

## Hot Chili Shareholders Approve Sale of Stake in Flagship Copper Project to Chilean Resources Major CMP

***Deal opens door to funding options and infrastructure; Hot Chili set to become one of the few major ASX-listed copper producers***

Hot Chili (ASX: HCH) is pleased to advise that it has taken another key step towards development of its flagship Productora copper project in Chile, with shareholders approving a pivotal transaction with Chilean resources major CMP.

The CMP transaction, which was approved by shareholders at a General Meeting yesterday, opens the door to funding options and provides access to vital infrastructure, saving time and money in the development of Productora.

Compañía Minera del Pacífico S.A. (CMP) is a subsidiary of Compañía de Aceros del Pacifico S.A. (CAP), Chile's largest iron ore miner and integrated steel business, and is also Hot Chili's second-largest shareholder.

The deal will see CMP take a 17.5 percent stake in Productora in exchange for Productora securing access to critical infrastructure and CMP's interest in certain mining rights at the project. CMP also has an Option to increase its stake in Productora to 50.1 per cent at a price of between US\$80 million and US\$110 million (see separate ASX announcement re Notice of Meeting and full Independent Expert's Report dated March 19<sup>th</sup> March, 2015).

On a 100% basis and at the current Australian dollar exchange rate of US80c, the Option values Productora at between \$306 million and \$420 million - many multiples of Hot Chili's current market capitalisation.

Hot Chili Chairman Murray Black said the Company was now in a strong position to develop what will be a large-scale copper project, making it one of the few major ASX-listed copper producers.

"Hot Chili has partnered with one of Chile's largest mining groups to develop Productora," Mr Black said.

"Importantly for Hot Chili, the infrastructure access and Option to increase CMP's stake in the project provides a mine-to-port solution and a clear funding pathway for developing Productora."

Mr Black said shareholder approval of the deal marked a major de-risking and development milestone for Hot Chili.

"Drilling is planned to get underway at the Alice copper porphyry deposit at Productora in coming weeks and a Pre-feasibility is planned to be delivered in the second half of this year," he said.

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**“We are now able to focus entirely on delivering the remaining studies and inventory growth which will position Productora as a leading global copper project.”**

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## **Qualifying Statements**

### **Forward Looking Statements**

The Announcement contains “forward-looking statements”. All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of 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 the 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 the 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 the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.

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