



La Productora- **The Producer**



PRODUCTORA COPPER PROJECT CHILE

Diggers & Dealers Kalgoorlie , August 2012



Disclaimer



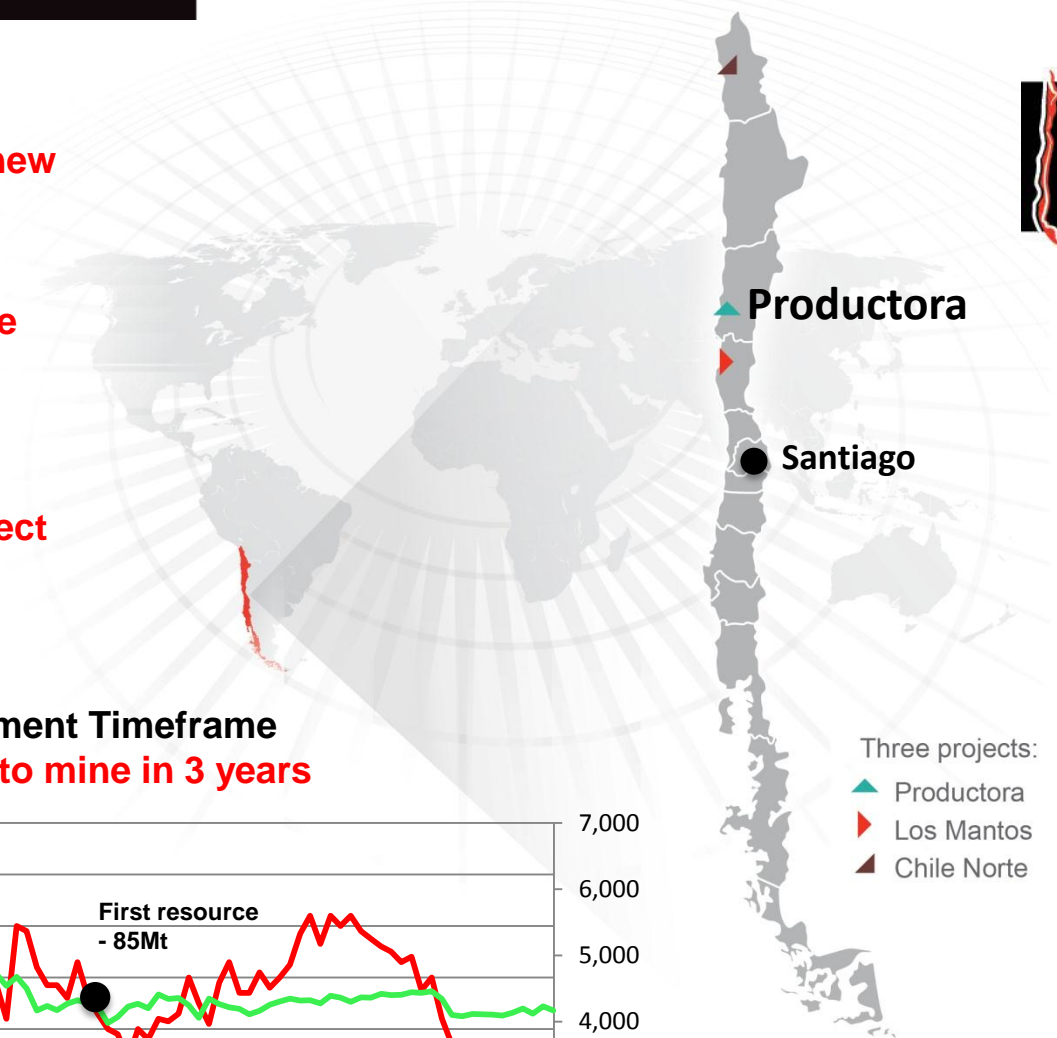
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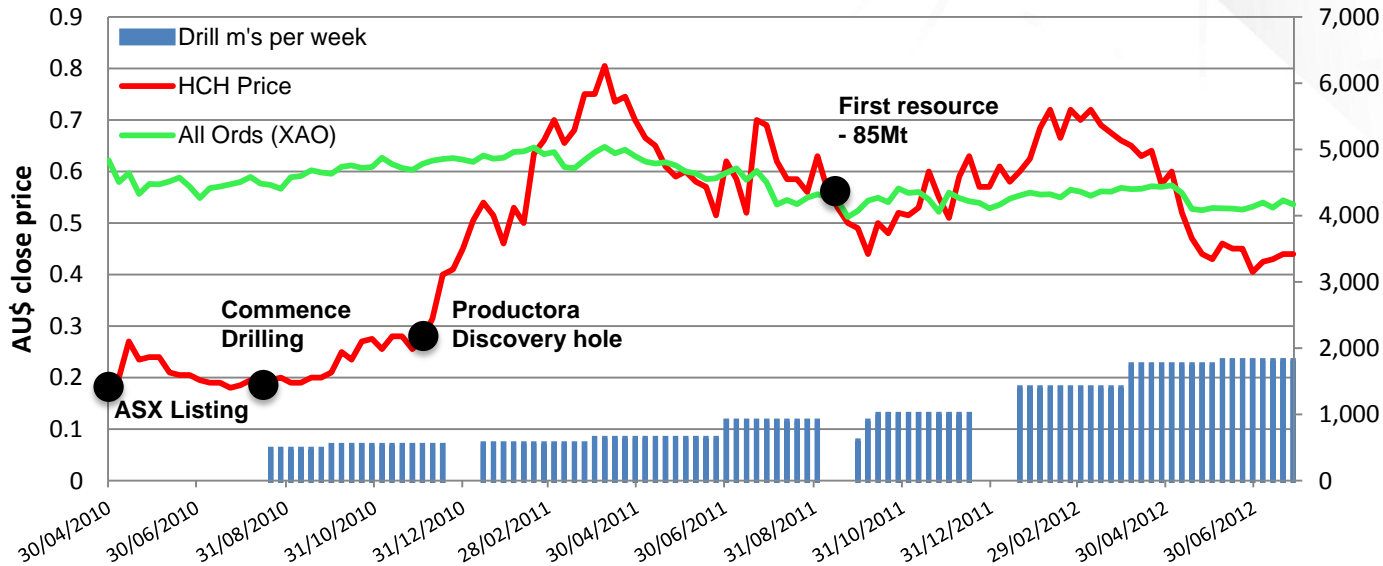
Exploration Target Size and Target Mineralisation described in this presentation is conceptual in nature and should not be construed as a JORC compliant Mineral Resource. Target mineralisation is based on projections of established grade ranges over appropriate widths and strike lengths having regard 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.

Rapid Rise of Productora

- One of Chile's **fastest emerging major new** coastal range **copper projects**
- Large **drilling** program underway **to triple** size of resource base to **300Mt**
- Development studies well advanced for a **10Mtpa, 20 year mine life open pit project**



Aggressive Development Timeframe Discovery to Decision to mine in 3 years



Three projects:

- Productora
- Los Mantos
- Chile Norte

Resource Upgrades
Q3 2012
Q1 2013

Company Overview



Capital Structure

199.5 Million shares

40.6 Million unlisted 20c options (exp Nov 2013)

12.4 Million new unlisted 75c options (exp Jan 2013)

Cash at Hand

AU\$ 17 million (30th June 2012)

Top 5 Shareholders

20.1% Kalgoorlie Auto Services

13.4% Taurus Funds Management

5.8% Panoramic Resources

5.1% Rex Harbour (consolidated)

3.8% CAP S.A. (Port Finance)

Board of Directors

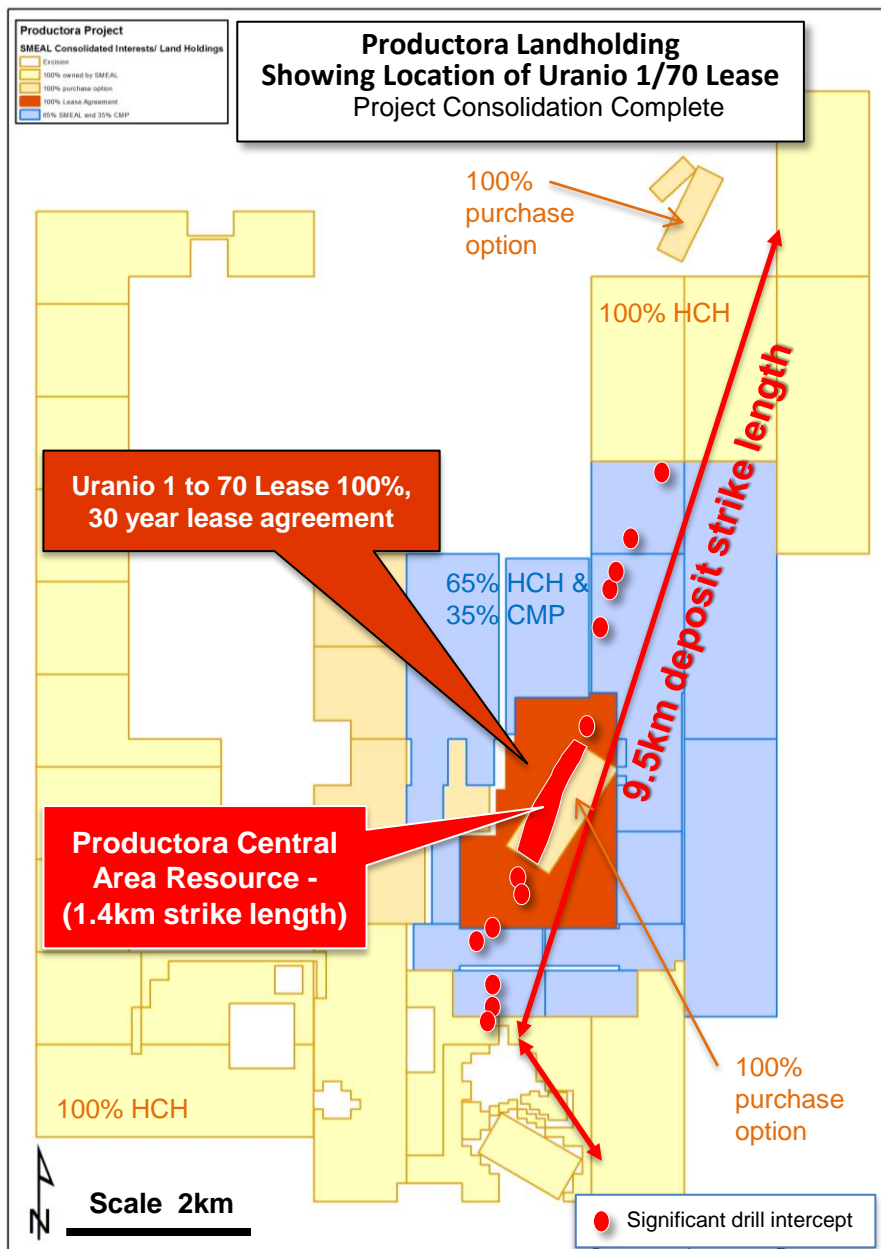
Murray Black Non-executive Chairman

Christian Easterday Managing Director

Allan Trench Non-executive Director

Michael Anderson Non-executive Director

Consolidation of Productora Complete



Large central pit development option now available

- **Four years and nine deals** to consolidate the Productora project
- **Last critical lease** (Uranio 1/70) within the centre of Productora secured in **July 2012**
- Long-term 30 year exploration and exploitation lease agreement with CCHEN
- **Addition of a critical 1.2km portion with wide historical Teck drill intercepts**

Central Area Resource - 15% of deposit footprint



Classification	Reporting	Grade				Contained Metal				
	Cut Off Cu %	Tonnage (Mt)	Copper %	Gold (g/t)	Molybdenum (g/t)	Copper Eq* %	Copper (Tonnes)	Gold (Oz)	Molybdenum (Tonnes)	Copper Eq* (Tonnes)
Indicated	0.3	31,1	0.6	0.1	159	0.8	184,612	109,711	4,942	248,204
Inferred	0.3	54.0	0.6	0.1	138	0.7	298,062	179,895	7,476	395,438
Total	0.3	85.1	0.6	0.1	146	0.8	482,673	289,606	12,418	643,642

- **Bulk tonnage, little pre-strip, high grade** for Chilean coastal deposit, **small oxide** component
- **2 RC and 1 DD Australian drill rigs** commenced major extensional drilling in Oct 2011

Target Mineralisation

Copper

280 to 320 million tonnes grading 0.5 to 0.7%
for 1.4 to 2.2 million tonnes of copper metal

Gold

280 to 320 million tonnes grading 0.1 to 0.2g/t
for 0.9 to 2.0 million ounces of gold

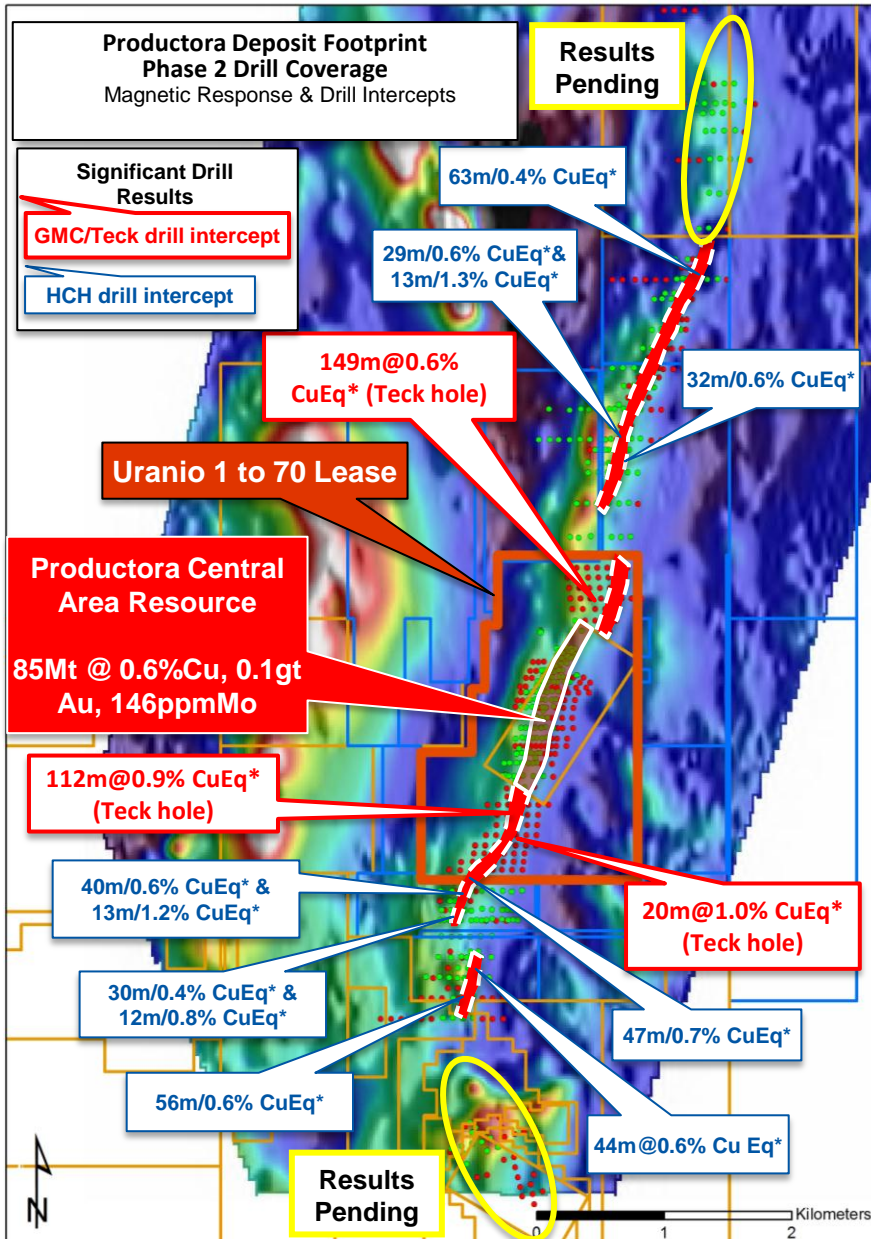
Molybdenum

280 to 320 million tonnes grading 120 to
180ppm for 33,000 to 57,000 tonnes of
molybdenum metal



Please refer to target mineralisation explanatory note in disclaimer and end of presentation

Resource Growth Drilling Focus



280 - 320Mt

- H2 2013 **Target Mineralisation Complete**

- Q2 2013 **Second Resource Upgrade** Uranio 1/70 and Central area resource extensions

- Oct 2012 **First Resource Upgrade** North & South Extensions

- Sept 2012 Commence Uranio 1/70 lease drilling

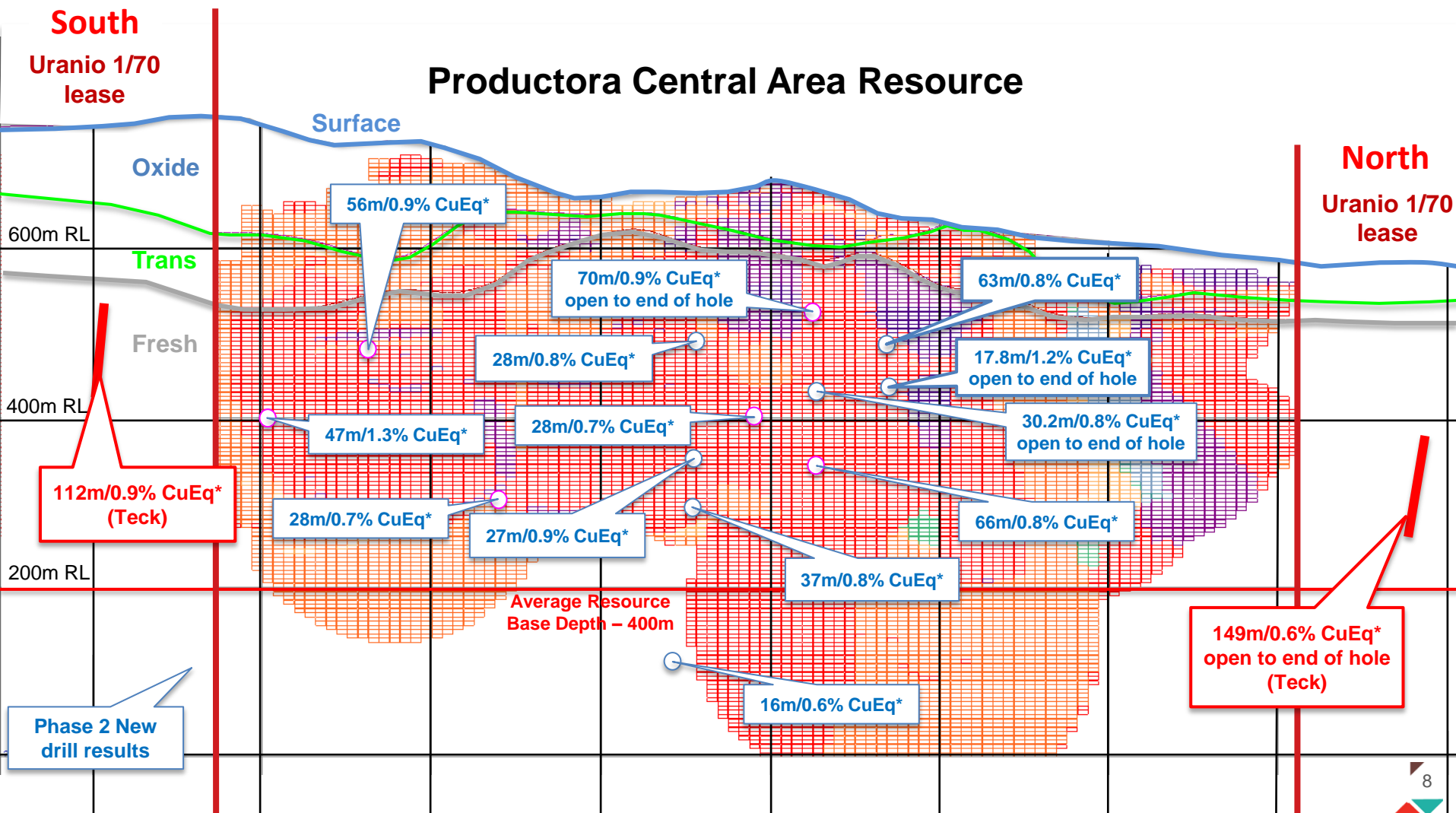
+85,000m drill programme commences

- Sept 2011 **Central Area Resource Reported**

85.1 Mt

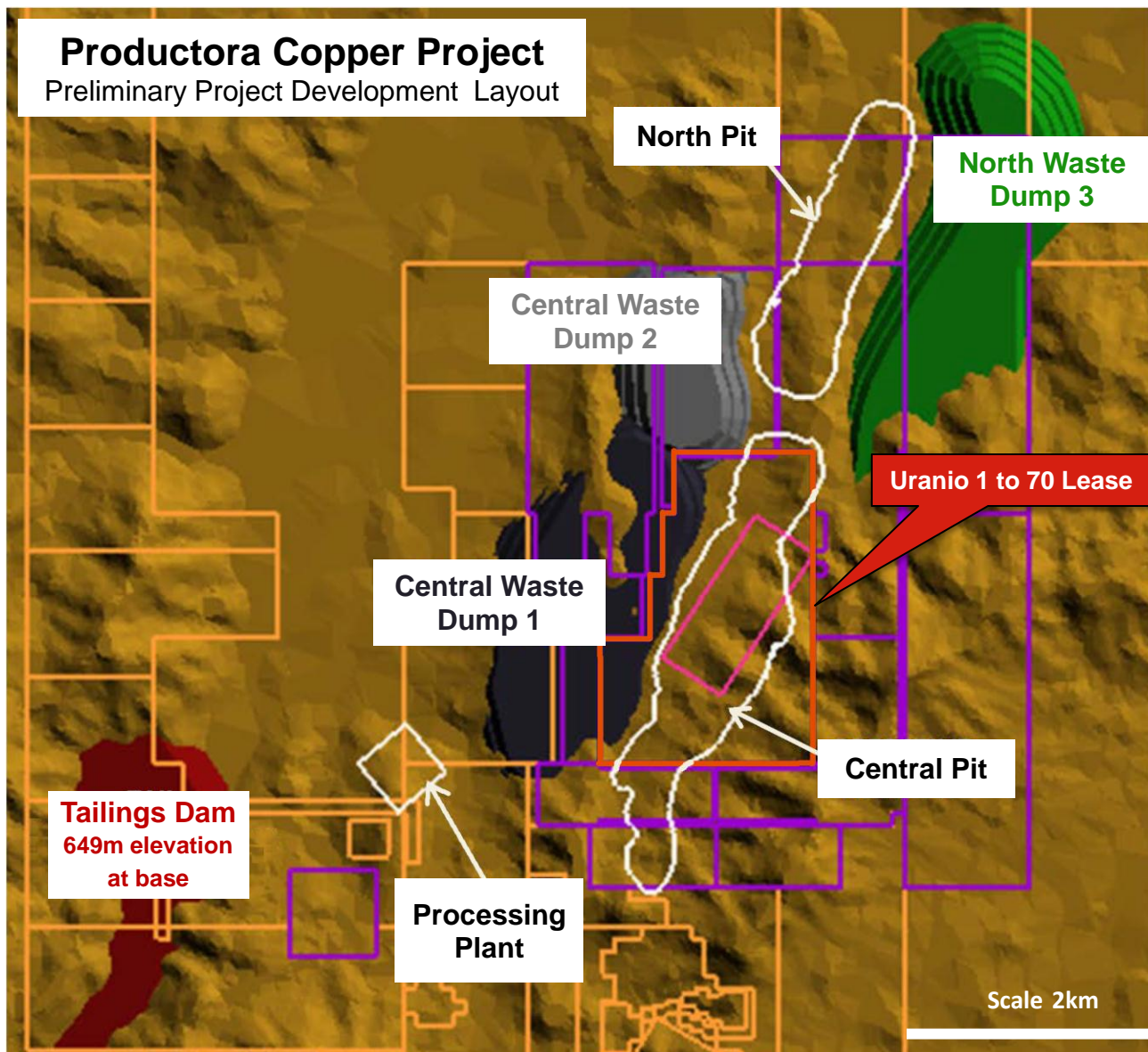
Central Area Diamond Drilling

- In-fill drilling to up-grade inferred category of resource well advanced
- New diamond core, **larger sample size - better grade estimation**



Project Development Lay-out

Ausenco



- Two main pits-

- Central Pit - 4km length
- North Pit - 2km length

- Preliminary pit optimisations to average 270m depth

- Marginal economic copper grade determined to be approx 0.2% copper

- Room for all surface project lay-out

Development Studies Proving Robust

Ausenco



- **Metallurgy** - High copper recoveries of 93.5 – 96% at coarse grind size, +27% commercial concentrate grade
- **Environmental** - Baseline studies well advanced, on-track to submit EIA by early 2013
- **Engineering** - Capital and operating cost estimates well advanced
- **Financial Modeling** - Advanced models robust at US\$2.50/lb copper price, life of mine



Hot Chili and CMP Co-operate on Infrastructure



- Letter of Intent signed with **Chilean iron ore major CMP** in July 2012 to negotiate **joint infrastructure**
- **Port, rail, easement corridor, maritime/surface rights**
- **Ideal location** - 800m elevation, 15km south of township of Vallenar, adjacent to PanAmerican Hwy



Infrastructure Design

- **Minimal infrastructure** - Sulphide mill, water pipeline (2 pumps), CMP Los Losas port option
- Successful infrastructure deal - **shorter time to production with lower start-up capital cost**



Mill Design

Primary crusher

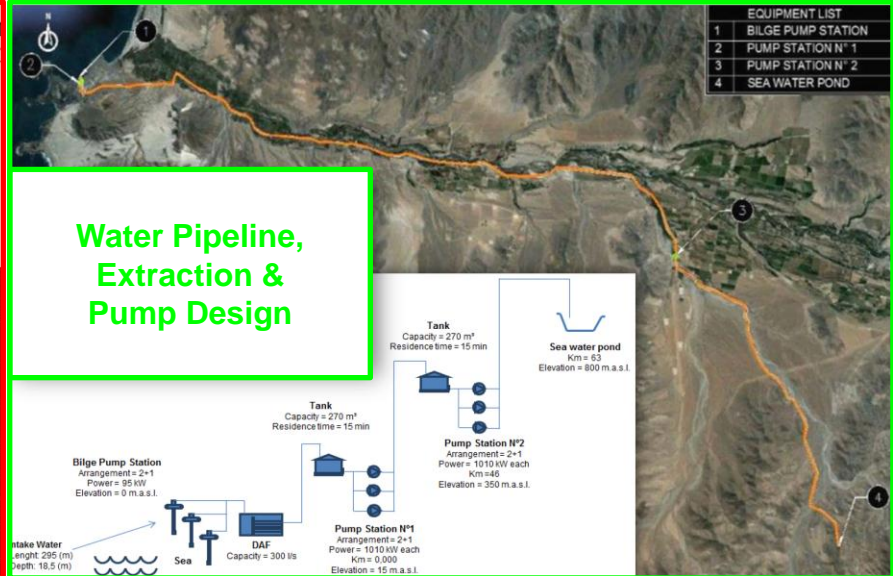
Concentrator

Process water pond

Desalinated water pond

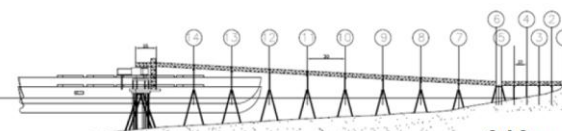
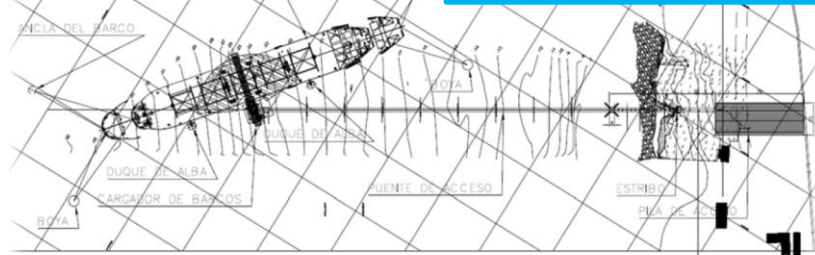


Water Pipeline, Extraction & Pump Design



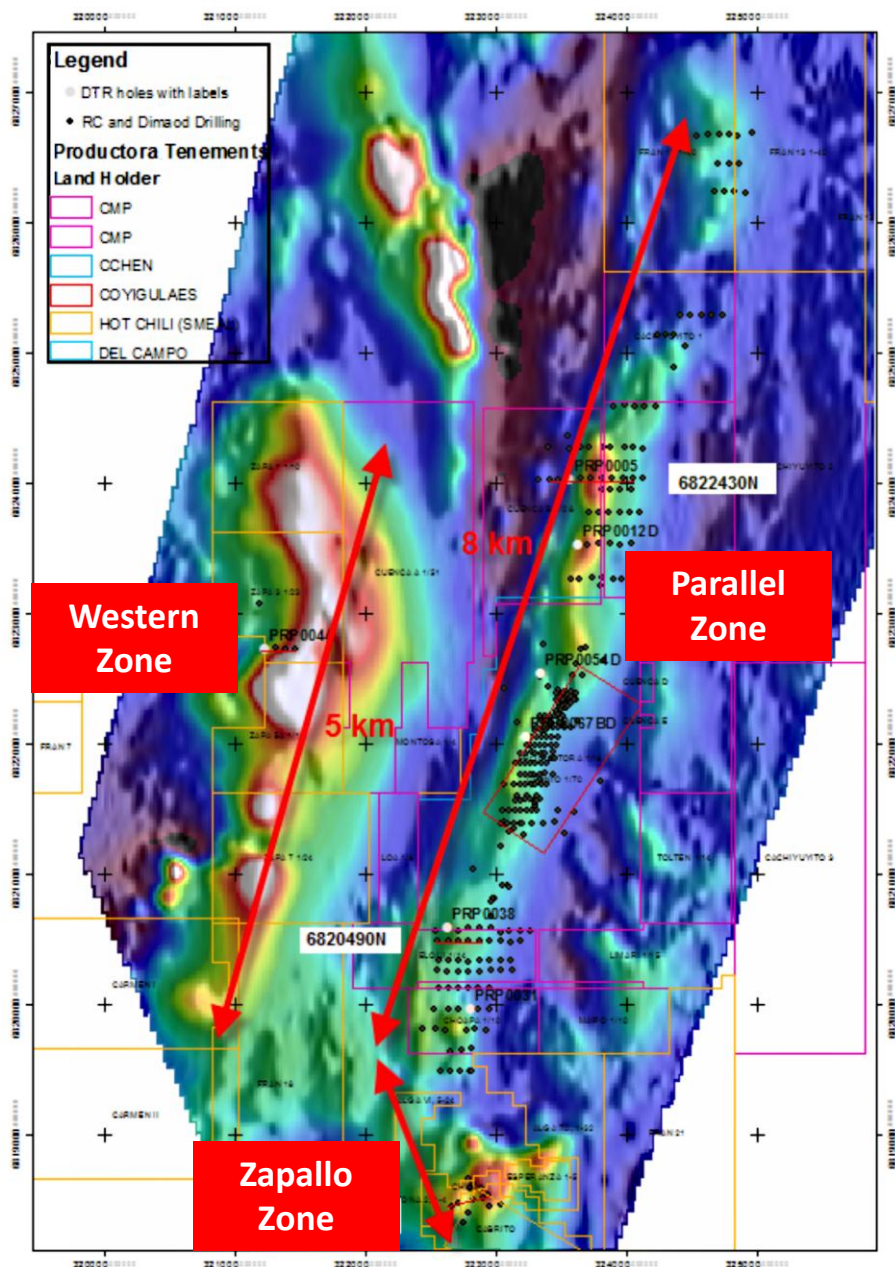
Handymax 54kt – 200m ship

Las Losas Port Option



340m conveyor

Hot Chili and CMP to Study and Negotiate Iron Option



- **2nd Letter of Intent signed with Chilean iron ore major CMP** in July 2012
- **Study and negotiate** details of iron production option for Productora
- 3 magnetite zones identified - 13.5km length

HCH & CMP Operational Synergy

- **HCH** - Parallel zone within the western waste wall of copper pit design - **potential revenue from waste**
- **CMP** - Potential **cheap magnetite source** next to CMP iron ore operations, **infrastructure ready**

Productora Growth and Development Milestones

Major forward milestones

1. **Complete project consolidation** – last critical lease in centre of project secure **July 2012**
2. **Infrastructure Access** – LOI's signed for joint infrastructure and potential iron production negotiation with Chilean iron ore major CMP **July 2012**
3. **Resource upgrades towards 300Mt** – Oct 2012 and during 1H 2013 **2012/2013**
4. **Development studies** – Scoping in Oct 2012, DFS in Dec 2013 **2012/2013**
5. **Decision to Mine** – 60kt pa copper production targeted to commence in 2016 **End of 2013**



Building a Long Term Copper Producer

- Two new projects announced in July 2012 within trucking distance, north and south of Productora

- Building a production hub at Productora towards a future annual copper production target of 150kt within the next 5 years

- Emerging Large scale, low altitude, infrastructure ready, copper producer in the lucrative Chilean copper space



Hot Chili Brand



People - Talented Australian and Chilean management

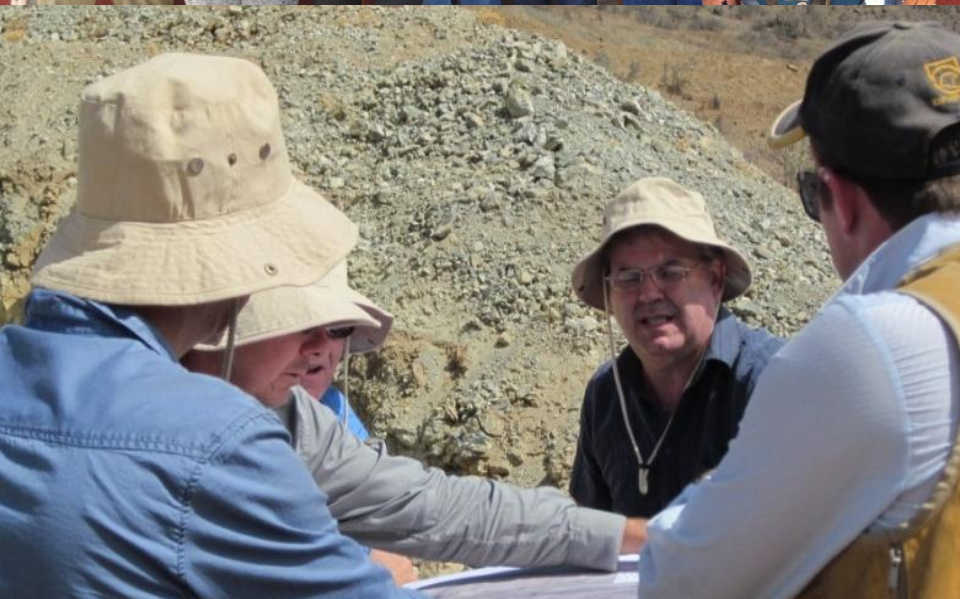
Early mover, Recognize opportunity and execute

Local Partnerships - Chilean majors- CMP and CODELCO

Deal Capability - Doing what no-one thought possible

Drill Rigs - Australian rigs and drillers - faster and more efficient

Fast - Focus on Do-able projects with rapid development potential



Qualifying Statements



Target Mineralisation

References to exploration target size and target mineralisation in this presentation 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.

Copper Equivalent Calculation (Cu Eq*)

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 = $Cu \% + Mo(ppm) \times 0.0008 + Au(ppm) \times 0.6832$

Price Assumptions - Cu (US\$1.80/lb), Mo (US\$15/lb), Au (US\$850/oz)

Competent Person 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.

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.

Thankyou

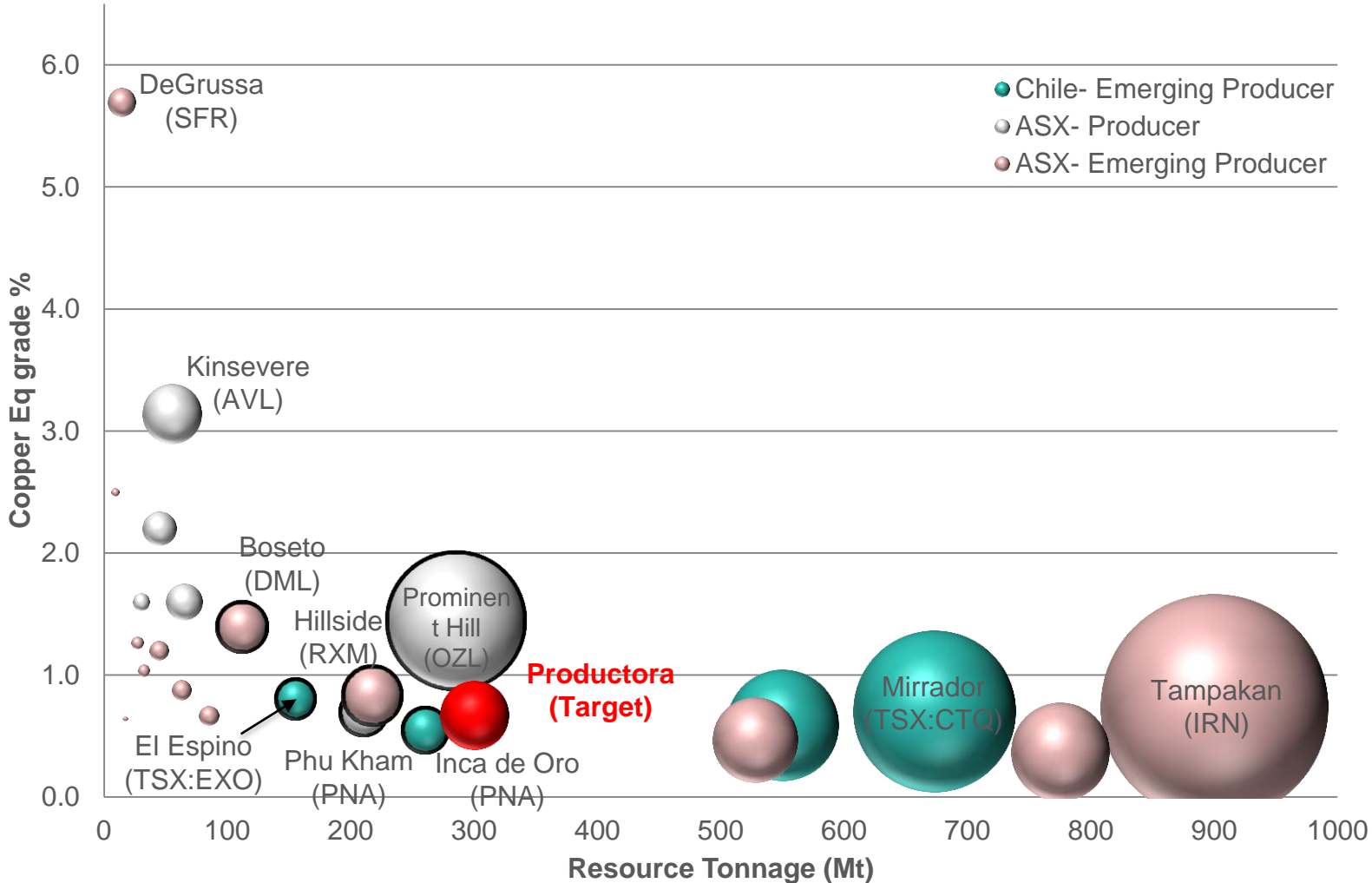
For more information, please contact:
Christian Easterday Tel: +61 409 641 214

www.hotchili.net.au

Productora vs Peer Projects



Copper Equivalent Resources – Grade vs Tonnes vs Metal (bubble size)



Source: BGF Equities research data, Nov 2011

Note: Nov 2011 reported resources

Copper equivalent based on US\$4,000/t copper and US\$850/oz gold (other credits excluded)





▶ **Hot Chili Limited** ACN 130 955 725
Level 1, 768 Canning Highway,
Applecross, Western Australia 6153
P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au
ASX: HCH