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ASX ANNOUNCEMENT

Wednesday 10th October 2012

High-grade Gold in First Drilling Undertaken at Productora South

Shallow, high-grade, narrow-vein gold area adds further up-side to Productora

- Sierra Zapallo gold zone in the southern most extent of Productora- never previously drilled
- Cluster of outcropping high-grade, narrow- gold veins covering a large strike extent of approximately 900m
- Only 13 RC drill holes complete so far with initial drill results contained to a small section of the gold deposit.

High Grade Gold at Productora

1m grading 57.2g/t Gold

(intersection also includes 0.3% copper and 12g/t silver)

from 37m down-hole

1m grading 5.7 g/t Gold

(intersection also includes 0.5% copper and 5g/t silver)

from 21m down-hole

1m grading 5.7g/t Gold

(intersection also includes 0.1% copper and 1g/t silver)

from surface

Hot Chili (ASX: HCH) is pleased to announce that first pass drilling has returned several narrow, high-grade gold results at shallow depth from the southern-most extent of its Productora copper project in Chile.

As the southern-most extent of Productora is not considered within the Company's present development plan, drilling confirmation of a gold zone in the south of Productora adds further exploration up-side to an already rapidly growing project.

Assay results are expected shortly from resource drilling being undertaken in the central development area of Productora,

ASX Code

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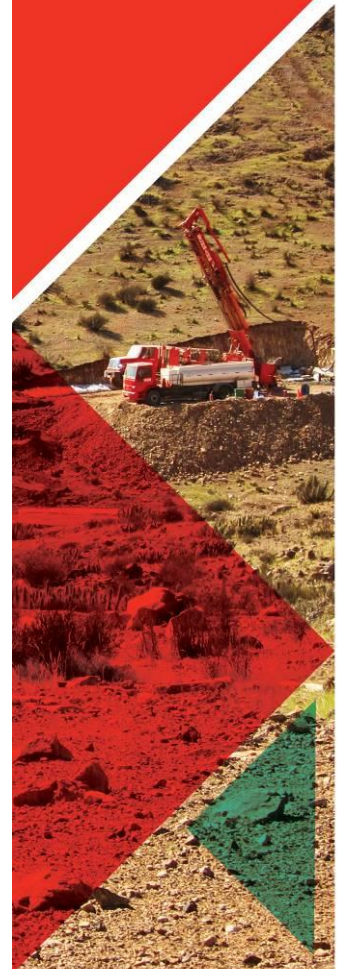
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where recently Hot Chili has recorded its strongest drilling intersections to date at the project.

Resource drilling activities are progressing well towards a major resource upgrade for Productora within the December quarter of 2012.

Shallow, High-grade, Narrow-vein Gold- First-pass drill results at Productora South

Hot Chili has returned several shallow, high-grade, narrow-vein gold intersections from a limited first-pass Reverse Circulation (RC) drilling programme undertaken over the southern-most extent of the Productora copper project (see Fig 1).

The area represents the historical Sierra Zapallo gold zone- boasting over 900m in strike length of surface and underground workings which had not previously been drill tested.

Drilling planned over the Sierra Zapallo gold zone comprised approximately 33 angled RC holes. However, due to on-going resource development drilling commitments, the first-pass drilling programme was terminated after only completing an initial 13 RC holes.

Although the drilling programme is incomplete, initial results confirm the presence of high-grade gold below substantial workings in four drill holes. High-grade gold is associated with narrow (0.5 - 2m true width), quartz-pyrite veins enriched in copper and silver and displaying strong along-strike continuity (see Fig 2).

The Sierra Zapallo gold zone in the southern extent of Productora is interpreted to represent a remnant of shallow-level mineralisation above the main bulk tonnage copper-gold-molybdenum system which Hot Chili is focussing on in its development of the project.

The remaining first-pass drilling will be re-commenced once the current resource up-grade drilling programme is complete. All platforms are constructed and the remainder of the first-pass drilling programme is drill ready.

The identification of further exploration up-side at Productora, outside of the current resource development plan, is very encouraging for the longevity of continuing resource growth at the project.

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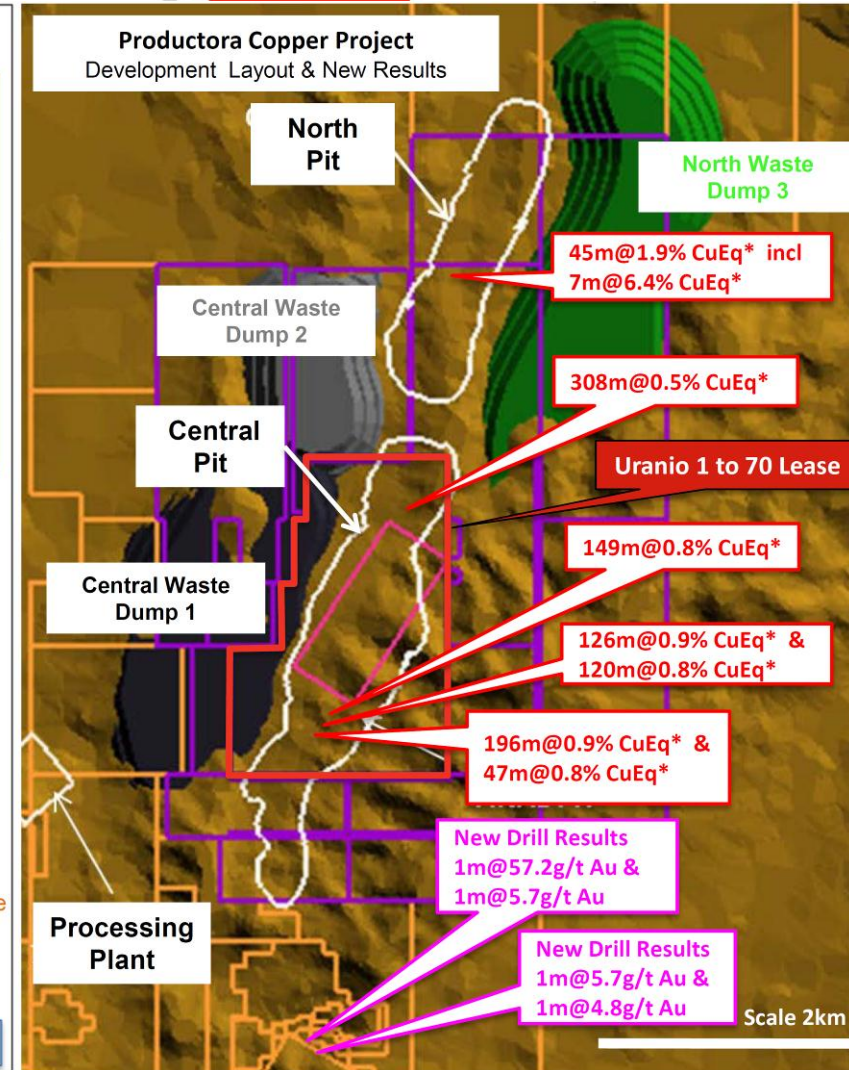
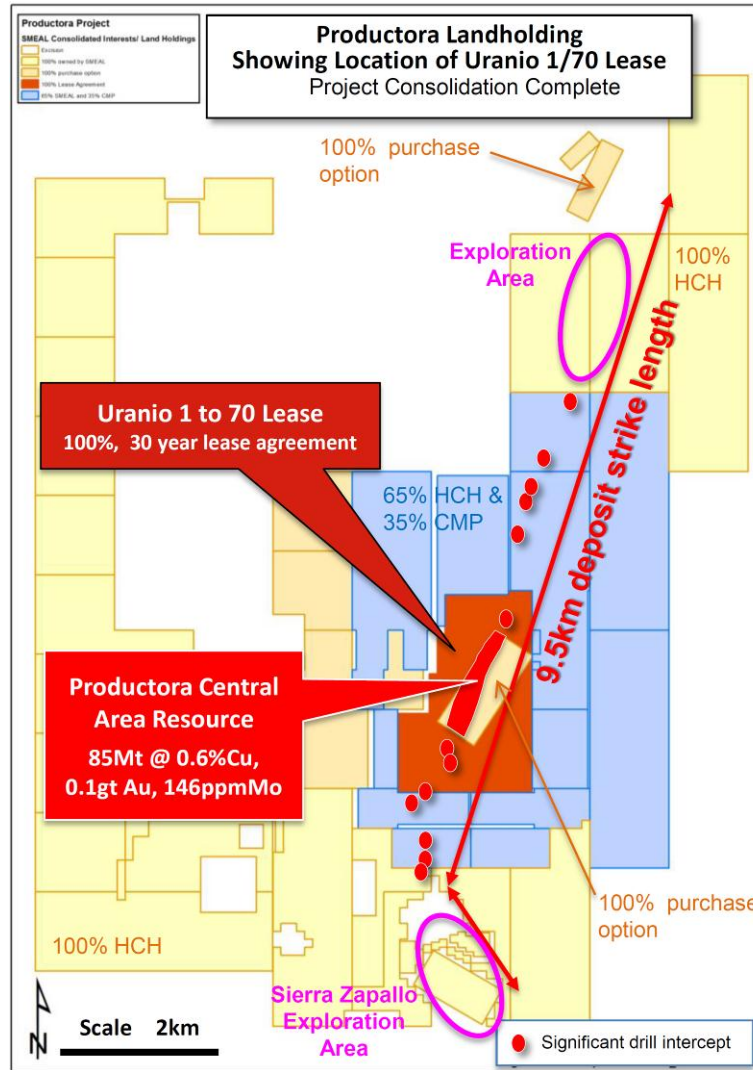


Figure 1. New significant drilling intersections in relation to landholding and development lay-out at Productora

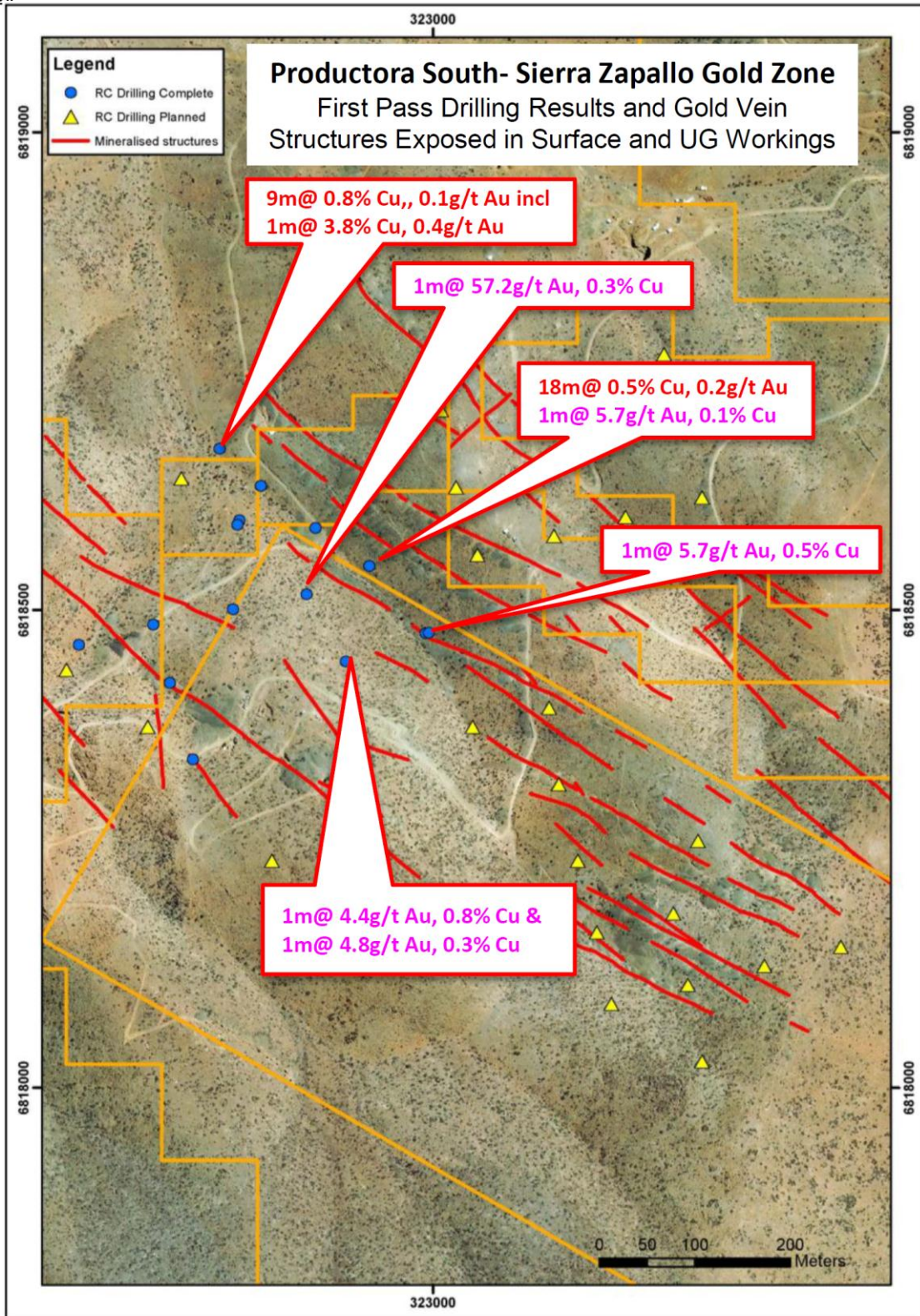
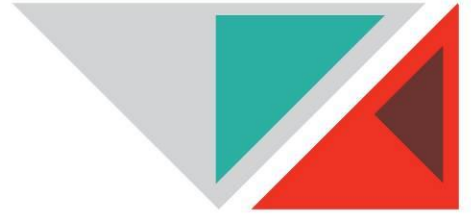


Figure 2. Location of first-pass drilling within the Sierra Zapallo gold zone- southern most extent of Productora



Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Gold (g/t Au)	Copper (% Cu)	Silver (g/t Ag)
	North	East			From	To				
PRP0238	6818538	322966	75	-60	0	1	1	5.7	0.1	1
					84	102	18	0.2	0.5	3
					288	293	5	0.1	0.5	1
PRP0241	6818498	322816	75	-60	0	3	3	0.1	0.6	3
					94	107	13	0.1	0.4	2
					208	212	4	0.3	0.6	1
PRP0245	6818468	323031	75	-60	21	22	1	5.7	0.5	5
PRP0243	6818516.7	322867	75	-60	37	38	1	57.2	0.3	12
PRP0234	6818669.3	322776	75	-60	119	128	9	0.1	0.8	1
				<i>including</i>	121	122	1	0.4	3.8	10
PRP0253	6818446.3	322908	75	-60	119	120	1	4.4	0.8	6
					127	128	1	4.8	0.3	2

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.
- All gold results comprise ICP analysis (Au-ICP21). Gold results greater than 10g/t include ore-grade analysis (Au-GRA21)
- 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= $Cu \% + Mo(ppm) \times 0.0008 + Au(ppm) \times 0.6832$

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.