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ASX ANNOUNCEMENT

Wednesday 19th December 2012

Productora Delivers More Outstanding Drill Results

Large zone of wide, high-grade intersections set to underpin major resource up-grade

- **Productora continues to deliver more wide, shallow, high grade copper and gold results from new lease (Lease) surrounding existing resource**
- **Final drill results for resource upgrade submitted and large compilation of all new drill results underway**
- **Major resource upgrade expected early in the New Year**
- **Indications of strong boost to economics for open pit development plan**

Drill Results in New Lease at Productora

188m grading 1.0% Copper Equivalent*
(**0.8% copper**, 0.2g/t gold, 161ppm molybdenum)

from 22m down-hole
including 12m grading 2.0% Copper Equivalent*
(**1.7% copper**, 0.2g/t gold and 127ppm molybdenum)

171m grading 0.9% Copper Equivalent*
(**0.7% copper**, 0.2g/t gold, 88ppm molybdenum)

from 57m down-hole
including 30m grading 1.1% Copper Equivalent*
(**1.0% copper**, 0.2g/t gold and 56ppm molybdenum)

128m grading 0.9% Copper Equivalent*
(**0.7% copper**, 0.1g/t gold, 78ppm molybdenum)

from 98m down-hole
including 25m grading 1.7% Copper Equivalent*
(**1.3% copper**, 0.3g/t gold and 185ppm molybdenum)

ASX Code
HCH

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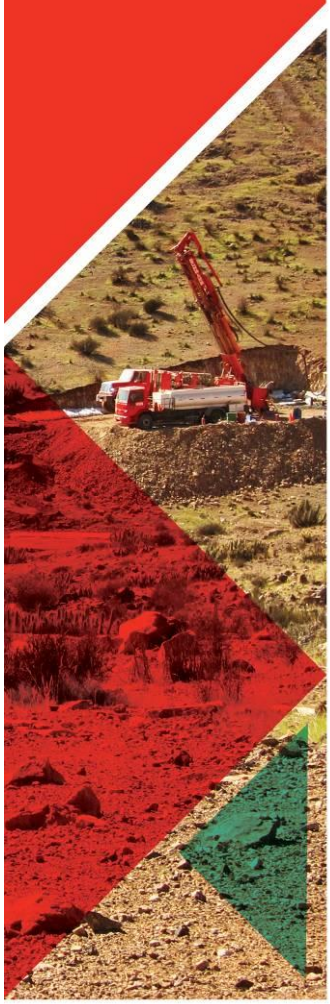

Hot Chili (ASX: HCH) is pleased to announce that it has recorded another set of outstanding drilling results from its Productora copper project in Chile.

The latest results confirm the continuity of a large new zone of shallow, high-grade copper and gold mineralisation which has been delineated in the last critical lease secured by Hot Chili in July 2012. This Lease encircles the Company's existing central area resource.

The addition of the new zone is a major boost to the current economics of a planned 4km long central open pit, the centre piece of the Company's development plan at the project.

The zone provides the opportunity for a very large, high-grade source for start-up of potential future open pit mining operations.

Major Resource Upgrade Underway at Productora- Drilling Complete

All resource drilling activities at Productora for 2012 have now ceased and final drill samples have been delivered to ALS Chemex laboratories in La Serena yesterday. A large volume of assay results are currently being compiled and incorporated into resource modelling over large extensions to the existing JORC compliant central resource (85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum).

Recent results returned from the southern direct extension to the Productora central resource have both expanded and confirmed continuity of a large tonnage zone of the deposit which hosts both high-grade copper and gold from surface (Figure 1). The zone of high-grade copper and gold now extends for over 240m of the 900m strike extent of the new large tonnage zone (Figure 2).

Owing to the growth in size of the new zone, the Company expanded its originally planned drilling programme for the area. These additional drill holes have extended the definition of the new zone and will feature in the forthcoming resource up-grade.

Importantly, recently returned results have continued to intersect substantial high-grade results within very wide zones of copper and gold mineralisation from surface as shown in Figures 3, 4 and 5.

Once all results have been returned, the Company expects to finalise and announce a major resource up-grade early in the New Year.

Further results are expected over the coming weeks in the lead-up to the Company's first 'resource upgrade at Productora since the release of the central area resource in September 2011.

The directors of Hot Chili are extremely pleased with the growing number of outstanding drill results being returned from new resource areas at Productora. The Company looks forward to announcing the first of two staged resource upgrades at Productora, aimed at more than tripling the current size of the existing resource base at the project by mid-2013.

Hot Chili Managing Director Christian Easterday said the next 6-8 months will be an exciting growth period for the company.

"With funding now secured for 2013, Hot Chili has an opportunity to establish itself as one of the leading emerging copper producers on the ASX in a relatively short timeframe" Mr Easterday said

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

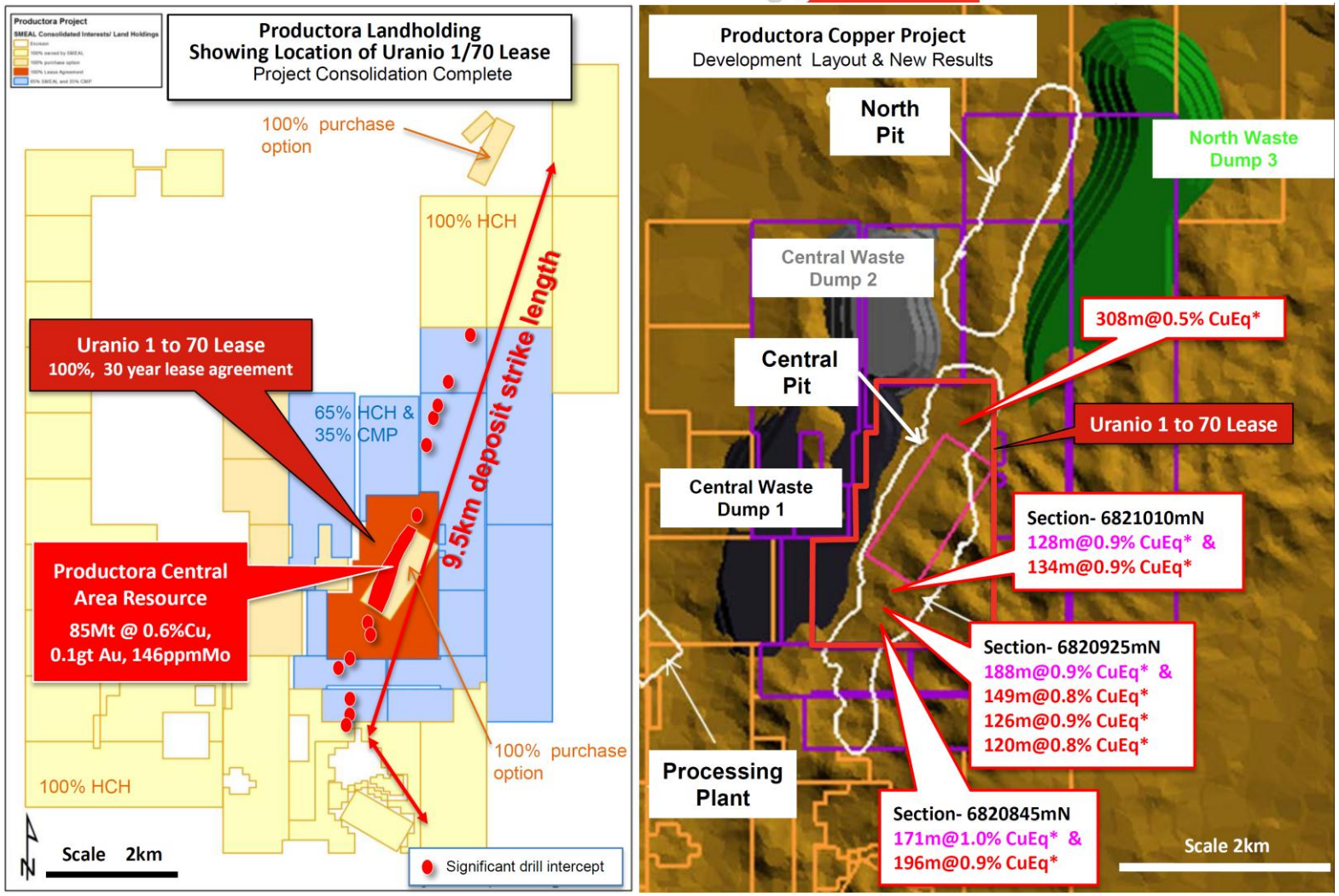

Figure 1. New Significant Drilling Intersections in relation to the Central pit design and new Lease at Productora

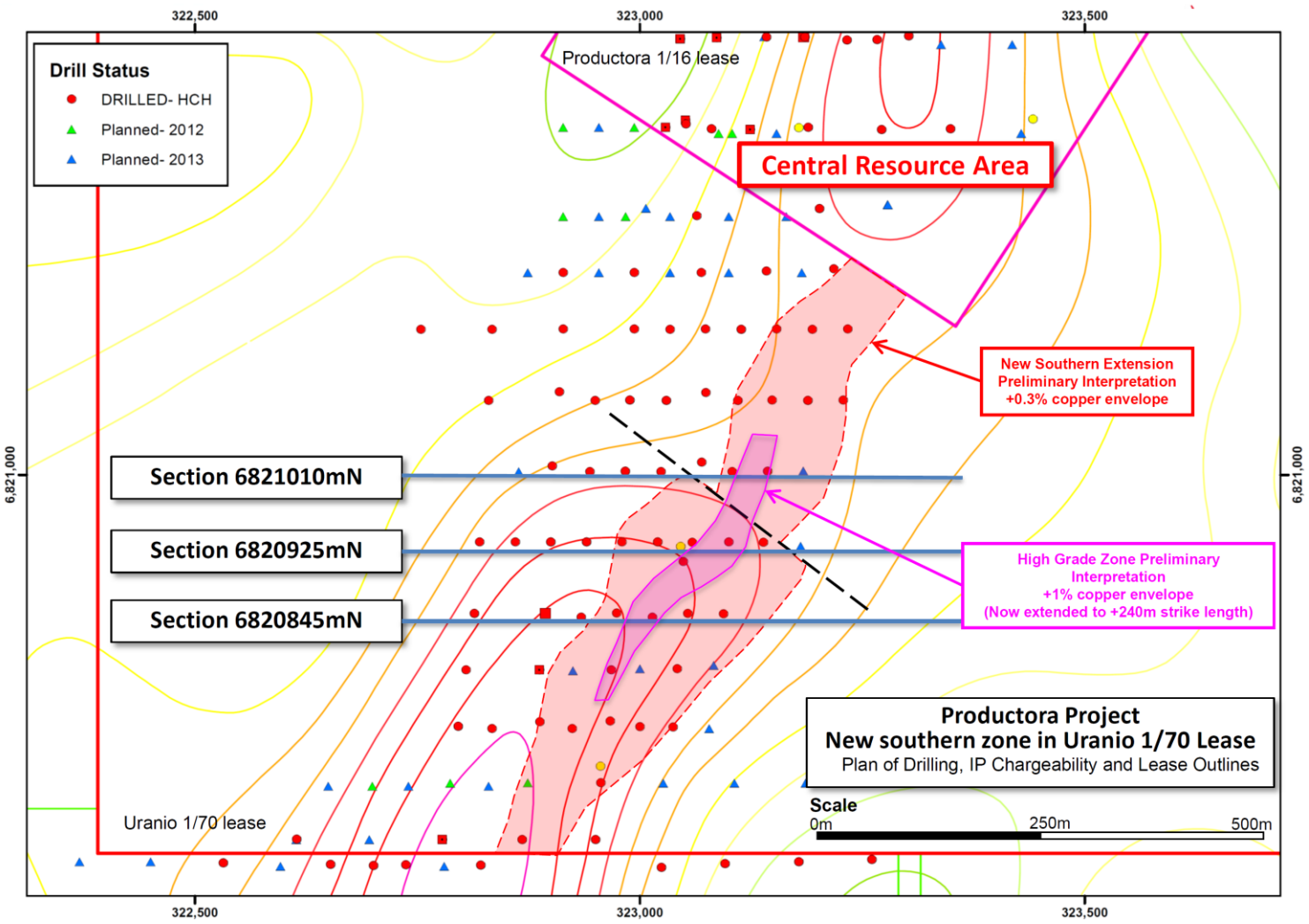

Figure 2. Location of new southern zone of mineralisation within Uranio 1/70 Lease at Productora

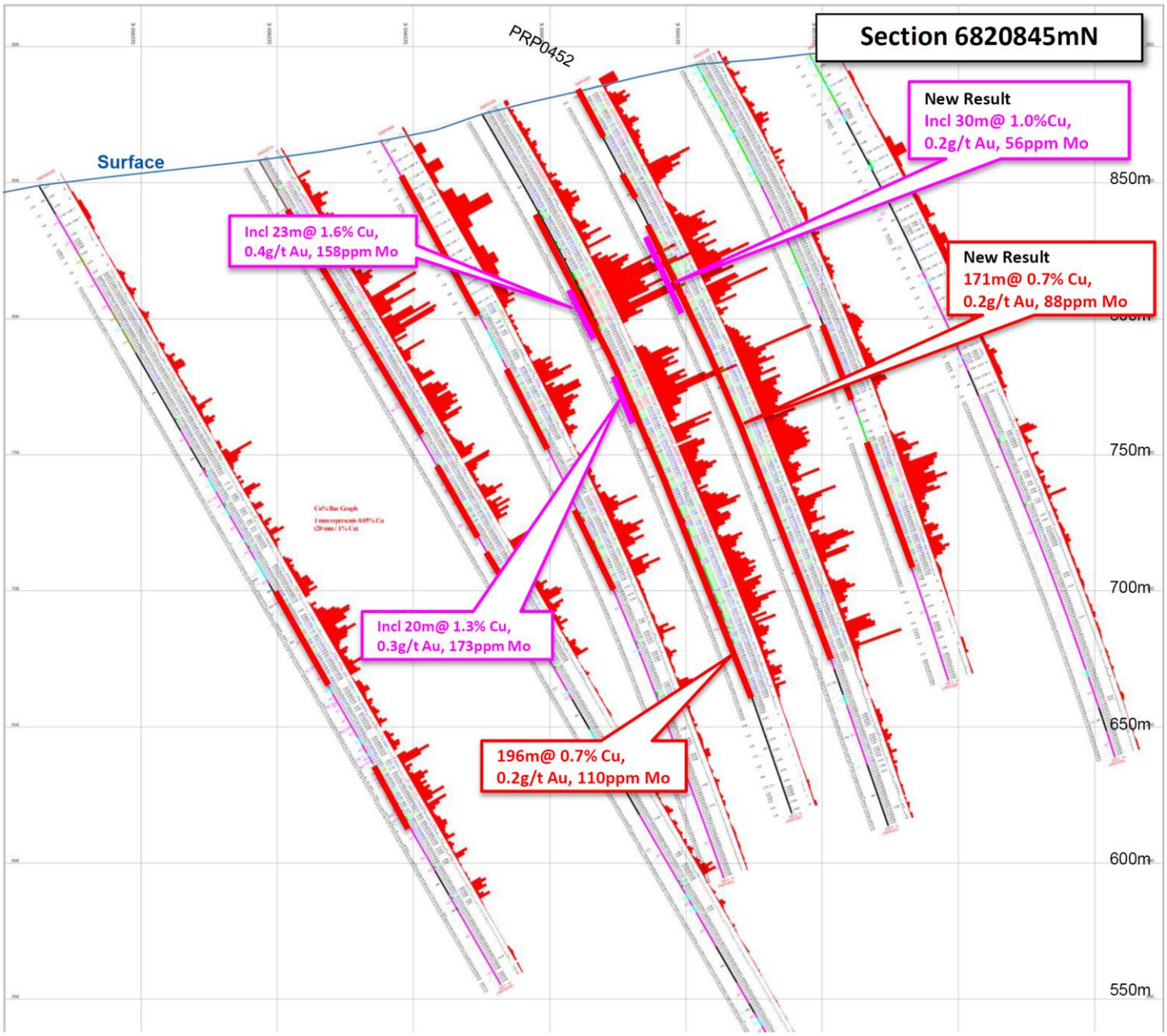

Figure 3. Cross Section 6820845mN within the Uranio 1 to 70 Lease at Productora

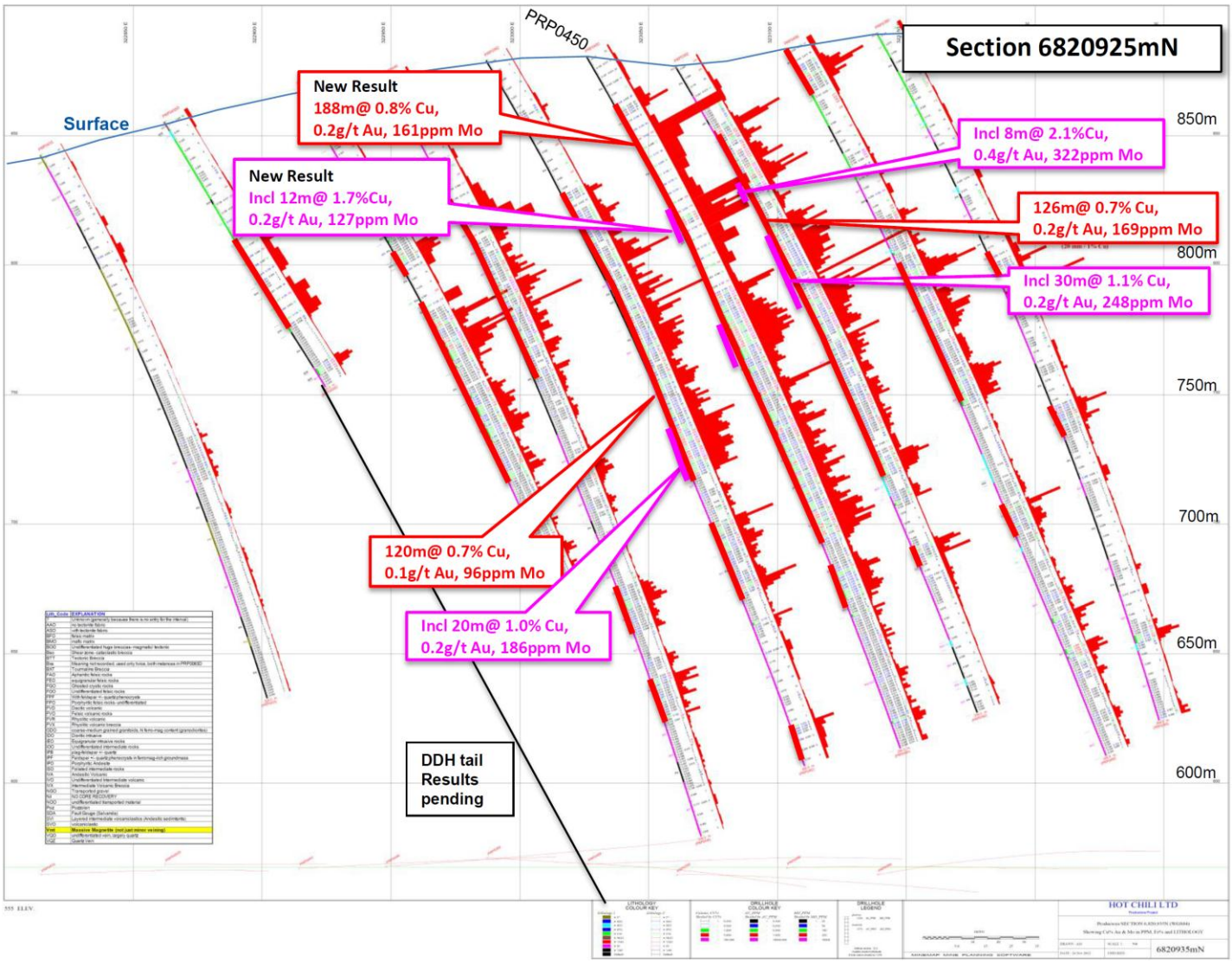

Figure 4. Cross Section 6820925mN within the Uranio 1 to 70 Lease at Productora

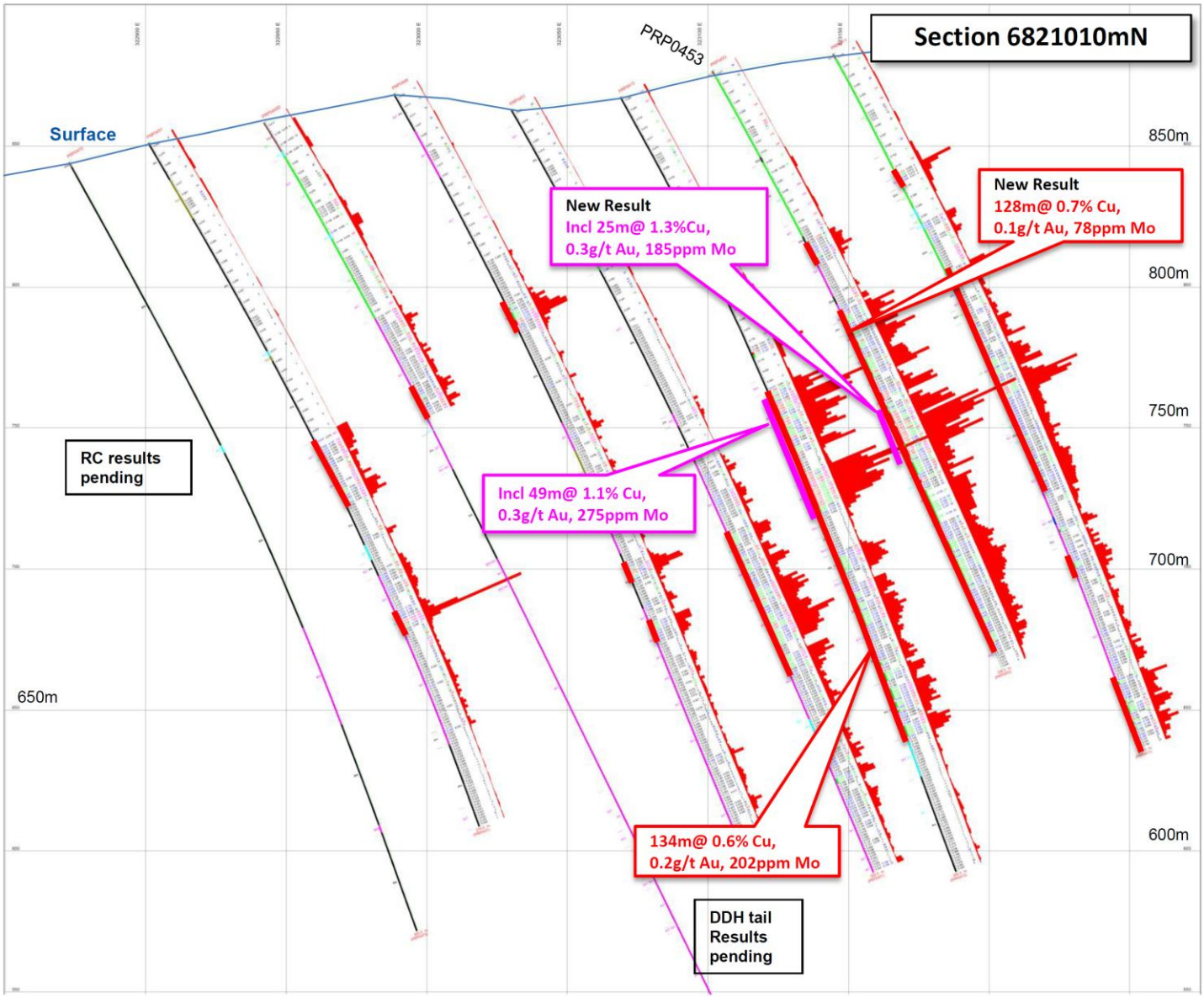

Figure 5. Cross Section 6821010mN within the Uranio 1 to 70 Lease at Productora

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)
PRD0013	6821564	323139	90	-60	114	120	6	0.5	0.1	81	0.7
					298	305	7	0.7	0.1	400	1.1
					431	446.8	15.8	0.5	0.1	269	0.8
PRD0014	6820844.5	322894	90	-60	21	39	18	0.4	0.1	81	0.5
					53	**117**	**64**	**0.6**	**0.1**	**96**	**0.8**
				including	***64***	***80***	***16***	***1.1***	***0.2***	***57***	***1.3***
					126	138	12	0.4	0.1	108	0.6
					145	158	13	0.4	0.1	52	0.5
					167	174	7	0.5	0.1	16	0.6
					186	197	11	0.5	0.1	40	0.6
PRP0013D	6823530.8	323696	90	-60	188	196	8	0.6	0.1	30	0.7
PRP0043D	6820590.1	322778	90	-60	260	307	47	0.4	0.1	192	0.7
PRP0104D	6821989.5	323417	90	-60	**88**	**144**	**56**	**0.7**	**0.1**	**203**	**1.0**
				including	***88***	***94***	***6***	***2.7***	***0.3***	***488***	***3.3***
					189	**236**	**47**	**0.7**	**0.2**	**295**	**1.1**
					196	210	14	1.2	0.3	386	1.8
					249	258	9	0.8	0.2	219	1.0
PRP0110D	6821490.6	323045	90	-60	229	234	5	1.7	0.4	112	2.0
PRP0397D	6822707.4	323663	90	-60	9	131	122	0.3	0.2	77	0.5
					146	163	17	0.7	0.2	325	1.1
					169	184	15	0.4	0.1	86	0.5
					194	211	17	0.5	0.1	164	0.8
					239	263	24	0.5	0.1	220	0.8
					277	303	26	0.4	0.1	110	0.6
					312	318	6	0.6	0.1	365	0.9
					338	341	3	0.8	0.2	427	1.3
					392	406	14	0.4	0.1	450	0.8
					457	463.8	6.8	0.5	0.1	246	0.7
PRP0421D	6820780.9	322887	90	-60	9	20	11	0.9	0.1	257	1.2
					38	**101**	**63**	**0.6**	**0.1**	**92**	**0.7**
					118	139	21	0.5	0.1	128	0.7
					150	169	19	0.5	0.1	29	0.5
					180	185	5	0.6	0.1	43	0.6
PRP0424D	6821092.5	322987	90	-60	173	181	8	0.6	0.2	177	0.9
					221	252	31	0.7	0.2	143	0.9
					270	300	30	0.6	0.1	113	0.8

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
PRP0430	6820722.5	322888	90	-60	**28**	**78**	**50**	**0.5**	**0.1**	**38**	**0.6**
					105	115	10	0.5	0.1	118	0.6
					140	158	18	0.5	0.1	36	0.5
PRP0431	6821010.2	322902	90	-60	120	128	8	0.4	0.1	349	0.7
					141	146	5	0.5	0.1	341	0.9
					189	195	6	1.1	0.4	768	2.0
PRP0432	6820723.2	322967	90	-60	34	64	30	0.5	0.1	32	0.6
					119	133	14	0.6	0.1	69	0.8
PRP0434	6820723.8	323042	90	-60	41	60	19	0.5	0.1	38	0.6
PRP0435	6820782.8	322806	90	-60	95	113	18	0.4	0.1	28	0.6
					122	136	14	0.9	0.1	128	1.0
PRP0436	6820723.7	322800	90	-60	93	101	8	0.5	0.1	32	0.6
					131	135	4	0.7	0.1	88	0.8
					179	183	4	0.6	0.1	175	0.8
					197	216	19	0.9	0.2	298	1.3
PRP0440	6821089.6	323193	90	-60	111	116	5	0.4	0.1	174	0.6
					123	134	11	0.9	0.2	581	1.4
					149	157	8	0.5	0.1	169	0.7
PRP0442	6821090.5	323113	90	-60	205	216	11	0.5	0.1	143	0.7
					230	236	6	0.4	0.1	324	0.7
					263	278	15	0.5	0.1	248	0.8
					289	302	13	0.3	0.1	259	0.6
PRP0443	6820934.7	322915	90	-60	64	82	18	0.5	0.0	99	0.6
					96	**172**	**76**	**0.5**	**0.1**	**110**	**0.6**
PRP0444	6821171.1	323115	90	-60	124	130	6	0.7	0.1	125	0.9
					219	231	12	0.3	0.1	282	0.6
					237	246	9	0.4	0.1	110	0.6
PRP0445D	6821008	322943	90	-60	110	126	16	0.4	0.1	308	0.7
					187	193	6	0.9	0.1	65	1.1
					287	306	19	0.5	0.1	17	0.5
					314	321	7	0.5	0.1	6	0.5
PRP0446	6820935.4	322948	90	-60	**52**	**123**	**71**	**0.6**	**0.1**	**139**	**0.8**
					168	174	6	0.5	0.1	90	0.7
					218	226	8	0.5	0.1	23	0.6
					255	271	16	0.4	0.1	33	0.5
PRP0447	6821084	323030	90	-60	**126**	**190**	**64**	**0.5**	**0.1**	**143**	**0.7**
					204	223	19	0.5	0.1	295	0.8

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Eq*
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu)
PRP0448	6821007.8	322989	90	-60	86	94	8	0.7	0.1	766	1.4
					187	192	5	0.7	0.1	259	1.0
					209	216	7	0.5	0.1	15	0.5
PRP0450	6820936.3	323026	90	-60	**22**	**210**	**188**	**0.8**	**0.2**	**161**	**1.0**
				including	***69***	***81***	***12***	***1.7***	***0.2***	***127***	***2.0***
					220	235	15	0.6	0.1	55	0.7
PRP0451	6821019.3	323031	90	-60	**170**	**225**	**55**	**0.6**	**0.1**	**257**	**0.9**
PRP0452	6820854.6	323010	90	-60	0	26	26	0.4	0.3	183	0.7
					36	43	7	1.0	0.1	72	1.2
					57	**228**	**171**	**0.7**	**0.2**	**88**	**0.9**
				including	***59***	***89***	***30***	***1.0***	***0.2***	***56***	***1.1***
PRP0453	6821014.3	323102	90	-60	71	79	8	0.4	0.0	76	0.4
					98	**226**	**128**	**0.7**	**0.1**	**78**	**0.9**
				including	***129***	***154***	***25***	***1.3***	***0.3***	***185***	***1.7***
	Open to end of hole				295	300	5	0.8	0.2	154	1.0

Notes to Significant Drilling Intersections (Previous page):

- *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)

Target Mineralisation

References to exploration target size and target mineralisation in this announcement are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. Target mineralisation is based on projections of established grade ranges over appropriate widths and strike lengths having regard for geological considerations including mineralisation style, specific gravity and expected mineralisation continuity as determined by qualified geological assessment. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code

JORC Compliant Resource Statement- Reported 7th September 2011

Category	Tonnage (Mt)	Grade(>0.3%Cu)				ContainedMetal(>0.3%Cu)			
		Copper %	Gold (g/t)	Molybdenum (g/t)	Copper Eq* %	Copper (Kt)	Gold (KOz)	Molybdenum (Tonnes)	Copper Eq* (Kt)
Indicated	31.1	0.6	0.1	159	0.8	185	110	4,942	248
Inferred	54.0	0.6	0.1	138	0.7	298	180	7,476	395
Total	**85.1**	**0.6**	**0.1**	**146**	**0.8**	**483**	**290**	**12,418**	**644**

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

Competent Person's Statement- Exploration Reporting

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

Competent Person's Statement- Resource Reporting

Information in this announcement relating to mineral resources is based on information compiled by Mr. Alfred Gillman, a Fellow of the Australian Institute of Mining and Metallurgy (CP). Mr. Gillman is an independent resource consultant and 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code 2004). Mr. Gillman consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.