



Hot Chili raises \$5m to progress porphyry copper-gold strategy

Author:[Matt Birney](#) [1]**Published:** Tuesday, 19 May, 2020 - 06:36[facebook](#) [2] [twitter](#) [3] [linkedin](#) [4] [print](#) [5]

Despite the current Coronavirus inspired market challenges, ASX-listed [Hot Chili](#) [6] has encountered no difficulty in completing a \$5m placement to sophisticated and institutional investors to progress its burgeoning Cortadera copper-gold discovery in Chile. Existing shareholders will also get a piece of the action with an additional \$3.9m expected to come in from a non-renounceable rights issue.

Funds were raised at a share price of 1.5 cents with a 1 for 2 unlisted option exercisable at 2.5 cents added to the mix. [Hot Chili](#) [6] said eligible shareholders will get the same terms in the rights issue with the options expiring on or before May 20th 2022.

Whilst the rights issue is not underwritten, the company said the placement, led by Veritas Securities, was over-bid and the book was closed off in just one day, suggesting strong support from both high net worth investors and institutions.

The [Christian Easterday](#) [7]-led Chilean porphyry copper developer said the funds raised will be deployed to re-commence drilling at Cortadera, targeting a maiden resource estimate at both the Cortadera and nearby San Antonio copper-gold projects.

Some of the cash will be used to pay a US\$2m extension fee to extend the remaining payment schedule necessary for [Hot Chili](#) [6] to acquire its 100 per cent interest in Cortadera from private mining group SCM Carola.

The extension is good news for [Hot Chili](#) [6] who otherwise would have needed to do a much bigger capital raise to satisfy its acquisition payment schedule.

Cortadera lies 14km south east of [Hot Chili](#) [6]'s developing Productora copper-gold project that was once considered to be its flag ship project before the acquisition of Cortadera. [Hot Chili](#) [6] has now elevated Cortadera into a stand-alone project in its own right.

Management is already able to claim bragging rights at Cortadera after its successful drilling campaigns delivered six record breaking drill intercepts that landed on SNL Financials' top 25 list of the best copper-gold hits. The size and quality of [Hot Chili](#) [6]'s Cortadera copper-gold intercepts rank fourth on SNL's top 25 list. The recent and extraordinary 972m intercept grading 0.5% copper and 0.2g/t gold from surface at the Cupero 3 deposit took line honours.

To give Cortadera some 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.

Funding will also cover the completion of the metallurgical test work and preliminary economic model that will no doubt end up in a preliminary feasibility study at Cortadera in the near term.

[Hot Chili](#) [6] Managing Director, [Christian Easterday](#) [7] said the funding will facilitate a re-positioning of the company's copper and gold resource base as it targets its drilling to achieve further extensions of the Cortadera discovery. Cortadera appears to expand with every drill hole and remains open to the north, south and at depth.

One of the best historic intersections in the Cuerpo 3 porphyry returned 750m grading a solid 0.6% copper and 0.2g/t gold from 204m with an exceptional 188m going 0.9% copper and 0.4g/t gold.

Other outstanding intersections included 596m grading 0.5% copper and 0.2g/t gold from 328m down-hole, including 184m grading 0.7% copper and 0.3g/t gold and 864m grading 0.4% copper and 0.1g/t gold from a shallow 62m down-hole, including 348m grading 0.6% copper and 0.2g/t gold.

[Hot Chili](#) [6] Managing Director, [Christian Easterday](#) [7] said: "With each hole, the Cortadera discovery has expanded - delivering six world class, copper-gold drill results already and still remaining open."

"We look forward to continuing our push to rapidly grow Cortadera while also working towards establishing a new and expanded, combined development plan for our coastal copper-gold assets in Chile."

"I am very pleased with the strong funding support we have received, in addition to providing all shareholders the ability to participate in this exciting phase of growth for our Company."

Easterday is now planning another swag of holes at Cortadera to try to duplicate these stellar results and confirm Cortadera as a stand-alone deposit.

Is your ASX listed company doing something interesting ? Contact : matt.birney@businessnews.com.au [8]

Article Tags

Category: [Bulls N' Bears \(Sponsored Content\)](#) [9] [Announcements](#) [10]

Companies: [Hot Chili](#) [6]

People: [Christian Easterday](#) [7]

Source URL: <https://www.businessnews.com.au/article/Hot-Chili-raises-5m-to-progress-porphyry-copper-gold-strategy>

Links:

[1] <https://www.businessnews.com.au/Author/Matt-Birney>

[2] <https://www.facebook.com/sharer/sharer.php?u=https://www.businessnews.com.au/article/Hot-Chili-raises-5m-to-progress-porphyry-copper-gold-strategy>

[3] <https://twitter.com/intent/tweet?text=Hot+Chili+raises+%245m+to+progress+porphyry+copper-gold+strategy+&url=https://www.businessnews.com.au/article/Hot-Chili-raises-5m-to-progress-porphyry-copper-gold-strategy>

[4] <http://www.linkedin.com/shareArticle?mini=true&url=https://www.businessnews.com.au/article/Hot-Chili-raises-5m-to-progress-porphyry-copper-gold-strategy>

[5] <https://www.businessnews.com.au/print/node/399520>

[6] <https://www.businessnews.com.au/Company/Hot-Chili>

[7] <https://www.businessnews.com.au/Person/Christian-Easterday>

[8] <mailto:matt.birney@businessnews.com.au>

[9] <https://www.businessnews.com.au/Category/Bulls-N-Bears-Sponsored-Content>

[10] <https://www.businessnews.com.au/Category/Announcements>