

Further Wide Drill Results Extend Productora

- Significant drilling intersections now recorded over 2.5 km
- Resource in-fill drill programme designed and ready to commence

Productora Extensional Drilling Results

53m grading 1.1% Copper Equivalent* from 108m down-hole
(**0.6% copper**, 255ppm molybdenum, 0.1g/t gold, 17ppm uranium and 129ppm cobalt)

including 17m grading 1.4% Copper Equivalent*
(**1.0% copper**, 208ppm molybdenum, 0.1g/t gold, 15ppm uranium and 113ppm cobalt)

44m grading 1.0% Copper Equivalent* from 12m down-hole
(**0.5% copper** and 491ppm cobalt)

19m grading 1.1% Copper Equivalent* from 207m down-hole
(**0.6% copper**, 155ppm molybdenum, 0.1g/t gold, 7ppm uranium and 105ppm cobalt)

Hole finishes in mineralisation

12m grading 1.0% Copper Equivalent* from 188m down-hole
(**0.5% copper**, 20ppm molybdenum, 0.1g/t gold, 5ppm uranium and 550ppm cobalt)

Hole finishes in mineralisation

More wide reverse circulation (RC) drilling results have been returned from extensional areas of Hot Chili's (ASX Code: HCH) Productora multi-commodity project in Chile. Significant drilling intersections have now been recorded north and south of the central area of Productora where the company late last year had defined a wide zone of breccia hosted mineralisation over some 1.4 kilometres. The latest results demonstrate that mineralisation is present over at least 2.5 kilometres within the company's landholdings and further remains open along strike.

Significant results were recorded in all three drill lines targeting strike extensions to 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.

The last drill holes of a first-pass 16,000m RC drilling programme at Productora are being completed. Platform clearing is underway to prepare for an in-fill resource drilling programme which aims to direct a further 3,000m of diamond drilling and 7,000m of RC drilling towards the central area.

Productora Extensional Drilling

First-pass extensional drilling along the main mineralised corridor to the north and south of the central area of Productora has been successful in intersecting wide zones of breccia hosted multi-commodity mineralisation. Drilling directed towards southern extensions recorded **44m grading 1.0% copper equivalent* from 12m depth on the southern-most drilling line, approximately 1.4 kilometres south of the central area.**

The main mineralised breccia zone has now also been located in an extensional drill line 850m to the north of the central area. Of the two RC drill holes completed on this line, the eastern most hole finished in mineralised breccia recording **12m grading 1.0% copper equivalent* from 188m depth**

Additional drilling is planned to follow-up these results and further test the main mineralised breccia zone beyond its currently defined extent.

Productora Central Area Drilling

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 approximately 1.4km of strike extent along the main mineralised corridor.

During December 2010, the company reported significant intersections in sixteen of the first seventeen holes completed within this area. Drilling is almost complete on a further 15 deeper RC holes and early results have already confirmed the presence of wide significant intersections at depth in the southern extent of the central tenement. Results included **53m grading 1.1% copper equivalent* from 108m depth** which included 17m grading 1.4% copper equivalent, and **19m grading 1.1% copper equivalent from 207m depth with the hole finishing in mineralised breccia.**

Resource In-fill Drilling Programme for Productora Central Area

A resource in-fill drilling programme has been designed within the central area of Productora to facilitate a preliminary JORC compliant resource calculation by late in the second quarter of 2011.



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The programme comprises approximately 3,000m of diamond drilling and 7,000m of RC drilling. Diamond drilling is planned to extend 18 RC holes which have or are expected to finish in mineralisation. Four 600m depth holes will also be completed beneath the Productora underground mine.

Additional diamond and RC drill rigs are presently being secured to undertake this drilling. It is expected that diamond drilling will commence shortly.

Drilling to Commence at Los Mantos

Following the completion of the remaining first-pass deeper RC holes in the central area, two RC drill rigs will be mobilised to the company's other advanced project Los Mantos, situated approximately 240km south of Productora.

The forthcoming 10,000m RC drilling programme at Los Mantos will target multiple positions along 2.5 km cumulative strike extent of mineralisation exploring for, copper, gold, uranium and molybdenum. In particular drilling will look to confirm the grade and widths of substantial copper-gold mantos zones that are currently being exploited from both surface and underground small-scale development.

The directors are pleased with the return of wide extensional drilling results which have almost doubled the strike extent of demonstrated mineralisation at Productora. The results continue to point to a potentially large-tonnage multi-commodity resource emerging at Productora.

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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							
PRP0004	6824590	323760	90	-60	17	23	6	0.6	0.1	252	22	7	0.9
PRP0005	6824360	323760	90	-60	220	232	12	0.6	0.1	148	7	7	0.8
PRP0009	6824360	323680	90	-60	0	44	44	0.2	0.0	61	92	80	0.6
					36	44	8	0.2	0.0	94	488	330	1.8
PRP0013	6823860	323815	90	-60	188	200	12	0.5	0.1	550	20	5	1.0
	Open to end of hole												
PRP0031	6820300	322980	90	-60	12	56	44	0.5	0.0	491	1	5	1.0
PRP0035	6820300	322820	90	-60	42	52	10	0.3	0.0	255	71	57	0.8
					59	71	12	0.4	0.1	71	126	22	0.7
					84	93	9	0.5	0.1	74	96	34	0.8
					163	169	6	0.4	0.1	214	230	5	0.9
					196	200	4	0.4	0.1	142	118	5	0.7
	Open to end of hole				207	226	19	0.6	0.1	105	155	7	0.9
PRP0037	6828890	325320	360	-60	41	44	3	1.1	0.2	46	86	123	1.8
PRP0043	6820920	322980	90	-60	262	267	5	0.5	0.1	177	149	10	0.9
	Open to end of hole												
PRP0045	6821720	323380	90	-60	124	131	7	0.2	0.0	98	175	136	0.9
PRP0049	6821900	323420	90	-60	16	19	3	0.4	0.0	482	59	25	0.9
					44	48	4	0.1	0.0	99	17	130	0.6
					84	98	14	0.4	0.1	64	80	16	0.7
					102	104	2	0.5	0.1	64	82	15	0.7
					108	161	53	0.6	0.1	129	255	17	1.1
			<i>including</i>		142	161	17	1.0	0.1	113	208	15	1.4
					203	207	4	0.4	0.1	115	109	25	0.7

Note:

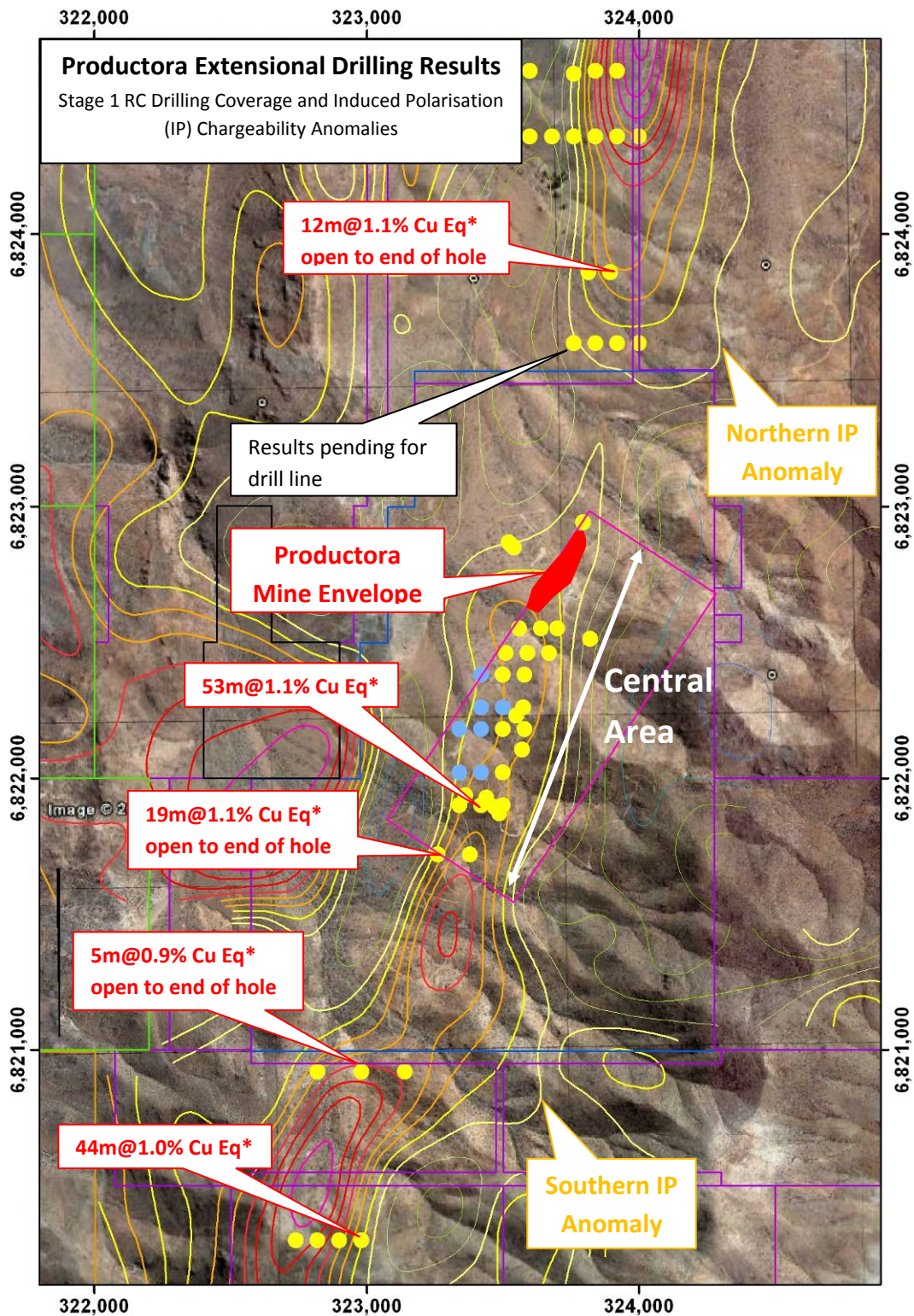
- All drill holes are reverse circulation (RC)
- Results comprise ICP analysis (ME-ICP61) of all 1m selective (riffle split samples) and 4 composite samples.
- Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 0.2%.
- Priority MS analysis (ME-MS61) results were utilised where analysis was undertaken for uranium results greater than 50ppm.



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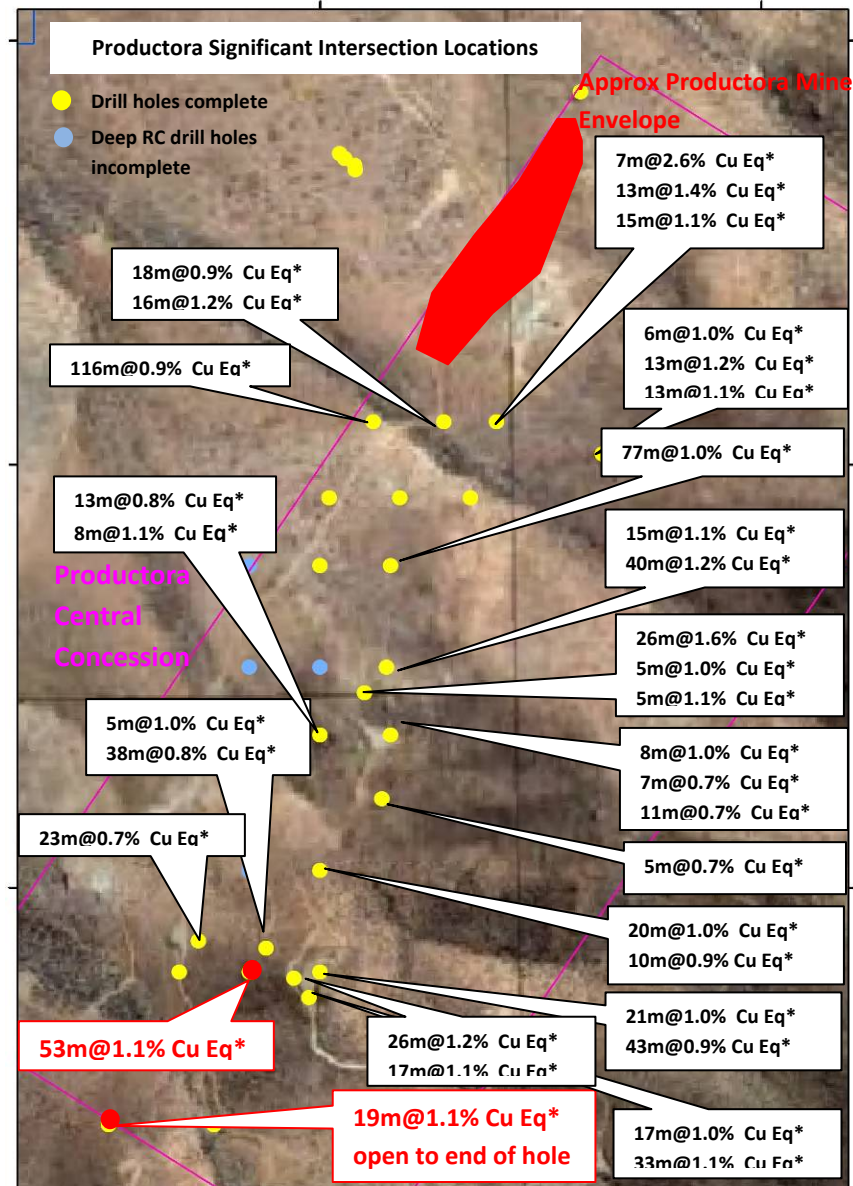
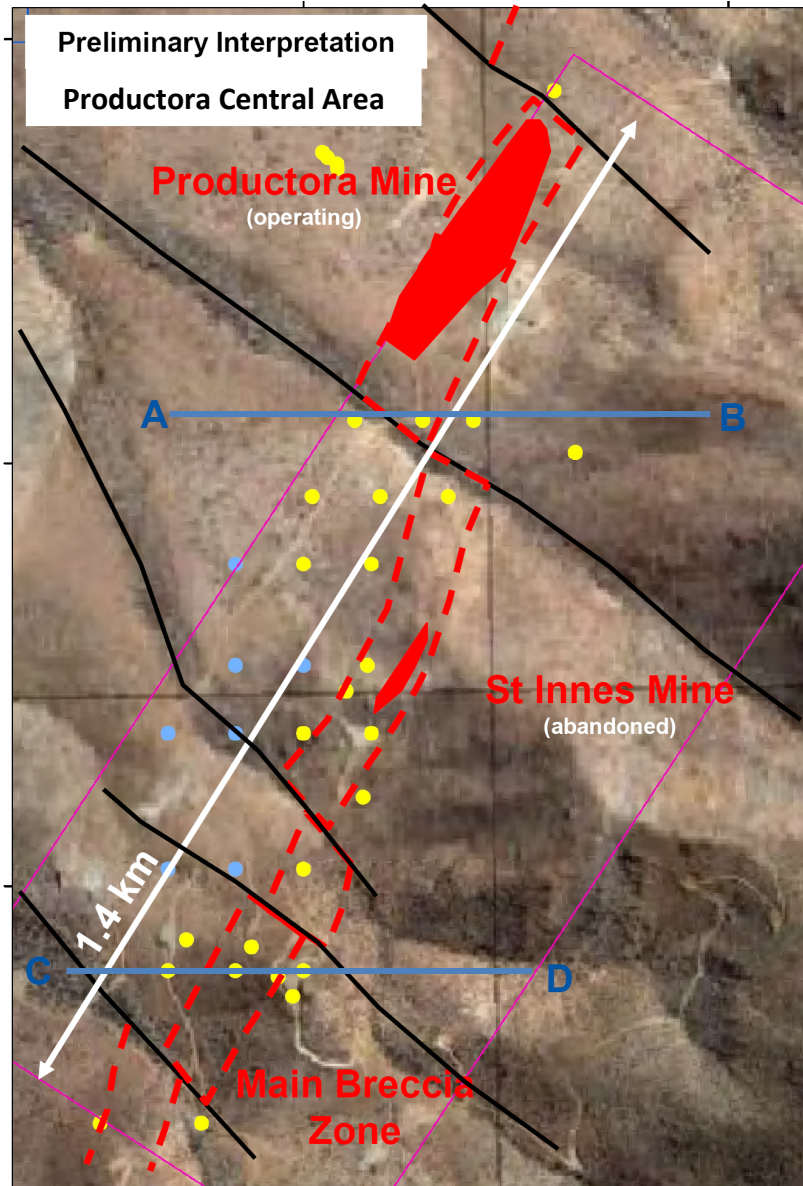
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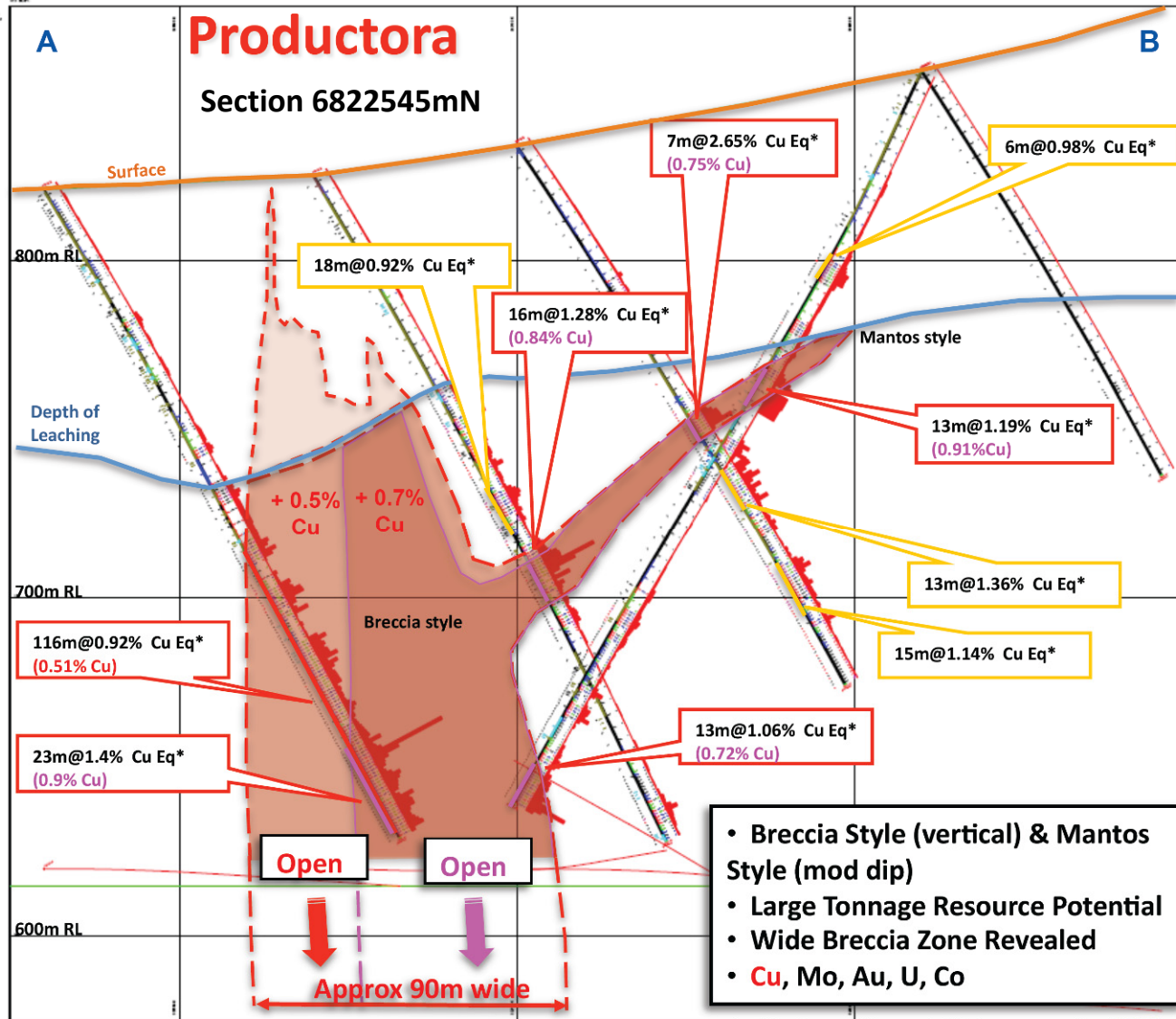
- Gold analysis only undertaken over copper results greater than 0.2%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken 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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ASPECT	GRADE	DEPTH	RESOURCE
116m@0.92% Cu Eq* (0.51% Cu)	0.92%	116m	0.51% Cu
23m@1.4% Cu Eq* (0.9% Cu)	1.4%	23m	0.9% Cu
18m@0.92% Cu Eq*	0.92%	18m	
16m@1.28% Cu Eq* (0.84% Cu)	1.28%	16m	0.84% Cu
7m@2.65% Cu Eq* (0.75% Cu)	2.65%	7m	0.75% Cu
6m@0.98% Cu Eq*	0.98%	6m	
13m@1.19% Cu Eq* (0.91% Cu)	1.19%	13m	0.91% Cu
13m@1.36% Cu Eq*	1.36%	13m	
15m@1.14% Cu Eq*	1.14%	15m	
13m@1.06% Cu Eq* (0.72% Cu)	1.06%	13m	0.72% Cu

