



## Hot Chili gets 12 months grace to pay for Cortadera

### Author:

[Matt Birney](#) [1]

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[Hot Chili](#) [6] has transformed the Cortadera copper-gold deposit, one of Chile's best kept secrets, into a company maker and it has now bought itself another 12 months to pay for it as the company continues to drill it out and get a handle on just how big Cortadera might be. The deal announced this week removes the need for Hot Chile to raise money during the Coronavirus calamity, which has also caused the US dollar to tank.

[Hot Chili](#) [6] originally executed a binding MoU for an option to acquire private mining group, SCM Carola's neighbouring Cortadera project with some long-dated payment terms that were close to falling due.

After finding agreement with SCM this week, the remaining option payments for Cortadera of US\$10M and US\$15M, are now due in July 2021 and July 2022, respectively, giving [Hot Chili](#) [6] a much needed 12 month breather to add more value to the project before needing to raise serious money.

In return for the twelve-month extension, [Hot Chili](#) [6] will pay a fee of US\$2M to SCM Carola by mid-July this year.

Cortadera lies 14km south east of [Hot Chili](#) [6]'s Productora copper-gold project that was once considered to be its flag ship project before the development of Cortadera.

[Hot Chili](#) [6] has now elevated Cortadera into a stand-alone project in its own right.

Confirmatory drilling has bestowed the company with global bragging rights with six record breaking drill intercepts on SNL Financials' top 25 list of the best copper-gold hits.

The size and quality of [Hot Chili](#) [6]'s Cortadera copper gold project in central Chile rank fourth on SNL's top 25 list with a recent extraordinary 972m intercept grading 0.5% copper and 0.2g/t gold from the Cupero 3 deposit taking line honours.

[Hot Chili](#) [6] Managing Director [Christian Easterday](#) [7] said: "We have secured a long runway for Cortadera to be transformed into one of the world's leading large copper-gold developments, well in advance of our next acquisition payment next year."

*"The extension agreement reinforces our strong relationship with SCM Carola and the Company's commitment toward the rapid growth and development of Cortadera."*

Management recently said that it had struck a win-win deal with the Chilean Government by accepting an offer for lease mining and processing of ore from its Productora copper-gold deposit, which will see [Hot Chili](#) [6] realise surprise revenues from Productora ahead of its expectations.

The deal between [Hot Chili](#) [6] and the Government agency, Empresa Nacional de Minería, or "ENAMI" is structured so that ENAMI will lease and mine Productora with a view to pulling out around 120,000 tonnes of copper-gold ore over two years from the two Productora main concessions.

[Hot Chili](#) [6] said that at current copper prices of US\$2.15 per pound, the agreement represents between US\$400,000 and US\$500,000 in annual payments from the Chilean Government for its 80% interest in the Productora JV.

Productora is host to a mammoth resource of 5 million tonnes of copper and about one million ounces of gold, which was formerly the company maker until Cortadera came into play.

[Hot Chili](#) [6]'s Cupero prospects 1, 2 and 4 at the Cortadera project have an average recorded high-grade zone to date ranging from 0.7 to 1.3% copper and 0.3 to 0.7 grams per tonne gold.

To give Cortadera context, the massive Cascabel copper-gold project in Ecuador has a mineral resource of 8.4 million tonnes of copper grading 0.41% and 19.4 million ounces of gold grading 0.29g/t.

The 12 month payment extension secured by [Hot Chili](#) [6] for Cortadera cannot be overstated – it represents a well negotiated deal that has removed the proverbial foot from [Hot Chili](#) [6]'s throat who was staring at the prospect of raising millions amidst the Coronavirus pandemic that has caused many share prices – [Hot Chili](#) [6]'s included to head south.

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