



**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

## ASX ANNOUNCEMENT

Thursday 28<sup>th</sup> May 2015

# Drilling Starts at Alice Copper Porphyry Discovery

## *Alice to provide significant boost to Productora Pre-feasibility Study*

- Hot Chili has commenced a 9,000m drilling program over its Alice copper porphyry deposit, discovered late last year at its flagship Productora copper project in Chile.
- Drilling will define and test extensions to Alice, located 400m directly west of the planned central pit development.
- Results will underpin maiden Resource-Reserve at Alice, ahead of the Productora Pre-feasibility study, due to be released in the second half of 2015.

Hot Chili (ASX: HCH) is pleased to advise that the Pre-feasibility Study on its Productora copper project in Chile is set to receive another boost with a drilling program now underway at the Alice copper porphyry deposit.

The drilling will allow a first Mineral Resource and Ore Reserve to be estimated at Alice, for inclusion in the Productora PFS ahead of its release in the second half of this year.

The drilling will also test for mineralised extensions to the north and south of Alice.

Currently, Productora's entire Mineral Resource, containing over 1 million tonnes of copper and 675,000 ounces of gold, is hosted within the Main Zone deposit.

Exploration efforts at Productora over the past six months have focussed on Alice and an associated +6km-long, copper porphyry footprint immediately west of the Main Zone.

The addition of copper porphyry resources and recognition of large-scale copper porphyry potential marks an exciting new phase of growth and discovery at Productora.

### ASX Code

HCH

### Contact

Mr Christian Easterday  
Managing Director

E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

[www.hotchili.net.au](http://www.hotchili.net.au)





## **Productora Drilling Program Details**

A programme comprising approximately 8,000m of Reverse Circulation (RC) and 1,000m of Diamond (DD) drilling is underway with one drill rig in operation at Productora. Drilling is targeting the Alice copper porphyry discovery, 400m west of the planned central pit development at Productora.

The programme aims to achieve two outcomes in advance of the completion of the Productora PFS this year, namely:

1. Define a first Mineral Resource and Ore Reserve for the initial Alice copper porphyry discovery area, and
2. Test extensions of Alice and the larger potential of the recently identified +6km copper porphyry footprint (Alunite-silica lithocap).

Hot Chili has undertaken substantial work streams since the discovery and recognition of a large-scale copper porphyry system at Productora late last year. Surface geochemistry, mapping, structural analysis and drilling have refined Hot Chili's understanding of Alice and its associated alteration system.

The discovery of Alice and large-scale copper porphyry potential immediately adjacent to the planned central pit development has significantly boosted the growth potential of Productora.

The Company looks forward to releasing results from this drilling programme.

### **For more information please contact:**

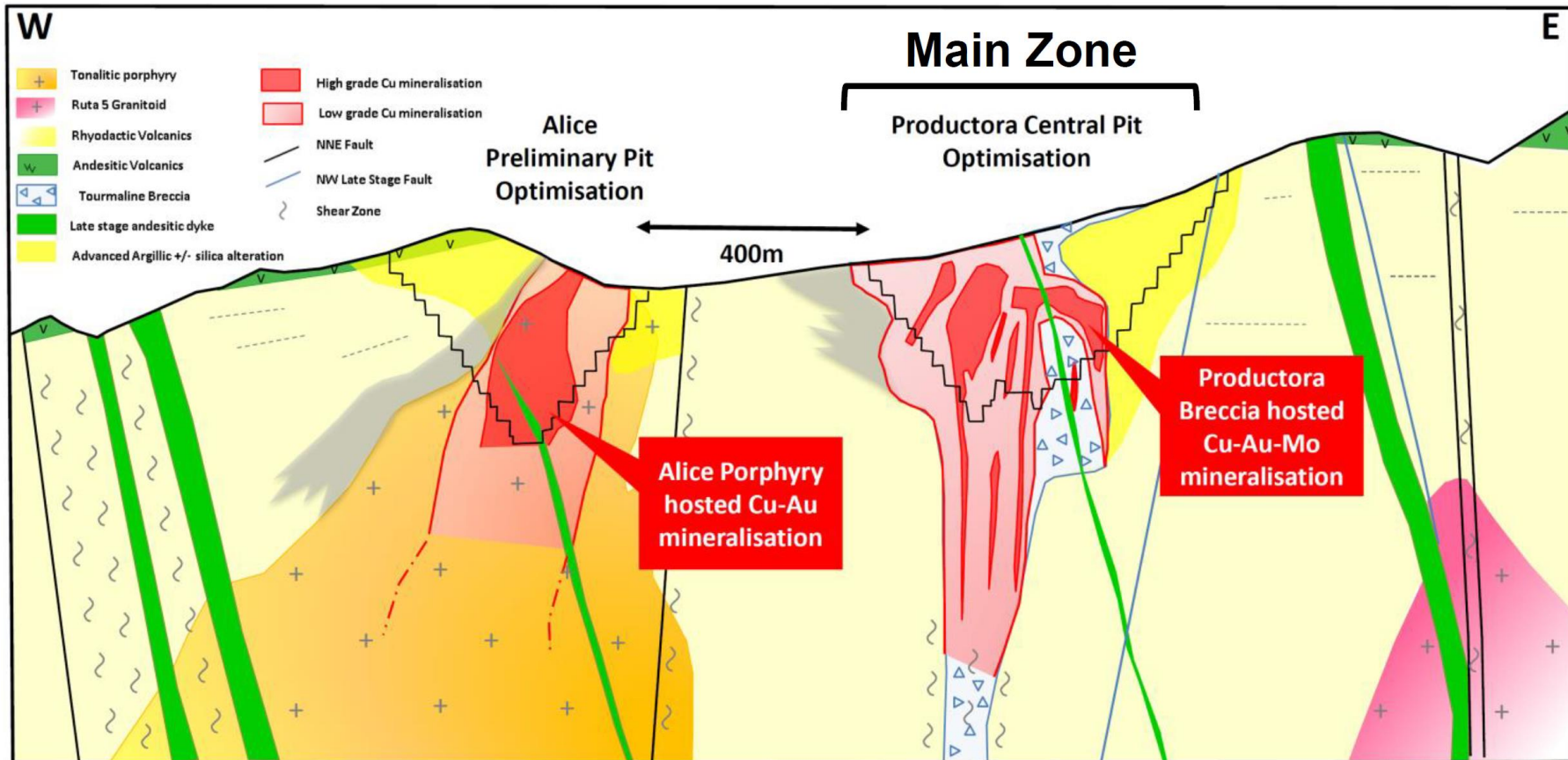
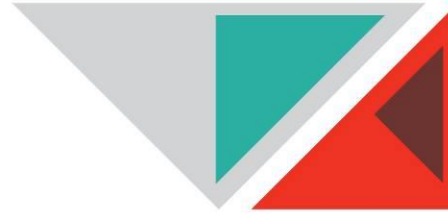
**Christian Easterday**

Managing Director

+61 8 9315 9009

Email: [christian@hotchili.net.au](mailto:christian@hotchili.net.au)

**or visit Hot Chili's website at [www.hotchili.net.au](http://www.hotchili.net.au)**



Schematic cross section across the Productora Project displaying Alice and Productora Main Zone, looking north



## Qualifying Statements

### JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 31<sup>st</sup> March 2014

Ore Type	Category	Tonnage (Mt)	Grade			Contained Metal			Payable Metal		
			Copper	Gold	Molybdenum	Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
			(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)	(tonnes)	(ounces)	(tonnes)
Transitional	Probable	10.2	0.54	0.10	128	55,000	34,000	1,300	27,000	13,000	1,000
Fresh	Probable	80.3	0.47	0.11	177	378,000	274,000	14,200	323,000	139,000	8,000
<b>Total</b>	<b>Probable</b>	<b>90.5</b>	<b>0.48</b>	<b>0.11</b>	<b>172</b>	<b>433,000</b>	<b>308,000</b>	<b>15,500</b>	<b>350,000</b>	<b>152,000</b>	<b>9,000</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: Average recoveries applied to Probable Ore Reserve estimate are: Fresh Cu– 88.8%; Fresh Au - 65%; Fresh Mo - 60%, Transitional Cu- 50%, Transitional Au- 50% and Transitional Molybdenum- 50%. Payability factors applied for Cu- 96.5%, Au- 78% and Mo- 98%. The Probable Ore Reserve was estimated using price assumptions of US\$3.00/lb copper, US\$1,250/oz gold and US\$10/lb molybdenum and an exchange rate (AUD:USD) of 0.88.

### JORC Compliant Mineral Resource Statements

Productora Mineral Resource Statement – Reported 31<sup>st</sup> March 2014

Classification (+0.25% Cu)	Tonnage (Mt)	Grade			Contained Metal		
		Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
		(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)
Indicated	158.6	0.50	0.11	152	799,000	540,000	24,000
Inferred	55.6	0.41	0.08	97	229,000	133,000	5,000
<b>Total</b>	<b>214.3</b>	<b>0.48</b>	<b>0.10</b>	<b>138</b>	<b>1,029,000</b>	<b>675,000</b>	<b>29,000</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.

### 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 “Maiden Ore Reserve at Productora Set for Strong Growth in 2014”, dated 31st March 2014. 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 Mineral Resource is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a full-time employee of Hot Chili Ltd. Mr Macdonald is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirchner is employed by Coffey Mining Pty Ltd (Coffey). Coffey has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Mineral Resource estimate. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists. 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 ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

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

The information in this announcement that relates to Productora Ore Reserves is based on information compiled by Mr Carlos Guzmán who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), 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 has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Ore Reserve estimate. Mr. Guzmán has sufficient experience which 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'. Mr Guzmán consents to the inclusion in the ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

#### **Forward Looking Statements**

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this 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 this 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 this 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 this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment advice to any person.