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ASX ANNOUNCEMENT

Tuesday 11th June 2013

More Wide Drilling Intersections Highlight Large Growth Potential of Hot Chili's Second Major Project

Results show Frontera rapidly emerging as key piece of Chilean coastal copper production hub

- **Drilling at Frontera continues to return extremely wide copper and gold intersections within development distance of Hot Chili's flagship coastal copper project, Productora**
- **Second-pass 3,000m drilling programme underway to finalise first formal assessment of Frontera's potential**
- **Resource growth drilling and development studies on-track at Productora**
- **Resource upgrade and Pre-Feasibility at Productora set for late 2013**

Strong Drill Results Continue At Frontera Copper-Gold Project

120m grading 0.5% Copper and 0.3g/t Gold

from 103m down-hole

111m grading 0.5% Copper and 0.3g/t Gold

from 116m down-hole

348m grading 0.4% Copper and 0.3g/t Gold

including 162m grading 0.5% Copper and 0.3g/t gold
from 66m down-hole

234m grading 0.4% Copper and 0.3g/t Gold

including 121.2m grading 0.5% Copper and 0.3g/t gold
from 244m down-hole

ASX Code
HCH

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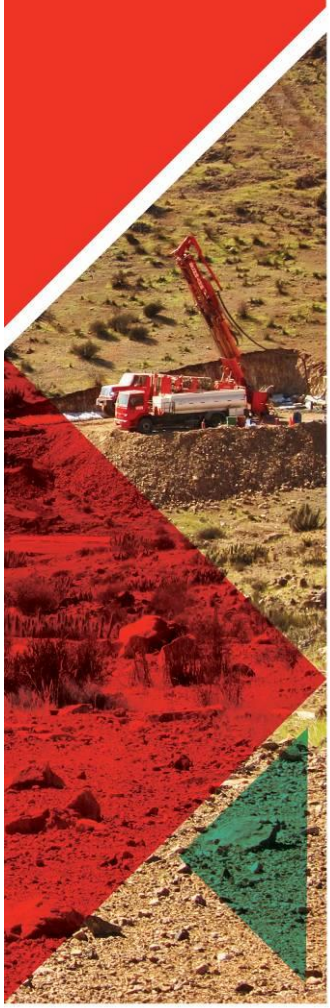

Hot Chili (ASX: HCH) has taken another crucial step in its strategy to establish a multi-project copper production hub in Chile, with fresh drilling results confirming the large growth potential of its Frontera copper-gold porphyry discovery just 70km from its flagship project, Productora.

Following the initial set of outstanding results, recent drilling has further extended the known size of Frontera. The latest results include 348m grading 0.4% copper and 0.3gpt gold. This intersection included 162m grading 0.5% copper and 0.3g/t gold.

A 3,000m second-pass drilling programme is currently underway to further extend the known size and understanding of Frontera. These results will enable Hot Chili to finish its initial formal assessment of the project.

The Company continues to focus its efforts on delivering a major resource upgrade and Pre-feasibility Study at its Productora copper project in the second half of 2013.

Strong Drill Results Continue at Frontera- Large Copper-Gold Porphyry Project Emerging

The Frontera copper project lies 70km directly south of Productora at low altitude in Region IV of Chile.

In late April, Hot Chili announced initial results from a 9,000m Reverse Circulation (RC) and Diamond (DD) drilling programme that was directed towards a first-pass drilling assessment of the Frontera copper project. A series of outstanding drill results were reported including 256m at 0.5% copper and 0.3gpt gold.

All remaining results for the first-pass drilling programme have now been received and have confirmed the discovery of a large copper-gold porphyry deposit. Given the location of Frontera in relation to Productora, the project may offer Hot Chili a second large ore source that would benefit significantly from existing infrastructure.

Mineralisation at Frontera is hosted within an andesitic volcanic/volcaniclastic pile intruded by multiple phases of variably hornblende-rich Dioritic porphyry intrusions. Best drilling results have been returned from a potassic alteration zone characterised by intense veining and biotite-magnetite alteration. The location of recent drilling results and a preliminary interpretation of copper distribution are summarised in figures 1, 2 and 3 below.

Preliminary geological and alteration modelling has indicated that copper-gold porphyry style mineralisation plunges steeply towards the northeast and is open at depth and along strike. A second -pass 3,000m RC drilling programme is underway to complete the Company's preliminary drilling assessment of the project.

Results from the second-pass drilling programme at Frontera are expected over the coming weeks.

An update and new results from the Company's on-going and extensive resource drilling programme at Productora is also expected shortly.

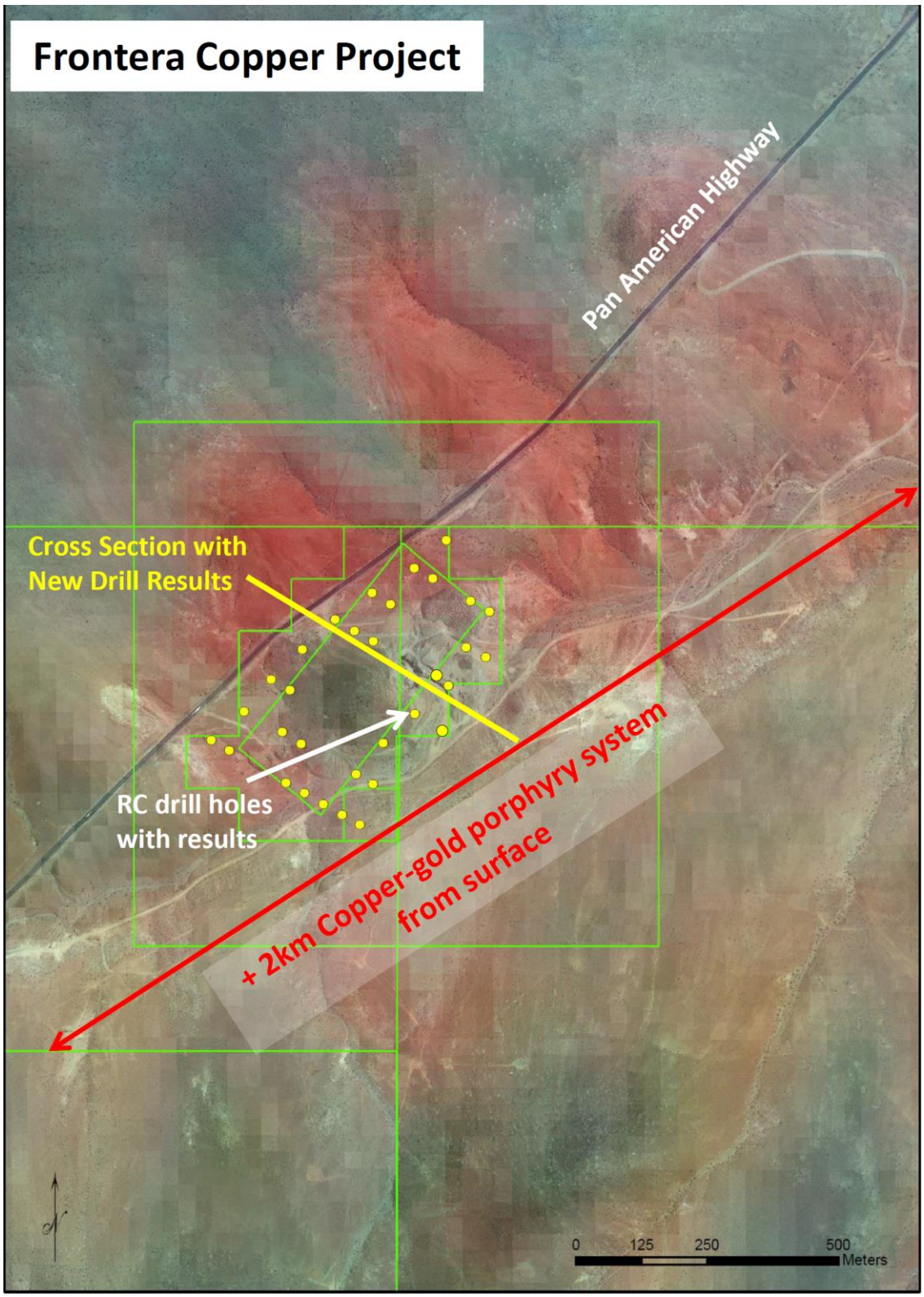

Figure 1. Plan showing location of drill holes from first drilling programme and hydrothermal alteration at Frontera copper project

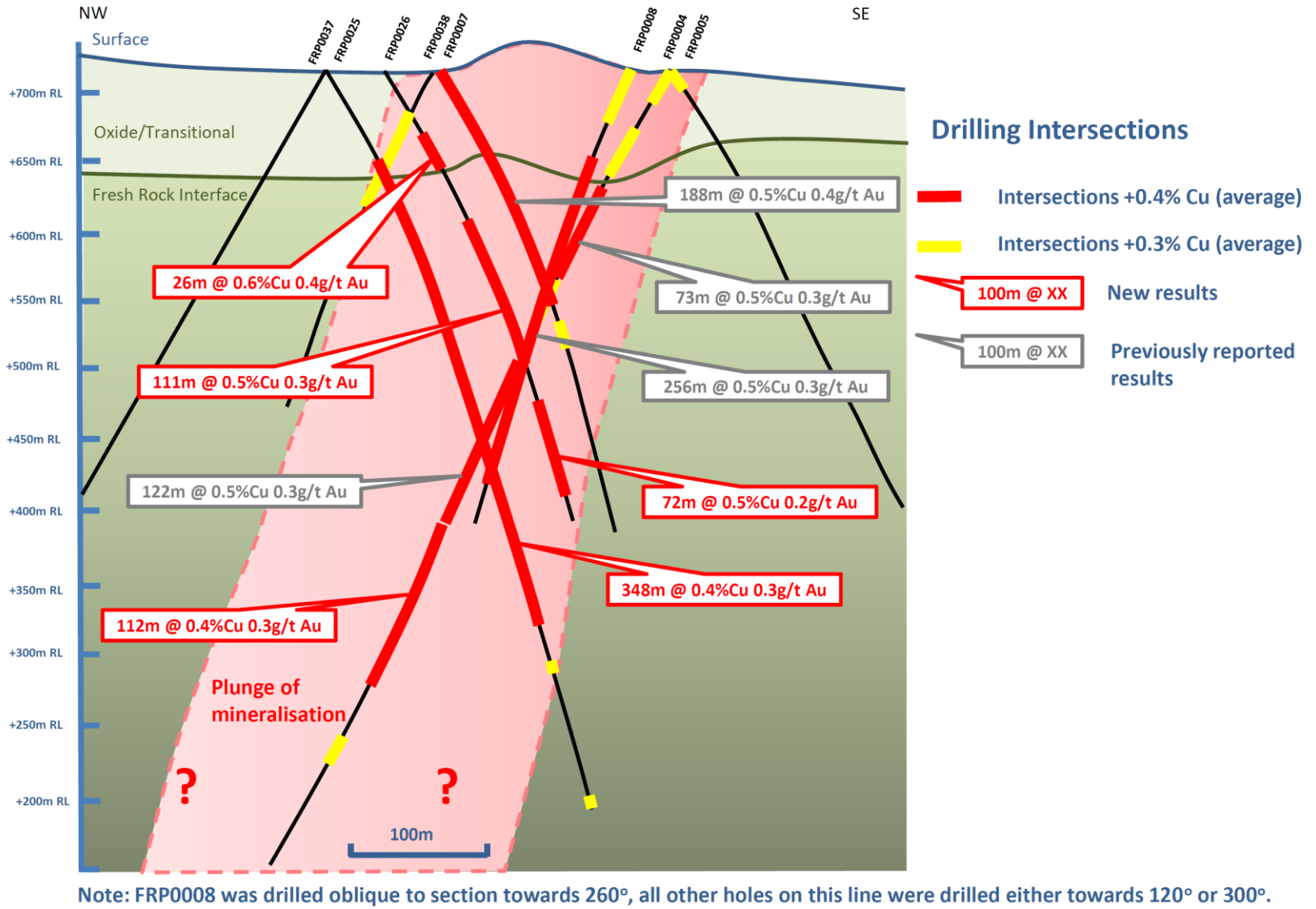

Figure 2. Cross-section of Frontera copper project displaying several significant drilling intersections

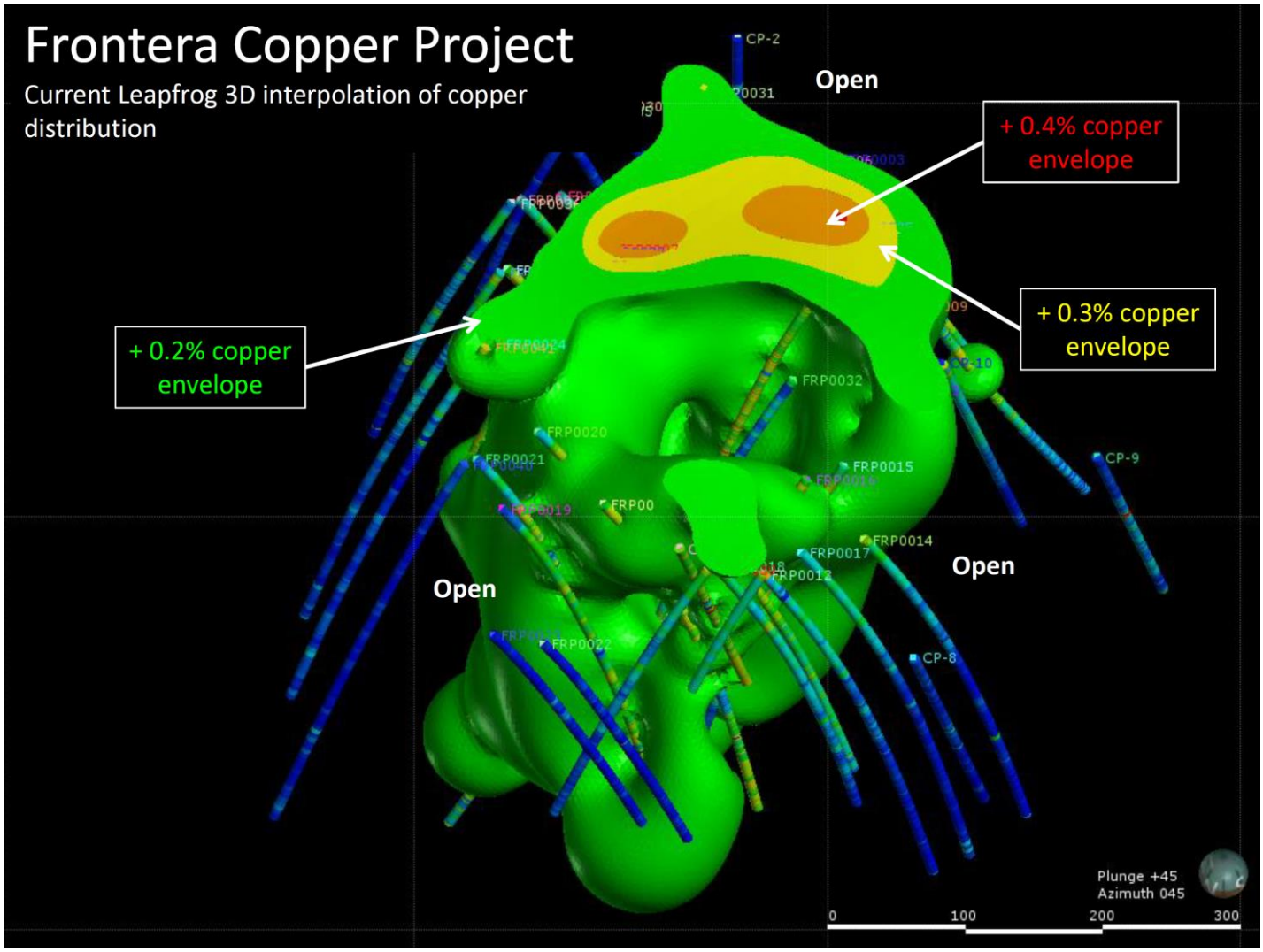

Figure 3. Oblique 3D view of Frontera copper distribution in relation to first-pass drilling coverage.

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Frontera Project- Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Copper Eq*	Comments
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(% Cu)	
FRP0004D	6774366.3	309897	300	-60	**244**	**365.2**	**121.2**	**0.5**	**0.3**	**0.7**	RC
					365.2	**478**	**112.8**	**0.4**	**0.3**	**0.6**	Diamond tail
					244	**478**	**234**	**0.4**	**0.3**	**0.6**	final intercept
					521	541	20	0.4	0.2	0.5	
FRP0015	6774191.7	309742	300	-60	141	162	21	0.4	0.2	0.5	
FRP0016	6774199.9	309712	300	-60	0	110	110	0.3	0.2	0.4	
					110	148	38	0.4	0.2	0.6	
					264	282	18	0.5	0.3	0.7	
FRP0020	6774359.5	309596	120	-60	78	162	84	0.3	0.2	0.4	
FRP0021	6774372	309545	120	-60	210	330	**120**	**0.4**	**0.2**	**0.5**	
FRP0024	6774431.2	309627	120	-60	8	24	16	0.5	0.1	0.5	
					64	98	34	0.3	0.1	0.4	
					103	**223**	**120**	**0.5**	**0.3**	**0.6**	
					227	269	42	0.4	0.3	0.5	
FRP0025D	6774488.1	309694	120	-60	**66**	**414**	**348**	**0.4**	**0.3**	**0.6**	
	including				**158**	**320**	**162**	**0.5**	**0.3**	**0.7**	
					444	453	9	0.4	0.2	0.6	
	open to end of hole				550	555.5	5.5	0.4	0.1	0.5	
FRP0026	6774465	309725	120	-60	**49**	**75**	**26**	**0.6**	**0.4**	**0.8**	
	including				**58**	**61**	**3**	**1.6**	**0.3**	**1.8**	
					116	**227**	**111**	**0.5**	**0.3**	**0.7**	
					255	**327**	**72**	**0.5**	**0.2**	**0.6**	
					341	350	9	0.4	0.2	0.6	
FRP0038	6774457.1	309755	300	-60	33	105	72	0.3	0.2	0.4	
FRP0041	6774433.9	309618	300	-60	12	32	20	0.3	0.0	0.3	

Notes to Significant Drilling Intersections

- All drill holes with pre-fix "FRP" are reverse circulation (RC) and all drill holes with pre-fix "FRD" are diamond holes (D).
- 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%.
- All gold results comprise ICP analysis (Au-ICP21).
- 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 % + Au(ppm)x0.6832
Price Assumptions- Cu (US$1.80/lb), Au (US$850/oz)

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.