

## More Strong Results at Productora

### Highlight Potential for Large Resource

- Second drill rig has started a program of 15 deeper holes
- Diamond drill rig also being secured to target mineralisation under existing Productora copper-gold mine

### Productora Central Area Drilling Results

PRP0027	<p><b>77m grading 1.0% Copper Equivalent*</b> from 111m down-hole (<b>0.6% copper</b>, 142ppm molybdenum, 0.1g/t gold, 24ppm uranium and 119ppm cobalt) <i>Hole Finishes in Mineralisation</i></p> <p style="text-align: center;"><b>including 21m grading 1.6% Copper Equivalent*</b> (<b>1.0% copper</b>, 196ppm molybdenum, 0.2g/t gold, 32ppm uranium and 227ppm cobalt)</p>
PRP0028	<p><b>40m grading 1.2% Copper Equivalent*</b> from 136m down-hole (0.5% copper, 235ppm molybdenum, 0.1g/t gold, 100ppm uranium and 80ppm cobalt)</p> <p style="text-align: center;"><b>including 12m grading 1.4% Copper Equivalent*</b> (0.3% copper, 148ppm molybdenum, 0.1g/t gold, <b>252ppm uranium</b> and 58ppm cobalt)</p>
	<p><b>15m grading 1.1% Copper Equivalent*</b> from 102m down-hole (<b>0.6% copper</b>, 141ppm molybdenum, 0.1g/t gold, 37ppm uranium and 90ppm cobalt)</p>
PRP0029	<p><b>21m grading 1.0% Copper Equivalent*</b> from 68m down-hole (<b>0.6% copper</b>, 57ppm molybdenum, 7ppm uranium and 431ppm cobalt)</p>
PRP0030	<p><b>20m grading 1.0% Copper Equivalent*</b> from 48m down-hole (<b>0.5% copper</b>, 86ppm molybdenum, 0.1g/t gold, 16ppm uranium and 356ppm cobalt)</p>

**Hot Chili Limited (ASX Code: HCH) is pleased to advise that more strong drilling results from its Productora multi-commodity project in Chile have provided firm evidence of the potential for a large-tonnage resource over a 1.4km strike length in the centre of the project.**

Significant results were recorded in each of the last four shallow reverse circulation (RC) drillholes directed towards the central area of Productora

To date, Hot Chili has achieved sixteen significant intersections from seventeen shallow drillholes completed within the central area of the project. Hot Chili controls over 12.5 kilometres of strike extent across the main mineralised corridor at the Productora iron-oxide-copper-gold-uranium (IOCGU) project.

### **Central Area Drilling at Productora**

The central area of the project including the existing mine, where Hot Chili has a 5 year option agreement to acquire the encompassing tenement, is a key portion of the Productora project and equates to some 1.4km of strike extent along the main mineralised corridor.

Several shallow drillholes completed within the central area of Productora have ended in mineralisation with the highest copper grades encountered below a zone of surface leaching which is only now being recognised and accounted for in drilling. A second drill rig, which arrived on-site 12 days ago, has commenced a programme of 15 deeper RC drillholes to further test the central area of Productora below the zone of surface leaching.

The company is also in the process of securing a diamond drill rig to complete a series of deep diamond drill holes that will target mineralisation below the Productora underground copper-gold mine. The diamond drill rig will also be used to extend 5 drillholes that have ended in mineralisation.

### **Productora Exploration Drilling**

First-pass shallow drilling is being directed towards priority locations along the larger 12.5km strike extent of the Productora project under Hot Chili's control. Four exploration areas to the north, south and west of the central area of the project will be tested within the coming weeks.

### **Drilling to Commence at Los Mantos**

Once exploration drilling outside of the central area of Productora is complete, Hot Chili will mobilise a drill rig to bring forward the commencement of a 10,000m drilling programme at the company's other advanced project, Los Mantos. Drill platform clearing at Los Mantos is complete and the project is drill ready. Los Mantos is situated approximately 240km south of Productora and is also located close to infrastructure in the coastal range at less than 1,000m elevation.



# Announcement

Date: 8<sup>th</sup> December, 2010

Hot Chili's Managing Director Christian Easterday said "The new results clearly showed that wide zones of mineralisation exist over approximately 1.4 km with deeper intercepts recording copper-only results in excess of 0.7 percent."

"The drilling is beginning to uncover a potentially large resource." Mr Easterday said. "Drilling will start soon at the Los Mantos project where exploration results to date have indicated the presence of near surface mineralization over 2.5km of strike length."

**The additional wide drilling results at Productora provide the directors with even greater confidence that the company will be able to rapidly delineate potentially large-tonnage multi-commodity resources that are amenable to open-cut mining.**

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**\* 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.

## Significant Intersections Table

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Cobalt (ppm Co)	Molybdenum (ppm Mo)	Uranium (ppm U)	Copper Eq* (% Cu)
	North	East			From	To							
PRP0027	6822380	323580	90	-60	111	188	77	0.6	0.1	119	142	24	1.0
	<b>Open to end of hole</b>			<i>including</i>	<b>112</b>	<b>133</b>	<b>21</b>	<b>1.0</b>	<b>0.2</b>	<b>227</b>	<b>196</b>	<b>32</b>	<b>1.6</b>
PRP0028	6822260	323575	90	-60	68	75	7	0.4	0.0	111	29	5	0.5
					88	89	1	0.4	0.1	79	516	282	1.8
					102	117	15	0.6	0.1	90	141	37	1.1
					136	176	40	0.5	0.1	80	235	100	1.2
				<i>including</i>	<b>144</b>	<b>156</b>	<b>12</b>	<b>0.3</b>	<b>0.1</b>	<b>58</b>	<b>148</b>	<b>252</b>	<b>1.4</b>
					198	203	5	0.4	0.1	169	236	7	0.8
PRP0029	6821900	323500	90	-60	36	40	4	0.5	0.1	796	4	10	1.2
					68	89	21	0.6	0.1	431	57	12	1.0
					131	135	4	0.7	0.1	148	327	142	1.7
					156	199	43	0.3	0.0	97	133	108	0.9
				<i>including</i>	<b>168</b>	<b>175</b>	<b>7</b>	<b>0.6</b>	<b>0.0</b>	<b>100</b>	<b>180</b>	<b>83</b>	<b>1.1</b>
				<i>including</i>	<b>196</b>	<b>199</b>	<b>3</b>	<b>0.5</b>	<b>0.1</b>	<b>152</b>	<b>164</b>	<b>284</b>	<b>1.7</b>
PRP0030	6822020	323500	90	-60	8	11	3	0.8	0.3	200	119	20	1.3
					48	68	20	0.6	0.1	356	86	16	1.0
					96	100	4	0.8	0.0	151	42	30	1.1
					172	175	3	0.4	0.1	153	343	115	1.2
					198	208	10	0.4	0.1	63	357	19	0.9

Note:

- All drill holes are reverse circulation (RC)
- Results comprise ICP analysis (ME-ICP61) of all 1m selective (riffle split samples) and 4 composite samples.
- Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 0.2%.
- 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.
- Significant intersections are a combination of both 1m selective sample intervals as well as 4m composite intervals.
- All results were analysed by ALS Chemex (La Serena) laboratories.

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