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## ASX ANNOUNCEMENT

Tuesday 6th November 2012

### **Drill results continue to outperform expectation in advance of major resource upgrade at Productora**

***Zone of wide, high-grade copper-gold set to boost economics in planned central open pit***

- Follow-up drilling continues to extend new wide zone of high-grade copper intersected within central development area
- Three drill rigs dedicated to delineating large direct extensions to existing resource in advance of major resource up-grade
- Latest results set to substantially boost economics of planned 4km long central open pit

### **Drill Results in New Lease at Productora**

#### **134m grading 0.9% Copper Equivalent\***

(0.6% copper, 0.2g/t gold, 202ppm molybdenum,

from 116m down-hole

#### **including 49m grading 1.5% Copper Equivalent\***

(1.1% copper, 0.3g/t gold and 275ppm molybdenum)

#### **65m grading 0.6% Copper Equivalent\***

(0.5% copper, 0.1g/t gold, 35ppm molybdenum)

from 109m down-hole

#### **52m grading 0.8% Copper Equivalent\***

(0.5% copper, 0.1g/t gold, 173ppm molybdenum)

from 270m down-hole

Hole finishes in high-grade mineralisation

#### **including 15m grading 1.4% Copper Equivalent\***

(1.0% copper, 0.2g/t gold and 258ppm molybdenum)

#### ASX Code

HCH

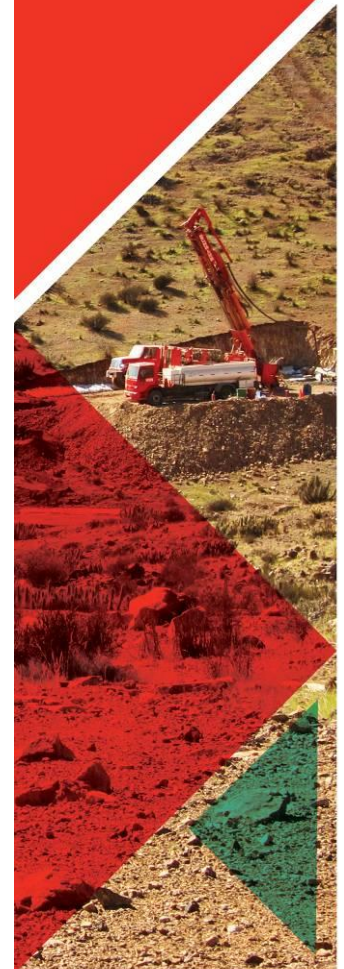
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**Hot Chili (ASX: HCH) is pleased to announce that it has extended a substantial new zone of high-grade, copper-gold mineralisation recently identified at its flagship Productora copper project in Chile.**

**The latest results follow the outstanding results announced recently at Productora and point to a significant resource up-grade within a new lease (Lease) recently secured in the centre of the project.**

**The large component of wide, high-grade copper contained in drilling intersections from surface within the new zone was not previously considered in assumptions for preliminary pit optimisations at Productora. The additions being identified by drilling within the Lease have the potential to re-shape the planned central pit development at Productora.**

**Three drill rigs are in operation within the Lease which contains the newly identified high-value zone. The Company intends to include this zone within a planned major resource up-grade for Productora once drilling is complete.**

#### **Drilling in New Lease- wide zone of high-grade, copper-gold continues to grow**

On the 17<sup>th</sup> of September 2012, Hot Chili announced its best drill results to date from the last critical lease recently secured at Productora- Uranio 1 to 70 (Lease). First drilling directed towards the southern extent of the Lease recorded several outstanding results (see Figure 1 and 2) including:

- 196m grading 0.7% copper, 0.2g/t gold and 111ppm molybdenum from 40m down-hole depth,
- 126m grading 0.7% copper, 0.2g/t gold and 169ppm molybdenum from 54m down-hole depth,
- 120m grading 0.7% copper, 0.1g/t gold and 96ppm molybdenum from 60m down-hole depth, and
- 149m grading 0.6% copper, 0.2g/t gold and 141 ppm molybdenum from 29m down-hole depth

Importantly, the majority of drilling intersections returned wide zones of relatively high grade (+1% copper) copper and gold from surface (see Figure 3 and 4).

Recent results have continued to extend the strike length of the new zone with hole PRP0413 recording a broad significant drill intersection including **49m grading 1.1% copper, 0.3g/t gold and 275ppm molybdenum from 116m down-hole depth** (see Figure 5). This latest drilling intersection has extended the strike length of the shallow, wide, high-grade (+1% copper) mineralisation to over 160m of strike length within the new zone.

Two Reverse Circulation (RC) drill rigs and one diamond (DD) drill rig are in the final stages of completing a 40m x 80m spaced drilling pattern over an 800m strike length area within the southern extent of the Lease. A major southern extension to the central resource is now confirmed on every drill line completed with the southern extent of the Lease. Drilling is set to commence shortly over the direct northern extension to the



central area resource, where earlier first-pass drilling by the Company was also successful in recording a very wide shallow drill intersection.

Further results from drilling within the Lease are expected to be announced within the coming weeks ahead.

**To date, widths and grades within the new zone have far exceeded expectations by the Company.**

**A major revision is underway on the preliminary design for the central pit development, the centrepiece of Hot Chili's development plan for Productora.**

**At an early-stage, the strong drilling results from the new zone look likely to substantially enhance the economics of an already robust and rapidly emerging Chilean large-scale coastal copper project.**

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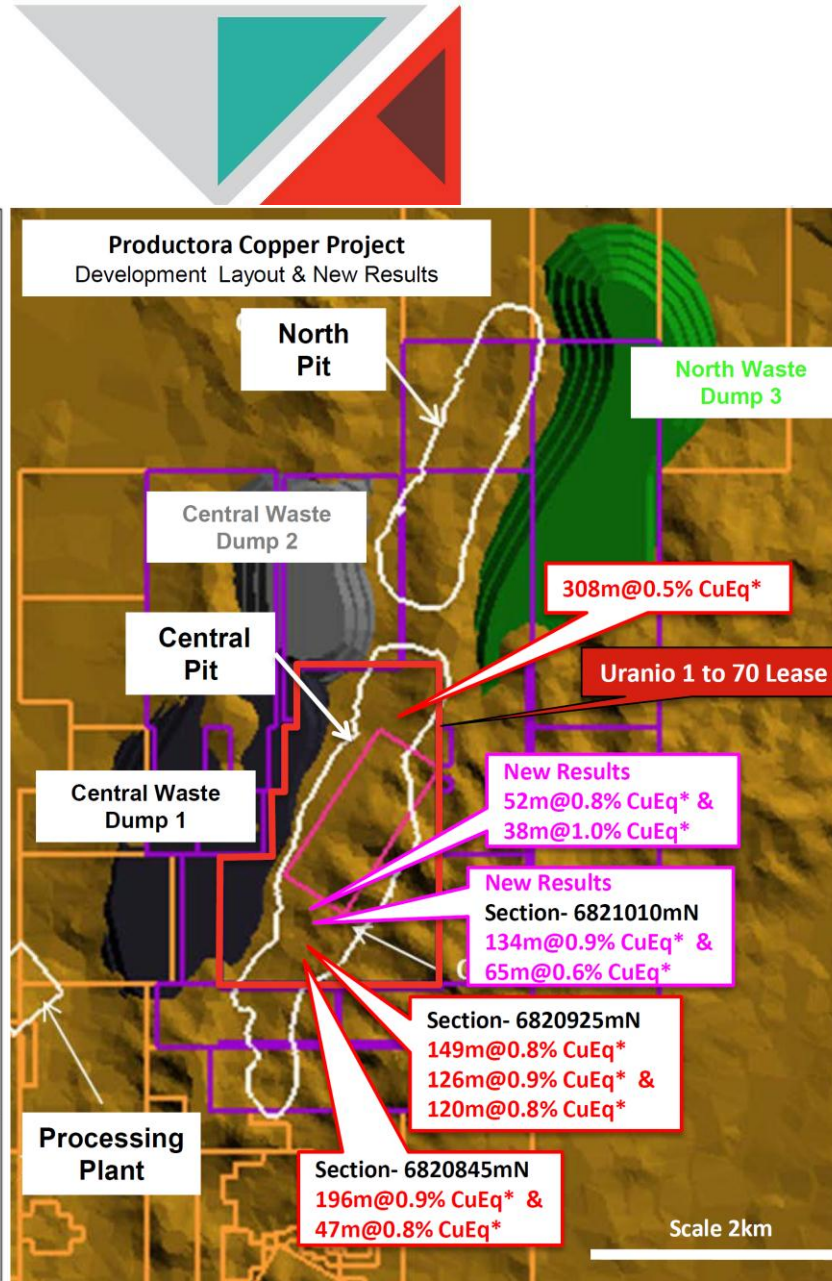
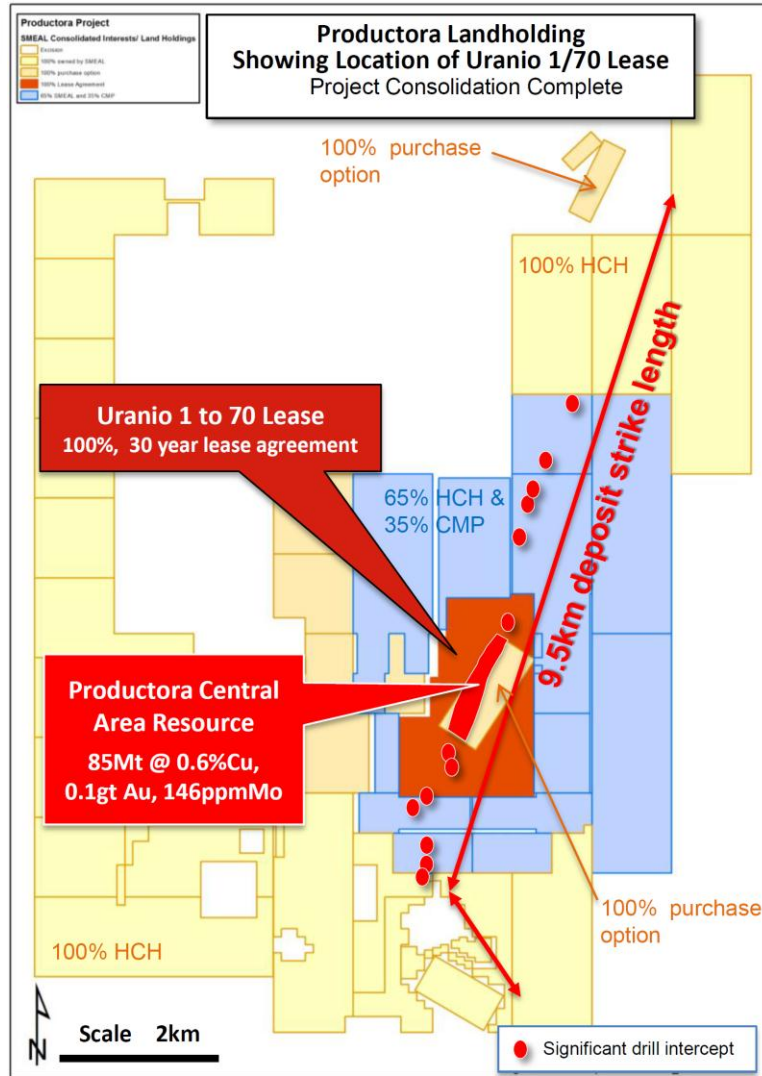


Figure 1. New Significant Drilling Intersections in relation to the Central pit design and new Lease at Productora

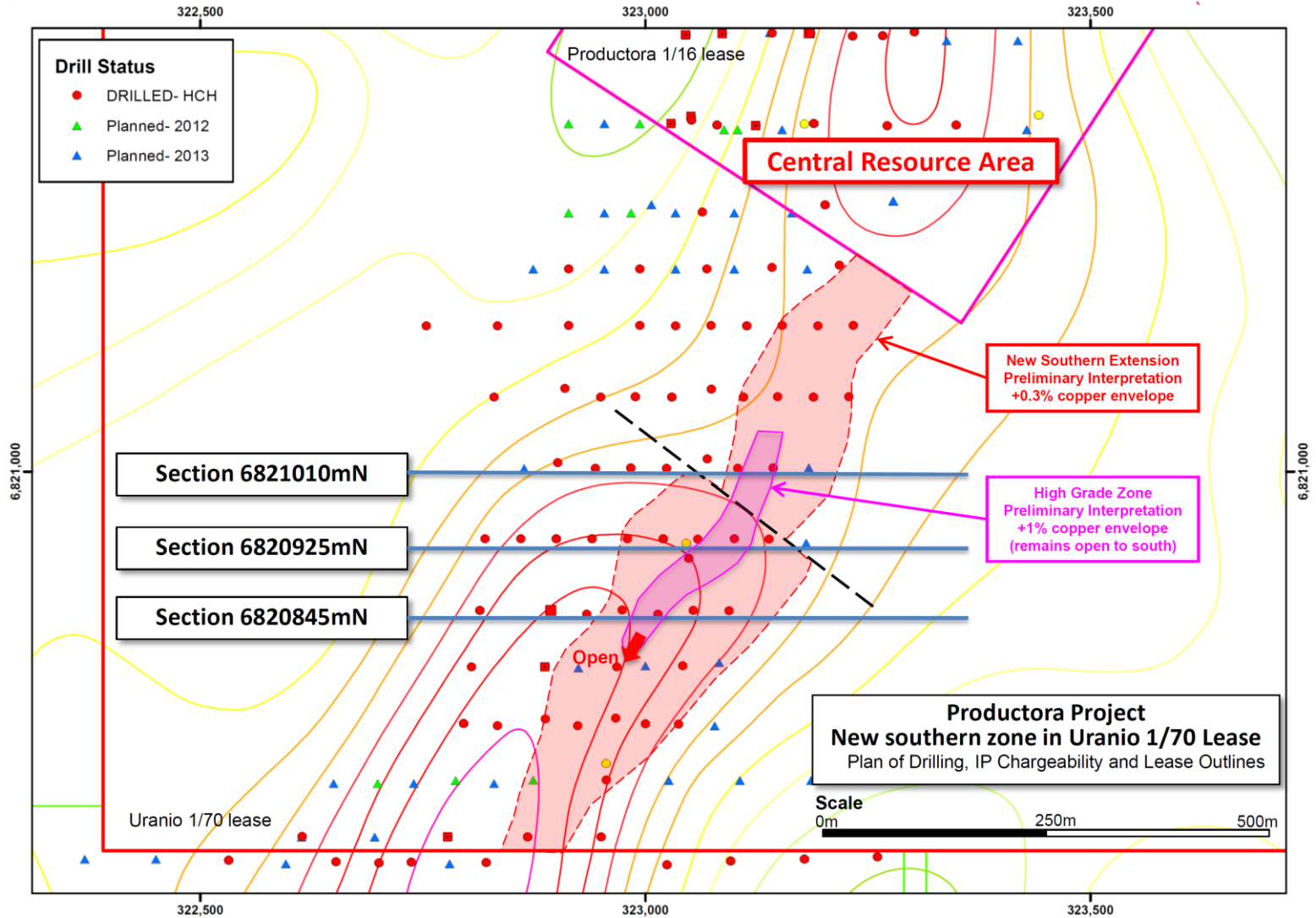


Figure 2. Location of new southern zone of mineralisation within Uranio 1/70 Lease at Productora

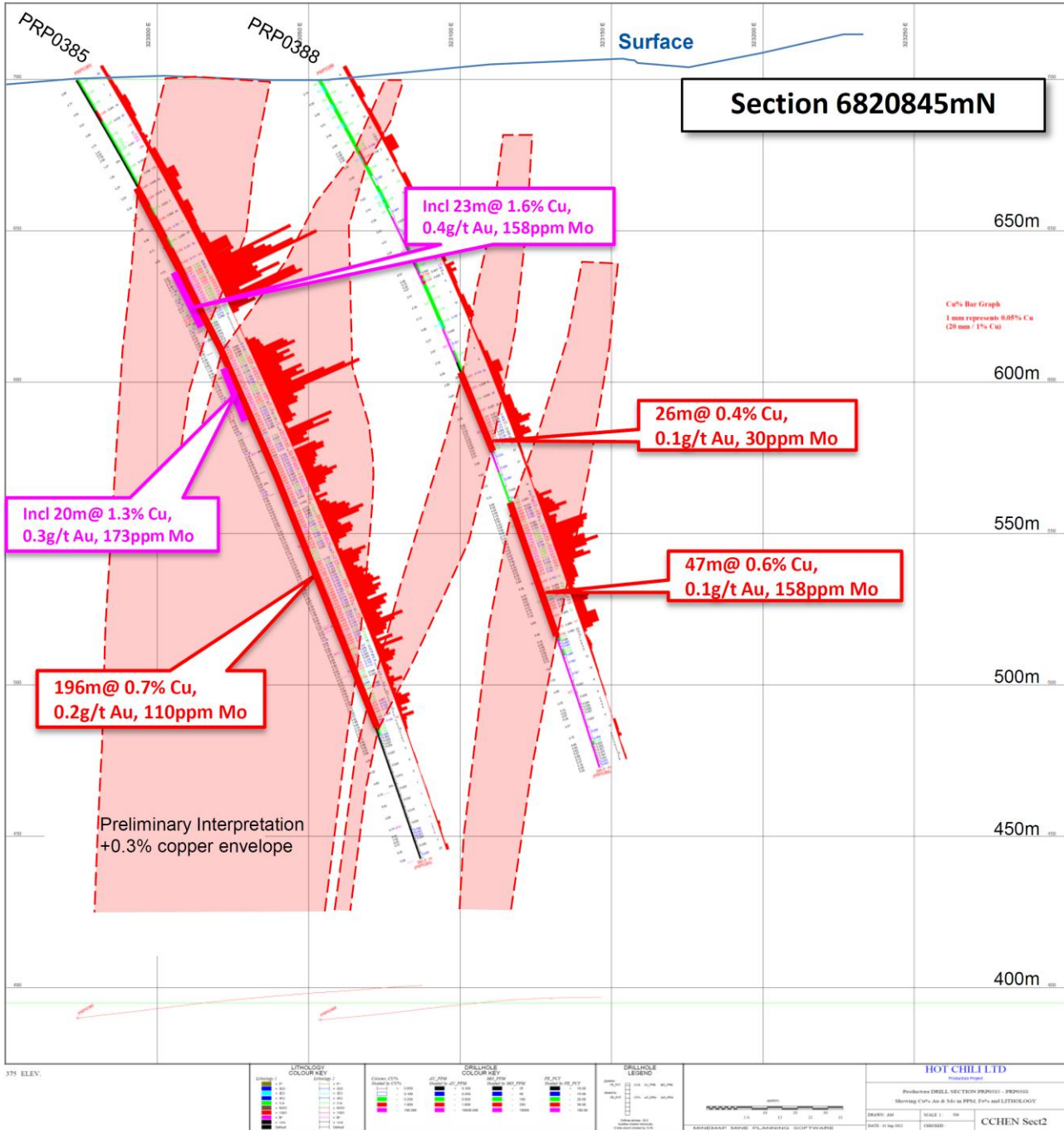


Figure 3. Cross Section 6820845mN within the Uranio 1 to 70 Lease at Productora

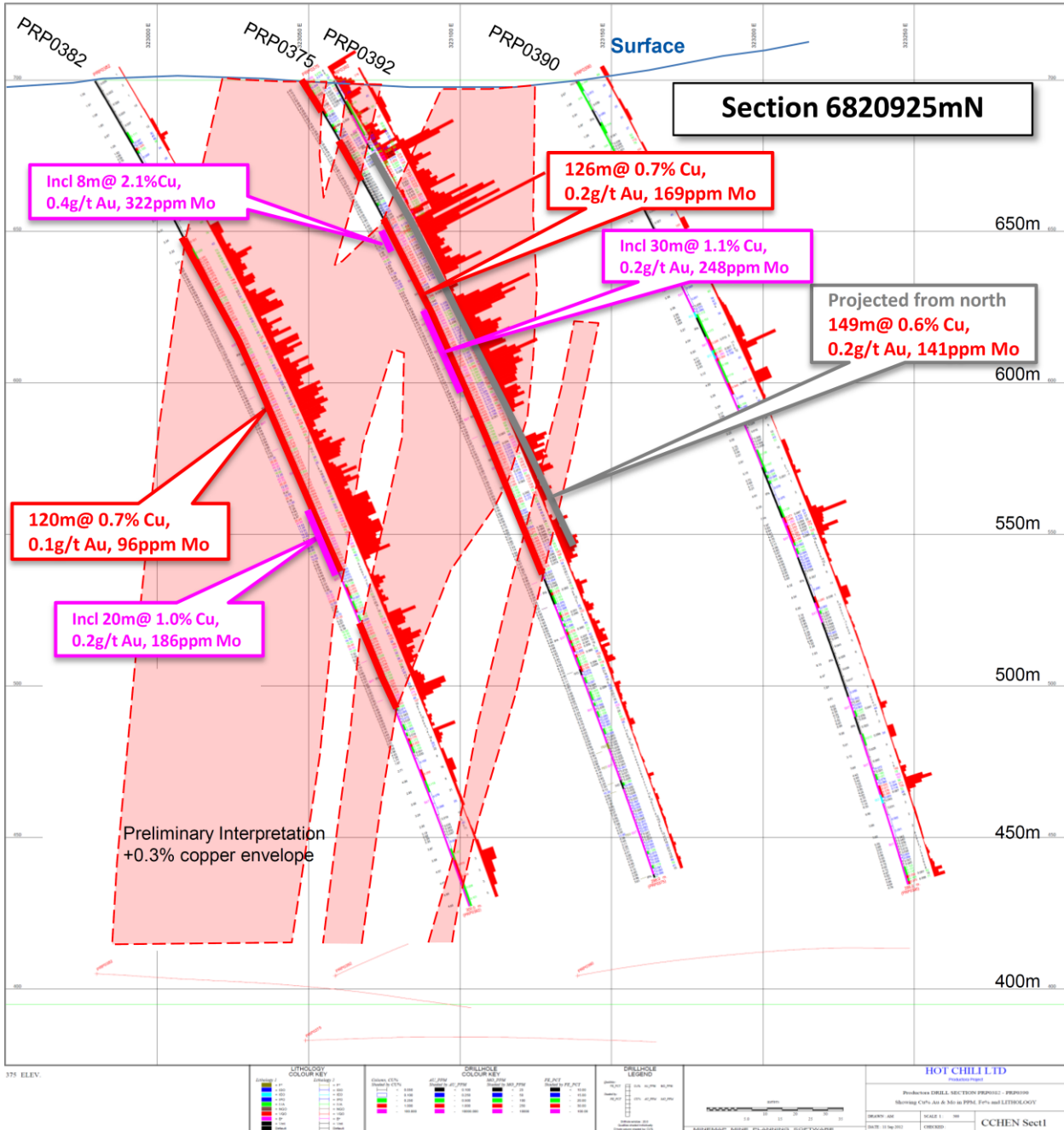
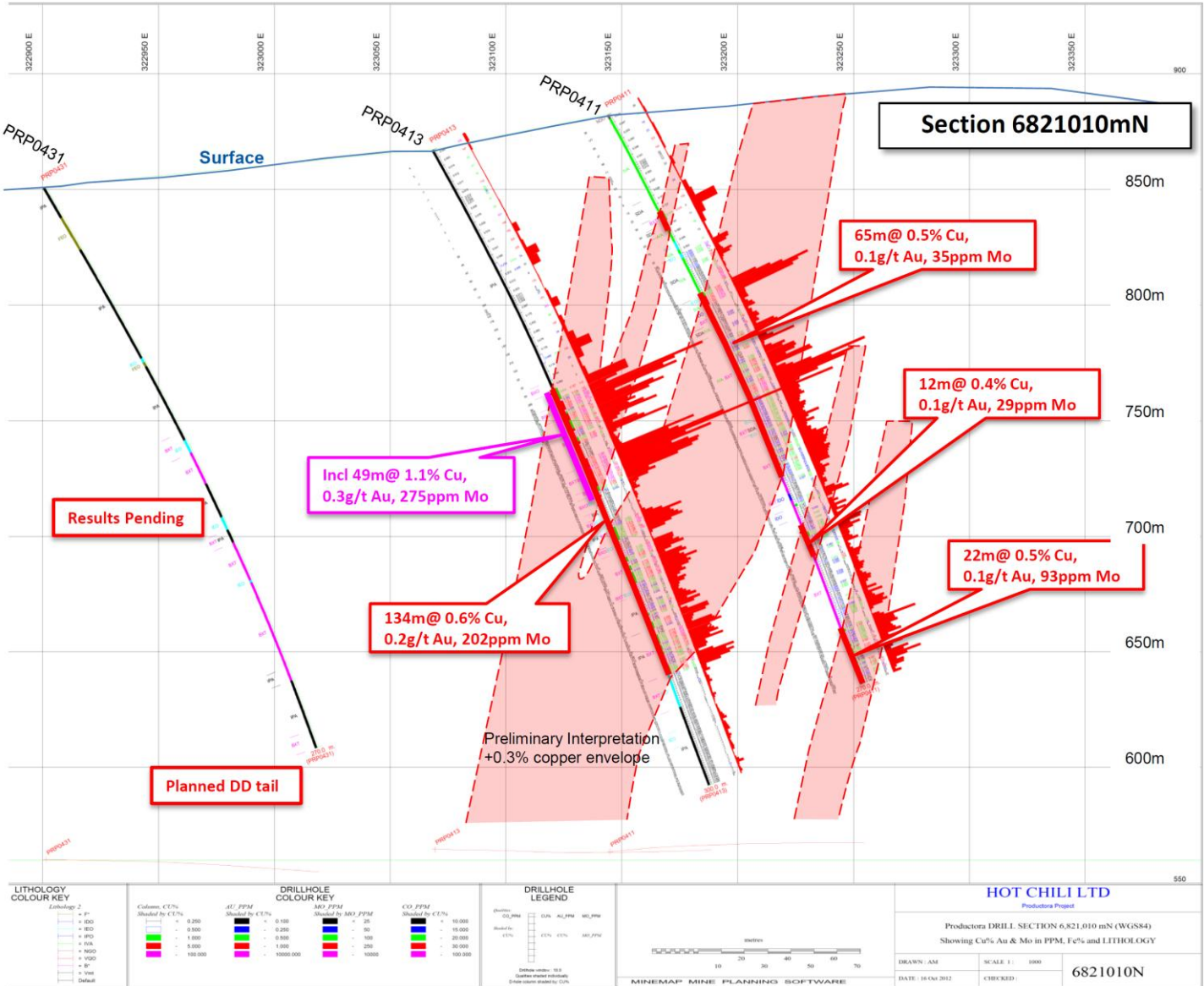


Figure 4. Cross Section 6820925mN within the Uranio 1 to 70 Lease at Productora



**Figure 5. Cross Section 6821010mN showing latest drilling results within the Uranio 1 to 70 Lease at Productora**





### Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Molybdenum (ppm Mo)	Copper Eq* (% Cu)		
	North	East			From	To							
PRP0411	6821004.4	323144	90	-60	48	52	4	0.6	0.0	3	0.6		
					87	93	6	1.2	0.0	13	1.2		
					109	174	65	0.5	0.1	35	0.6		
					193	205	12	0.4	0.1	29	0.4		
					245	267	22	0.5	0.1	93	0.6		
PRP0413	6821004.4	323064	90	-60	116	250	134	0.6	0.2	202	0.9		
					including	116	165	49	1.1	0.3	275	1.5	
PRP0415	6820782.1	323042	90	-60	4	24	20	0.5	0.1	39	0.6		
					28	64	36	0.3	0.1	29	0.4		
					116	127	11	0.6	0.1	97	0.8		
PRP0416	6821084.4	323069	90	-60	80	100	20	0.4	0.1	93	0.5		
					120	136	16	0.5	0.1	101	0.6		
					161	166	5	0.5	0.1	183	0.7		
					183	198	15	0.6	0.1	507	1.1		
					274	284	10	0.4	0.1	106	0.5		
PRP0418	6821084.4	323149	90	-60	141	179	38	0.6	0.1	391	1.0		
					197	202	5	0.6	0.1	375	0.9		
					223	228	5	0.5	0.1	189	0.7		
PRP0422	6821164.4	323074	90	-60	152	160	8	0.6	0.0	393	0.9		
					168	218	50	0.5	0.2	103	0.6		
					226	246	20	0.4	0.1	112	0.5		
PRP0423	6821164.4	322914	90	-60	157	160	3	1.5	0.2	284	1.8		
					280	286	6	0.4	0.1	15	0.4		
PRP0425	6821229.6	323142	90	-60	196	199	3	0.7	0.1	1073	1.7		
					210	215	5	0.7	0.1	230	1.0		
					Open to end of hole		270	322	52	0.5	0.1	173	0.8
					including		301	316	15	1.0	0.2	258	1.4
PRP0428	6821291.6	323064	90	-60	104	135	31	0.7	0.1	454	1.1		
					including		124	130	6	1.5	0.3	249	1.9
					171	216	45	0.6	0.1	175	0.8		



**Notes to Significant Drilling Intersections (Previous page):**

- All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" are diamond holes.
- Results comprise ICP analysis (ME-ICP61) of all 1m whole core samples (D); 1m selective cone split samples (RC) and 4m composite samples (RC).
- Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 1.0%.
- Priority MS analysis (ME-MS61) results were utilised where analysis was undertaken for uranium results greater than 50ppm.
- Gold analysis only undertaken over copper results greater than 0.2%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over 90 percent of the samples taken within the length of the intersection.
- All results were analysed by ALS Chemex (La Serena) laboratories.



**\* Copper Equivalent Calculation**

Copper Equivalent (also Cu Eq\*) Calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the Company’s opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula= Cu % + Mo(ppm)x0.0008 + Au(ppm)x0.6832

Price Assumptions- Cu (US\$1.80/lb), Mo (US\$15/lb), Au (US\$850/oz)

**Target Mineralisation**

References to exploration target size and target mineralisation in this announcement are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. Target mineralisation is based on projections of established grade ranges over appropriate widths and strike lengths having regard for geological considerations including mineralisation style, specific gravity and expected mineralisation continuity as determined by qualified geological assessment. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code

**JORC Compliant Resource Statement- Reported 7<sup>th</sup> September 2011**

Category	Tonnage (Mt)	Grade(>0.3%Cu)				ContainedMetal(>0.3%Cu)			
		Copper %	Gold (g/t)	Molybdenum (g/t)	Copper Eq* %	Copper (Kt)	Gold (KOz)	Molybdenum (Tonnes)	Copper Eq* (Kt)
<b>Indicated</b>	31.1	0.6	0.1	159	0.8	185	110	4,942	248
<b>Inferred</b>	54.0	0.6	0.1	138	0.7	298	180	7,476	395
<b>Total</b>	<b>85.1</b>	<b>0.6</b>	<b>0.1</b>	<b>146</b>	<b>0.8</b>	<b>483</b>	<b>290</b>	<b>12,418</b>	<b>644</b>

Note: Figures in the above table are rounded to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

**Competent Person’s Statement- Exploration Reporting**

Information in this announcement that relates to exploration results and mineralisation is based on information compiled by Mr Christian Easterday, a Director, who is a Member of The Australian Institute of Geoscientists. Mr Easterday 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). Mr Easterday consents to the inclusion in this presentation of the statements based on his information in the form and context in which they appear.

**Competent Person’s Statement- Resource Reporting**

Information in this announcement relating to mineral resources is based on information compiled by Mr. Alfred Gillman, a Fellow of the Australian Institute of Mining and Metallurgy (CP). Mr. Gillman is an independent resource consultant and 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code 2004). Mr. Gillman consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.