



## ASX ANNOUNCEMENT

Monday 1<sup>st</sup> February 2016

### Hot Chili to Raise A\$1.6m via Placement to Strategic Shareholders

Hot Chili Limited (ASX Code: HCH) is pleased to announce that it has received commitments from two of its major shareholders to raise A\$1.6 million through a placement at 7c per share to strengthen the Company's cash position as it completes the Pre-feasibility Study on its Productora copper project in Chile.

Taurus Funds Management and CAP, the parent company of Compañía Minera del Pacifico S.A. (CMP), Hot Chili's joint venture partner at Productora, have agreed to subscribe to A\$1.6 million of the placement.

In addition to the commitments received from Taurus Funds Management and CAP, Hot Chili has also received interest in the placement from several other large groups and the Company is currently progressing discussions with these parties.

The price of the placement is in line with Hot Chili's closing price of 7.2c per share on Friday, 22<sup>nd</sup> January 2016.

Funds from the placement will be used for working capital requirements, including the completion of the Productora Pre-feasibility Study (PFS).

Hot Chili expects to complete the PFS along with a revised Mineral Resource and Ore Reserve estimate for Productora in coming weeks.

This major milestone will be announced once available and Board approved in co-operation with CMP.

The issue of placement shares to Taurus Funds Management is expected to be completed this week. The issue of placement shares to CAP is expected to be completed in the coming weeks following CAP board ratification of CAP's agreement to participate in the placement.

#### ASX CODE

HCH

#### Contact

Mr Christian Easterday  
Managing Director

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Hot Chili Managing Director Christian Easterday said he was very pleased to have the ongoing support of both CAP and Taurus Funds Management in the Placement.

"We appreciate the support of two of our largest shareholders at a time of very challenging market conditions," Mr Easterday said.

"I am also encouraged to see in-bound interest in Hot Chili from several large international groups.

"Productora continues to grow and the project has developed a reputation as a strong development option for the copper sector.

"The Company is highly leveraged to an improvement in the copper price and we believe Productora will be a front-runner among future copper developments."

**For more information please contact:**

**Christian Easterday** : +61 8 9315 9009

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or visit Hot Chili's website at [www.hotchili.net.au](http://www.hotchili.net.au)





## Qualifying Statements

### JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 31<sup>st</sup> March 2014

| Ore Type     | Category        | Tonnage<br>(Mt) | Grade       |             |            | Contained Metal |                |               | Payable Metal  |                |              |
|--------------|-----------------|-----------------|-------------|-------------|------------|-----------------|----------------|---------------|----------------|----------------|--------------|
|              |                 |                 | Copper      | Gold        | Molybdenum | Copper          | Gold           | Molybdenum    | Copper         | Gold           | Molybdenum   |
|              |                 |                 | (%)         | (g/t)       | (ppm)      | (tonnes)        | (ounces)       | (tonnes)      | (tonnes)       | (ounces)       | (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        |
| <b>Total</b> | <b>Probable</b> | <b>90.5</b>     | <b>0.48</b> | <b>0.11</b> | <b>172</b> | <b>433,000</b>  | <b>308,000</b> | <b>15,500</b> | <b>350,000</b> | <b>152,000</b> | <b>9,000</b> |

*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%. The Probable Ore Reserve was estimated using price assumptions of US\$3.00/lb copper, US\$1,250/oz gold and US\$10/lb molybdenum and an exchange rate (AUD:USD) of 0.88.*

### JORC Compliant Mineral Resource Statements

Productora Mineral Resource Statement – Reported 31<sup>st</sup> March 2014

| Classification<br>(+0.25% Cu) | Tonnage<br>(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         |
| <b>Total</b>                  | <b>214.3</b>    | <b>0.48</b> | <b>0.10</b> | <b>138</b> | <b>1,029,000</b> | <b>675,000</b> | <b>29,000</b> |

*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.*

### Mineral Resource and Ore Reserve Confirmation

The information in this report that relates to Mineral Resources and Ore Reserve estimates on the Productora copper projects were originally reported in the ASX announcements “Maiden Ore Reserve at Productora Set for Strong Growth in 2014”, dated 31st March 2014. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially





changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

#### **Competent Person's Statement- *Exploration Results***

Exploration information in this announcement 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 report of the matters based on their information in the form and context in which it appears.

#### **Competent Person's Statement- *Mineral Resources***

The information in this announcement 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 ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

#### **Competent Person's Statement- *Ore Reserves***

The information in this announcement 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 ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

#### **Forward Looking Statements**

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward-looking statements including estimates of



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Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade ore recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing this announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment advice to any person.

