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ASX ANNOUNCEMENT

Thursday 31st October 2013

Strong Results Highlight Bulk Tonnage at Productora

- **Recent drill results highlight strong continuity of large tonnage, shallow resource zones at Productora copper project in Chile**
- **The results increase Hot Chili's confidence in its bulk mining assessment, which will in turn help to maximize the first Ore Reserve estimate and reduce strip ratios**
- **Follow-up drilling continuing at the new high-grade Habanero discovery at Productora utilising two Reverse Circulation (RC) drill rigs- results expected shortly**
- **These results are aimed at further strengthening the forthcoming resource upgrade and maiden Ore Reserve**

New Drill Results at Productora

162m grading 0.8% Copper & 0.2g/t Gold
(and 140ppm Molybdenum)

from 40m down-hole

64m grading 0.7% Copper & 0.2g/t Gold
(and 130ppm Molybdenum)

from 142m down-hole

44m grading 0.7% Copper & 0.1g/t Gold
(and 247ppm Molybdenum)

from 74m down-hole
including 9m grading 1.1% Copper & 0.1g/t Gold

AND

86m grading 0.5% Copper & 0.1g/t Gold
(and 226ppm molybdenum)

from 254m down-hole
including 8m grading 1.4% Copper & 0.3g/t Gold

ASX Code
HCH

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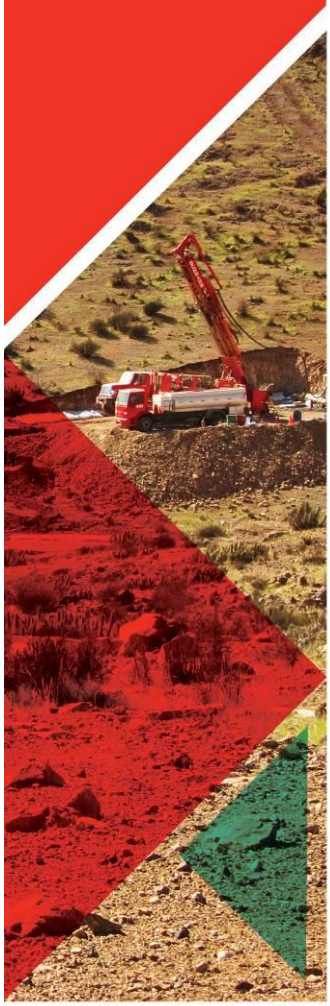

Hot Chili (ASX: HCH) is pleased to announce that its strategy to maximise the maiden Ore Reserve estimate at its Productora copper project in Chile has received a significant boost from drilling results which confirm the strong continuity of the bulk-tonnage resource areas.

The latest results include an impressive 162m grading 0.8% copper and 0.2g/t gold from a down-hole depth of 40m within the southern extent of the planned central pit area of Productora.

Hot Chili has now completed all planned in-fill and QA/QC drilling for 2013. This drilling was aimed at upgrading the Inferred resources to the Indicated category in areas likely to lie within the parameters of the planned central open pit at the project.

Remaining drilling for 2013 will focus on areas which are likely to substantially reduce strip ratios and maximise the conversion of resources to reserve at Productora. This includes higher grade areas such as the newly discovered Habanero zone, as outlined on figure 1.

Approximately 80 drill holes remain to be complete in 2013 and results from Habanero and other high priority areas at Productora are expected shortly.

Increasing Confidence in Bulk Tonnage Copper and Gold at Productora

Hot Chili has now completed the majority of its planned 100,000m Reverse Circulation (RC) and Diamond (DD) Drilling programme at Productora for 2013. Approximately 80 holes remain to be completed.

Drilling at Productora during 2013 aimed to achieve two objectives, namely:

1. Substantially increase the size of the resource with an emphasis on maximising resource to reserve conversion, and

2. Upgrade the category of all Inferred resources that have high likelihood to lie within the constraints of the planned central pit area.

Both objectives are centred on maximising potential future Ore Reserves and reducing indicative strip ratios within the planned central pit area.

To date, the Company has focussed on achieving its first objective through strong extensional drilling results from the eastern flank as outlined in figure 1. In-fill and QA/QC drilling, aimed at achieving the second objective, is now complete and has also been successful.

Assessment of the final results of in-fill and QA/QC drilling at Productora has highlighted good continuity of shallow, large tonnage zones which would be accessible in the early years of any mining operation. Figure 2 shows the location of recent significant intersections recorded from the last of the Company's in-fill and QA/QC drilling programme for 2013.

The success of infill and QA/QC drilling during 2013 has demonstrated that the majority of shallow, large-tonnage, resource areas at Productora are robust and amenable to a bulk, low-cost open pit mining approach.

Productora Drilling Update

Since late August 2013, Hot Chili has concentrated its drilling efforts on completing a rigorous assessment of three areas located within the northern extent of the planned central pit at Productora: Habanero; Cayenne and the Productora underground (UG) area. Figure 3 displays the location of these three areas in relation to the planned central pit.

The Company recently released a series of very exciting results from these areas including the discovery of the **high-grade Habanero zone** which recorded Hot Chili's best result to date **(181m grading 1.0% copper and 0.3g/t gold from 89m down-hole, including 71m grading 1.6% copper and 0.4g/t gold).**

A number of visually encouraging drill holes have been completed in follow-up to recent drilling results at Habanero. In response, Hot Chili has designed further extensional drilling to continue targeting additional strike extensions at Habanero. These drill holes are currently being completed and will contribute towards a drilling assessment of Habanero, which has now grown to in excess of 400m strike length.

These three high-priority areas are considered likely to enhance the size and grade of the planned central pit area- the centrepiece of the Productora development plan.

Results from these areas, including Habanero, are expected to be released shortly.

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

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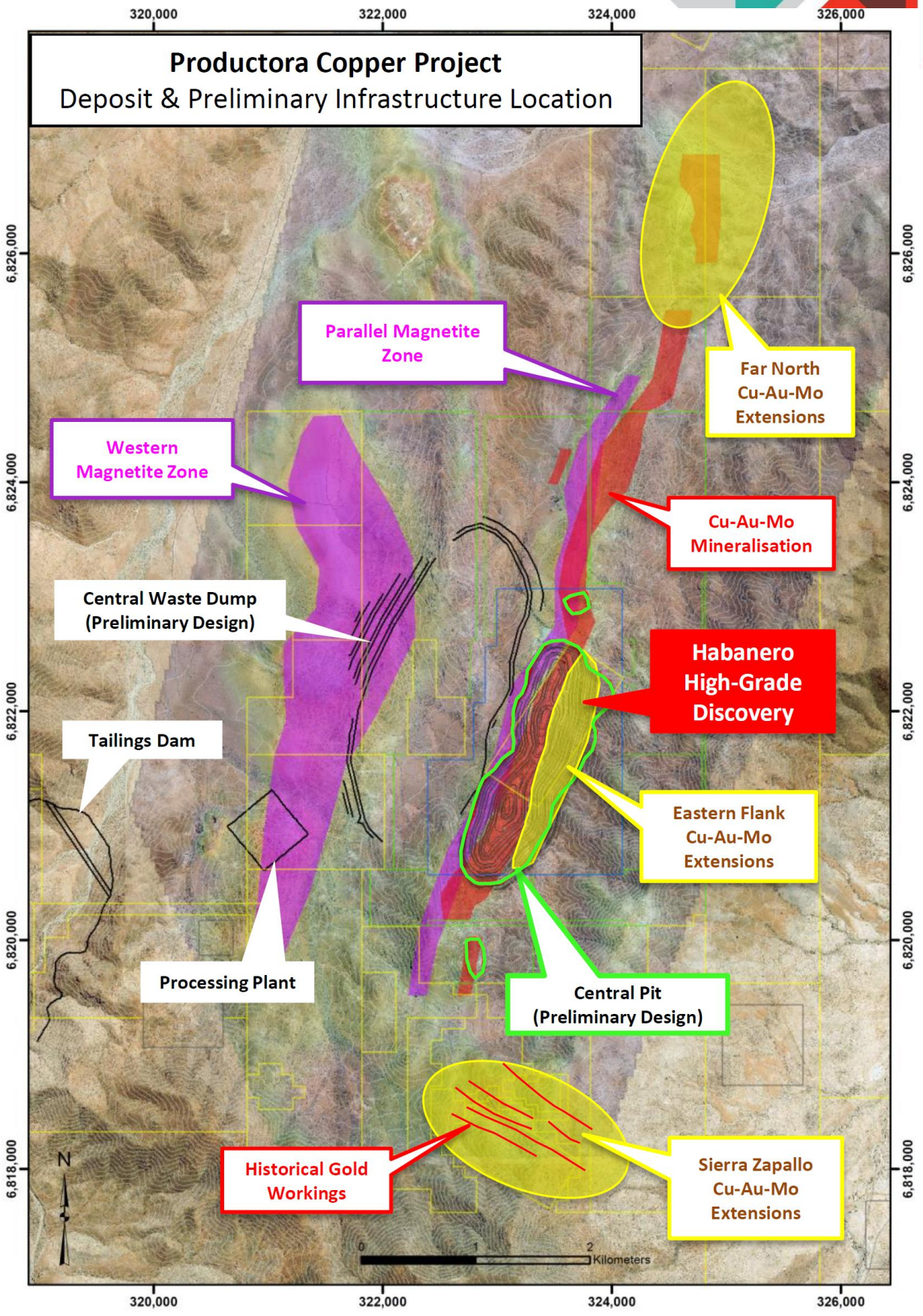

Figure 1. Productora project and Scoping Study development layout in relation to 2013 drilling programme focus

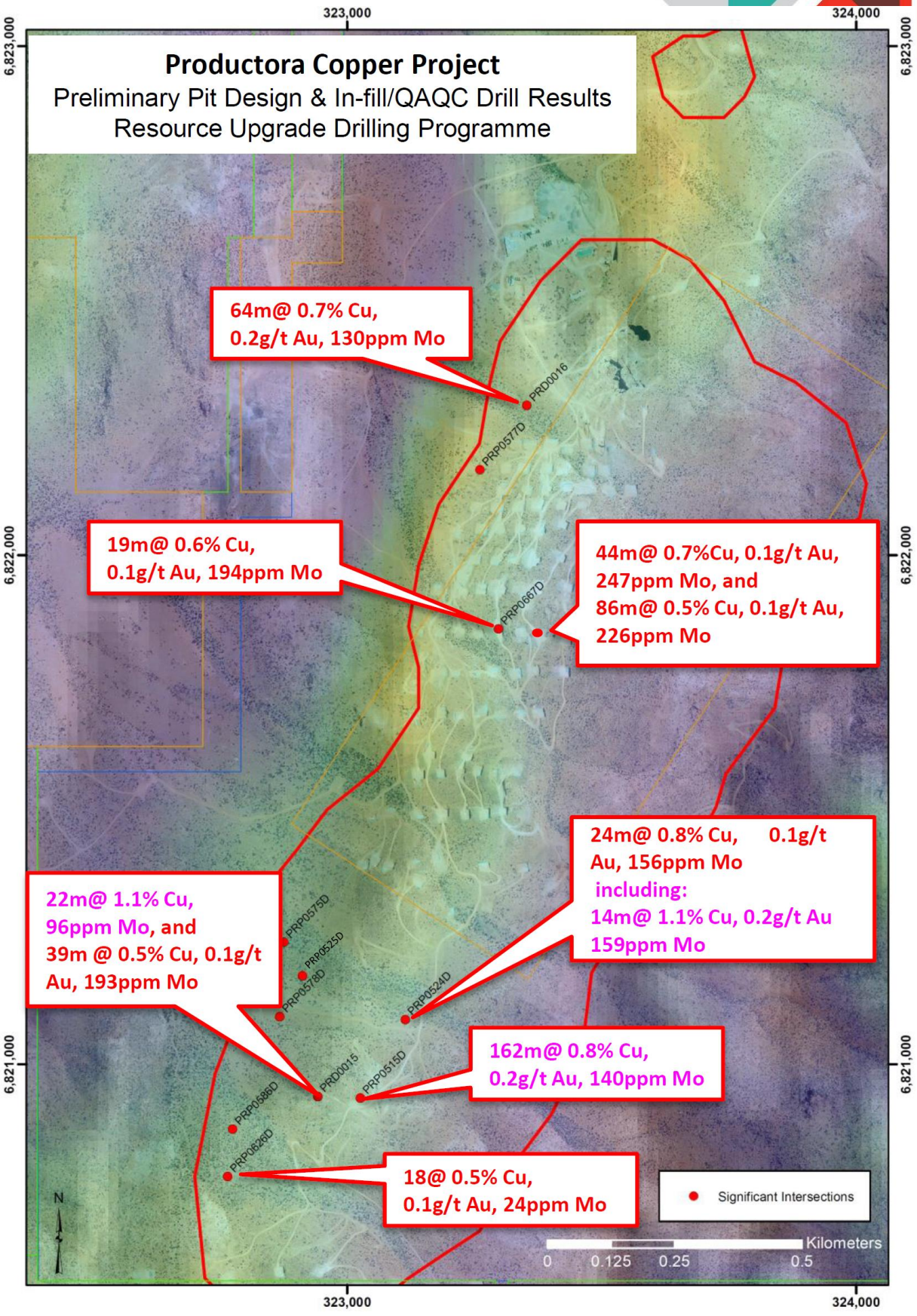

Figure 2. New significant drilling intersections in relation to the planned central pit design at Productora. Last results from In-fill and QA/QC drilling programme for 2013.

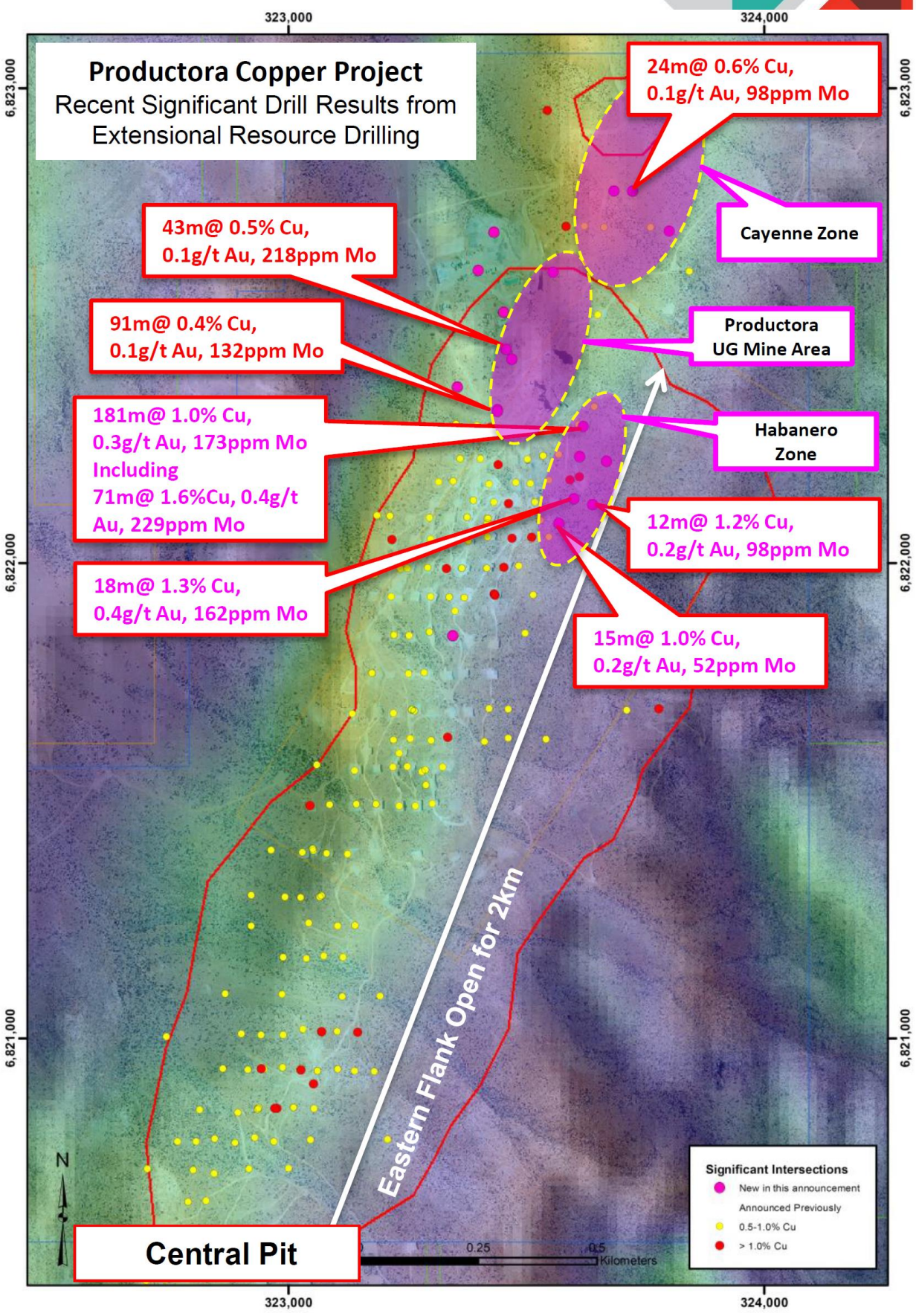

Figure 3. Recent significant drilling intersections in relation to the planned central pit design at Productora. The figure displays the three current focus areas for extensional drilling.

Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Equivalent
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu Equivalent)
PRP0395D	6822710	323622	90	-60	164	184	20	0.3	0.1	230	0.7
					193	216	23	0.4	0.1	109	0.8
PRP0395D	6822710	323622	90	-60	369	374	5	0.1	0.0	1255	1.5
PRP0447D	6821090	323035	90	-60	300	309	9	0.5	0.1	77	0.8
					312	344	32	0.3	0.1	51	0.5
					424	430	6	0.3	0.0	36	0.5
PRP0518D	6821008	322869	90	-60	184	195	11	0.3	0.0	138	0.6
PRP0519D	6820930	322813	90	-60	202	208	6	0.4	0.1	46	0.6
					275	299	24	0.2	0.0	47	0.4
					367	377	10	0.2	0.0	7	0.5
PRP0515D	6820934	323026	90	-60	20	27	7	1.0	0.1	36	1.2
					40	**202**	**162**	**0.8**	**0.2**	**140**	**1.0**
					214	221	7	0.3	0.1	78	0.4
					245	254	9	0.2	0.2	137	0.5
					257	261	4	0.5	0.1	46	0.6
					288	290	2	0.8	0.2	20	1.0
					305	307	2	0.4	0.2	12	0.6
PRP0524D	6821088	323114	90	-60	162	167	5	0.5	0.1	318	0.8
					185	**209**	**24**	**0.8**	**0.1**	**156**	**1.0**
			including		***192***	***206***	***14***	***1.0***	***0.2***	***159***	***1.2***
					231	237	6	0.5	0.1	331	0.8
					241	245	4	0.8	0.2	276	1.2
					311	319	8	0.8	0.2	172	1.0
PRP0525D	6821174	322912	90	-60	231	236	5	0.4	0.1	39	0.5
					259	269	10	0.5	0.1	288	0.8
					318	324	6	0.5	0.1	95	0.7
					398	401	3	1.1	0.2	81	1.3
					415	424	9	0.5	0.1	41	0.6
PRP0575D	6821240	322875	90	-60	294	300	6	0.5	0.1	35	0.6
					381	382	1	1.9	0.4	1560	3.5
					389	393	4	0.5	0.1	54	0.6
					568	576	8	0.3	0.1	50	0.4
PRP0577D	6822168	323260	90	-60	155	158	3	0.5	0.1	11	0.6
					265	270	5	0.4	0.0	42	0.4
PRP0578D	6821094	322867	90	-60	119	137	18	0.3	0.0	49	0.4
					261	272	11	0.6	0.1	12	0.7
					394	400	6	0.4	0.1	9	0.5
					408	412	4	0.5	0.1	78	0.7
					416	421	5	0.5	0.1	126	0.7
					453	458	5	0.9	0.2	134	1.1
					463	469	6	0.5	0.1	173	0.7

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Equivalent
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu Equivalent)
PRP0586D	6820873	322775	90	-60	118	121	3	0.6	0.1	250	0.9
					255	258	3	0.4	0.1	190	0.6
					273	308	35	0.1	0.0	91	0.2
					378	381	3	0.5	0.1	152	0.7
					473	488	15	0.3	0.0	89	0.4
PRP0589D	6820725	322704	90	-60	84	88	4	0.8	0.1	6	0.9
					162	166	4	0.5	0.0	902	1.4
					281	291	10	0.1	0.0	139	0.4
					291	304	13	0.4	0.1	157	0.7
					308	325	17	0.4	0.1	94	0.7
					352	**374**	**22**	**0.5**	**0.1**	**109**	**0.8**
					352	367	15	0.5	0.1	148	0.9
PRP0626D	6820780	322765	90	-60	**15**	**33**	**18**	**0.5**	**0.1**	**24**	**0.6**
			including		***16***	***21***	***5***	***1.0***	***0.1***	***18***	***1.1***
					115	125	10	0.6	0.1	13	0.6
					145	152	7	0.5	0.1	145	0.7
PRP0667D	6821855	323297	90	-60	**110**	**127**	**17**	**0.5**	**0.1**	**192**	**0.8**
					161	**195**	**34**	**0.4**	**0.1**	**179**	**0.6**
			including		***170***	***181***	***11***	***0.6***	***0.1***	***262***	***0.8***
					210	**229**	**19**	**0.6**	**0.1**	**194**	**0.8**
					250	258	8	0.6	0.1	177	0.8
					265	281	16	0.4	0.1	294	0.7
					321	**338**	**17**	**0.6**	**0.2**	**118**	**0.8**
					346	351	5	0.4	0.1	261	0.7
PRD0015	6820937	322942	90	-60	**54**	**76**	**22**	**1.1**	**0.0**	**96**	**1.2**
			including		***63***	***73***	***10***	***1.8***	***0.1***	***110***	***1.9***
					86	**125**	**39**	**0.5**	**0.1**	**193**	**0.7**
					155	167	**12**	0.3	0.1	43	0.4
					172	178	6	0.3	0.1	26	0.4
					184	**205**	**21**	**0.5**	**0.1**	**136**	**0.7**
			including		***194***	***201***	***7***	***1.0***	***0.2***	***362***	***1.4***
					222	**246**	**24**	**0.6**	**0.1**	**61**	**0.8**
			including		***232***	***245***	***13***	***0.8***	***0.2***	***79***	***1.0***
					252	256	4	0.5	0.1	97	0.7
					285	300	15	0.4	0.1	7	0.5
PRD0016	6822294	323353	90	-53	27	31	4	0.4	0.1	12	0.4
					84	87	3	0.5	0.7	211	1.1
					127	134	7	0.7	0.2	164	1.0
					142	**206**	**64**	**0.7**	**0.2**	**130**	**1.0**
					219	228	9	0.8	0.2	64	1.0
					238	243	5	0.4	0.1	90	0.6
					247	252	5	0.6	0.1	140	0.8
					339	349	10	0.3	0.1	93	0.4

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Equivalent
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu Equivalent)
PRP0700	6821848	323345	90	-60	**74**	**118**	**44**	**0.7**	**0.1**	**247**	**1.0**
			including		**82**	**91**	**9**	**1.1**	**0.1**	**70**	**1.2**
			including		**97**	**106**	**9**	**1.1**	**0.1**	**130**	**1.3**
					132	135	3	0.6	0.1	331	1.0
		open to end of hole			**254**	**340**	**86**	**0.5**	**0.1**	**226**	**0.8**
			including		**254**	**262**	**8**	**1.4**	**0.3**	**384**	**1.9**
MET0019	6821692	323260	90	-60	260	264	4	0.5	0.1	5	1.8
					268	273	5	0.7	0.1	420	1.3
					277	**297**	**20**	**0.5**	**0.1**	**670**	**1.7**
					301	332	31	0.3	0.1	161	0.6
					345	**361**	**16**	**0.6**	**0.1**	**492**	**1.4**
					381	393	12	0.3	0.1	150	0.6
					399	**409**	**10**	**0.9**	**0.2**	**253**	**1.4**

Notes to Significant Drilling Intersections

- *All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" or pre-fix "MET" 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.