



Hot Chili Limited ACN 130 955 725
Suite 25, 784 Canning Hwy, Applecross, Western Australia
PO Box 1725, Applecross, 6953, Western Australia
P: +61 8 9021 3033 F: +61 8 9021 6995

ASX ANNOUNCEMENT

Wednesday 8th February 2012

New Drill Results Significantly Expand Potential Size of Productora

- **New assay results increase the strike extent of significant drilling intersections at flagship Productora project by 2km**
- **Productora now drill confirmed over 5.7km strike**
- **Results highlight potential for further significant increases to the known size of Productora**
- **First-pass drilling over entire 9.5km Productora deposit continuing**

Productora Extensional Drilling Results

47m grading 0.7% Copper Equivalent*

(0.5% copper, 0.1g/t gold, 192ppm molybdenum,

from 260m down-hole

32m grading 0.6% Copper Equivalent*

(0.5% copper, 0.1g/t gold, 18ppm molybdenum

from 8m down-hole

29m grading 0.6% Copper Equivalent*

(0.5% copper, 0.1g/t gold, 93ppm molybdenum

from 100m down-hole

16m grading 0.8% Copper Equivalent*

(0.6% copper, 0.1g/t gold, 175ppm molybdenum

from 217m down-hole

13m grading 1.3% Copper Equivalent*

(0.8% copper, 0.3g/t gold, 439ppm molybdenum

from 161m down-hole

ASX Code

HCH

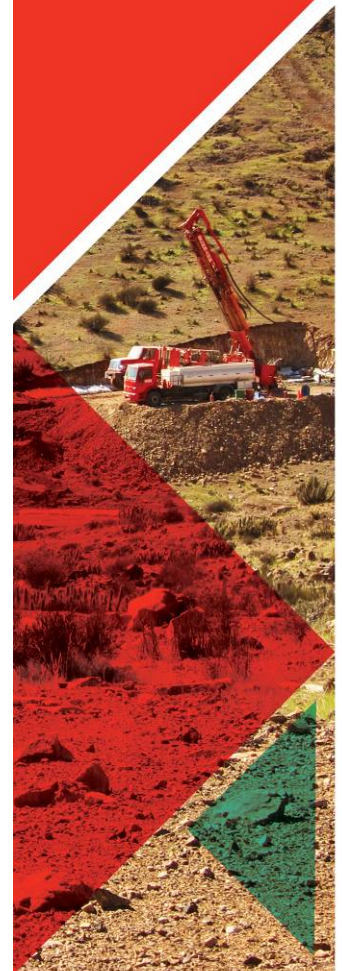
Contact

Mr Christian Easterday
Managing Director

M: +61 409 64 1214

E: christian@hotchili.net.au

www.hotchili.net.au





Hot Chili (ASX code: HCH) is pleased to announce that it has expanded the known strike length of its flagship Productora copper-gold-molybdenum project in Chile by 2km, taking the total strike extent to 5.7km.

New drill results confirm large-tonnage, at-surface, copper-gold-molybdenum mineralisation extends over 5.7km strike length at Productora.

There is scope for further increases, with first-pass drilling continuing over the entire 9.5km long deposit footprint as part of the Company's second phase +70,000m drilling programme at Productora.

Hot Chili Managing Director Christian Easterday said the Project was made even more attractive by its close proximity to existing infrastructure.

"Hot Chili is on-track to report a major resource upgrade for Productora in the September Quarter of 2012," Mr Easterday said. "We are also making substantial progress on other key aspects of the scoping studies, with announcements on estimated capital costs and other factors relating to the project's economics expected in coming months."

Productora Extensional Drilling Programme

A major 70,000m second-phase reverse circulation (RC) and diamond (DD) drilling programme commenced at Productora in October 2011 and resumed a fortnight ago, following a one month break over the Christmas period.

During that time, the Hot Chili dedicated one RC drill rig to an extensional assessment over the larger 9.5km deposit footprint that has been identified at Productora as (see Figure 1). Initial drilling concentrated on the northern continuation of the main mineralised corridor.

This drilling returned a series of positive results across a 2km extension to the mineralised breccia corridor which hosts the Productora central area resource (**85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum for 483,000 tonnes of copper, 290,000 ounces of gold and 12,418 tonnes of molybdenum**).

Previous drilling undertaken by Hot Chili and prior explorer Teck confirmed significant drilling intersections over 3.7km strike length, of which the central area resource represents 1.4km of strike length. Drilling has now confirmed breccia-hosted significant intersections over a 5.7km strike length at Productora (see Figure 2).

Hot Chili has recognised a wide magnetite zone along the western flank of the mineralised breccia corridor that extends for 9.5km in length at Productora. This, in combination with other geophysical, geochemical and litho-structural mapping datasets, has allowed the Company's exploration team to accurately predict the position of the mineralised breccia corridor for drilling.

Although first-pass drilling over the northern 2km extension was undertaken on wide spacing, the drilling has successfully mapped out the continuation of the breccia corridor and returned a number of wide drilling



intersections. Further in-fill drilling will follow-up this initial pass of drilling in the lead-up to a staged resource drilling programme.

In addition to drilling undertaken over the northern extensions to Productora, the Company also extended a previous RC drill hole which had ended in mineralisation within the southern extent of drill coverage at the project. The diamond drill extension was successful in returning a final intersection of **47m grading 0.5% copper, 0.1g/t gold, 192ppm molybdenum from 260m depth within breccia.**

Extensional drilling is now focussed on the southern extent of Productora. A second RC drill rig will shortly be dedicated to assisting in expediting this component of the second-phase drilling programme prior to the commencement of a staged resource conversion drilling programme that aims to deliver a major resource up-grade at Productora in the third quarter of 2012.

For more information please contact:

Christian Easterday

+61 8 9021 3033

Managing Director

Email: christian@hotchili.net.au

or visit Hot Chili's website at www.hotchili.net.au

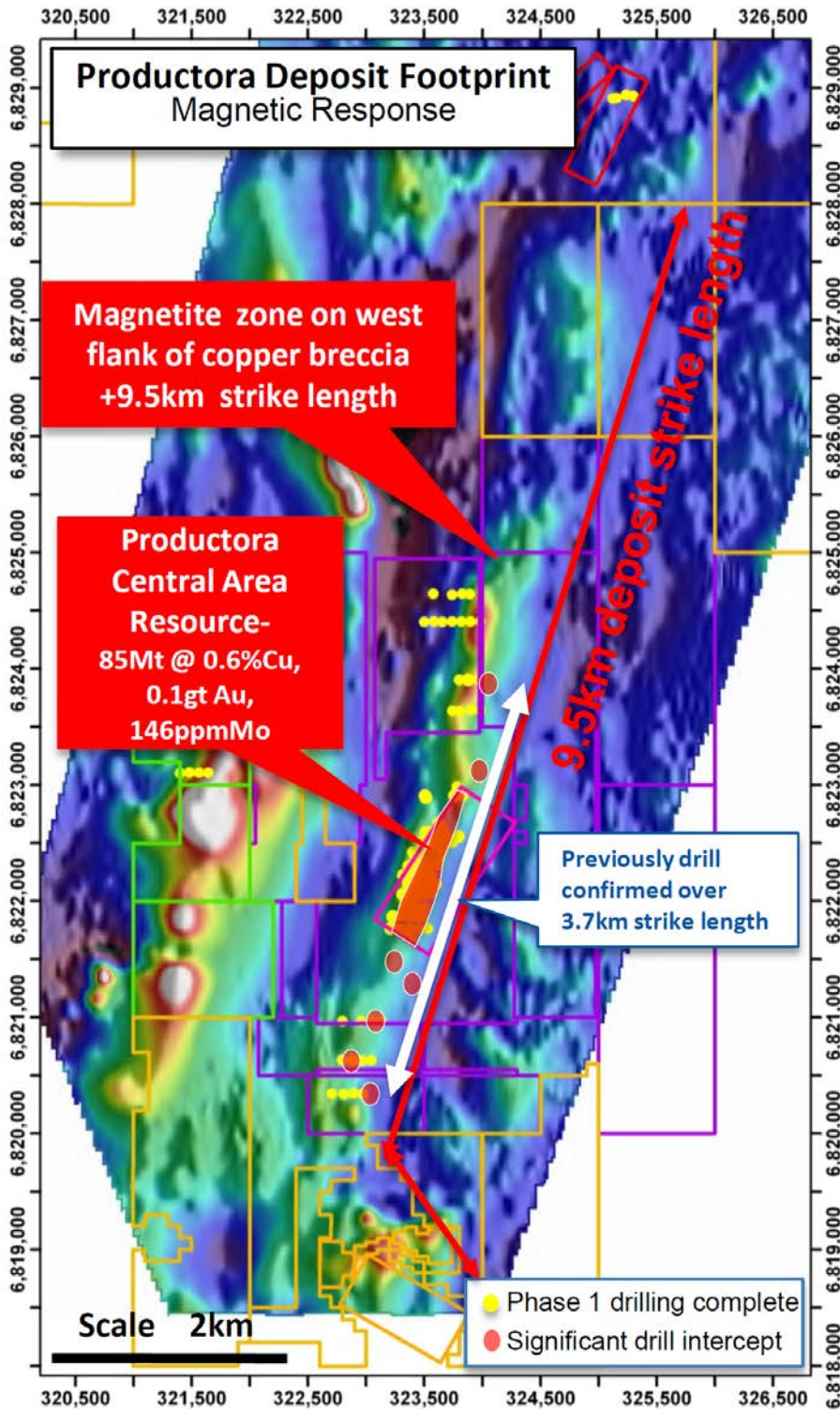


Figure 1- Productora Deposit Footprint- Magnetic Response, Resource and Previous Drill Coverage

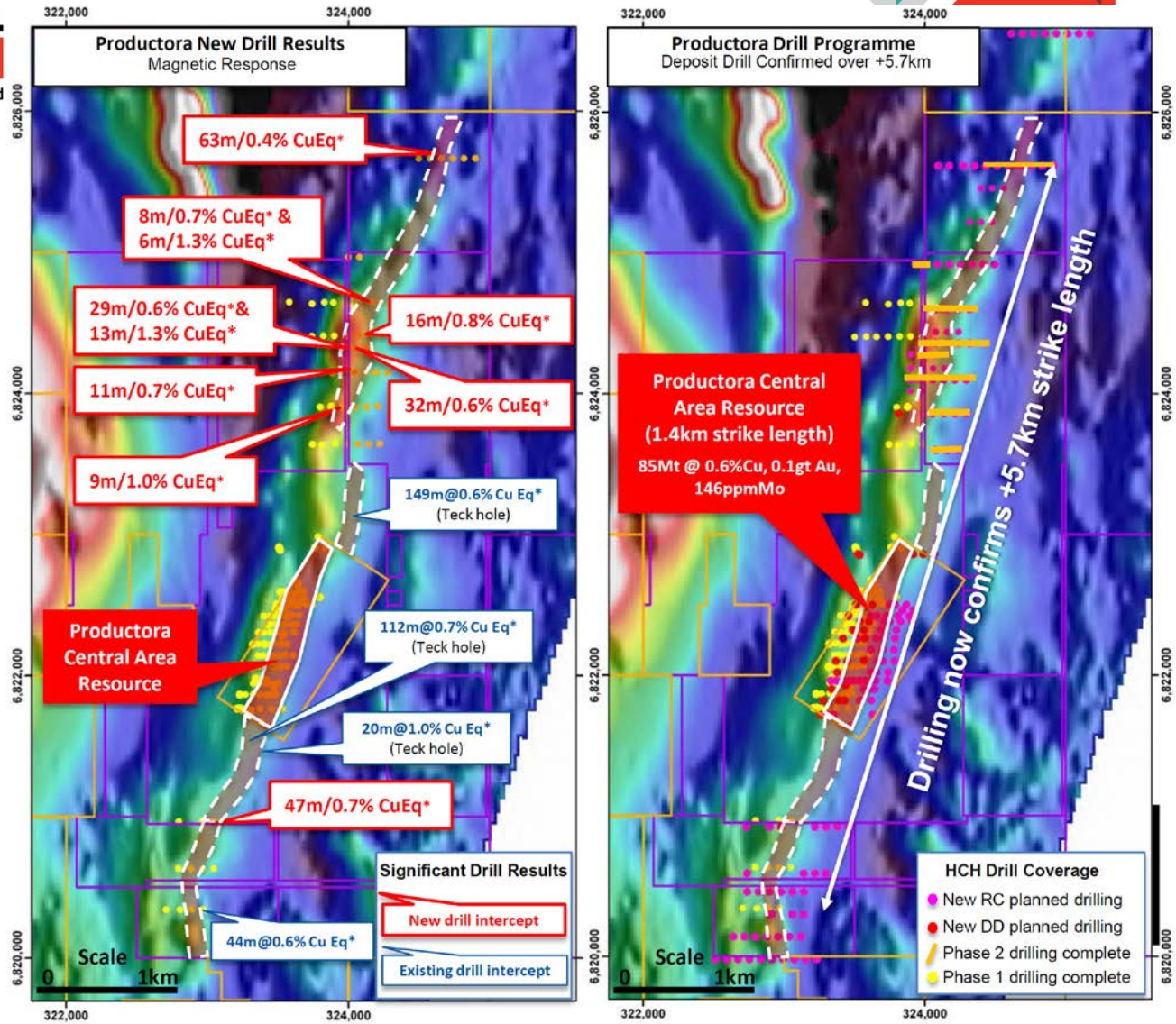


Figure 2- Productora Extensional Drill Results



Productora - New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Molybdenum (ppm Mo)	Copper Eq* (% Cu)	Comments
	North	East			From	To						
PRP0140	6824145	323887	90	-60	179	189	10	0.3	0.1	57	0.3	
PRP0142	6824150	324122	90	-60	119	125	6	0.4	0.0	8	0.4	
PRP0143	6824149.9	324044	90	-60	143	154	11	0.4	0.1	301	0.7	
					236	244	8	0.4	0.1	157	0.6	
PRP0149	6824413	324227	90	-60	224	229	5	0.4	0.1	14	0.4	
PRP0150	6824412.7	324148	90	-60	146	150	4	0.5	0.1	4	0.5	
					217	234	16	0.6	0.1	175	0.8	
PRP0151	6824411.4	324066	90	-60	48	59	11	0.3	0.1	54	0.4	
					79	82	3	0.3	0.1	162	0.5	
					100	113	13	0.3	0.1	49	0.4	
PRP0153	6824645.5	324225	90	-60	114	119	5	0.6	0.1	145	0.8	
PRP0154	6824648.2	324166	90	-60	0	8	8	0.5	0.2	43	0.7	
					24	30	6	1.1	0.3	7	1.3	
PRP0155	6824646.4	324052	90	-60	96	103	7	0.3	0.1	13	0.3	
					148	152	4	0.3	0.1	23	0.4	
PRP0164	6825666.5	324658	90	-60	105	168	63	0.3	0.1	49	0.4	
PRP0167	6824326.5	324123	90	-60	223	250	27	0.5	0.1	45	0.6	
PRP0168	6824326.5	324043	90	-60	100	129	29	0.5	0.1	93	0.6	
					161	174	13	0.8	0.3	439	1.3	
PRP0169	6824326.5	323963	90	-60	8	40	32	0.5	0.1	18	0.6	
					84	100	16	0.4	0.1	15	0.4	
PRP0171	6824966.5	323998	90	-60	154	168	14	0.4	0.0	3	0.4	
PRP0043D	6820965.5	322962	90	-60	260	268	8	0.4	0.1	166	0.7	Original RC
					268	307	39	0.5	0.1	197	0.7	DD extension
					260	307	47	0.5	0.1	192	0.7	Final intercept
PRP0012D	6823905.2	323797	90	-55	65	77	12	0.4	0.1	23	0.5	
					93	97	4	0.5	0.1	92	0.6	
					184	193	9	0.8	0.1	37	1.0	
					390	393	3	1.1	0.2	68	1.3	

Note:

- 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; 1m selective riffle split samples and 4m composite samples.
- 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.

Productora Copper-Gold-Molybdenum Project

The Productora project is Hot Chili's flagship project in Chile. The project is located 15km south of the township of Vallenar, at low altitude (less than 1,000m) in Chile's 3rd region. Since drilling commenced in August 2010, the Company has outlined a large-scale, bulk tonnage copper-gold-molybdenum project amenable to open pit mining. In September 2011, the Company defined its first resource estimate from within the central 1.4km extent of the project, reporting a JORC compliant resource of 85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum (0.8% copper equivalent) for 483,000 tonnes of copper, 290,000 ounces of gold, 12,418 tonnes of molybdenum (644,000 tonnes of copper equivalent).

Significant exploration has outlined a 9.5km deposit footprint at Productora where extensional drilling by Hot Chili and previous explorer Teck has already confirmed significant drilling intersections over 3.7km strike extent. The Company has commenced a major second-phase drilling programme to achieve rapid resource growth and is planning to fast-track a decision to mine by late December 2013. Preliminary economic benchmarking has indicated robust economics for a potential future open-pit operation ideally located to existing infrastructure including the PanAmerican Highway, rail, power and port (40km distance) as shown on Figure 1.

The Company formally commenced a scoping study over Productora in early January 2012. Leading engineering and project development group AUSENCO have been appointed to manage the scoping study with the assistance of Hot Chili's own development study management team.

The Company is aiming to establish a significant resource base at Productora from an identified 280 – 320M tonne target mineralisation at similar grade to that estimated in the first resource announced from the centre of the project. The Productora target mineralisation is summarised in Table 1 below.

Table 1 Productora Target Mineralisation

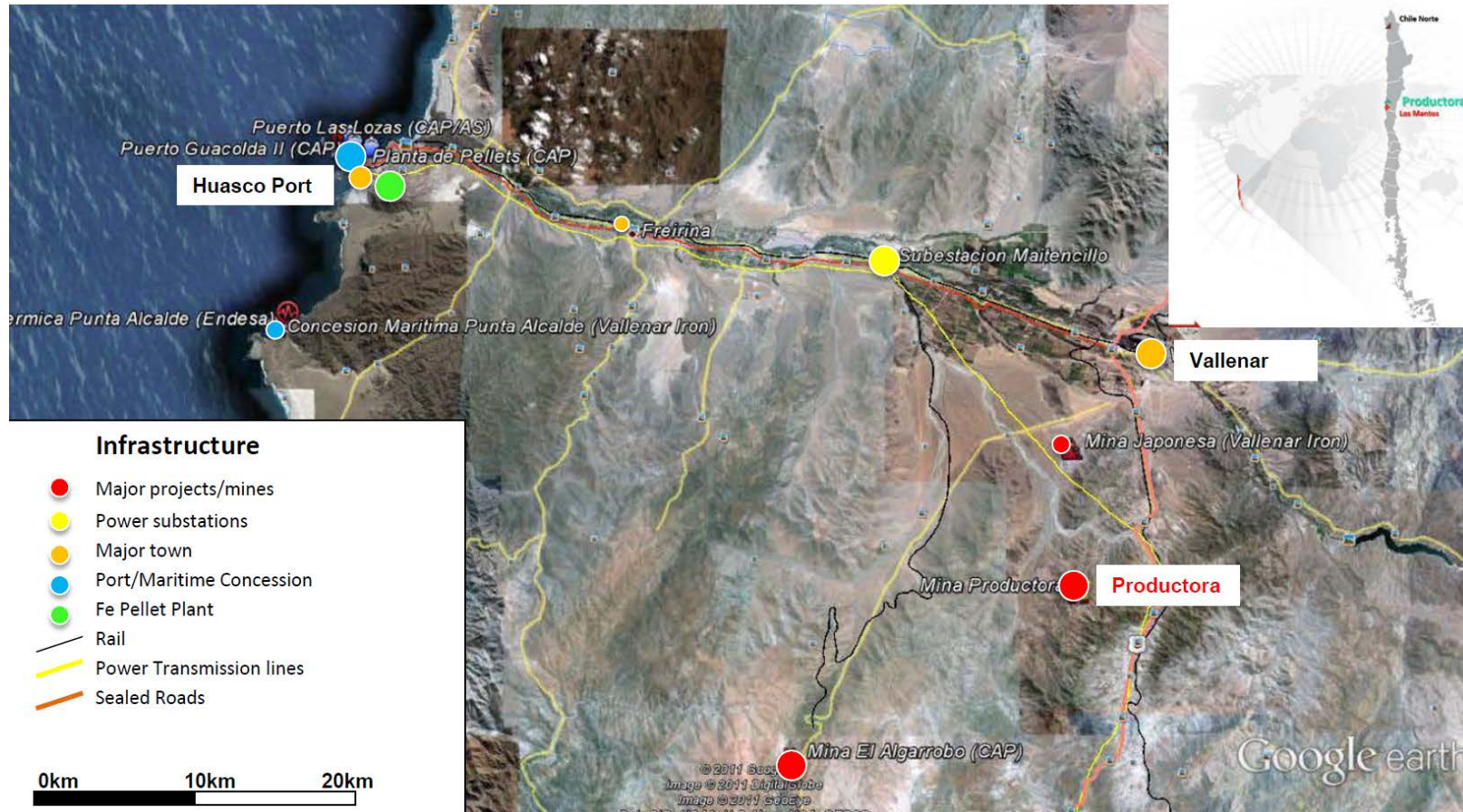
Productora Target Mineralisation								
	Tonnage (Mt)		Grade			Contained Metal		
	From	To	Unit	From	To	Unit	From	To
Copper	280	320	%	0.5	0.7	Tonnes	1,400,000	2,240,000
Gold	280	320	(g/t)	0.1	0.2	Ounces	900,223	2,057,653
Molybdenum	280	320	(g/t)	120	180	Tonnes	33,600	57,600
Copper Eq*	280	320	%	0.7	1.0	Tonnes	1,876,000	3,168,000

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



Figure1. Productora Infrastructure Location

- 40km distance to Huasco Port (Controlled by CAP/CMP- HCH project partner)
- 15km south of township of Vallenar
- Linked adjacent to PanAmerican Hwy, CMP rail corridor to Port and near-by power stations





*** 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.