



# PRODUCTORA COPPER PROJECT CHILE



**Growth & Development Phase**

March 2012

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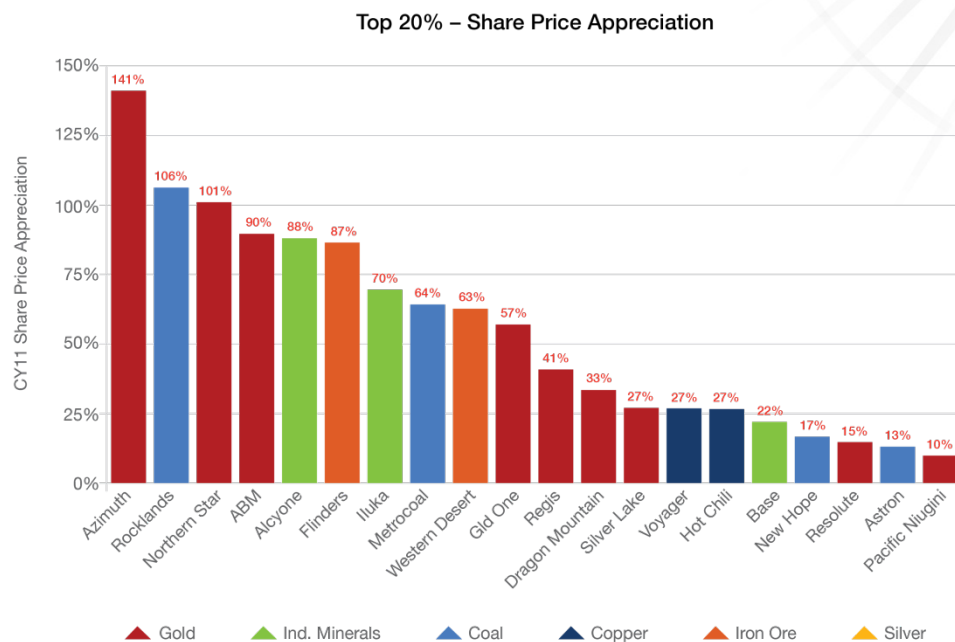
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Exploration Target Size and Target Mineralisation described in this presentation is conceptual in nature and should not be construed as a JORC compliant Mineral Resource. Target mineralisation is based on projections of established grade ranges over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

# Productora Discovery Phase 2011

- Commenced drilling in Aug 2010
- Established first JORC resource** in Sept 2011
- First **resource represents only 15%** of the identified 9.5km long deposit
- Shaping as a Top 4 coastal range, bulk tonnage, open pit** copper project
- Stand-out ASX copper performer in 2011**



Source: Gresham Group 150 February 2012 Report



- HCH Share Price Appreciation (27%) ranked equal 1st** out of ASX listed copper companies.
- HCH Market Cap Appreciation (52%) ranked 2nd** out of ASX listed copper companies

# Productora Development Phase 2012

- Located in the heart of our partner CMP's **infrastructure corridor – 40km to the coast**
- Aim to establish a minimum **300Mt resource base**
- Targeting a decision to mine on **10Mtpa, 20 year mine life open pit** project by end of 2013
- Strategic partnerships with two of Chile's largest mining companies CMP and CODELCO



# Company Overview

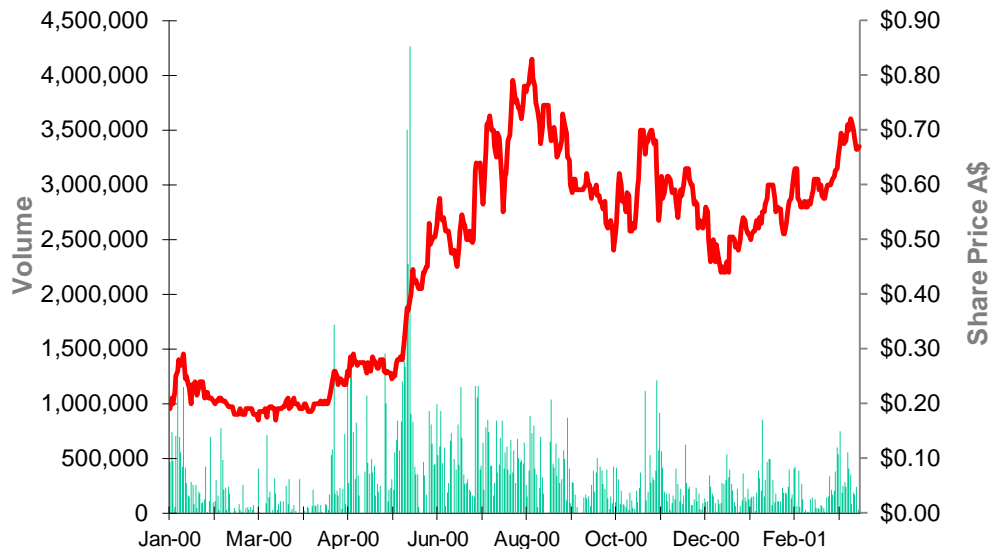
## Capital Structure

199.5 Million shares (47.3 Million restricted)  
40.6 Million unlisted 20c options (32 Million restricted)  
12.4 Million new unlisted 75c options (1 year)

## Cash at Hand

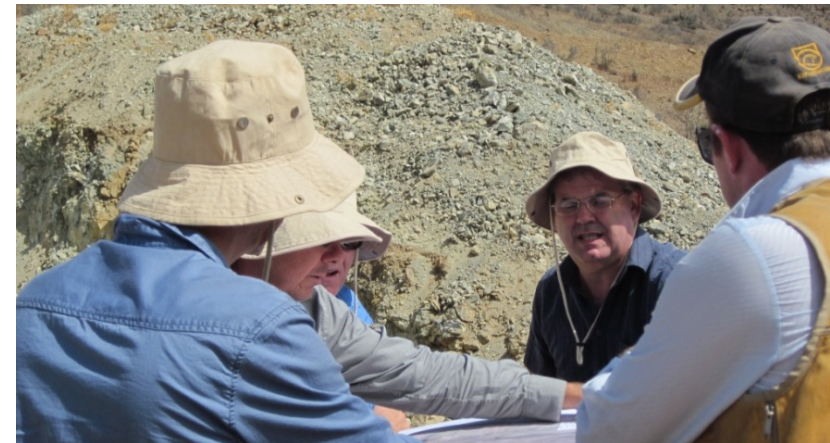
AU\$ 27 million (Feb 2012)

## Share Price Performance



## 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)

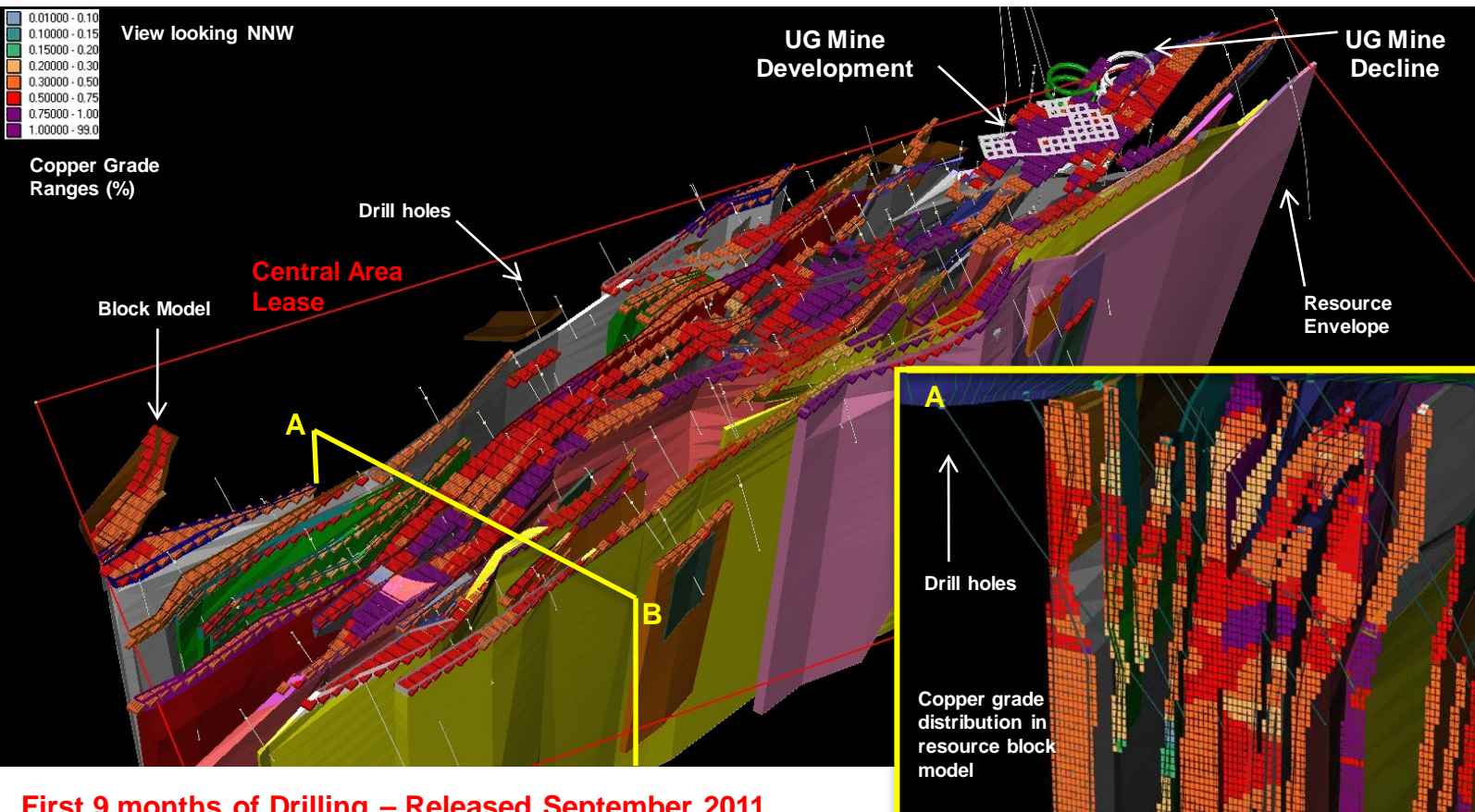


## Board of Directors

**Murray Black** – Non-executive Chairman  
**Christian Easterday** – Managing Director  
**Allan Trench** – Non-executive Director  
**Michael Anderson** – Non-executive Director



# Productora First Resource – Central 1.4km of Project



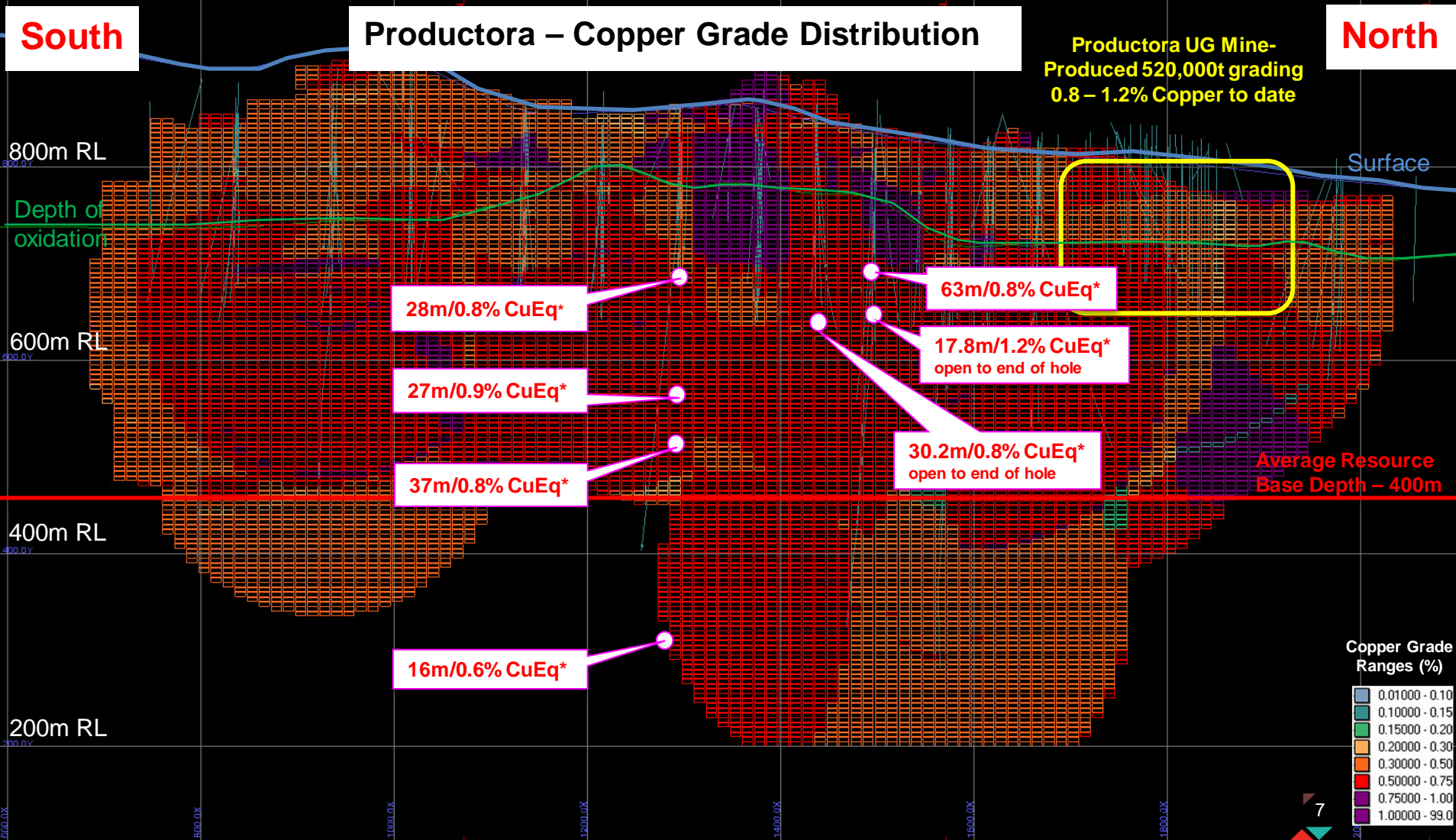
**First 9 months of Drilling – Released September 2011**

Classification	Reporting	Grade					Contained Metal			
	Cut Off	Tonnage	Copper	Gold	Molybdenum	Copper Eq*	Copper	Gold	Molybdenum	Copper Eq*
	Cu %	(Mt)	%	(g/t)	(g/t)	%	(Tonnes)	(Oz)	(Tonnes)	(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
<b>Total</b>	<b>0.3</b>	<b>85.1</b>	<b>0.6</b>	<b>0.1</b>	<b>146</b>	<b>0.8</b>	<b>482,673</b>	<b>289,606</b>	<b>12,418</b>	<b>643,642</b>

- At-surface (no pre-strip) JORC resource
- Breccia hosted, shallowly defined
- 28Mt grading 0.78% copper contained within first 200m from surface**

# Resource Up-grade Diamond Drilling

- In-fill drilling to up-grade inferred category of resource well advanced
- New diamond core, larger sample size
- **New results confirm inferred resource grade was underestimated – resource revision targeted for Q3 2012**



# Productora Central Resource Area



## Resource Growth and Development Focus

Targeting 280-320 M tonnes of open pittable resources by Q4 2013

**Decision to Mine at Productora by end of 2013**



# Resource Growth Strategy 2012

- 3 dedicated RC/DD drill rigs operating
- +65,000m RC and +5,000m DD of drilling underway
- First pass drill entire 9.5km complete by May 2012
- Major resource up-grades in Q3 2012 and Q1 2013

## 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

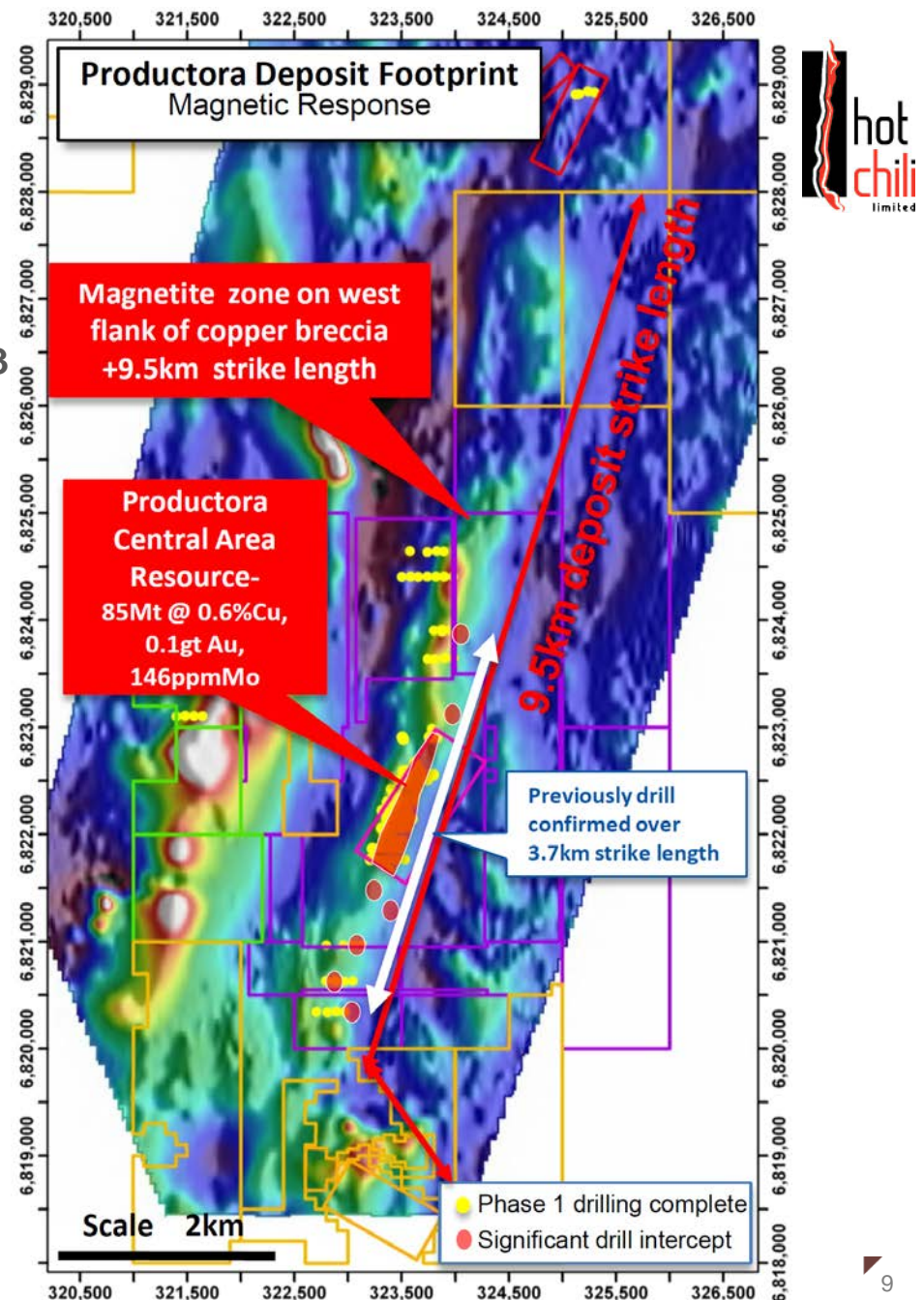
### Gold

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

### Molybdenum

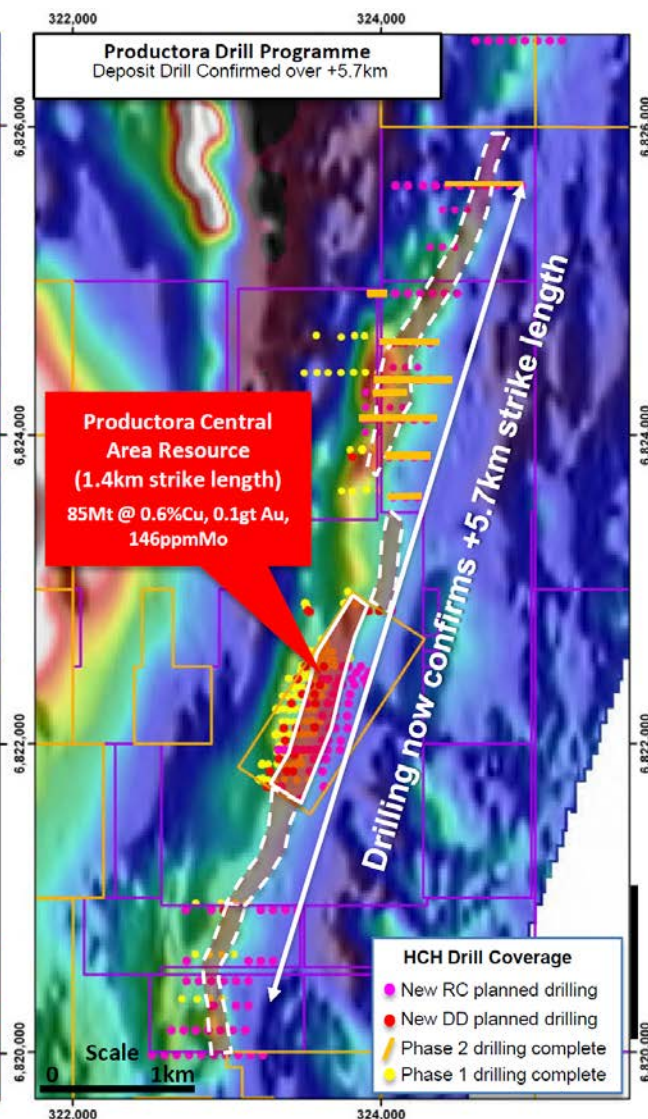
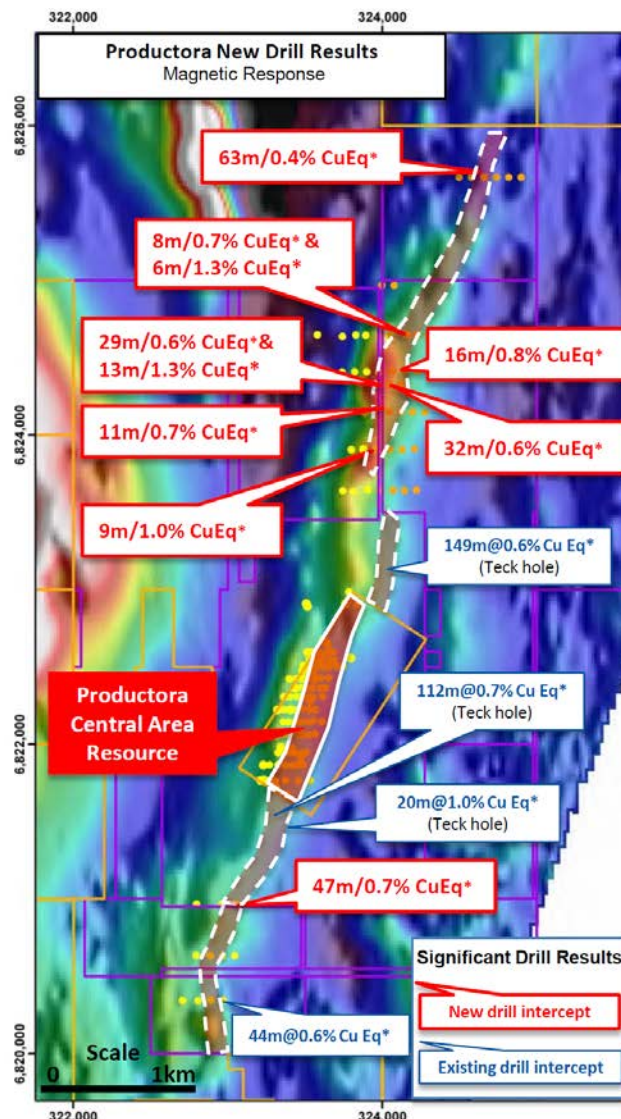
280 to 320 million tonnes grading 120 to 180ppm for 33,000 to 57,000 tonnes of molybdenum metal

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# First Pass Drilling of 9.5km Deposit

- Central Lease – First 1.4km converted into resource
- Successful drilling results extended by 2km to now over 5.7km
- Southern extensional drilling continuing – results expected
- Magnetic and IP response – geological continuity remaining strong

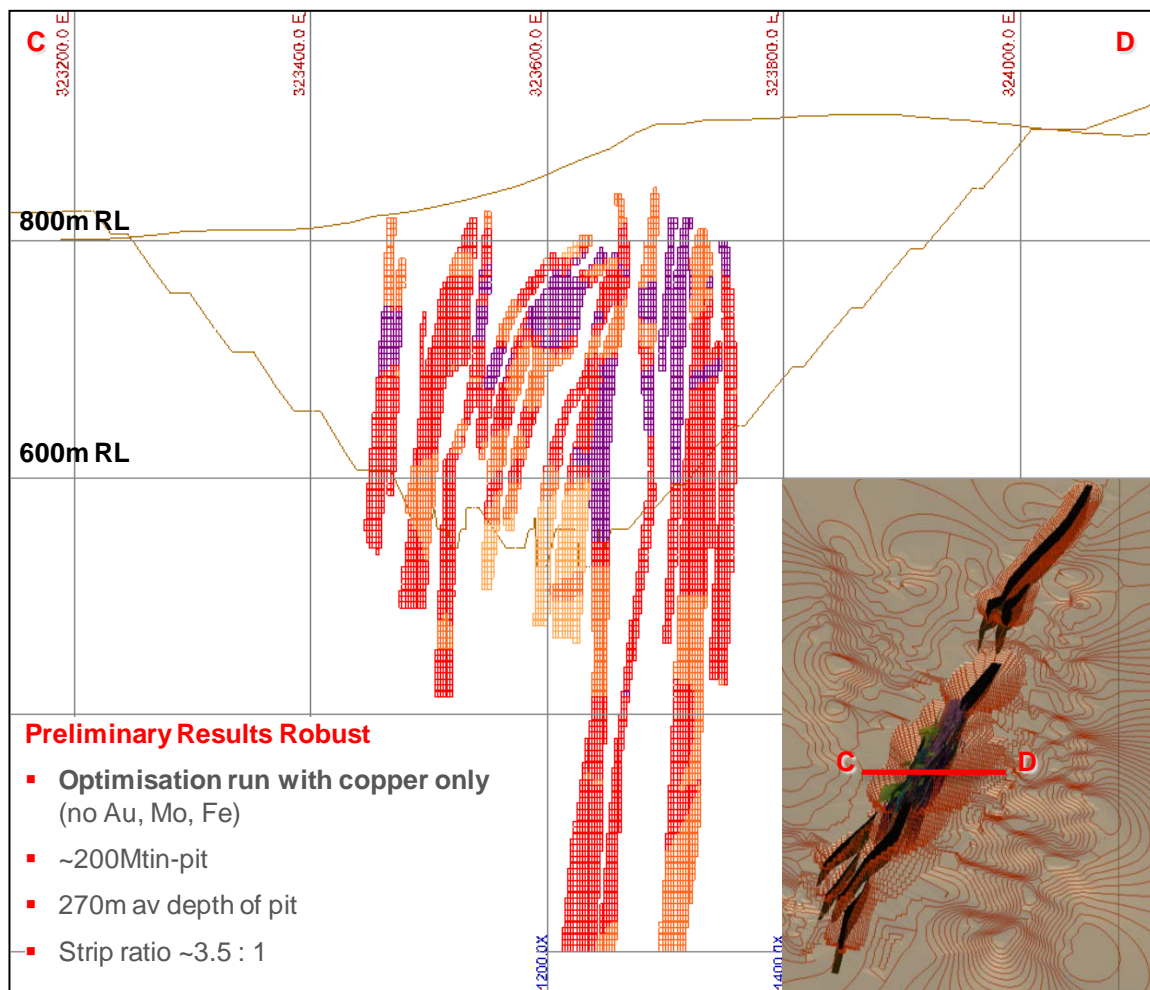


# Productora Scoping Study Advancing

- AUSENCO appointed in December 2011
- HCH management team
- Pit Design and site lay-out underway
- Multiple metallurgical test-work programmes underway
- Environmental surveys advanced
- **Study delivery target in Q3 2012**



## Preliminary Pit Optimisations



# Productora Infrastructure Location

- 40km distance to Huasco Port (Controlled by CAP/CMP – HCH project partner)
- 15km south of township of Vallenar
- Linked adjacent to PanAmerican Hwy, CMP rail corridor to Port and near-by power stations



# Productora Port/Rail Options – Los Lozas (CAP)

- Preliminary discussions regarding infrastructure cooperation with partner CAP
- Los Lozas 3rd party port with available capacity (controlled by CAP)



# Productora Power Options

- Power Options- Castillo or Guacolda power supply
- Central grid transmission lines into project
- Maintencillo substation 20km distance



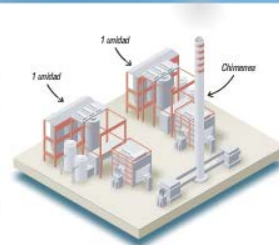
## Complejo Industrial y Turístico Hacienda Castilla

La empresa brasilera MPX está impulsando para los próximos 10 años un nuevo polo de desarrollo en la Hacienda Castilla, que incluye en un plan por etapas, proyectos energéticos, industriales, turísticos, agrícolas y científicos.

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### Central Termoeléctrica

Planta termoeléctrica a carbón de 6 unidades de 350 MW cada una, permitirá suministrar 2.100 MW al SIC. Su moderna tecnología de control de emisiones (tecnología de carbón limpio), permitirá reducir al mínimo sus impactos ambientales. El proyecto contará además con dos unidades diesel para respaldo de 127 MW cada una.



# Company Milestones/Objectives



## Productora – Rapid resource growth and development focus

**Extensional and resource drilling results throughout 2012**

**Completion of scoping study and commence PFS early Q3 2012**

**Resource up-grades in Q3 2012 and Q1 2013**

**Further land acquisitions targeted in 2012**

**Targeting decision to mine on 280-320Mt open pit operation by Dec 2013**

## Project Pipeline – Building towards an additional growth phase

**Commencement of follow-up exploration at Los Mantos and Chile Norte**

**Aiming to acquire one new coastal range copper project in 2012**

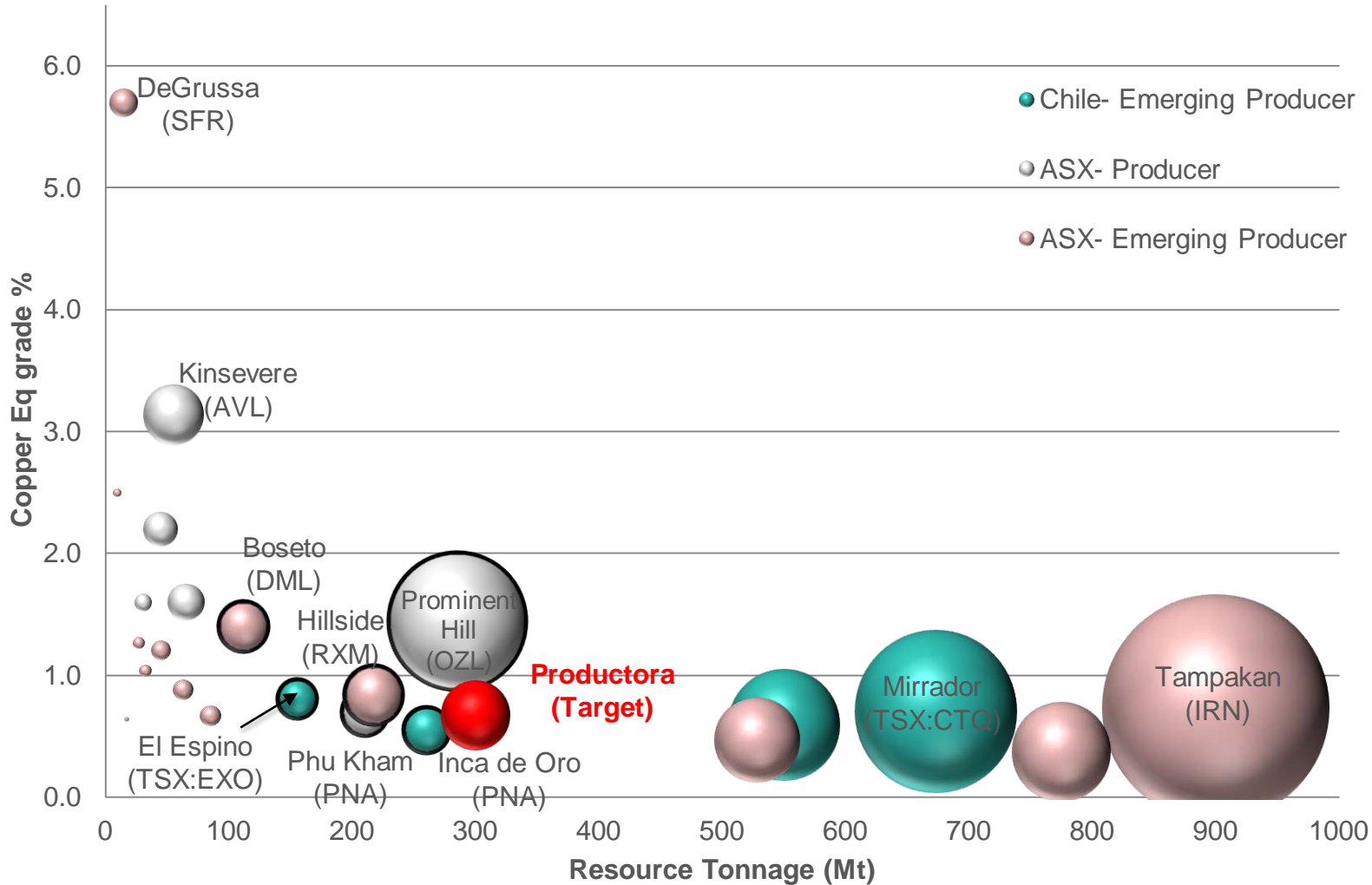
**Building a Chilean +150ktpa fine copper metal producer within 5 years**



# 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)

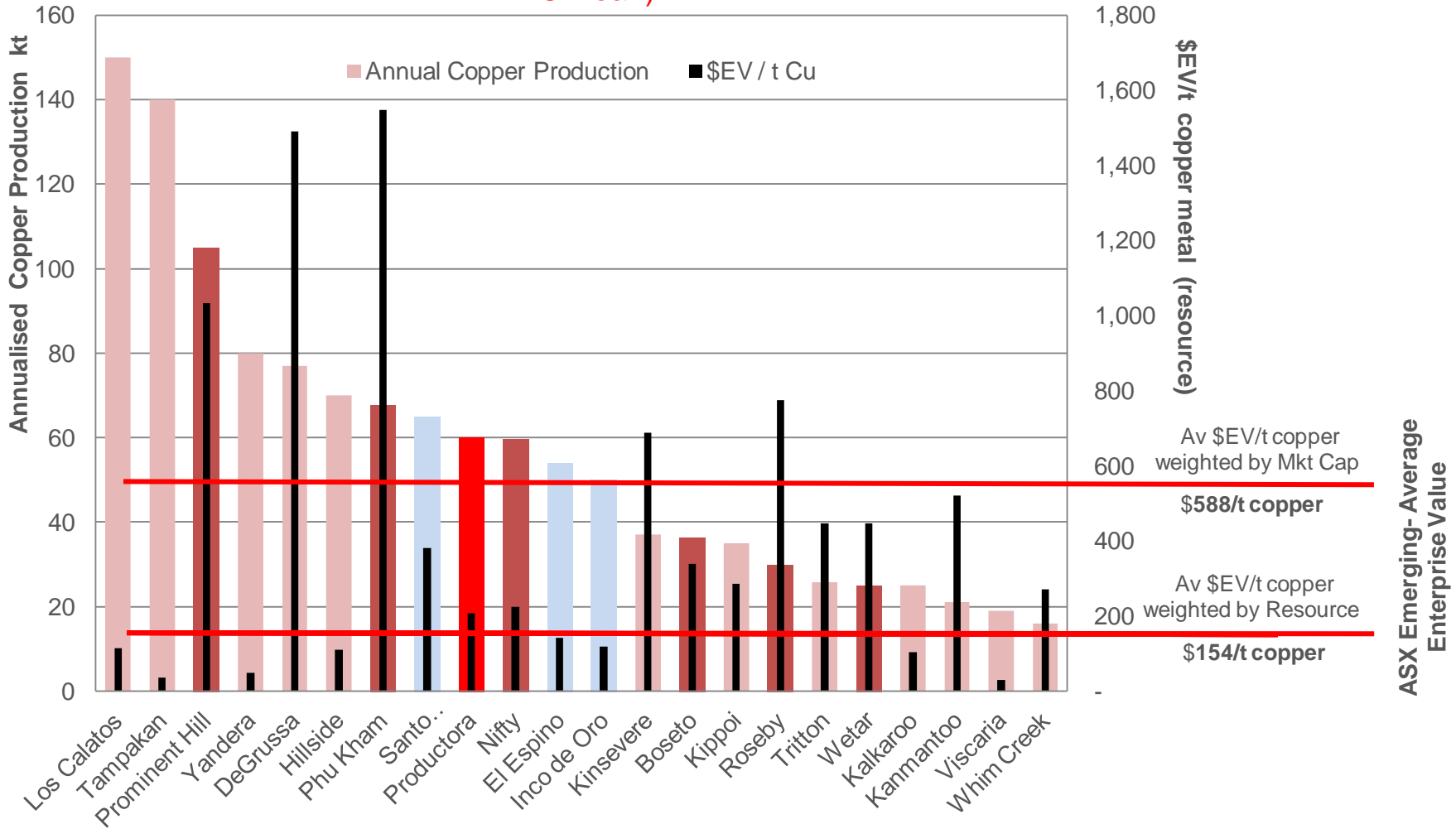


# Productora vs Peer Projects



## Copper Production vs \$EV/t copper

Production and Planned Production (ASX Producers, Emerging ASX and Emerging Chilean)



Source: BGF Equities research data, Nov 2011

# Qualifying Statements



## Target Mineralisation

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## 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

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