gold<br>(ounces) | Molybdenum<br>(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.

**Mineral Resource and Ore Reserve Confirmation**

The information in this report that relates to Mineral Resources and Ore Reserve estimates on the Productora copper projects were originally reported in the ASX announcements “Hot Chili Delivers PFS and Near Doubles Reserves at Productora” dated 2nd March 2016. The company confirms that it is not aware of any new information 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.

**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 Announcement 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 a part time employee of Hot Chili, 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.

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### **Competent Person's Statement- Ore Reserves**

The information in this Announcement 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 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.

### **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.

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