



> Production Path

Digger & Dealers, Kalgoorlie
6th August, 2014

PRODUCTORA
COPPER PROJECT
CHILE

2014

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Growth & Development Delivered

- **Maiden Ore Reserve at Productora** First 9 years of mine life secured, significant growth to come
- **Mineral Resource upgrade at Productora** now over 1Mt of copper metal and 675,000oz of gold
- **First Resource at Frontera** 50km south of Productora delivers starter resource of 187,000t of copper and 356,000oz of gold
- Total Mineral Resource base for Chilean coastal copper hub grown to over **1.2Mt of copper and 1Moz of gold**



2014-2015 Finance Secured- Drilling and PFS **Underway**

- **US\$ 25 million debt facility in place** with Canadian resources financier Spratt Lending Partnership
- Funds dedicated to **advance Productora into DFS stage**
- 25,000m RC and 8,000m DD **drilling programme underway** targeting significant reserve/resource growth
- Development studies re-started, **targeting completion of PFS and commencement of DFS**



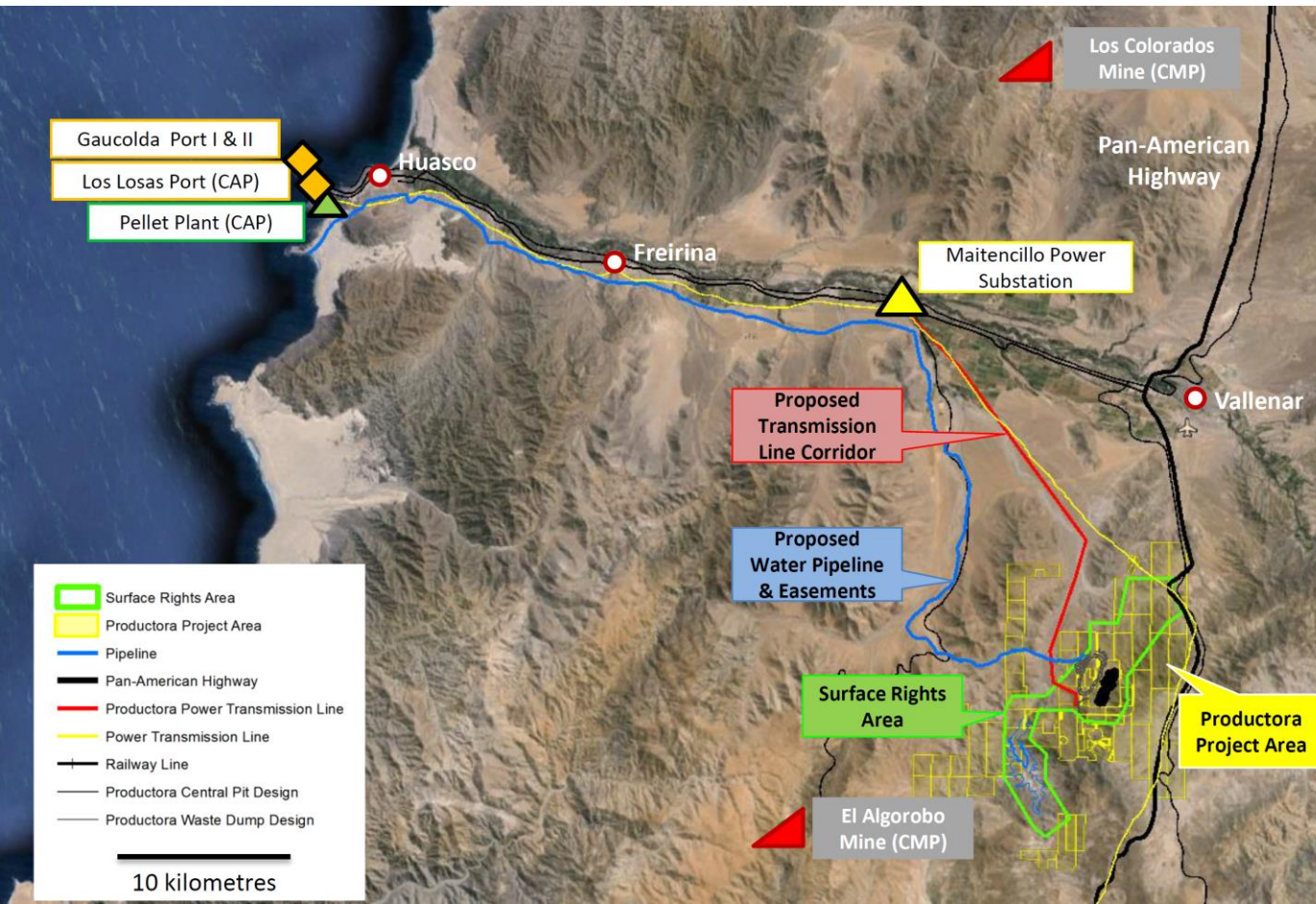
Joint Infrastructure Deal Executed Today



- Project partner CMP and HCH execute **joint infrastructure MOU for Productora**
- Productora **located in the heart of CMP's** Huasco and Vallenar **iron ore operations**
- **CMP is a subsidiary of CAP SA-** Chile's largest iron ore producer and vertically integrated steel business
- **Easements, surface rights, tenement rationalisation**



Joint Infrastructure Deal Landmark



- Conversion of CMP assets into **17.5% stake in Productora**
- CMP free-carried to end of PFS
- **Reduces time and cost** to develop Productora

Joint Infrastructure Deal

The Beginning

 CAP hot
chili
limited

- Additional Purchase **Option for CMP to move to 50.1% stake in Productora**
- **A further 32.6% interest in Productora for minimum US\$80 million** at completion of PFS
- CMP to pay HCH US\$1.5 million for grant of option
- HCH **current market capitalisation A\$70 million** at 20c per share
- **All terms of MOU subject to CMP board ratification and HCH shareholder approval**



Corporate Overview

- **ASX-listed**, leading emerging copper producer
- **Focused on developing and leveraging** a new large-scale, copper production hub along the Chilean coastal range
- **Successful project advancement strategy** for Productora



Cash at Hand

Approx. A\$ 20 million (6th August 2014)

Sprott Lending Debt Facility

US\$10 million drawn (included in cash)

US\$15 million un-drawn

Capital Structure

347.7 Million shares

39.7 Million listed 75c options (exp Nov 2014)

Share Price

AU\$0.20 (share price- 6th August 2014)

Top 5 Shareholders

19.3% K.A.S

11.8% CAP S.A. (Port Finance)

11.7% Taurus Funds Management

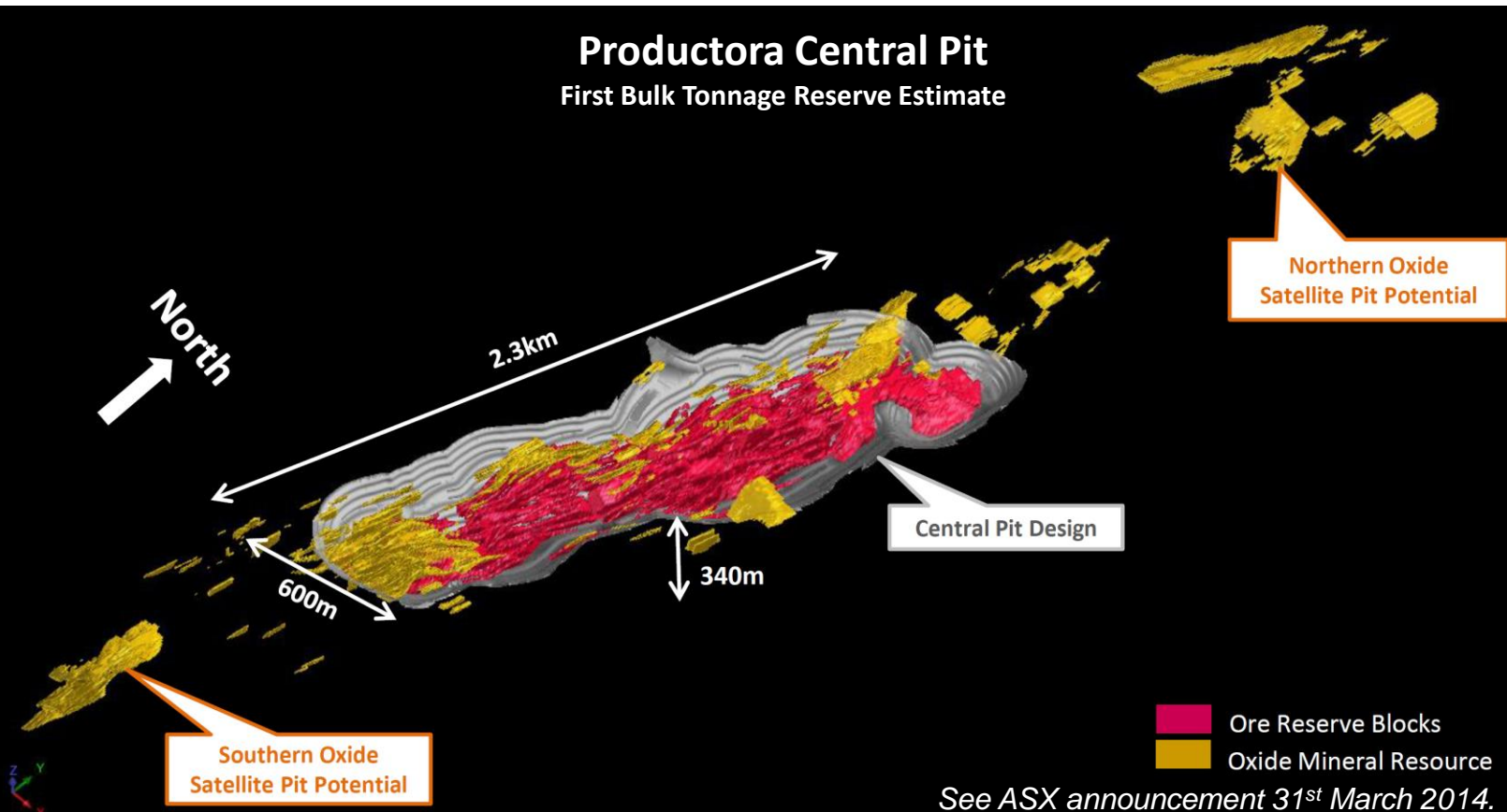
6.3% Lundin Mining

5.4% Exploration Capital Partners
(affil Sprott)

Productora Maiden Reserve

Underpins Initial 9 Year Mine Life

- Open pit Ore Reserve of **90.5Mt grading 0.48% copper, 0.11g/t gold and 172ppm molybdenum**
- **Conservative Ore Reserve estimate-** conservative recoveries applied to transitional ore
- **Central pit only-** No oxide and no transitional ore used to drive pit,



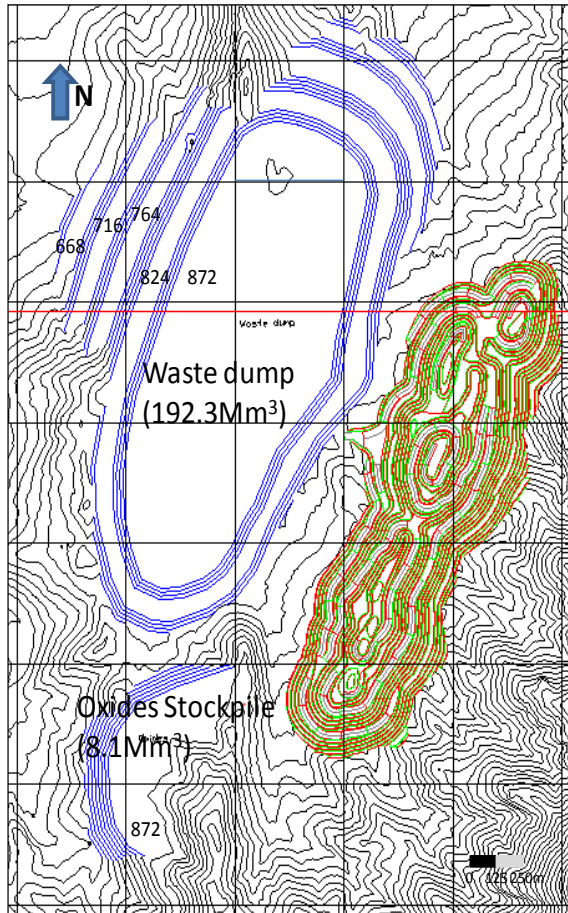
Pit Design and Mine Schedule

Reserve Growth Expected from PFS Completion

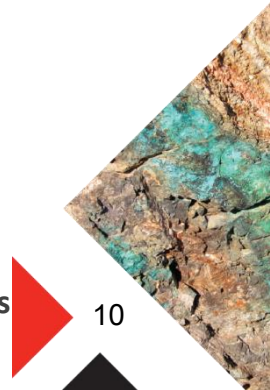
Mining summary

| Period | Fresh | Transitional | Waste | Total |
|--------------|---------------|---------------|----------------|----------------|
| | ('000 t) | ('000 t) | ('000 t) | ('000 t) |
| A0 | 2 | 174 | 26,824 | 27,000 |
| A1 | 8,228 | 2,596 | 51,777 | 62,600 |
| A2 | 10,675 | 325 | 51,600 | 62,600 |
| A3 | 8,401 | 2,599 | 51,600 | 62,600 |
| A4 | 10,045 | 955 | 51,553 | 62,554 |
| A5 | 10,087 | 913 | 43,750 | 54,750 |
| A6 | 10,895 | 105 | 43,728 | 54,728 |
| A7 | 8,487 | 2,513 | 43,702 | 54,702 |
| A8 | 10,964 | 36 | 14,314 | 25,314 |
| A9 | 2,505 | | 2,386 | 4,891 |
| Total | 80,289 | 10,217 | 381,234 | 471,739 |

- 27 Mt of pre-stripping required (with oxide ore treated as waste)
- 30kt per day plant feed (11Mtpa)
- 4:1 strip ratio (waste:ore), **3.5:1 strip ratio if oxide material included**
- Growth in reserve expected through:
 - Throughput optimisation
 - Completion of metallurgy test work, and
 - Inclusion of transitional and oxide ore in optimisations



Productora Central Pit and Waste Dump Design

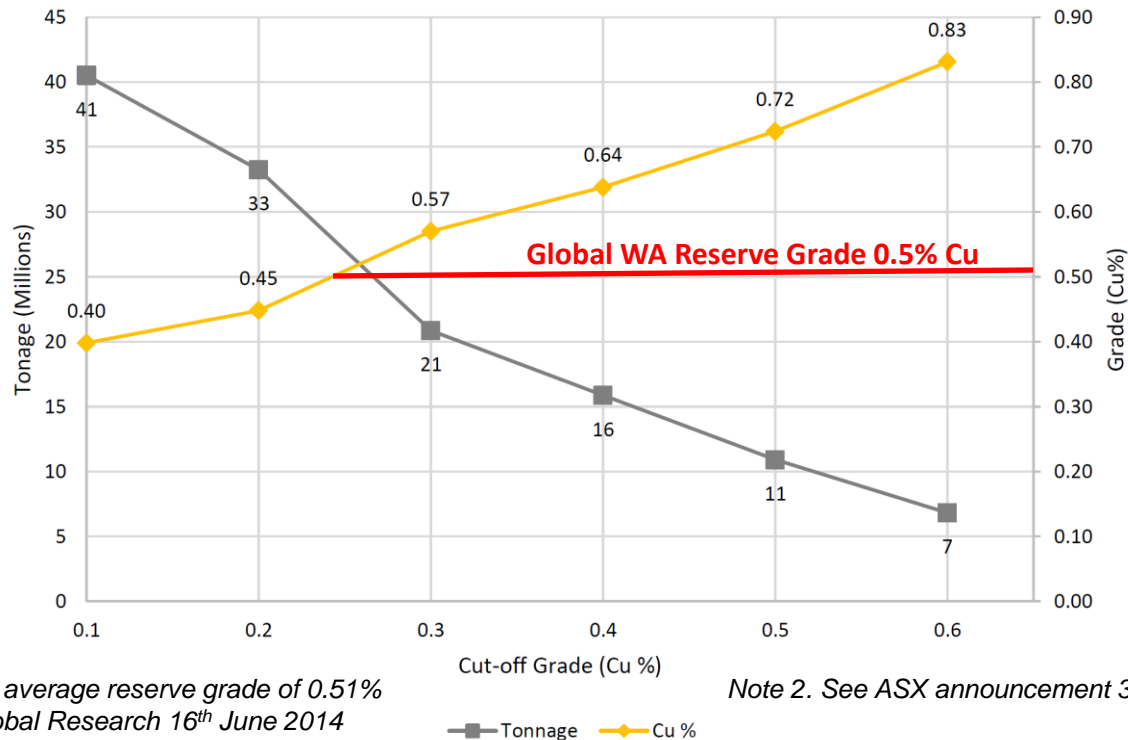


Productora Oxide Opportunity

Not Previously Considered

- **Large scaleable copper oxide project identified** with study underway
- **In-pit oxide resource of 15.4Mt grading 0.58% copper** currently treated as waste
- Potential to reduce strip ratio, pre-strip capital expenditure and add **another front-end revenue stream**

Productora Classified Oxide Resource
Grade Tonnage Curve



Note 1. Global weighted average reserve grade of 0.51% copper. Source UBS Global Research 16th June 2014

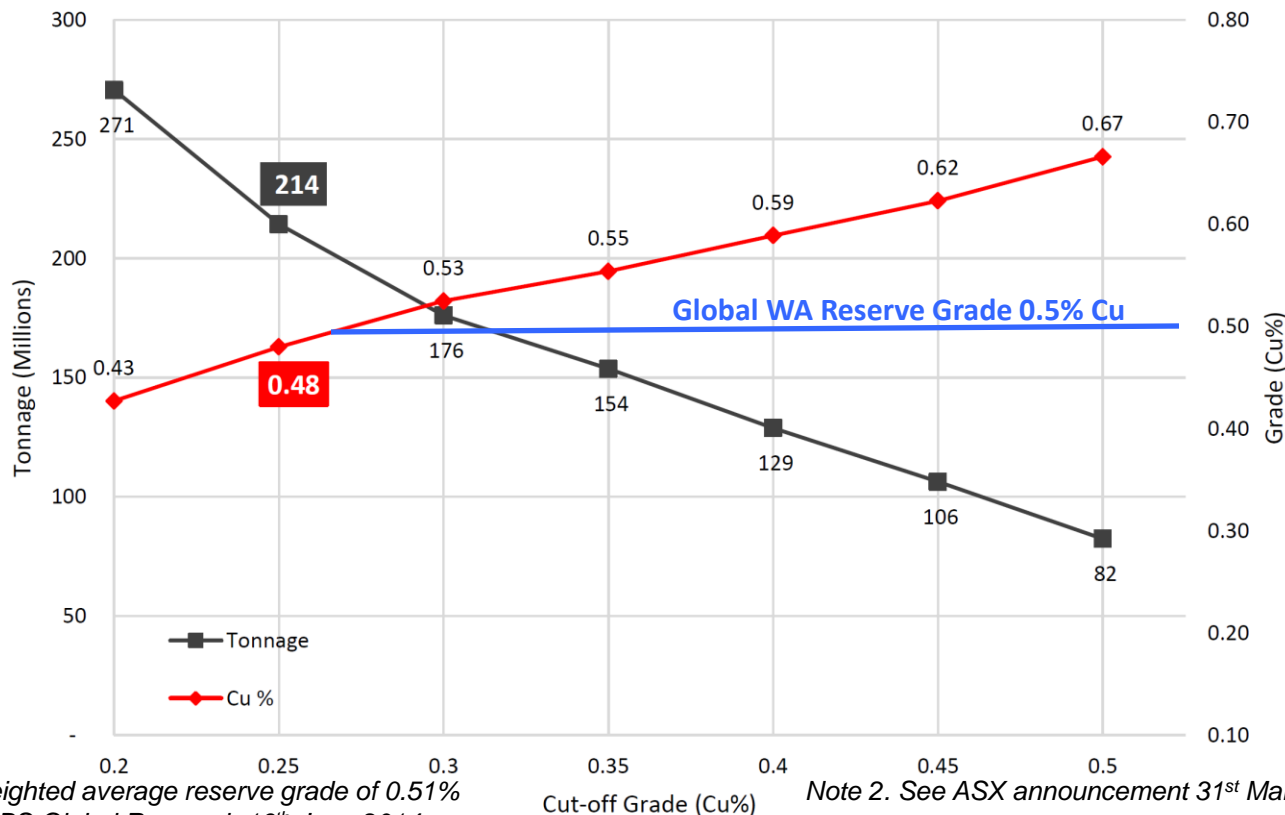
Note 2. See ASX announcement 31st March 2014.

Productora Resource Upgrade

Bulk Tonnage Resource Grows to Over 1Mt Copper

- **Over 95,000m of additional drilling** incorporated from 2013
- **Robust definition-** 78% Indicated and 22% Inferred classification

Productora Grade Tonnage Curve

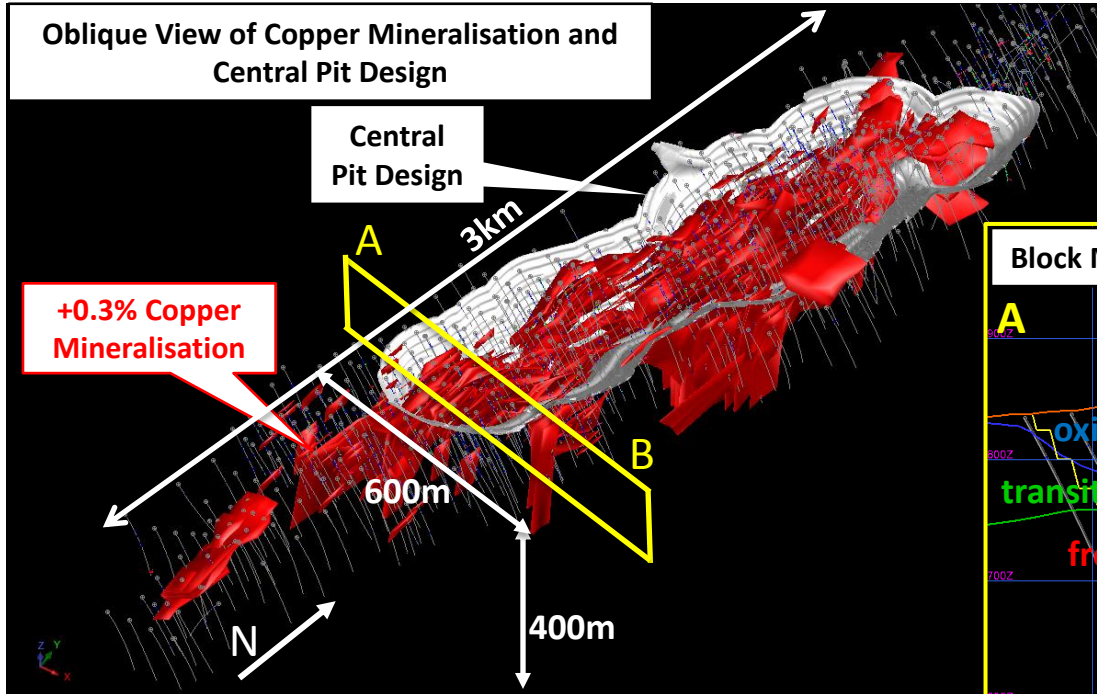


Note 1. Global weighted average reserve grade of 0.51% copper. Source UBS Global Research 16th June 2014

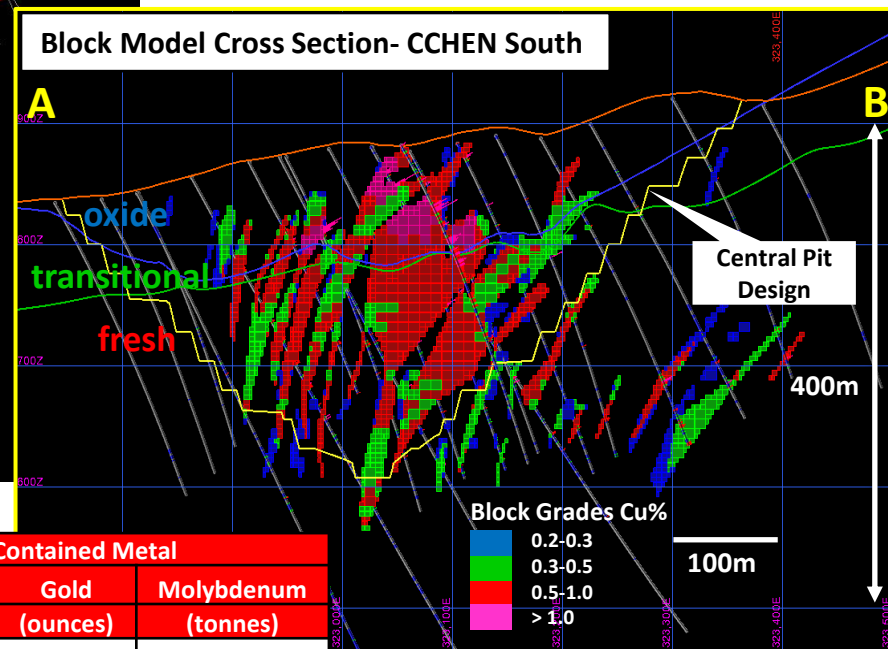
Note 2. See ASX announcement 31st March 2014.

Productora Mineral Resource

Intensive Drilling and Leading-Edge Technical Approach



- Further growth targeted in-pit and along strike

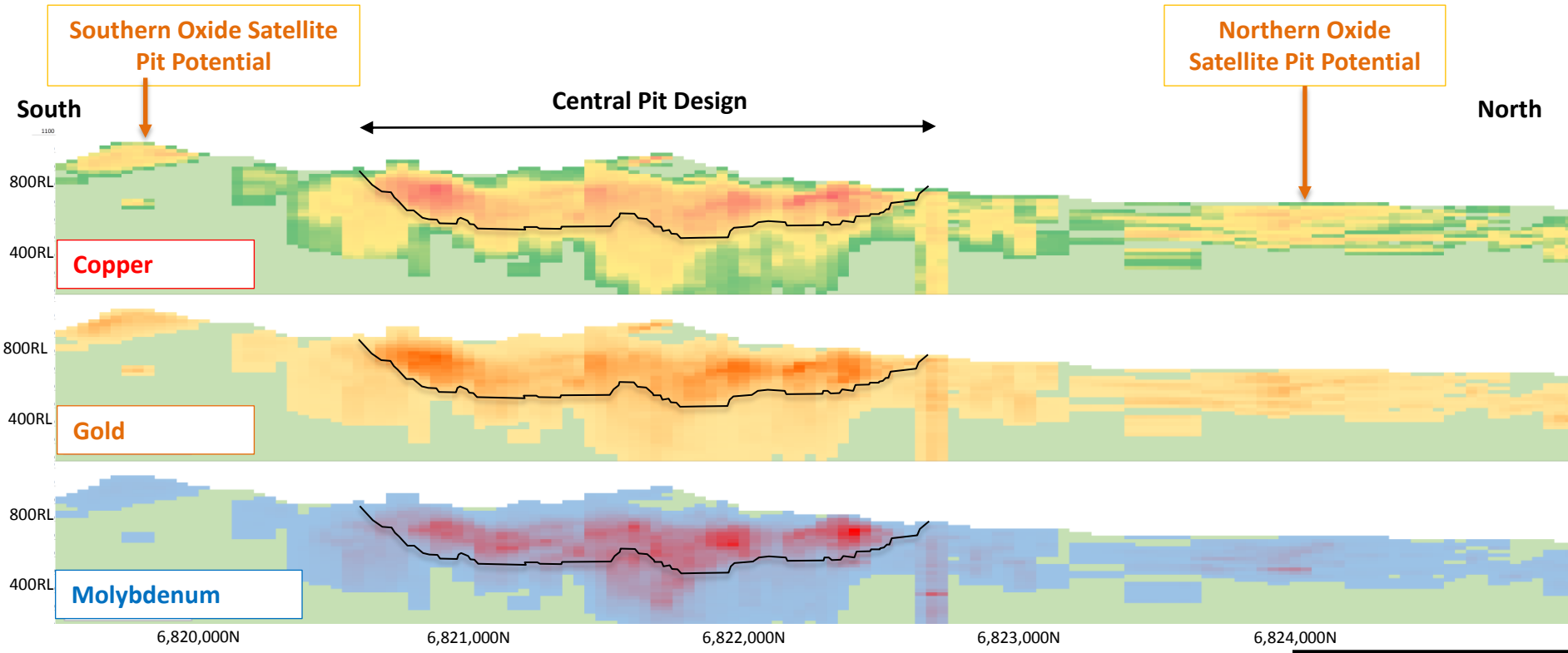


| Classification (+0.25% Cu) | Tonnage (Mt) | Grade | | | Contained Metal | | |
|-------------------------------|-----------------|---------------|---------------|---------------------|--------------------|------------------|------------------------|
| | | Copper (%) | Gold (g/t) | Molybdenum (ppm) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) |
| Indicated | 158.6 | 0.50 | 0.11 | 152 | 799,000 | 540,000 | 24,000 |
| Inferred | 55.6 | 0.41 | 0.08 | 97 | 229,000 | 133,000 | 5,000 |
| Total | 214.3 | 0.48 | 0.10 | 138 | 1,029,000 | 675,000 | 29,000 |

Note. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC code 2012 guidance on mineral resource reporting. See ASX announcement 31st March 2014.

Resource Summary

Drilling Focus in Central Pit Area to Date



- Contained metal distribution for copper, gold and molybdenum projected in long section along approximately 5 kilometres of strike extent at Productora
- **Copper oxide satellite pit potential identified** in optimisation studies



Resource and Reserve Growth

New Phase of Discovery at Productora

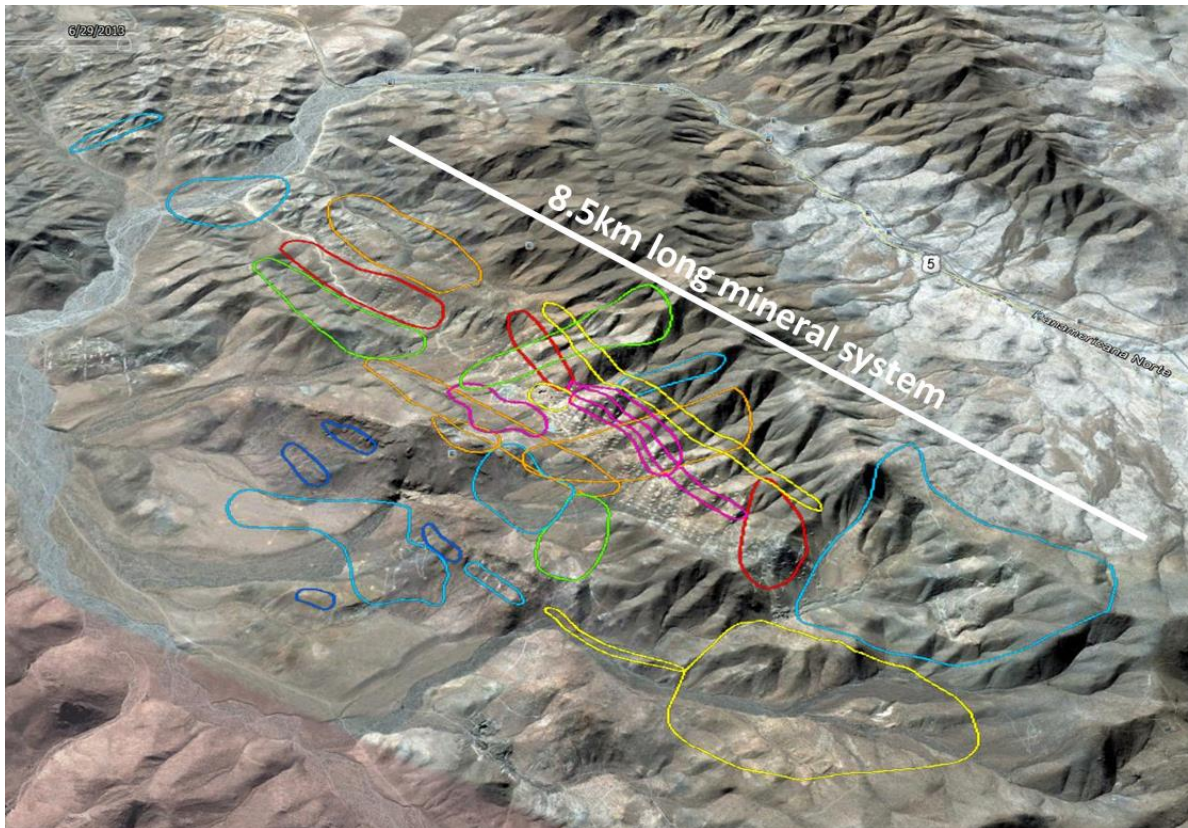
- **Advanced targeting techniques** developed- predictive model
- **Discovery of high-grade Habanero and Rocoto zones** during late 2013
- **Rate of discovery increasing**
- Reserve growth targets being prioritised to support targeted PFS mine life in 1H 2015



Resource and Reserve Growth

Unlocking Productora's Potential

- **3D alteration indices & predictive exploration targeting model** developed for Productora
- **2 significant new exploration discoveries** attributed to new targeting model (Habanero & Rocoto)

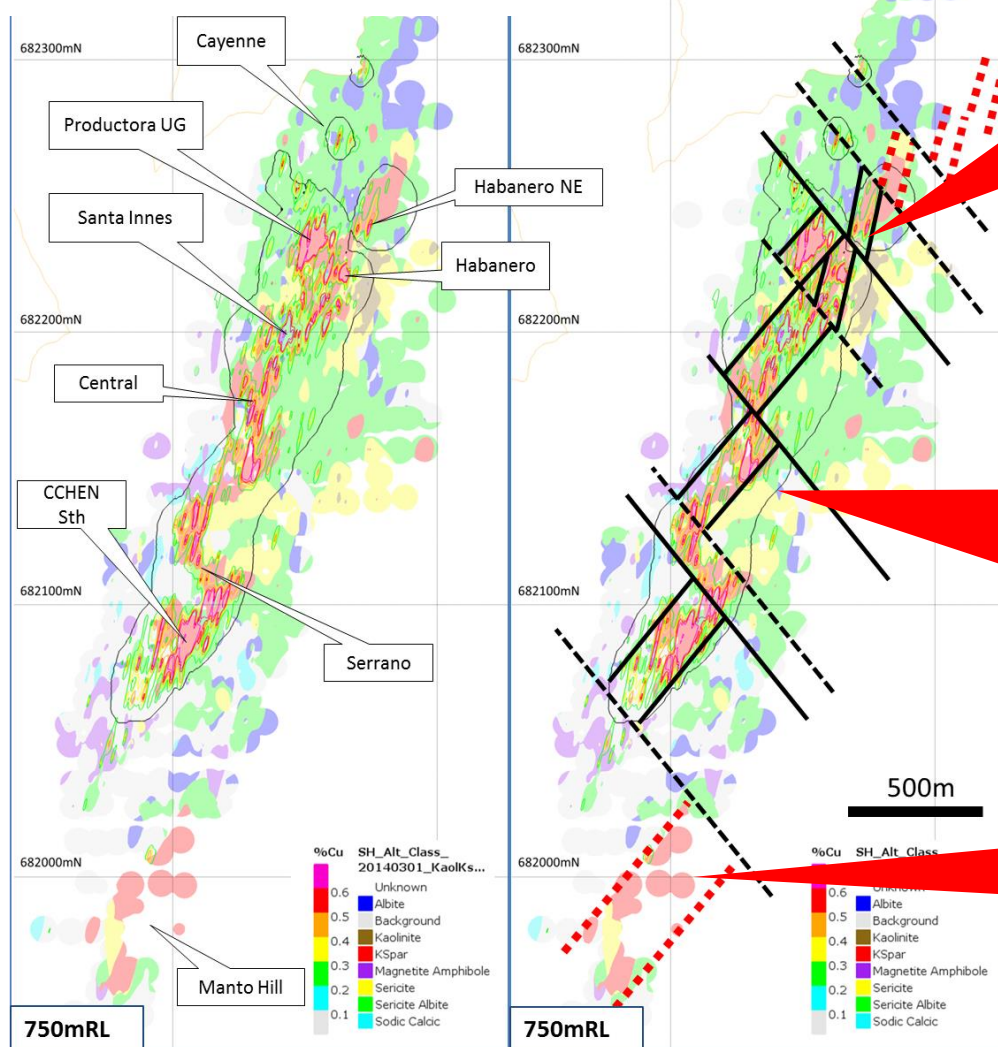


- **9 reserve growth targets** ranked for priority drilling
- **19 regional exploration targets** ranked & prioritised for drill assessment
- Larger mineral system not yet explored

Resource and Reserve Growth

Alteration and Copper Distribution

Alteration Model 750mRL Level Slice



Habanero Discovery

- Previously considered waste
- Not closed off to NE, dips East- not West!
- **Best Intercept:**
181m@ 1.0% Cu, 0.3g/t Au, including:
71m@ 1.6% Cu, 0.4g/t Au

Initial Rocoto Discovery

- At depth (650mRL), partially within pit
- Alteration vector identified large target zone
- Open over 800m strike length
- **Discovery intercept at end of 2013:**
97m@ 0.6% Cu, 0.1g/t Au, including:
25m@ 1.1% Cu, 0.2g/t Au

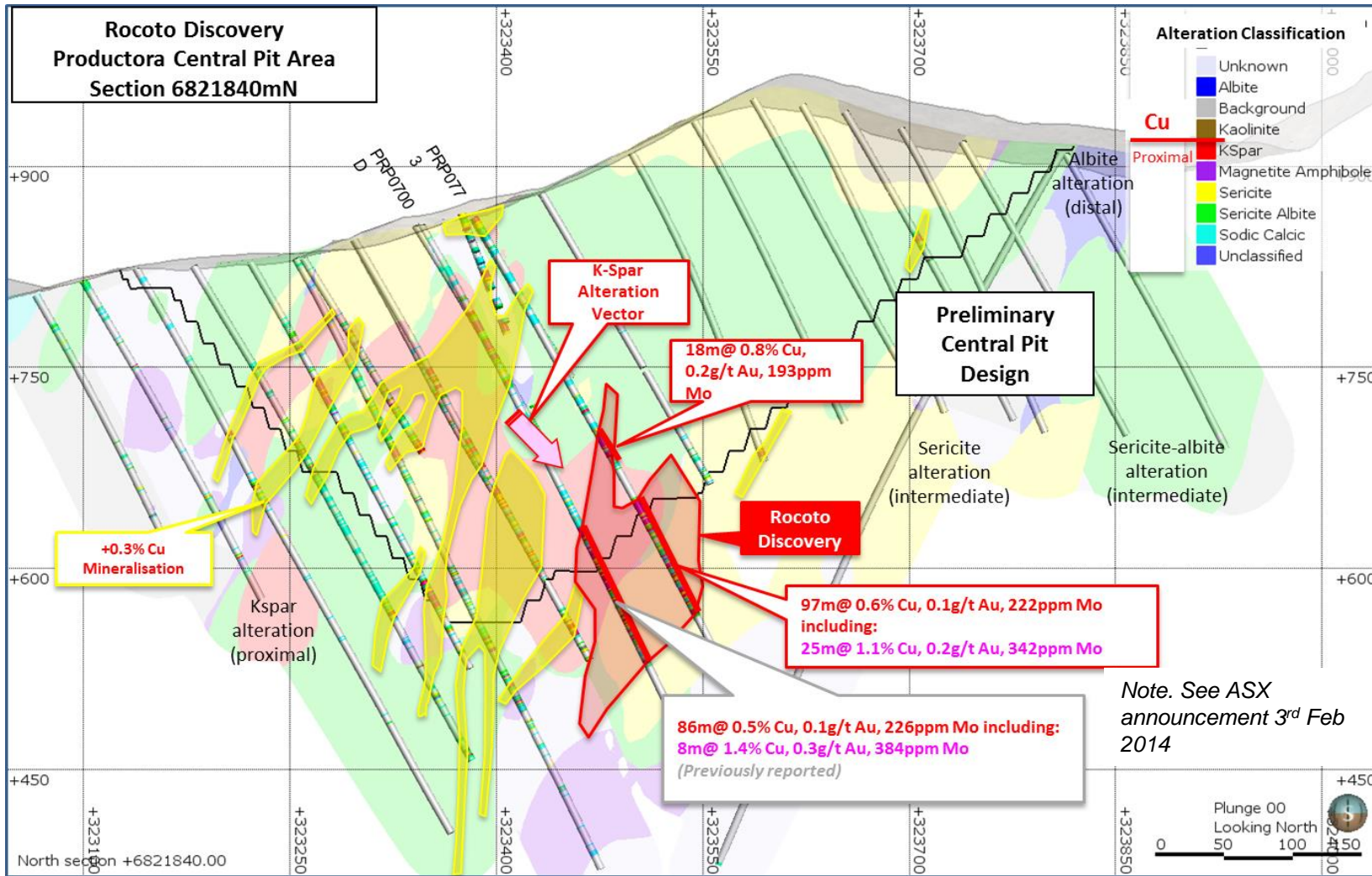
Manto Hill Target

- Largest Alteration target identified
- Southern extension of Productora
- 9 Alteration targets to test in or adjacent to pit design

Note. See ASX announcements
8th Oct 2013 and 3rd Feb 2014

Resource and Reserve Growth

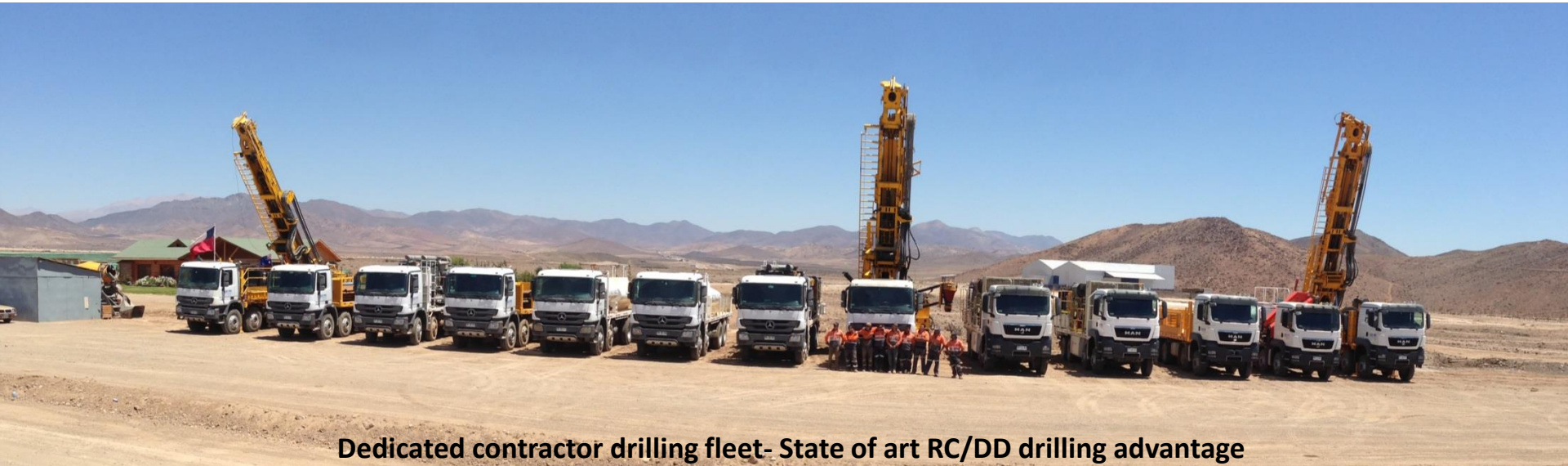
Rocoto Resource Definition Commenced



Resource and Reserve Growth

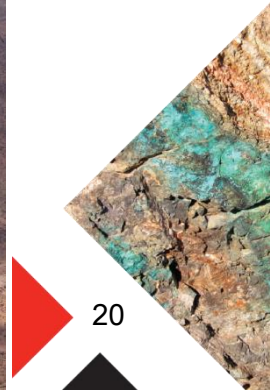
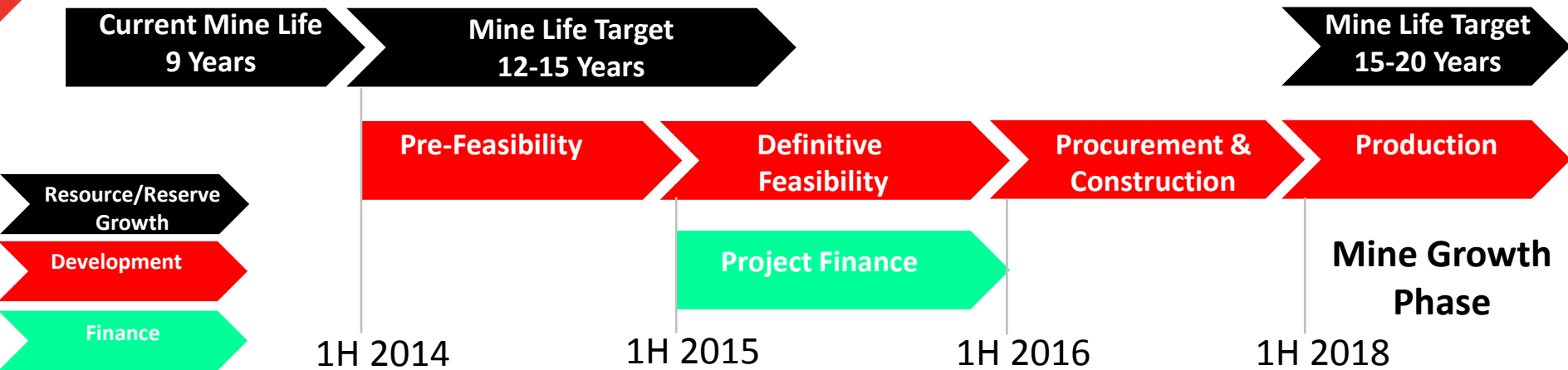
Growth from Two Fronts Over Coming 12 months

1. **PFS remaining study work-** capture and optimisation of oxide and transitional ore
2. **33,000m drilling programme-** focused on high-value, reserve growth targets
 - **Approach to growth-** “Smarter not Harder”
 - **Outcome targeted-** PFS level, optimised bulk tonnage copper project with demonstrated long mine life



Dedicated contractor drilling fleet- State of art RC/DD drilling advantage

Productora Development Targeted Timeline



News Flow

Strong News Aligned with Strengthening Copper Market

- **Joint Infrastructure MOU with CMP- EXECUTED**
- **Drill result announcements ongoing over the coming 9 months**
- **PFS study announcements ongoing over the coming 12 months**
- **Exploration at growth projects- Frontera, Banderas and Los Mantos**
- **Productora Mineral Resource revision expected in 1H 2015**
- **Productora Ore Reserve revision expected in 1H 2015**
- **Productora PFS announcement and DFS Funding 1H 2015**
- **Commencement of DFS 1H 2015**

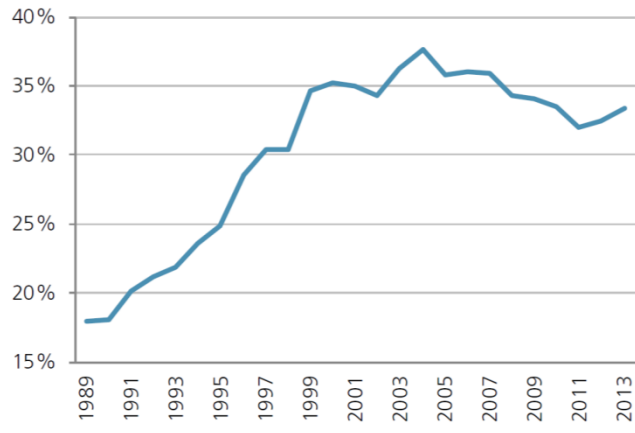
2H 2014

1H 2015

Chilean Copper Sector

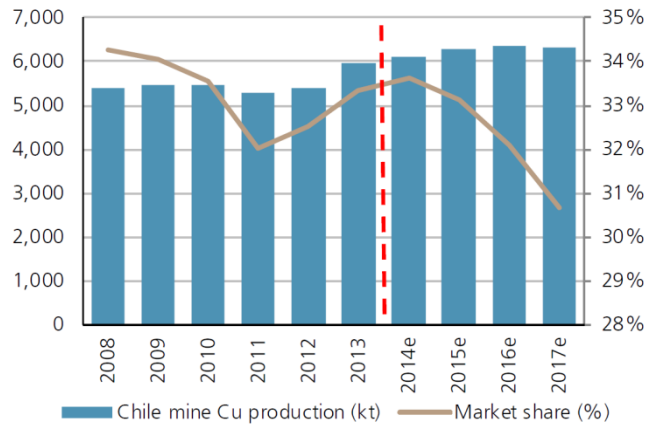
Largest Global Copper Producer

Chilean share of world copper production



Source: UBS estimates

Mined copper production and World Share



Source: UBS estimates

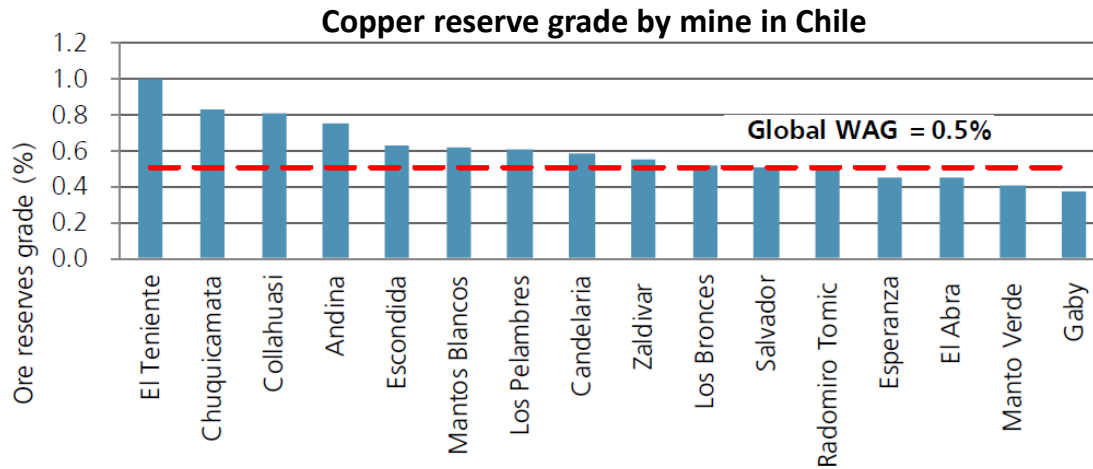
Key Chilean Copper Mines- 2013 Production (concentrate and SXEW)

| Mine | kt Cu |
|-----------------|--------------|
| Escondida | 1 191 |
| Chuquibambilla | 468 |
| El Teniente | 457 |
| Collahuasi | 445 |
| Los Pelambres | 419 |
| Los Bronces | 416 |
| Radomiro Tomic | 290 |
| Andina | 237 |
| Esperanza | 186 |
| Candelaria | 183 |
| El Abra | 156 |
| Spence | 151 |
| Gaby | 128 |
| Zaldivar | 128 |
| El Tesoro | 103 |
| Andacollo | 81 |
| Lomas Bayas | 74 |
| Manto Verde | 57 |
| Quebrada Blanca | 56 |
| Mantos Blancos | 55 |
| Salvador | 52 |
| Total | 5,332 |

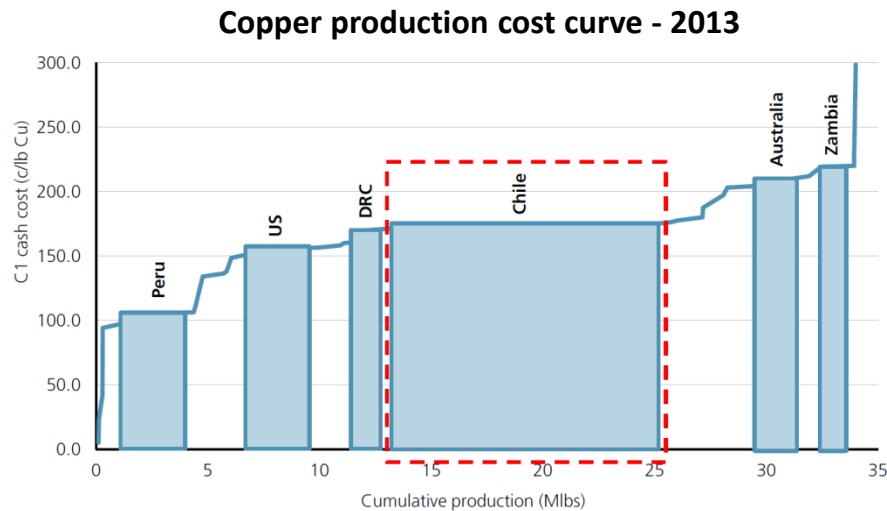
Source: WoodMac, UBS estimates

Chilean Copper Sector

Grades and Costs



Source: Wood Mackenzie, UBS estimates

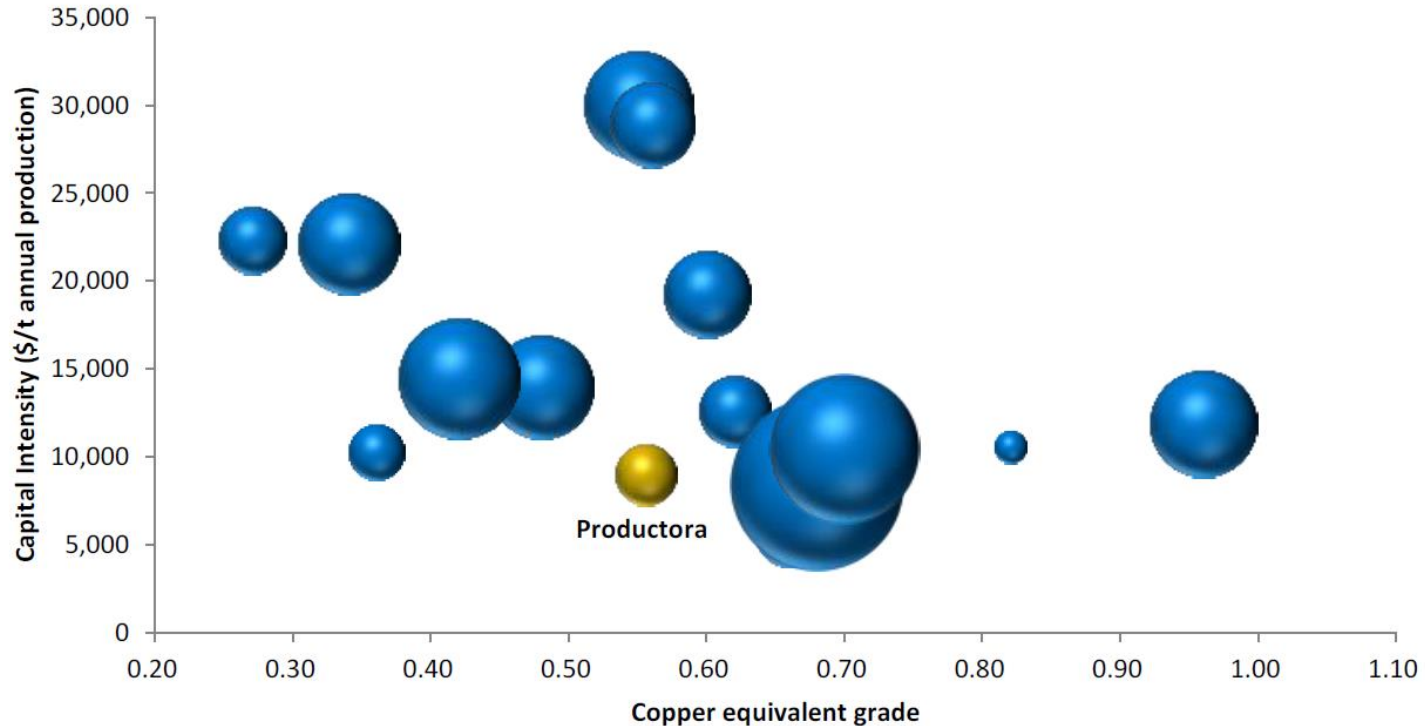


Source: Wood Mackenzie, UBS estimates

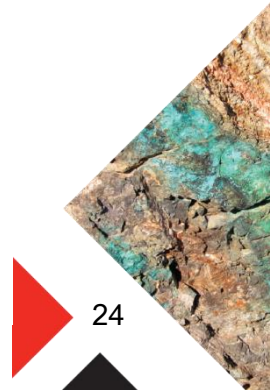
Chilean Copper Sector

Capital Intensity and Cu Eq Grade

Chilean copper development projects (bubble size represents projected copper production)



Source: Argonaut / Bloomberg



Qualifying Statements Ore Reserves

Productora Ore Reserve Statement, 31st March 2014

| Ore Type | Category | Tonnage (Mt) | Grade | | | Contained Metal | | | Payable Metal | | |
|--------------|-----------------|--------------|-------------|-------------|------------------|-----------------|----------------|---------------------|-----------------|----------------|---------------------|
| | | | Copper (%) | Gold (g/t) | Molybdenum (ppm) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) | Copper (tonnes) | Gold (ounces) | Molybdenum (tonnes) |
| Transitional | Probable | 10.2 | 0.54 | 0.10 | 128 | 55,000 | 34,000 | 1,300 | 27,000 | 13,000 | 1,000 |
| Fresh | Probable | 80.3 | 0.47 | 0.11 | 177 | 378,000 | 274,000 | 14,200 | 323,000 | 139,000 | 8,000 |
| Total | Probable | 90.5 | 0.48 | 0.11 | 172 | 433,000 | 308,000 | 15,500 | 350,000 | 152,000 | 9,000 |

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC code 2012 guidance on mineral resource and ore reserve reporting. Note 2: Average recoveries applied to Probable Ore Reserve estimate are: Fresh Cu- 88.8%; Fresh Au - 65%; Fresh Mo - 60%, Transitional Cu- 50%, Transitional Au- 50% and Transitional Molybdenum- 50%. Payability factors applied for Cu- 96.5%, Au- 78% and Mo- 98%

Qualifying Statements

Mineral Resources

Productora Mineral Resource Statement, 31st March 2014

| Classification (+0.25% Cu) | Tonnage (Mt) | Grade | | | Contained Metal | | |
|-------------------------------|-----------------|-------------|-------------|------------|------------------|----------------|---------------|
| | | Copper | Gold | Molybdenum | Copper | Gold | Molybdenum |
| | | (%) | (g/t) | (ppm) | (tonnes) | (ounces) | (tonnes) |
| Indicated | 158.6 | 0.50 | 0.11 | 152 | 799,000 | 540,000 | 24,000 |
| Inferred | 55.6 | 0.41 | 0.08 | 97 | 229,000 | 133,000 | 5,000 |
| Total | 214.3 | 0.48 | 0.10 | 138 | 1,029,000 | 675,000 | 29,000 |

Note. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC code 2012 guidance on mineral resource reporting.

Frontera Mineral Resource Statement, 11th March 2014

| Frontera Resource | | | | | |
|-----------------------------------|-------------|------------|------------|-----------------|----------------|
| Classification (>0.25% Copper) | Tonnage | Grade | | Contained Metal | |
| | | Coppe (%) | Gold (g/t) | Copper (tonnes) | Gold (ounces) |
| Indicated | 16.1 | 0.4 | 0.2 | 61,000 | 116,000 |
| Inferred | 34.4 | 0.4 | 0.2 | 125,000 | 239,000 |
| Total | 50.5 | 0.4 | 0.2 | 187,000 | 356,000 |

Note: Figures in the above table are rounded, reported to one significant figure, and classified in accordance with the Australian JORC code 2012 guidance on mineral resource reporting.

Qualifying Statements

Competent Person's Statement

Exploration Results

Exploration information in this presentation is based upon work undertaken by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Easterday consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Mineral Resources

The information in this presentation that relates to the Productora Mineral Resource is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a full-time employee of Hot Chili Ltd. Mr Macdonald is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirchner is employed by Coffey Mining Pty Ltd (Coffey). Coffey has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Mineral Resource estimate. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists. Both Mr Macdonald and Mr Kirchner have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Both Mr Macdonald and Mr Kirchner consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Ore Reserves

The information in this presentation that relates to Productora Ore Reserves is based on information compiled by Mr Carlos Guzmán who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Registered Member of the Chilean Mining Commission (RM- a 'Recognised Professional Organisation' within the meaning of the JORC Code 2012) and a full time employee of NCL Ingeniería y Construcción SpA. NCL has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Ore Reserve estimate. Mr. Guzmán 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guzmán consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Corporate Register

Researching Broker



Hot Chili Limited

ACN 130 955 725

www.hotchili.net.au

ASX code: **HCH**

Lead Broker



Financial Advisor



Legal Advisors



CorreaGubbins.



“ the company is positioned as one of the leading ASX emerging copper producers”

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