

Hot Chili executes MOU to initiate port access studies for Productora

Hot Chili Limited (ASX: HCH) is pleased to announce that Sociedad Minera El Corazon Limitada (SMECL- Hot Chili's wholly owned Chilean subsidiary company) has executed a Memorandum of Understanding (MOU) with Puerto Las Losas SA (PLL) to jointly study the provision of port services from PLL's facilities located at Huasco, adjacent to the Company's flagship Productora copper project in Chile.

SMECL and PLL have agreed to carry out Pre-feasibility level studies (Studies) necessary to evaluate the basic engineering feasibility for PLL to provide SMECL port services from its Las Losas facilities. The Studies will be carried out by PLL, under its management within a 12 month period starting from the date an activities program and cost estimate has been issued to SMECL.

Within the next 3 months, PLL will create an activities program and cost estimate of the Studies, which will be financed by SMECL with a cap of US\$500,000.

Puerto Las Losas is as a joint venture between CAP S.A. (51%) and Agrocomercial A.S. Ltda. (49%). CAP is Hot Chili's second largest shareholder and Chile's largest iron ore producer and integrated steel business. Las Losas port facility was originally constructed as a multipurpose port to handle grain off-loading.

PLL had previously completed a Scoping study into a potential expansion of the Las Losas port facility to incorporate a copper concentrate ship loading capability for potential future customers. The rapid development of Hot Chili's Productora copper project, 40km directly east of the port, has now presented both companies with an opportunity to further investigate the development of Las Losas port facility.

In advance of the execution of the MOU, PLL has been granted a favourable Environmental Approval by the Chilean Environmental Evaluation Service. The approval allows PLL to construct and to operate the new copper concentrate port facilities ancillary to the already existing facility.

Hot Chili is looking forward to working with PLL in the assessment of a potential future copper concentrate facility and service for the Las Losas port at Huasco. The location of Las Losas and the targeted development timeline of Productora as a potential early port customer have created a strong alignment between Hot Chili and PLL.

Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, 6953, Western Australia

P: +61 8 9315 9009 **F:** +61 8 9315 5004

The directors of Hot Chili believe that the expansion of Las Losas will create significant operational benefits for Productora and other near-by copper developments in the area, as well as providing greater local employment opportunities.



Las Losas Port terminal, Huasco

For more information please contact:

Christian Easterday Tel: +61 8 9315 9009
Managing Director Email: christian@hotchili.net.au

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Qualifying Statements

Forward Looking Statements

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, copper 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.

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