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ASX ANNOUNCEMENT

Thursday 5th September 2013

More strong results extend high-grade copper and gold zone ahead of next major resource upgrade

- **Latest drilling at Productora Copper Project in Chile extends a new zone of shallow, high-grade copper and gold**
- **First drilling to target identified extensions to Productora Underground (UG) mine to start shortly**
- **Substantial grade and tonnage being targeted in the northern extent of planned central pit development at Productora**
- **Second major resource upgrade set for late calendar 2013**

New Drill Results at Productora

49m grading 1.3% Copper Equivalent*
(**1.0% copper**, 0.1g/t gold, 207ppm molybdenum)

from 89m down-hole
New High Grade Zone, east of Productora UG mine

76m grading 0.9% Copper Equivalent*
(**0.6% copper**, 0.1g/t gold, 233ppm molybdenum)

from 108m down-hole

including 19m grading 1.7% Copper Equivalent*
(**1.2% copper**, 0.3g/t gold and 323ppm molybdenum)

50m grading 1.0% Copper Equivalent*
(**0.7% copper**, 0.2g/t gold, 235ppm molybdenum)

from 191m down-hole

including 24m grading 1.4% Copper Equivalent*
(**1.0% copper**, 0.2g/t gold and 368ppm molybdenum)

ASX Code
HCH

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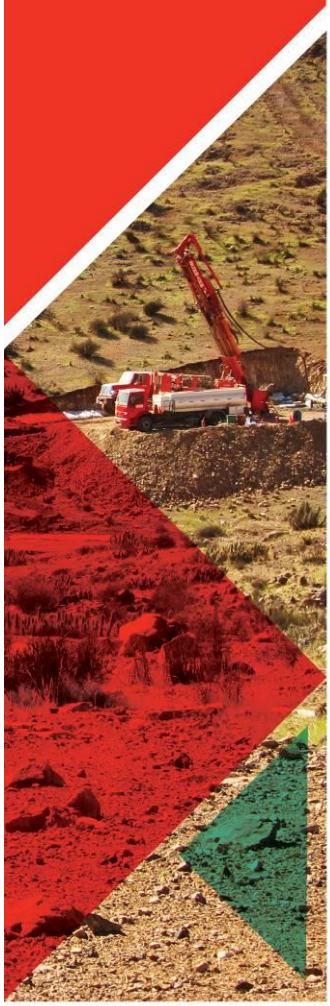

Hot Chili (ASX: HCH) is pleased to announce that three significant developments, including more high-grade drilling results, have put it firmly on track for a major resource upgrade later this year at its flagship Productora copper project in Chile.

These developments are:

1. **Fresh drilling results confirm a substantial new zone of high-grade copper and gold from shallow depths;**

2. **Access has been granted for extensional drilling at the Productora underground mine area;**

3. **Regulatory approval has been gained for a further 100 high-priority extensional holes along the eastern flank of the planned central pit development.**

Reverse circulation (RC) drilling is progressing well at Productora with approximately 120 holes remaining to be completed in 2013.

New Zone of High-Grade Copper and Gold

Recent drilling at Productora has returned 49m grading 1% copper and 0.1g/t gold from 89m down-hole. This significant intersection is the latest from the eastern flank of the planned central pit development at Productora.

Importantly, this newly discovered zone was previously treated as waste in the Productora scoping study. A total of five significant intersections have now been returned from this new zone across 100m of strike length, including:

- 67m grading 0.7% copper and 0.2g/t gold from 74m down-hole depth (PRP0077)
- 64m grading 1.5% copper and 0.4g/t gold from 122m down-hole depth (PRP0545)
- 72m grading 0.7% copper from 120m down-hole depth (PRP0609)
- 102m grading 1.0% copper and 0.2g/t gold from 124m down-hole depth (PRP0611)
- 49m grading 1.0% copper and 0.1g/t down-hole depth (PRP0661)

Drilling is now targeting the new zone to determine its potential extent and impact on the planned central pit development, which may be substantial given the tenor of copper and gold grades being recorded in these recent holes.

Drill-Testing of Productora Underground Mine Extensions Commences

In another boost for the forthcoming major resource upgrade at Productora, the UG mine area is now accessible for extensional drilling assessment.

Previously, this area was not able to be drilled owing to the operations of a lease mining contractor. The mining contractor has now ceased mining operations and removed equipment following purchase of the central lease by Hot Chili earlier this year and termination of their lease mining agreement.

Drilling is scheduled to start in this area in the coming week. One drill hole has already been completed to assess the immediate depth extension below the depth of development (120m vertical depth) and has encountered visually encouraging chalcopyrite and pyrite mineralisation over a large width immediately below the underground development. Results are expected in the coming weeks.

Regulatory Approval Granted for Remaining Eastern Flank Drilling

The Company has received approval to complete a further 100 drill holes over a large area across the eastern flank of the planned central pit development at Productora. The approval will facilitate the last of Hot Chili's major 100,000m drilling programme at Productora for 2013.

The area to be assessed represents a large opportunity for the Company to follow-up on a very successful extensional drilling programme which has delivered a strong run of results along the eastern flanks of Productora. This drilling is being prioritised in a bid to deliver new resources from areas considered to be waste in the Company's scoping study. This represents an opportunity to significantly enhance the size and economics of the centre piece of the Productora development plan.

Results from the Company's recently completed diamond drilling programme at Productora are expected shortly.

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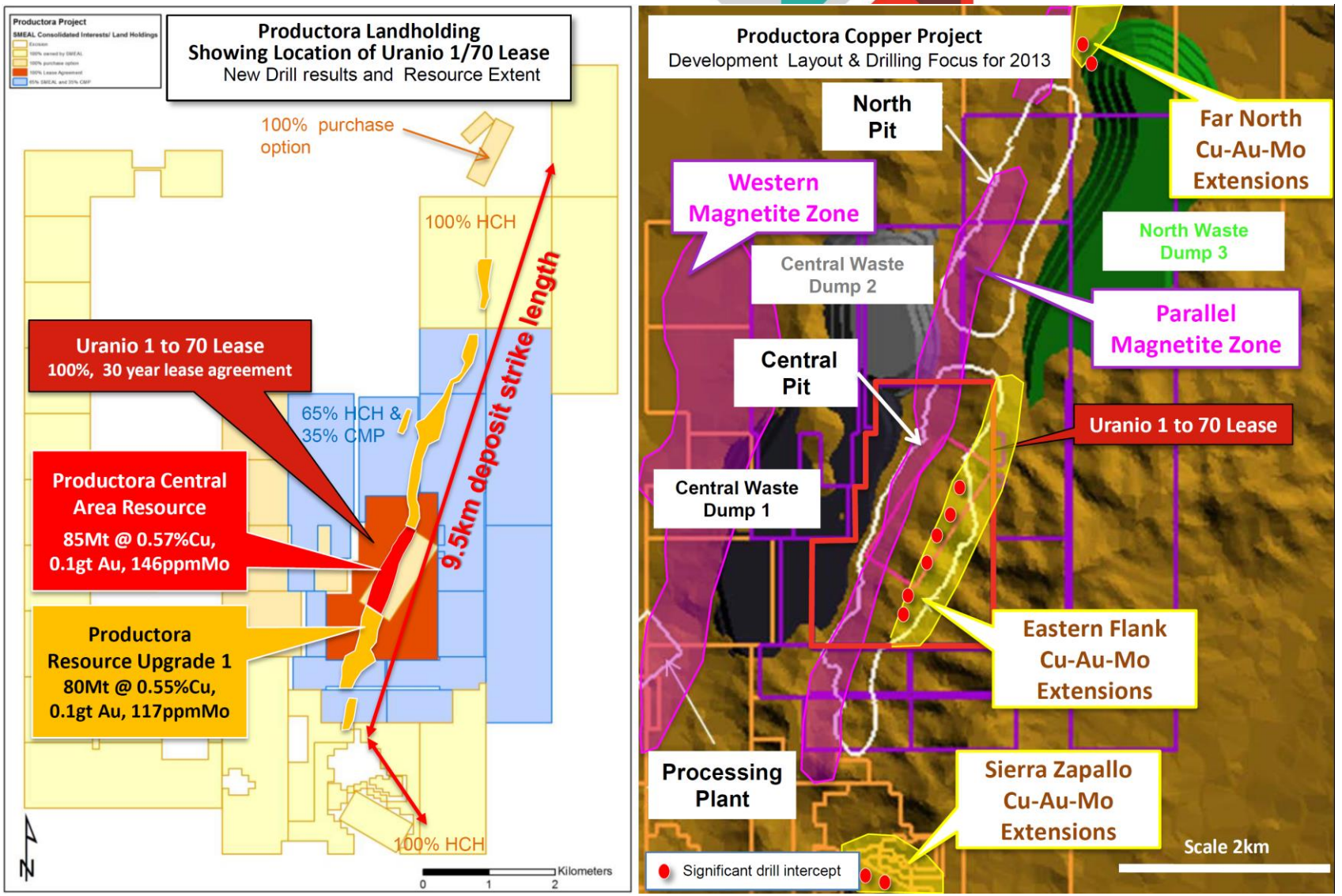

Figure 1. Productora project and Scoping Study development layout in relation to 2013 drilling programme focus

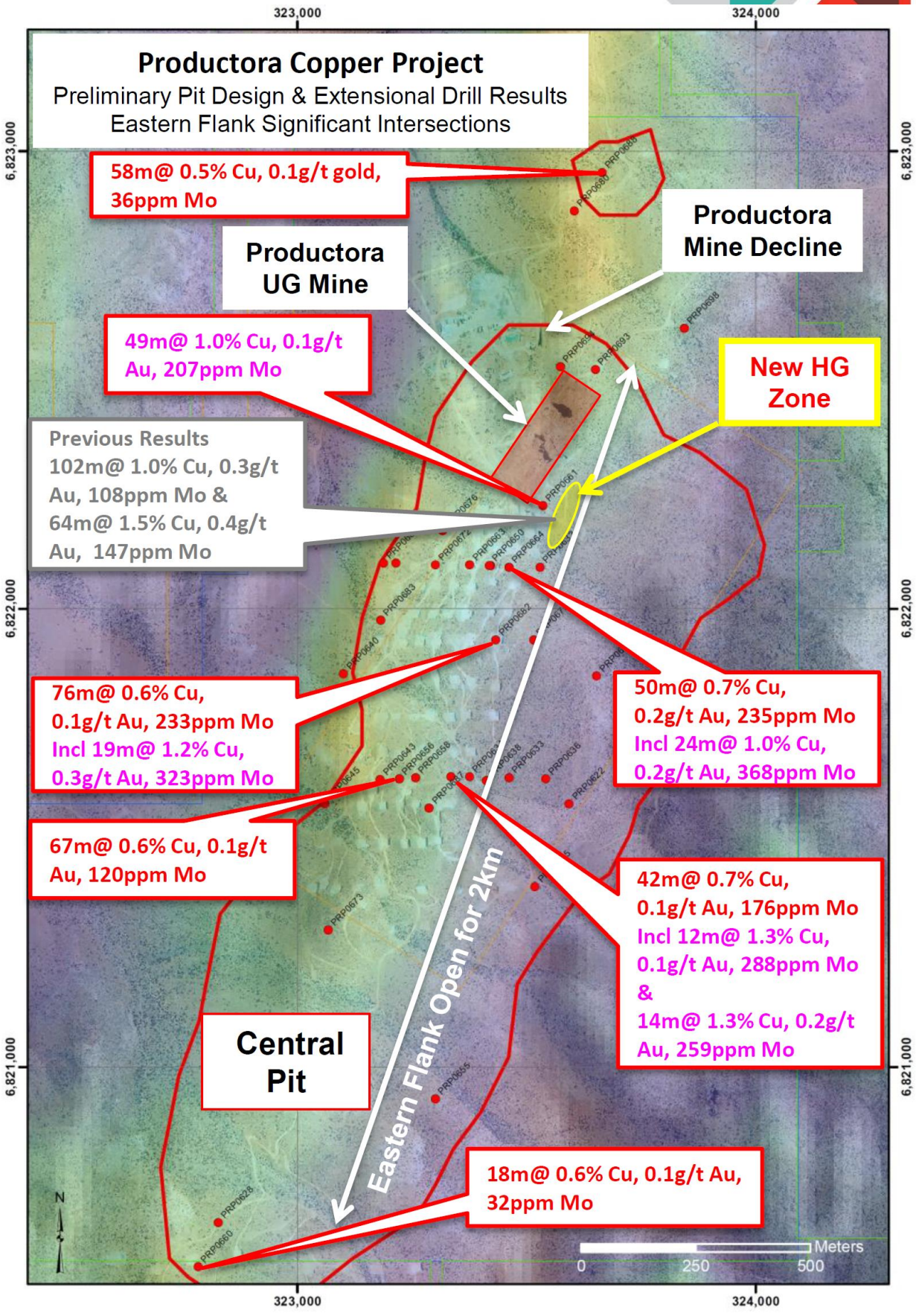

Figure 2. New significant drilling intersections in relation to the planned central pit design at Productora

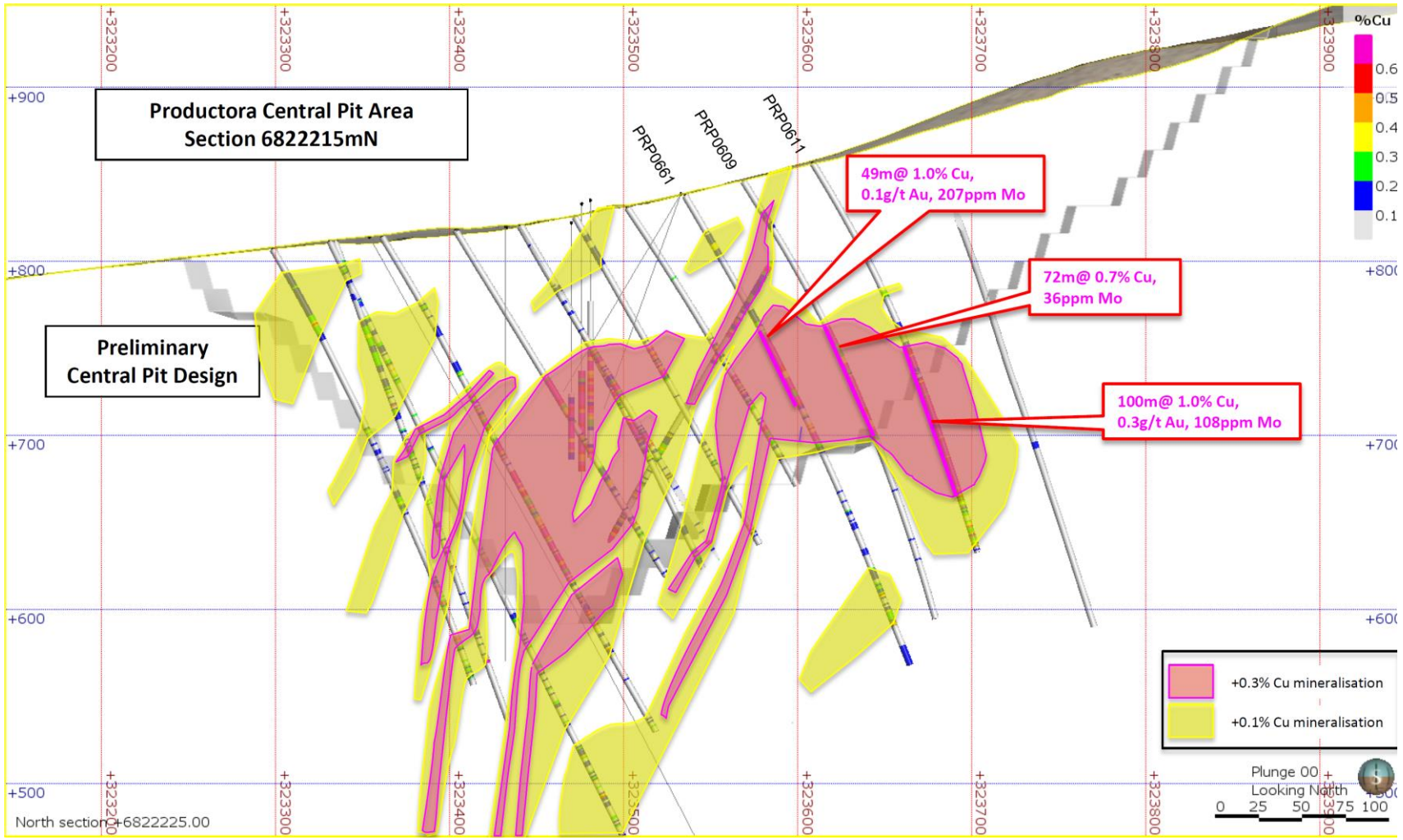

Figure 3. Cross sections showing significant intersections being recorded in new high-grade zone on eastern flank of planned central pit development- Section 6822215mN

Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
PRP0622	6821574	323593	90	-60	36	40	4	0.5	0.1	67	0.6
					48	51	3	0.9	0.3	247	1.3
PRP0625	6821394	323518	90	-60	48	52	8	0.3	0.1	134	0.5
					241	245	4	0.6	0.1	205	0.9
PRP0628	6820659	322826	90	-60	52	64	12	0.4	0.0	127	0.5
					93	138	45	0.4	0.1	130	0.6
					143	150	7	0.3	0.0	16	0.3
					155	173	18	0.6	0.1	32	0.7
PRP0632	6822091	323529	90	-60	117	135	18	0.5	0.1	54	0.6
					141	148	7	0.3	0.1	59	0.4
					168	206	38	0.3	0.1	53	0.5
				including	*168*	*174*	*6*	*0.8*	*0.2*	*77*	*1.0*
PRP0633	6821632	323462	90	-60	79	97	18	0.4	0.1	81	0.5
					84	88	4	0.7	0.1	141	0.9
					163	167	4	0.5	0.1	21	0.6
					204	211	7	0.7	0.2	165	0.9
					216	220	4	0.4	0.1	60	0.5
PRP0634	6821634	323375	90	-60	139	150	11	0.3	0.1	235	0.5
					190	193	3	0.5	0.1	252	0.7
PRP0636	6821629	323542	90	-60	222	226	4	0.3	0.0	2	0.3
					247	251	4	0.9	0.2	271	1.3
PRP0638	6821625	323412	90	-60	28	40	12	0.5	0.1	84	0.6
					69	81	12	0.7	0.2	663	1.3
					92	95	3	0.8	0.2	322	1.2
					138	143	5	0.8	0.2	182	1.1
					191	196	5	0.5	0.2	115	0.8
					227	232	5	0.3	0.0	299	0.5
					262	268	6	0.4	0.1	267	0.7
PRP0639	6821634	323335	90	-60	**64**	**106**	**42**	**0.7**	**0.1**	**176**	**0.9**
				including	***76***	***88***	***12***	***1.3***	***0.1***	***288***	***1.7***
					191	**205**	**14**	**1.3**	**0.2**	**259**	**1.6**
				including	***191***	***199***	***6***	***2.0***	***0.3***	***312***	***2.4***
					297	308	11	0.4	0.0	152	0.5
					316	322	6	0.4	0.0	131	0.5
PRP0640	6821859	323100	90	-60	183	186	3	0.4	0.1	226	0.6
					233	236	3	0.4	0.2	2	0.5
PRP0643	6821627	323180	90	-60	84	90	6	0.6	0.1	78	0.7
					96	99	3	0.4	0.1	61	0.5
					189	199	10	0.4	0.1	76	0.5
					206	209	3	0.5	0.1	11	0.6
PRP0644	6822091	323462	90	-60	106	110	4	0.6	0.2	140	0.8
					129	137	8	0.4	0.1	24	0.5
					165	184	19	0.7	0.2	205	1.0
					191	**241**	**50**	**0.7**	**0.2**	**235**	**1.0**

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
				including	***213***	***237***	***24***	***1.0***	***0.2***	***368***	***1.4***
					272	274	3	0.6	0.2	283	0.9
					278	285	7	0.5	0.1	171	0.7
PRP0645	6821576	323059	90	-60	90	93	3	0.4	0.1	16	0.5
					126	132	3	0.9	0.2	9	1.0
					225	228	3	0.4	0.1	2	0.5
PRP0647	6822095	323421	90	-60	96	107	11	0.5	0.1	107	0.6
					119	**142**	**23**	**0.7**	**0.1**	**177**	**0.9**
				including	***129***	***137***	***8***	***1.2***	***0.3***	***192***	***1.5***
PRP0650	6822095	323418	90	-60	95	101	6	0.5	0.1	99	0.6
					104	110	6	0.6	0.1	108	0.7
					130	139	9	1.0	0.2	245	1.3
PRP0655	6820930	323300	90	-60	71	80	9	0.2	0.1	34	0.3
					156	161	5	0.2	0.0	80	0.3
					169	177	8	0.2	0.0	33	0.3
					210	219	9	0.4	0.1	157	0.6
					229	240	11	0.5	0.1	123	0.7
PRP0656	6821629	323221	90	-60	**48**	**115**	**67**	**0.6**	**0.1**	**120**	**0.8**
				including	***64***	***96***	***32***	***0.7***	***0.1***	***131***	***0.9***
					135	146	11	0.3	0.1	441	0.8
					151	174	23	0.6	0.1	160	0.8
					181	192	11	0.3	0.1	87	0.4
					233	246	13	0.4	0.1	109	0.5
					279	285	6	0.4	0.1	213	0.7
					297	305	8	0.6	0.1	427	1.0
					314	330	16	0.3	0.0	421	0.6
PRP0658	6821631	323257	90	-60	0	16	16	0.8	0.0	87	0.9
					32	72	40	0.3	0.1	42	0.3
					111	115	4	0.4	0.0	90	0.5
					131	224	93	0.3	0.1	234	0.5
				including	*135*	*140*	*5*	*0.8*	*0.2*	*187*	*1.1*
					232	324	92	0.3	0.0	173	0.5
				including	*240*	*244*	*4*	*0.7*	*0.2*	*583*	*1.3*
					345	351	6	0.5	0.1	391	0.9
PRP0659	6821854	323653	90	-60	**104**	**112**	**8**	**1.4**	**0.1**	**2**	**1.4**
					126	128	2	0.4	0.1	81	0.6
PRP0660	6820563	322782	90	-60	**88**	**95**	**7**	**1.1**	**0.0**	**766**	**1.7**
					107	112	5	0.3	0.0	362	0.6
					168	172	4	0.2	0.0	96	0.3
PRP0661	6822226	323535	90	-60	**89**	**138**	**49**	**1.0**	**0.1**	**207**	**1.3**
					149	164	15	0.5	0.1	177	0.7
					249	258	9	0.3	0.1	128	0.4
					266	276	10	0.3	0.1	143	0.5
PRP0663	6822097	323376	90	-60	**84**	**96**	**12**	**1.0**	**0.2**	**519**	**1.5**
					108	**132**	**24**	**0.6**	**0.1**	**131**	**0.7**
				including	***122***	***132***	***8***	***1.0***	***0.2***	***162***	***1.2***

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
					143	152	9	0.6	0.1	212	0.8
					168	178	10	0.7	0.1	560	1.2
PRP0664	6822091	323462	90	-60	64	96	32	0.3	0.1	283	0.6
					128	147	19	0.4	0.1	1899	2.0
					151	156	5	1.1	0.3	619	1.7
					169	184	15	0.3	0.1	406	0.7
					214	224	10	0.3	0.0	243	0.6
					264	272	8	0.6	0.1	429	1.1
					291	303	12	0.4	0.1	2002	2.1
					310	320	10	0.3	0.1	405	0.6
					350	359	9	0.6	0.1	253	0.8
PRP0672	6822097	323301	90	-60	42	56	14	0.3	0.0	46	0.4
					123	144	21	0.3	0.1	83	0.4
PRP0673	6821298	323066	90	-60	124	136	12	0.8	0.1	223	1.0
					179	195	16	0.5	0.1	184	0.7
PRP0673			90	-60	200	204	4	0.4	0.1	156	0.6
					212	217	5	0.5	0.1	111	0.7
					243	271	28	0.5	0.1	162	0.7
					302	307	5	0.4	0.1	96	0.6
PRP0675	6821933	323515	90	-85	188	208	20	0.6	0.2	183	0.9
					215	226	11	0.3	0.1	95	0.4
					239	259	20	0.3	0.1	62	0.4
					273	299	26	0.4	0.2	65	0.6
				including	***296***	***299***	***3***	***1.5***	***0.3***	***51***	***1.8***
PRP0676	6822171	323316	90	-60	52	64	12	0.2	0.0	8	0.3
					105	126	21	0.4	0.1	79	0.5
					149	154	5	0.5	0.1	30	0.6
					167	171	4	0.6	0.1	49	0.8
					184	187	3	0.5	0.1	84	0.6
					242	273	31	0.3	0.0	62	0.4
PRP0679	6822100	323214	90	-60	0	4	4	0.8	0.2	310	1.2
					124	136	12	0.7	0.1	84	0.9
					198	203	5	0.4	0.1	77	0.5
PRP0680	6822870	323604	90	-60	51	58	7	0.3	0.1	27	0.4
					84	88	4	0.2	0.1	26	0.3
					119	124	5	0.5	0.1	9	0.5
PRP0682	6821932	323433	90	-80	0	8	8	0.5	0.0	62	0.5
					58	75	17	0.3	0.0	25	0.4
					108	**184**	**76**	**0.6**	**0.1**	**233**	**0.9**
				including	***164***	***183***	***19***	***1.2***	***0.3***	***323***	***1.7***
PRP0683	6821976	323181	90	-60	**193**	**215**	**22**	**0.8**	**0.2**	**77**	**1.0**
					226	249	23	0.5	0.1	120	0.7
					283	286	3	0.4	0.1	38	0.5
					335	338	3	0.5	0.1	311	0.8
					347	350	3	0.4	0.1	2	0.5
					357	358	1	1.1	0.2	258	1.4

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
PRP0684	6822100	323187	90	-60	0	8	8	0.7	0.1	247	1.0
					152	177	25	0.3	0.1	89	0.4
PRP0687	6821565	323287	90	-60	16	27	11	0.5	0.1	23	0.6
					48	84	36	0.4	0.0	62	0.4
					100	127	27	0.3	0.0	94	0.4
					147	150	3	0.5	0.1	90	0.7
					154	162	8	0.6	0.1	181	0.8
					270	301	31	0.4	0.1	256	0.6
					328	353	25	0.4	0.1	222	0.7
					354	362	8	0.2	0.1	109	0.3
					385	401	16	0.8	0.1	380	1.2
					408	411	3	0.4	0.1	415	0.8
					418	***441***	***23***	***0.5***	***0.1***	***271***	***0.8***
PRP0688	6822954	323665	90	-60	79	83	4	0.5	0.1	76	0.7
					89	**147**	**58**	**0.5**	**0.1**	**60**	**0.6**
PRP0693	6822523	323650	180	-60	56	64	8	0.6	0.1	28	0.6
					199	204	5	0.3	0.1	84	0.5
					221	234	13	0.2	0.1	227	0.5
					244	256	12	0.2	0.1	43	0.3
PRP0694	6822530	323573	180	-60	139	156	17	0.6	0.2	381	1.1
					166	181	15	0.5	0.2	359	0.9
					187	193	6	0.3	0.1	63	0.4
					246	251	5	0.3	0.1	58	0.4
					254	261	7	0.3	0.1	559	0.9
					342	353	11	0.2	0.1	15	0.3
					365	374	9	0.2	0.1	50	0.3
PRP0698	6822614	323844	360	-60	140	148	8	0.6	0.1	86	0.7
					190	195	5	0.5	0.2	33	0.7
					201	204	3	0.7	0.8	9	1.3
					239	246	7	0.3	0.1	108	0.5
					254	261	7	0.6	0.1	139	0.8
			mineralised to EOH		262	302	40	0.3	0.1	65	0.4

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.*
- *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.*

*** 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)

JORC Compliant Resource Statement- Reported 13th February 2013

Classification	Resource Series (+0.3% Cu)	Tonnage	Grade				Contained Metal			
			Cu %	Au g/t	Mo g/t	Cu Eq* %	Copper (Tonnes)	Gold (Oz)	Molybdenum (Tonnes)	Copper Eq* (Tonnes)
INDICATED	Res Upgrade 1	39,400,000	0.6	0.1	124	0.8	230,000	150,000	5,000	310,000
	Central Resource	31,200,000	0.6	0.1	159	0.8	190,000	110,000	5,000	250,000
	Total	**70,600,000**	**0.6**	**0.1**	**140**	**0.8**	**420,000**	**260,000**	**10,000**	**560,000**
INFERRED	Res Upgrade 1	40,600,000	0.5	0.1	110	0.7	200,000	130,000	4,000	270,000
	Central Resource	54,000,000	0.6	0.1	138	0.7	300,000	180,000	8,000	400,000
	Total	**94,600,000**	**0.5**	**0.1**	**126**	**0.7**	**500,000**	**310,000**	**12,000**	**670,000**
TOTAL	Res Upgrade 1	80,000,000	0.5	0.1	117	0.7	440,000	290,000	9,000	580,000
	Central Resource	85,200,000	0.6	0.1	146	0.8	480,000	290,000	13,000	650,000
	Total	**165,200,000**	**0.6**	**0.1**	**132**	**0.7**	**920,000**	**580,000**	**22,000**	**1,230,000**

Note: Figures in the above table are rounded and are reported to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

Competent Person's Statement

The information in this report that relates to the Central Mineral Resource, Productora is based on information compiled by Alf Gillman, who is a fellow of the Australasian Institute of Mining and Metallurgy. Alf Gillman is a director of Odessa Resources Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Alf Gillman consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates outside of the Central Mineral Resource is based on information compiled by Aloysius Voortman and Fleur Muller. Aloysius Voortman is a Fellow of the Australasian Institute of Mining and Metallurgy, and Fleur Muller is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Aloysius Voortman is an employee of Coffey Mining, and Fleur Muller is an employee of Hot Chili Ltd, and both have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. Mr Voortman and Mrs Muller are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Voortman and Mrs Muller consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.