

Acceleration of Drilling Activities

Hot Chili (ASX Code: HCH) is pleased to confirm that drilling activities at its two advanced Chilean multi-commodity projects have now been significantly accelerated with the addition of a second reverse circulation (RC) drilling rig. The new drill rig will assist in fast-tracking the current 26,000 metre drilling programme to ensure the company achieves its objective of reporting preliminary resources during the second quarter of 2011.

The new drill rig commenced drilling at the Productora project on Thursday the 25th of November. The company is also working towards securing a diamond drill rig to commence deeper drilling of the existing Productora underground copper-gold mine (under purchase option agreement to Hot Chili) and to extend a number of RC drill holes that finished in mineralisation (see ASX announcement of 23/11/2010). The deployment of two RC drill rigs at the company's projects creates greater operating flexibility to prioritise drilling activity.

The first RC drill rig that has already completed approximately 8,000 metres drilling at Productora will shortly be mobilised to commence a 10,000 metre drilling programme at the company's other advanced project, Los Mantos. The new drill rig will complete remaining planned deeper drill-hole locations within the central area of the Productora project before also being mobilised to Los Mantos. Hot Chili last week announced significant intersections from 12 of the first 13 shallower holes directed towards the central area (as outlined in the attached plan).

The directors of Hot Chili are very pleased with the progress of drilling activities at Productora and the ability to now bring forward the commencement of drilling at Los Mantos.

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Commencement of Second Drill Rig- Productora Project, 25th of November 2010

* 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= $Cu \% + Mo(ppm) \times 0.0009 + Au(ppm) \times 0.7808 + U(ppm) \times 0.0031 + Co(ppm) \times 0.0008$
Price Assumptions- Cu (US\$1.60/lb), Mo (US\$15/lb), Au (US\$850/oz), U (US\$50/lb), Co (US\$12/lb)

Competent Person's statement

Information in this announcement that relates to exploration results or mineral resources 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 announcement of the statements based on his information in the form and context in which they appear.

