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ASX ANNOUNCEMENT

Tuesday 25th September 2012

High-grade Copper and Gold Discovered at Productora

Potential for High-grade Copper-Gold Shoots to Add New Dimension to Productora

- High-grade copper-gold discovered by drilling in the northern extent of project
- New discovery interpreted to be a high-grade copper-gold shoot, open in all directions
- Follow-up drilling being planned, over 160m of strike potential

New Drilling Intersection at Productora

7m grading 5.0% Copper, 1.4g/t Gold

(6.4% CuEq* also includes 642ppm molybdenum)

Included within a broader drill intersection of:

45m grading 1.9% Copper Equivalent*

(1.3% copper, 0.5g/t gold and 352ppm molybdenum)

from 93m down-hole

Open up/down dip and along strike for over 160m

Hot Chili (ASX: HCH) is pleased to announce that it has discovered high-grade copper-gold within the northern extent of its Productora copper project in Chile.

The outstanding drilling result, which includes 7m at 5% copper and 1.4g/t gold, is interpreted to be from a high-grade shoot and is the first drill result with such grade to be recorded at Productora. A shoot of this grade has strong potential to boost the economics of Productora significantly.

The discovery provides a new target for resource drilling in addition to the current bulk tonnage copper resource currently being expanded at Productora. Follow-up drilling is being planned to define the extents of the high-grade shoot.

ASX Code

HCH

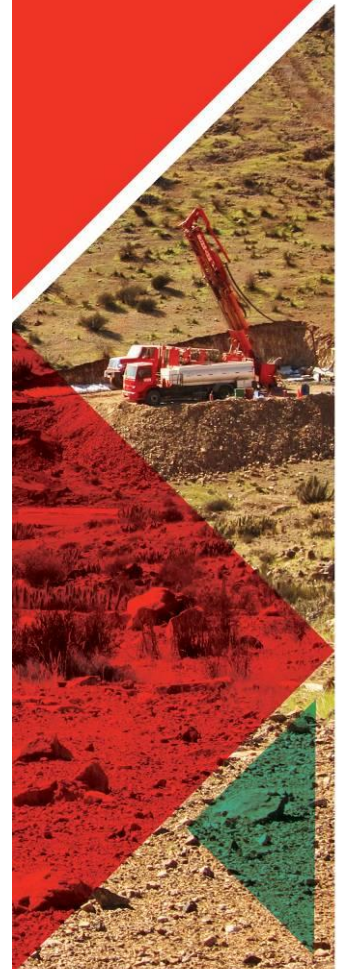
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High-grade Copper-Gold- New Drilling Discovery in Northern Extent of Productora

Hot Chili has returned a high-grade copper gold intersection from Reverse Circulation (RC) drilling being completed as part of the Company's current resource up-grade drilling programme.

The high-grade drilling result was intersected within the northern extent of the project, approximately 3.5km north of the location where Hot Chili last week announced Productora's best results to date, including 196m grading 0.7% copper, 0.2g/t gold and 111ppm molybdenum from 60m down-hole depth (*see Figure 1*).

Last week's results, and the drilling being undertaken in follow-up, will form part of a significant resource upgrade for Productora in the December quarter.

The latest high-grade drilling result returned **7m grading 5% copper, 1.4g/t gold and 642ppm molybdenum** within a broader drilling intersection of 45m grading 1.3% copper, 0.5g/t gold and 352ppm molybdenum from 93m down-hole. Preliminary interpretation indicates that this drilling intersection may be related to a high-grade shoot control within the broader north-northeast trending main mineralised corridor.

Investigation of RC drilling chips has revealed that the high-grade zone is associated with chalcopyrite and bornite sulphide mineralogy within a breccia host rock. Individual metre samples within the high-grade zone recorded up to 10.2% copper, 3.0g/t gold and 1,140ppm molybdenum.

At present the drilling intersection is open up-dip, down-dip and for over 160m in strike extent (*see Figure 2*).

A follow-up drilling programme is currently being designed to determine the extent of the high-grade shoot position within the northern extent of Productora with drilling to commence as soon as possible.

Hot Chili Managing Director Christian Easterday said given the high-grade nature of the interpreted shoot, only relatively small dimensions are required to make a substantial contribution to the rapidly growing resource inventory at Productora.

"The discovery of this high-grade copper and gold adds an important new dimension to the Productora copper project," Mr Easterday said.

"While the company always considered it possible for Productora to host such high-grade shoots, locating these has been elusive given the drill spacing of the resource development programme for the large-tonnage project".

"If follow-up drilling confirms the presence of such high-grade shoots at Productora the up-side of the project will be significantly enhanced."



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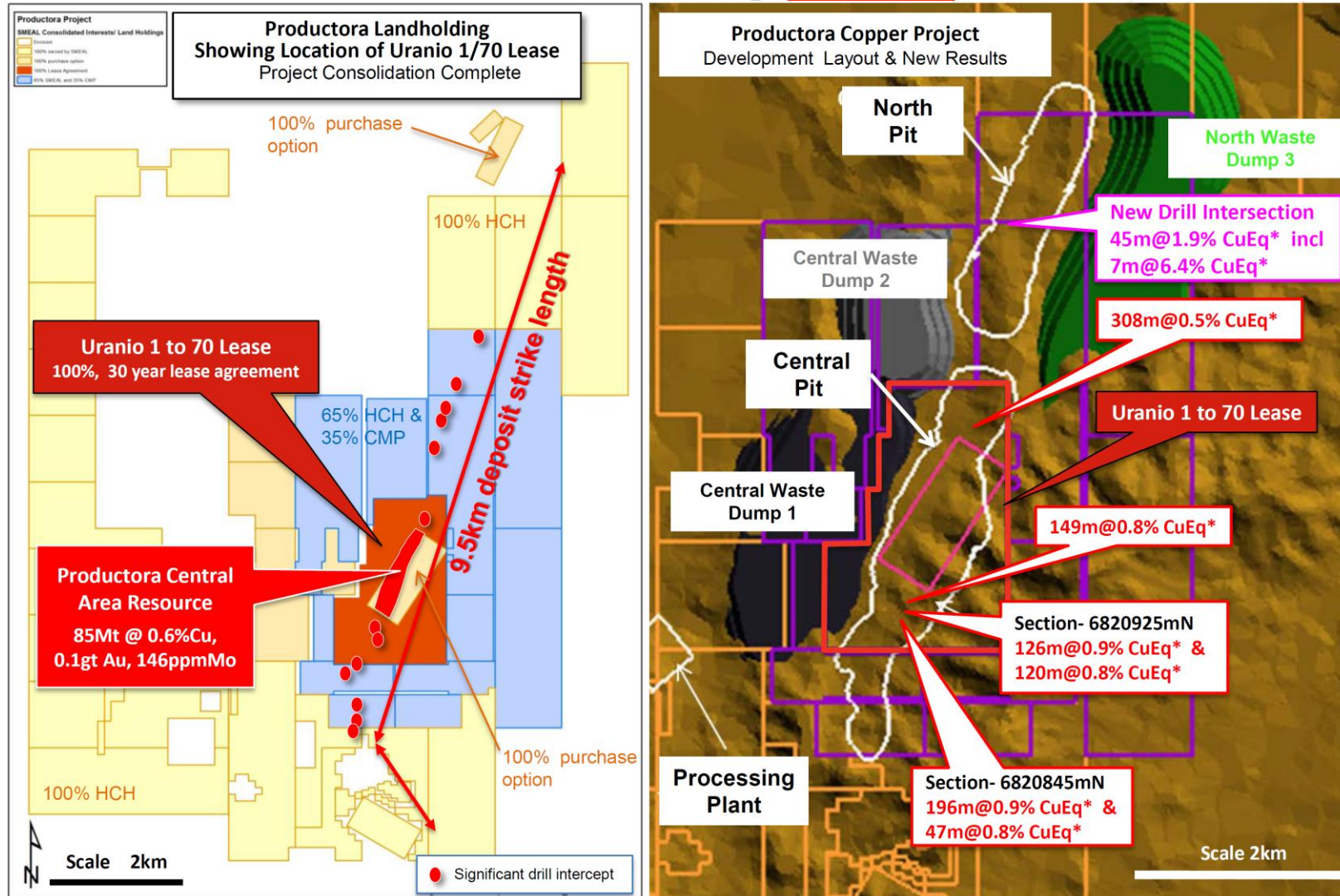


Figure 1. New significant drilling intersections in relation to landholding and development lay-out at Productora

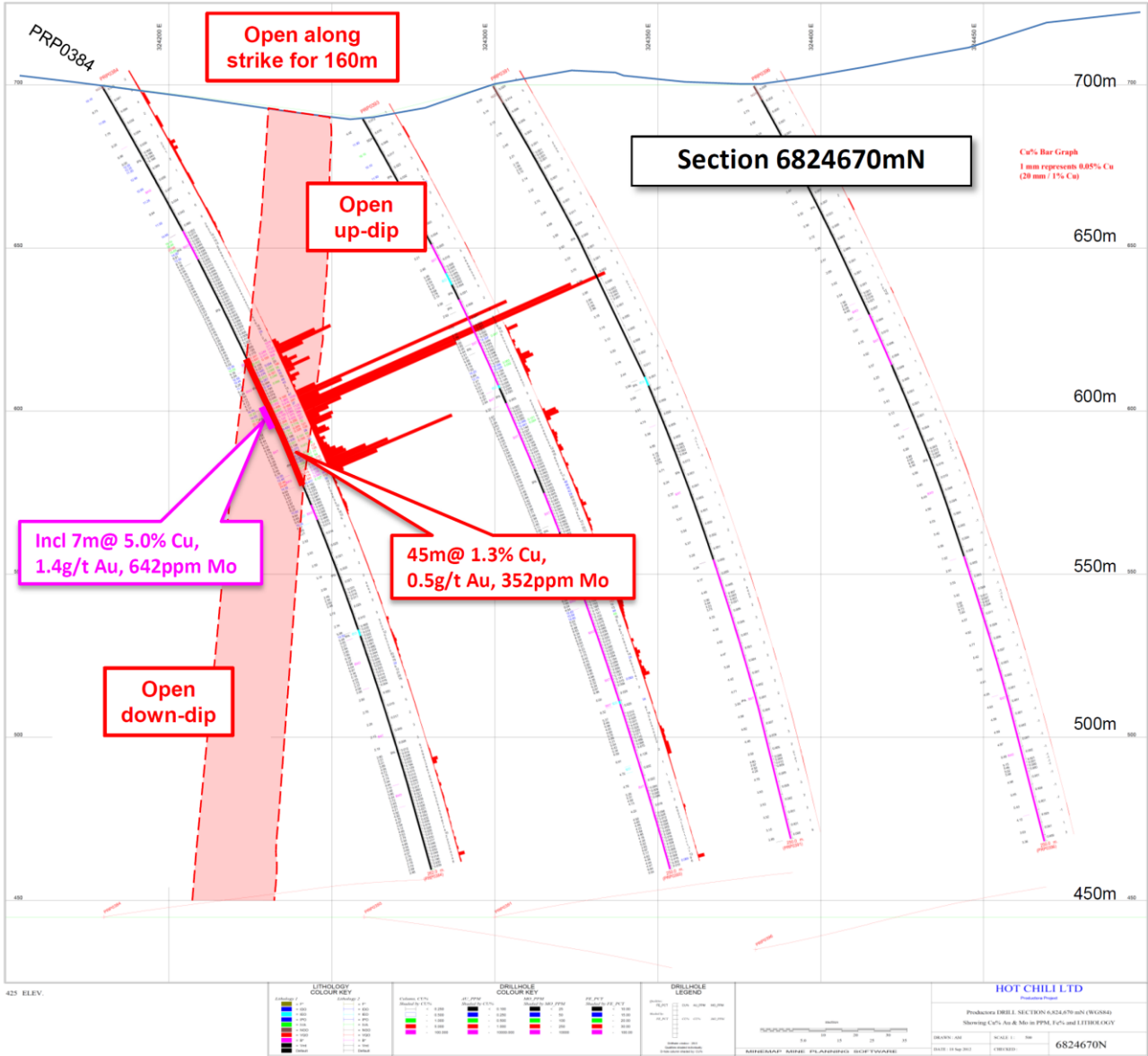


Figure 2. Cross Section 6824670mN within the northern extent of Productora



Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim	Dip	Intersection		Interval (m)	Copper	Gold	Molybdenum	Copper Eq*
	North	East			(% Cu)	(g/t Au)		(ppm Mo)	(% Cu)		
PRP0384	6824670	324180	90	-60	93	138	45	1.3	0.5	352	1.9
				<i>including</i>	111	118	7	5.0	1.4	642	6.4

Notes to Significant Drilling Intersections

- 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.