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ASX ANNOUNCEMENT

Thursday 20th September 2012

Best results to date at Productora pave way for substantial resource upgrade

Wide, high-grade intersections set to further boost economics of planned open pit

- Very wide, shallow, high grade copper intersected in first drilling undertaken over new lease (Lease) surrounding existing resource at Productora
- Latest results likely to have major impact on forthcoming resource up-grade and economics of open pit
- Two Reverse Circulation (RC) drill rigs operating in new Lease

Drill Results in New Lease at Productora

196m grading 0.9% Copper Equivalent*

(0.7% copper, 0.2g/t gold, 128ppm molybdenum,

from 40m down-hole

including 23m grading 2.1% Copper Equivalent*

(1.6% copper, 0.4g/t gold and 158ppm molybdenum

126m grading 0.9% Copper Equivalent*

(0.7% copper, 0.2g/t gold, 169ppm molybdenum)

from 54m down-hole

including 30m grading 1.5% Copper Equivalent*

(1.1% copper, 0.2g/t gold and 248ppm molybdenum

120m grading 0.9% Copper Equivalent*

(0.7% copper, 0.1g/t gold, 96ppm molybdenum)

from 60m down-hole

including 20m grading 1.3% Copper Equivalent*

(1.0% copper, 0.2g/t gold and 186ppm molybdenum

149m grading 0.8% Copper Equivalent*

(0.6% copper, 0.2g/t gold, 141ppm molybdenum)

from 29m down-hole

including 35m grading 1.2% Copper Equivalent*

(1.0% copper, 0.2g/t gold and 51ppm molybdenum

ASX Code

HCH

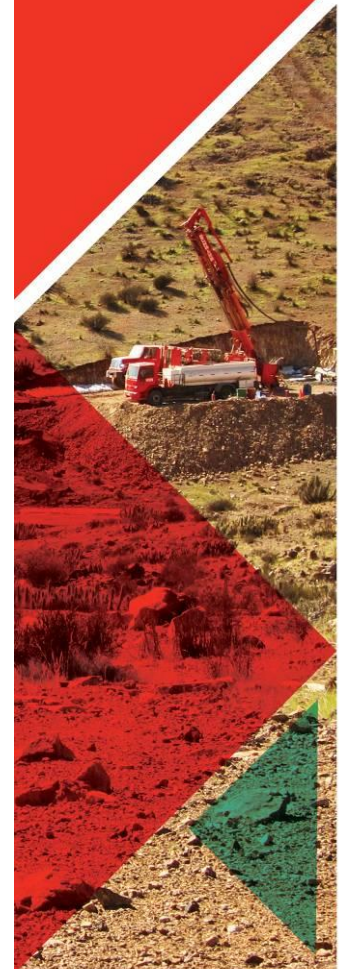
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Hot Chili (ASX: HCH) is pleased to announce that it has recorded its best drilling intersections yet at its Productora copper project in Chile.

The latest results are expected to underpin a significant resource upgrade for Productora in the fourth quarter of 2012 and provide a substantial boost to the economics of a planned 4km long central open pit, the centre piece of the Company's development plan at the project.

The wide, high-grade results were recorded in the first drilling to be undertaken over the last critical lease secured by Hot Chili in July. This Lease encircles the Company's existing central resource.

For the purpose of designing and forecasting economics, the new Lease had already been included in Hot Chili's current pit designs for the development layout at Productora. However, the widths and grades of the latest drilling results are significantly greater than those assumed for the purposes of this earlier work.

Importantly, a large number of the holes drilled on the new Lease have intersected a potentially large tonnage zone of the deposit which appears to host both high-grade copper and gold from surface.

In light of these outstanding results, Hot Chili has now brought forward drilling within the new Lease. Two RC drill rigs are currently expanding drill coverage around the newly identified high-value zone.

First Drilling in New Lease- best results recorded to date at Productora

On the 17th of July 2012, following over four year of consolidation efforts, Hot Chili announced that it had finally secured the last critical lease at Productora- Uranio 1 to 70.

The Uranio 1 to 70 lease lies within the centre of Hot Chili's flagship Productora copper project, forming an encircling landholding around the Company's existing JORC compliant central resource (85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum). The Lease represents the last critical portion of the central resource development area to be consolidated at Productora and added a further 1.2km of strike length to the project as shown in Figure 1.

A first pass drilling programme, comprising a total of 10 RC holes commenced within the Lease approximately 4 weeks ago. The drilling aimed to provide early confirmation of mineralisation located by historical drilling undertaken by General Minerals (GMC) and Teck during the 1990's.

Results returned from this drilling have confirmed the presence of potential large tonnage, direct extensions to the north and south of the central area resource.

Importantly, drilling within the southern extent of the Lease has identified a new zone of very wide, shallow mineralisation with continuity confirmed over two lines of drilling separated by 80m in distance. Drilling in this area recorded four very wide intersections from shallow depths which all contained high-grade copper



and gold. The results contained in this zone are the widest and highest grade results recorded to date at Productora and importantly all lie within the companies planned central pit development as shown on Figure 1.

Hot Chili's assumed continuation of mineralisation in the new Lease had not considered such widths or grades prior to the commencement of drilling. It is considered that these first drill results are likely to have a major impact on in-pit resource additions at the project.

Figure 2 and 3 display the significant intersections recorded in the southern extent of the new Lease as two cross sections.

Hot Chili Chairman Murray Black said the latest results vindicated the Company's four-year push to secure the last critical leases at Productora.

"The receipt of such outstanding first drilling results from this area of the project is a great reward for over four years of efforts to consolidate the Productora landholding," Mr Black said.

"The results point to a substantial resource upgrade and a significant boost to the economics of Productora."

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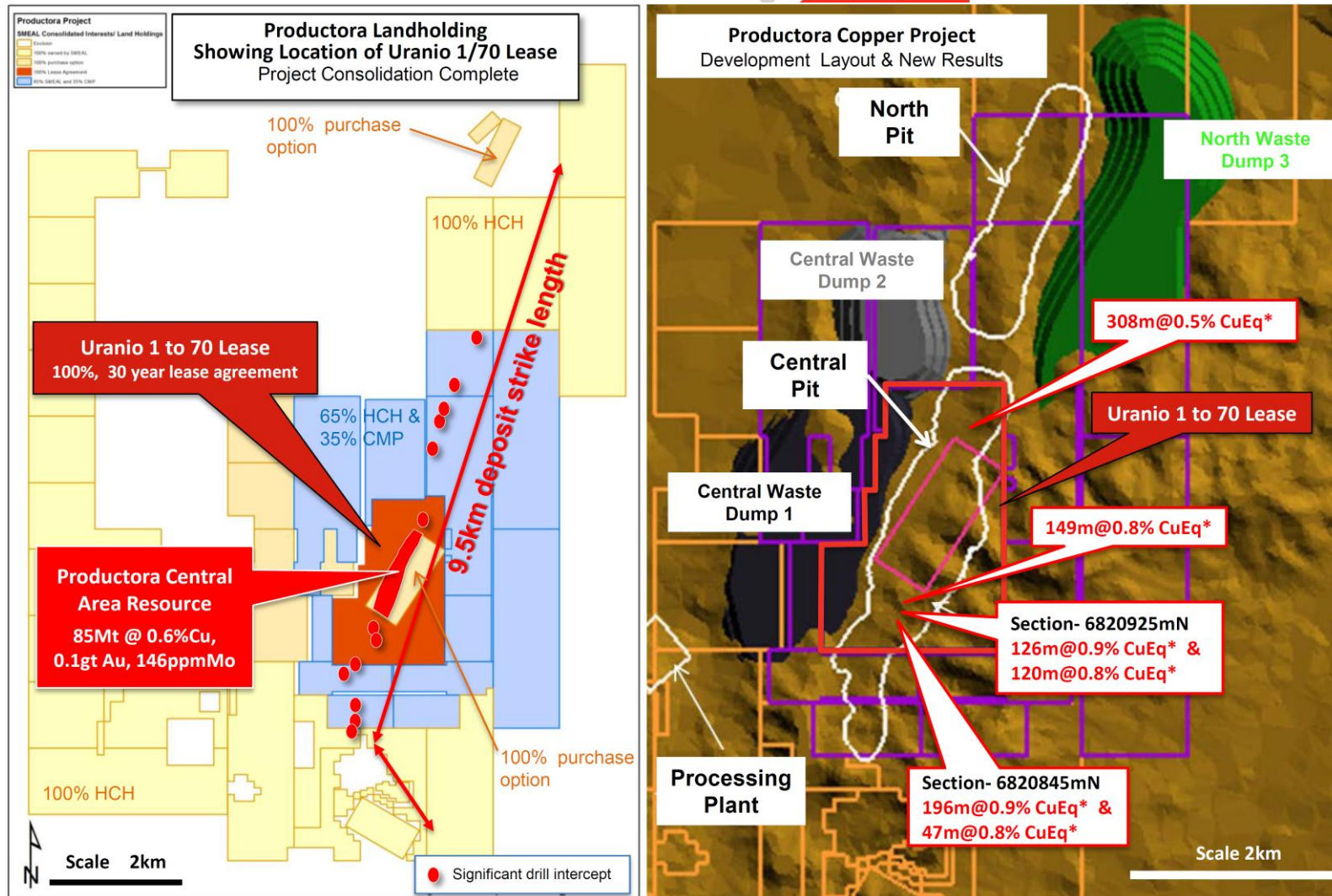


Figure 1. New Significant Drilling Intersections in relation to the Central pit design and new Lease at Productora

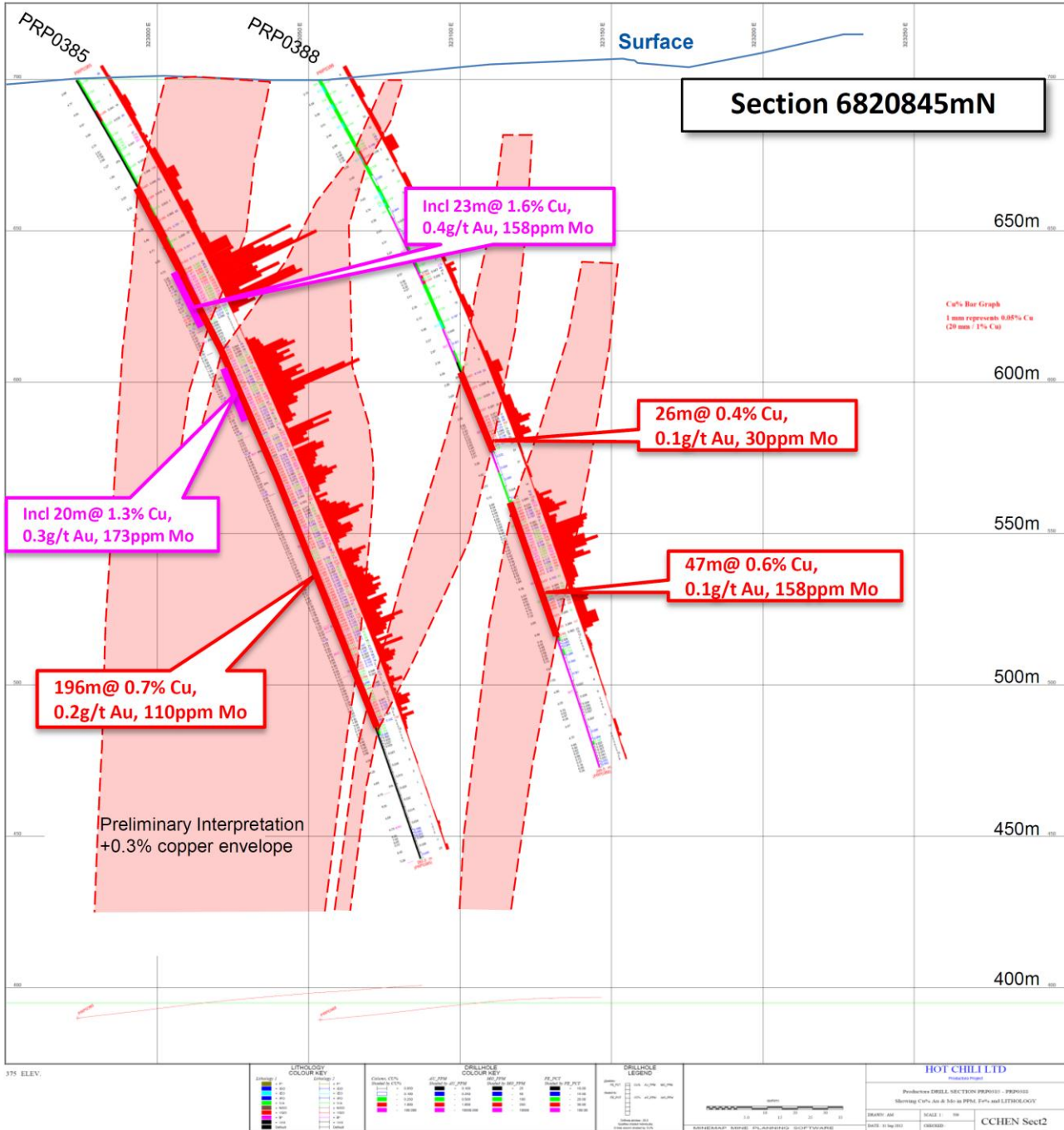


Figure 2. Cross Section 6820845mN within the Uranio 1 to 70 Lease at Productora

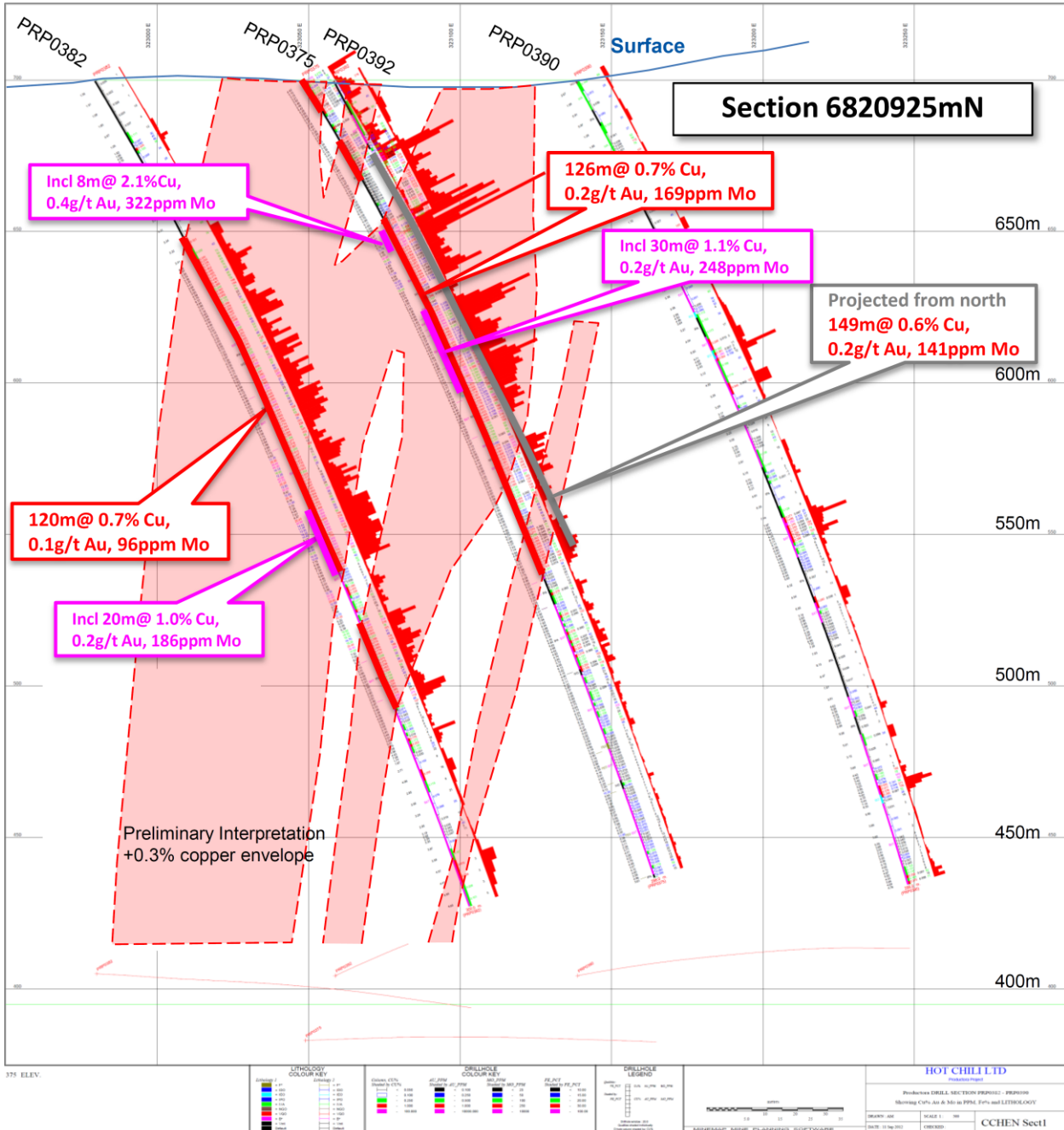


Figure 3. Cross Section 6820925mN within the Uranio 1 to 70 Lease at Productora



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					
PRP0375	6820903	323049	87.46	-58.58	0	13	13	0.4	0.1	66	0.5
					23	36	13	0.5	0.2	239	0.8
					54	180	126	0.7	0.2	169	0.9
				<i>including</i>	57	65	8	2.1	0.4	322	2.6
				<i>including</i>	87	117	30	1.1	0.2	248	1.5
PRP0382	6820925	322980	92.19	-59.3	60	180	120	0.7	0.1	96	0.8
				<i>including</i>	160	180	20	1.0	0.2	186	1.3
					200	230	30	0.5	0.1	97	0.7
PRP0385	6820845	322973	83.14	-59.3	40	236	196	0.7	0.2	111	0.9
				<i>including</i>	68	91	23	1.6	0.4	158	2.1
				<i>including</i>	106	126	20	1.3	0.3	173	1.6
PRP0388	6820844	323053	84.86	-61.2	108	134	26	0.4	0.1	30	0.4
					154	201	47	0.6	0.1	158	0.8
PRP0390	6820924	323138	79.16	-59.72	102	116	14	0.4	0.1	195	0.6
					161	169	8	0.5	0.1	89	0.7
					254	258	4	0.6	0.2	139	0.8
PRP0392	6820924	323058	64.66	-59.42	29	178	149	0.6	0.2	141	0.8
				<i>including</i>	72	107	35	1.0	0.2	101	1.2
					186	192	6	0.3	0.1	51	0.4
					208	214	6	0.7	0.1	31	0.9
PRP0395	6822700	323620	90.18	-59.46	174	215	41	0.4	0.1	174	0.6
PRP0397	6822700	323660	70.25	-59.67	10	318	308	0.3	0.1	110	0.5
				<i>including</i>	10	56	46	0.4	0.2	46	0.5
				<i>including</i>	63	81	18	0.4	0.1	41	0.5
				<i>including</i>	95	109	14	0.3	0.1	177	0.5
				<i>including</i>	118	136	18	0.4	0.2	181	0.6
				<i>including</i>	146	163	17	0.7	0.2	325	1.1
				<i>including</i>	169	184	15	0.4	0.1	86	0.5
				<i>including</i>	194	211	17	0.5	0.1	164	0.8
				<i>including</i>	221	232	11	0.4	0.1	166	0.6
				<i>including</i>	239	267	28	0.5	0.1	201	0.7
				<i>including</i>	277	303	26	0.4	0.1	110	0.6
				<i>including</i>	312	318	6	0.6	0.1	365	0.9



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 7th 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)
Indicated	31.1	0.6	0.1	159	0.8	185	110	4,942	248
Inferred	54.0	0.6	0.1	138	0.7	298	180	7,476	395
Total	85.1	0.6	0.1	146	0.8	483	290	12,418	644

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.