

Hot Chili Undertakes \$4.65 Million Capital Raising

Hot Chili Limited (ASX Code: HCH) is pleased to announce that it has completed a private placement book-build to raise AUD\$4.65 million through the issue of 18,600,000 new shares at AUD\$0.25.

The funds will be used to accelerate the Company's drilling and exploration activities at its two advanced Chilean uranium-copper-gold projects in the coming months, as well as provide additional funds to support potential acquisition opportunities in Chile as they arise.

The placement, which was heavily subscribed, has been made to institutional, sophisticated and experienced investor clients of DJ Carmichael, Shaw Stockbroking and WH Ireland, with DJ Carmichael acting as lead manager for the raising. The placement is being conducted within the Company's "15% limit" permitted under the listing rules without shareholder approval. Completion of the placement and issue of the shares is expected to take place on or before 12th of November.

Activities Up-date

Hot Chili currently has several field-based and corporate activities in progress, comprising:

1. **Increased drilling focus:** The Company intends to accelerate its drilling activities in Chile, with discussions for securing additional drilling rigs at an advanced stage.
2. **Targeting incremental additions to project areas:** Negotiations are in progress regarding potential acquisitions of additional land positions in the area of the Company's flagship Productora project. Further applications for priority land positions at the Chile Norte project are also in progress.
3. **Progress with airborne geophysics:** Southern Geoscience Consultants are presently completing processing and imaging of the Company's recently completed helicopter-based radiometric and magnetic survey over each of its Chilean projects.
4. **Assays in progress:** The Company is awaiting the assay results from its current drilling program at Productora. Preliminary results of a small number of holes have been received which are consistent with the results from historical drilling previously announced, but are preliminary in nature with further analytical results from these holes pending. The Company expects to release the assay results in the next 2-3 weeks.
5. **Positive uranium developments in Chile:** A new bi-national agreement has been entered into between France and Chile for the assistance in investigating the development of a nuclear energy industry in Chile. Both countries will cooperate to implement a human-capital training



Announcement

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programme and will jointly investigate human-capital and institutionality as necessary conditions to determine if Chile will or will not allow nuclear plants.

The directors of Hot Chili are pleased with the level of interest shown in the placement. In the coming months the Company is looking to build momentum through its drilling programmes at our two advanced uranium-copper-gold projects in Chile. The additional funds raised under the placement will ensure that the Company can accelerate its drilling activities and take advantage of potential future acquisition opportunities as they arise.

The Company looks forward to achieving its aim of reporting preliminary resources by mid 2011.

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