Quarterly Report

Period Ending 30th June 2022

Highlights

Costa Fuego Delivers Outstanding Copper-Gold Drill Results

- **552m grading 0.6% CuEq** (0.4% Cu, 0.2g/t Au, from 276m depth down-hole **(Cortadera)**
  including **248m grading 0.8% CuEq** (0.6% Cu, 0.2g/t Au, from 574m depth
- **658m grading 0.6% CuEq** (0.4% Cu, 0.2g/t Au) from 232m depth down-hole **(Cortadera)**
  including ***134m grading 0.8% CuEq*** *(0.6% Cu, 0.2g/t Au) from 470m depth* down-hole
  including ***130m grading 0.9% CuEq*** *(0.6% Cu, 0.2g/t Au) from 662m depth*
- **484m grading 0.5% CuEq** (0.4% Cu, 0.1g/t Au) from 548m depth down-hole **(Cortadera)**
  including ***56m grading 1.0% CuEq*** *(0.8% Cu, 0.3g/t Au) from 644m depth,*
- **45m grading 1.2% CuEq** (1.0% Cu, 0.2g/t Au) from 280m depth downhole **(Productora)**
  including ***8m grading 3.6% CuEq*** *(3.0% Cu, 0.8g/t Au)*
- **39m grading 1.1% CuEq** (1.0% Cu, 0.1g/t Au) from 36m depth downhole **(Productora)**
  including ***12m grading 1.5% CuEq*** *(1.4% Cu, 0.2g/t Au)*

Development Study Drilling Complete & Exploration Drilling Continues

Drilling Underway Across High Grade Satellite Deposits at San Antonio & Valentina

Pre-feasibility Study Expanded and On-Track for Q1 2023

Cash Position of A$23.6 million at end of Q2, fully funded into late 2023

** Copper Equivalent (CuEq) reported for the drill holes at Cortadera were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery) + (Mo ppm × Mo price per g/t × Mo_recovery) + (Au ppm × Au price per g/t × Au_recovery) + (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Costa Fuego, the average Metallurgical Recoveries combine leach and flotation and were: Cu=83%, Au=53%, Mo=69%, and Ag=23%.*

Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, Western Australia 6953
P: +61 8 9315 9009 **F:** +61 8 9315 5004
www.hotchili.net.au

Contact
Mr Christian Easterday
Managing Director
E: admin@hotchili.net.au

For personal use only

For personal use only

SUMMARY OF OPERATIONAL ACTIVITIES

Development Study Drilling Boosts High Grade Growth Potential at Cortadera

A significant drilling programme dedicated toward the collection of metallurgical, hydrological, and geotechnical data for the company's Pre-feasibility Study (PFS) was completed during the quarter.

Assay results from this programme have exceeded expectation and confirmed further high grade growth ahead of a planned resource upgrade for Costa Fuego later this year.

A total of six development study diamond drill holes have been completed at Cortadera this year.

Stand-out drill results reported from Cortadera during the quarter include:

- **552m grading 0.6% CuEq** (0.4% Cu, 0.2g/t Au, from 276m depth down-hole **(CORMET003)**
  including **248m grading 0.8% CuEq** (0.6% Cu, 0.2g/t Au, from 574m depth
- **658m grading 0.6% CuEq** (0.4% Cu, 0.2g/t Au) from 232m depth down-hole **(CORMET005)**
  including ***134m grading 0.8% CuEq*** *(0.6% Cu, 0.2g/t Au) from 470m depth* down-hole
  including ***130m grading 0.9% CuEq*** *(0.6% Cu, 0.2g/t Au) from 662m depth*
- **484m grading 0.5% CuEq** (0.4% Cu, 0.1g/t Au) from 548m depth down-hole **(CORMET004)**
  including ***56m grading 1.0% CuEq*** *(0.8% Cu, 0.3g/t Au) from 644m depth,*
  and including 206m grading 0.7% CuEq (0.5% Cu, 0.2g/t Au) from 800m depth.

All four development study drill holes reported from the main porphyry at Cortadera (Cuerpo 3) confirm expansion of the high-grade core.

Results from drill hole COREMTE001 also outperformed expectation with the hole ending in 6m grading 0.6% copper below the current mineral resource extent of Cuerpo 1.

CORMET003 (775m depth down-hole) – 0.8% copper, 0.1g/t gold, 1.7g/t silver and 510ppm molybdenum. Planar and continuous, chalcopyrite-pyrite-molybdenite-bearing, B-type quartz vein hosted in sericite-chlorite-(biotite) altered early-mineralization tonalite porphyry.

For personal use only

Metallurgical Drilling at Productora Records Strong Intersections

Four diamond drillholes have been completed for metallurgical testwork across the Productora resource (three into the Productora central pit area and one into the Alice satellite pit area).

The goal of this testwork is to confirm the processing flowsheet (based on work completed since the 2016 Productora PFS), with a particular focus on material that will be extracted in the first three years of production at Productora.

While only the intervals to be used in the metallurgical testwork program have been assayed, every hole drilled achieved impressive intersections, including:

- **45m grading 1.2% CuEq*** (1.0% Cu, 0.2g/t Au) from 280m **(MET027 - Productora)**

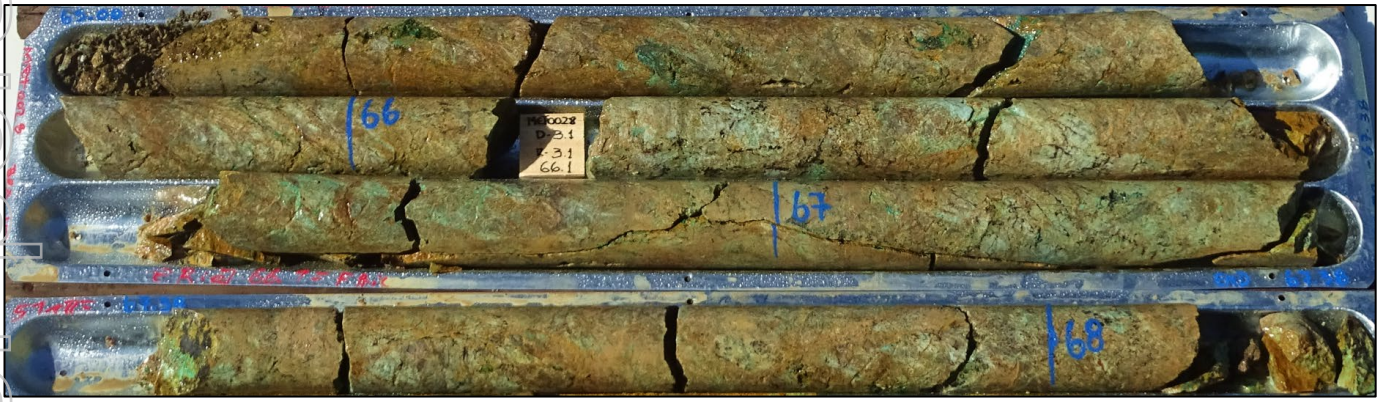
  *including **8m grading 3.6% CuEq*** (3.0% Cu, 0.8g/t Au) from 280m*
- **39m[1] grading 1.1% CuEq*** (1.0% Cu, 0.1g/t Au) from 46m **(MET028 – Alice porphyry)**

  *including **12m grading 1.5% CuEq*** (1.4% Cu, 0.2g/t Au)*

  ([1]including 3m unsampled outside of metallurgical test area) from 60m
- **39m 0.9% CuEq*** (0.7% Cu, 0.2g/t Au) from 141m **(MET026 – Productora)**
- **39m 0.8% CuEq*** (0.7% Cu, 0.2g/t Au) from 78m **(MET025 – Productora)**

** Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Productora, the average Metallurgical Recoveries combine leach and flotation and were: Cu=84%, Au=47%, Mo=47%, and Ag=0%.*

The intersection in MET028 is particularly exciting as it is located near-surface in the higher-grade Alice porphyry satellite pit.



MET028 (65m to 68m depth down-hole) near-surface, high-grade, copper-oxide drill intersection through Alice felsic porphyry host rock with 5 to 10% A-B vein abundance.

Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, Western Australia 6953
P: +61 8 9315 9009 **F:** +61 8 9315 5004
www.hotchili.net.au

Contact
Mr Christian Easterday
Managing Director
E: admin@hotchili.net.au

Resource Definition Drilling Underway at San Antonio and Valentina

A total of 27 drill holes have been completed at the high grade Valentina copper mine during the quarter. Initial drilling confirmed a strong visual drilling intersection approximately 120m south of the underground mine workings. Drilling is being finalised shortly and first assay results from this programme are expected shortly.

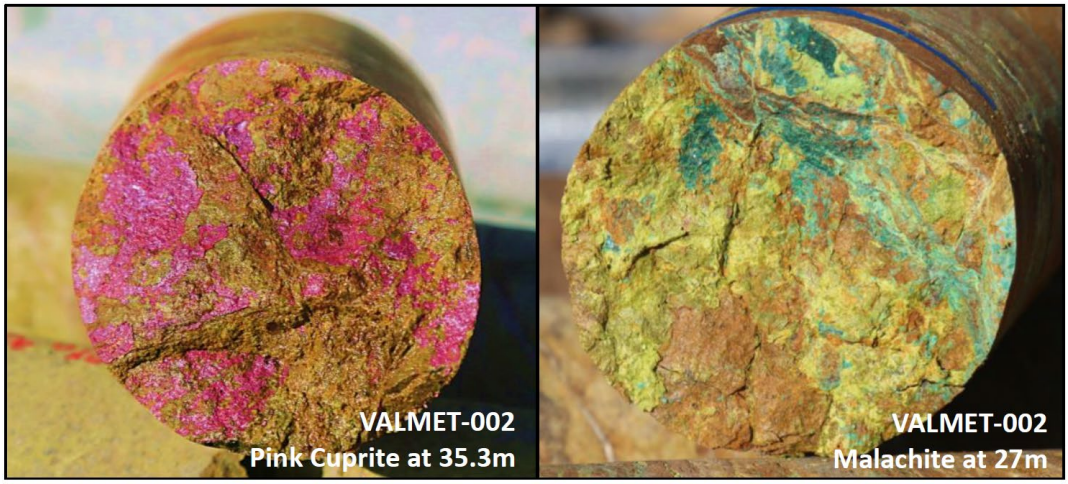
Work is underway to create detailed geological and mineralisation models to asses the resource potential of Valentina ahead of a maiden Mineral Resource estimate later this year.

A further 9 drill holes are complete at the San Antonio high grade satellite resource during the quarter. Assay results are pending and four holes remaining to be drilled.

San Antonio's maiden Inferred resource, reported in March 2022, extends from surface and already stands at 4.2Mt grading 1.2% CuEq (1.1% Cu, 2.1g/t Ag) for 48kt Cu and 287koz Ag.

Drilling at San Antonio is designed to upgrade the categorisation of the resource from Inferred to Indicated, as well as testing for down-plunge mineralisation extensions.

Both high-grade satellite deposits will be included in the next Mineral Resource upgrade and subsequent PFS open pit mine schedule, expected in Q1 2023.



Oxide and secondary sulphide minerals clearly visible in drill core from Valentina

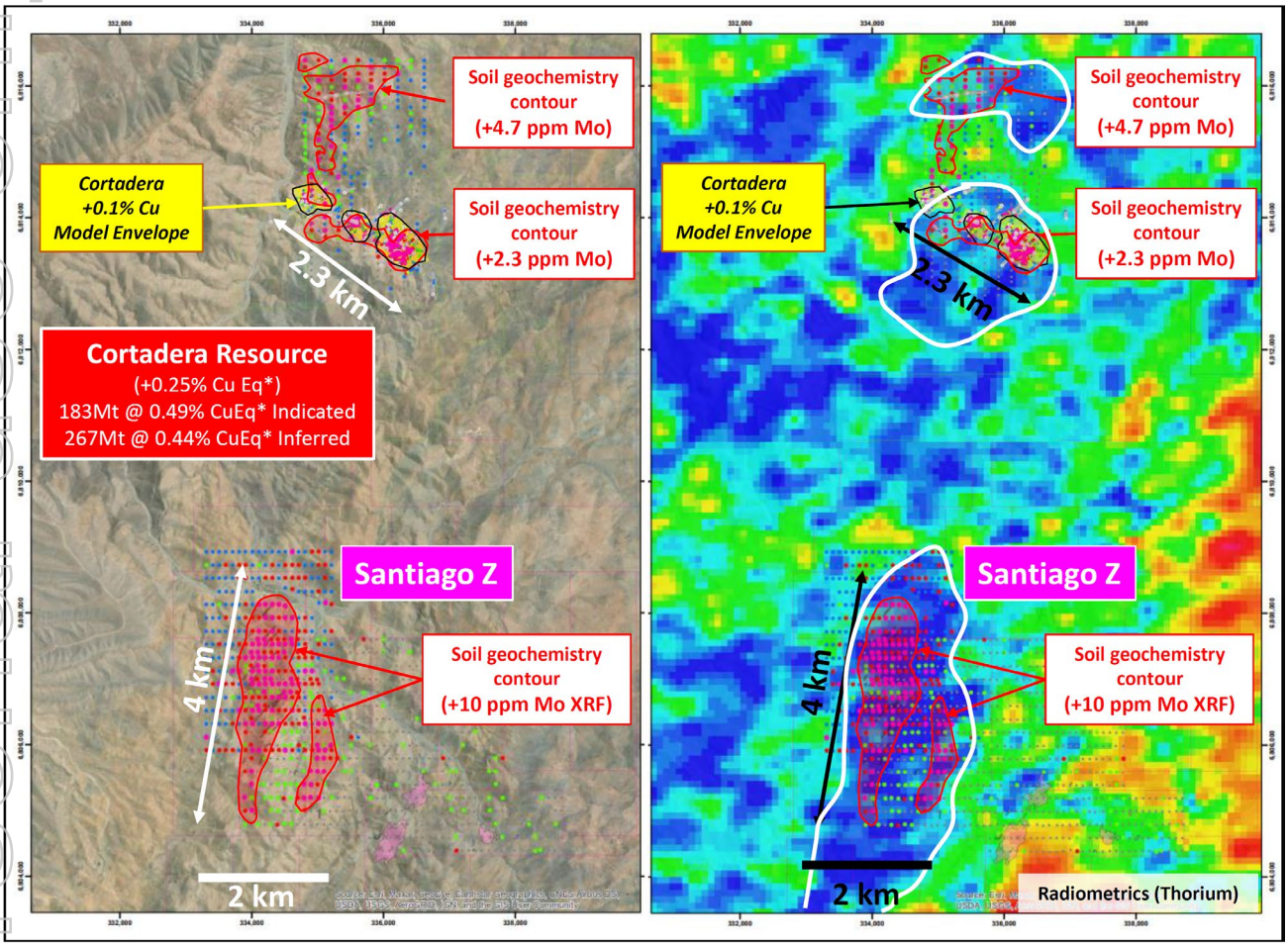
For personal use only

Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, Western Australia 6953
P: +61 8 9315 9009 **F:** +61 8 9315 5004
www.hotchili.net.au

Contact
Mr Christian Easterday
Managing Director
E: admin@hotchili.net.au

Regional Exploration Update

Platform and access clearing across the Santiago Z exploration target were completed this quarter and Hot Chili is poised to commence first-ever drilling on the 4km long by 2km wide potential porphyry footprint in early August.



The Santiago Z exploration target in the context of the deposits at Cortadera.

PFS Expansion and Updated Timeline

Pre-feasibility studies (PFS) are now expected in Q1 2023 following an expansion to capture additional metallurgical testwork opportunities across all deposits at Costa Fuego and an extension of preliminary mine planning to allow the incorporation of new resource growth from drilling in 2022.

Technical drilling for the development study is complete and the Company has reduced its drilling operations from three drill rigs (5-shifts of drilling per day) to one drill rig (1-shift of drilling per day) along with implementing other cost rationalisation initiatives.

The revised timeline ensures the company is now fully funded into late 2023.

For personal use only

Hot Chili Limited ACN 130 955 725
First Floor, 768 Canning Highway, Applecross, Western Australia 6153
PO Box 1725, Applecross, Western Australia 6953
P: +61 8 9315 9009 **F:** +61 8 9315 5004
www.hotchili.net.au

Contact
Mr Christian Easterday
Managing Director
E: admin@hotchili.net.au

For personal use only

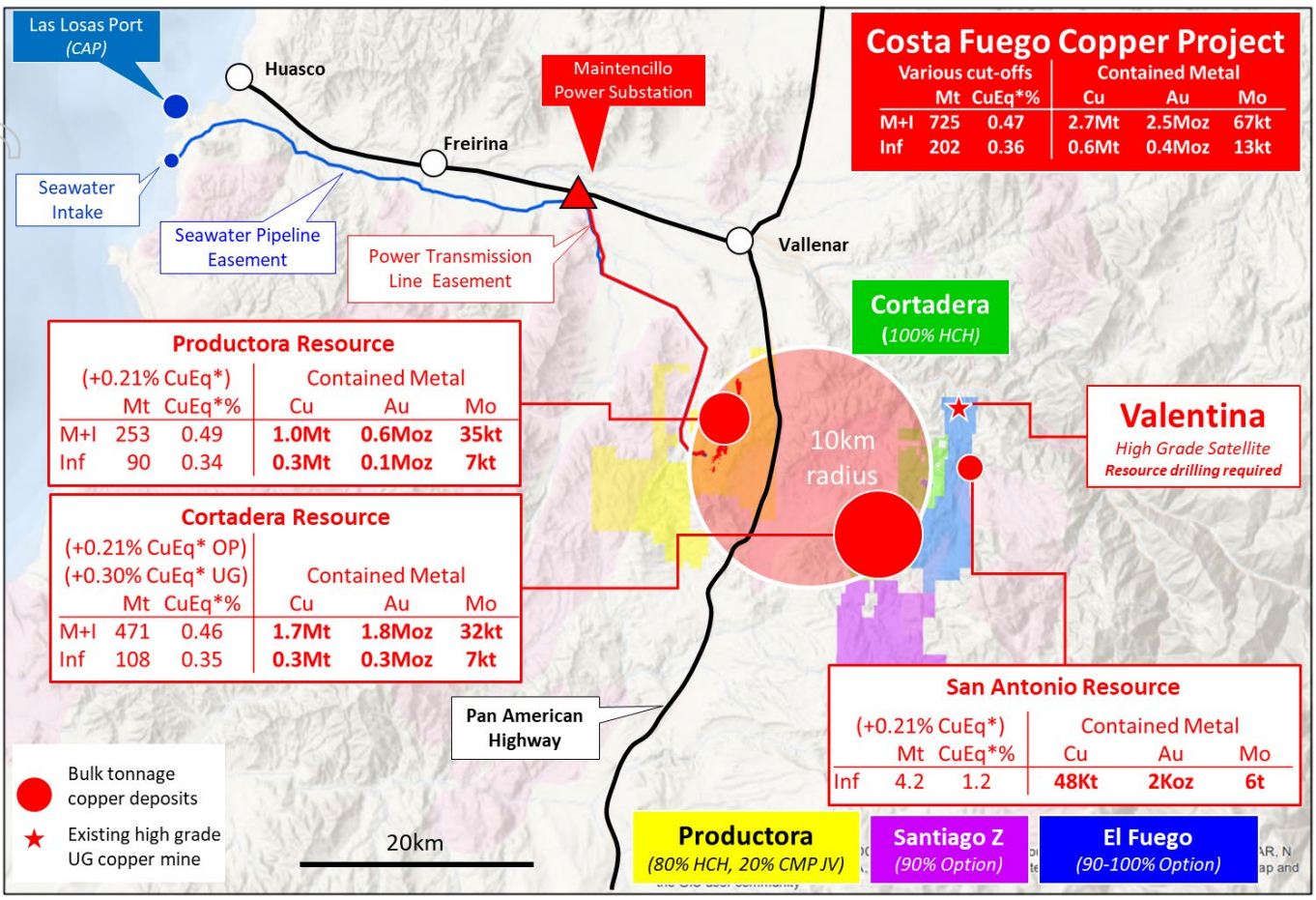


Figure 1 Location of Productora, Cortadera and San Antonio deposits in relation to the coastal range infrastructure of Hot Chili's combined Costa Fuego copper project, located 600km north of Santiago in Chile

Refer to ASX Announcement "Costa Fuego Becomes a Leading Global Copper Project" (12th October 2020) for JORC Table 1information related to the Cortadera JORC compliant Mineral Resource estimate by Wood and the Productora re-stated JORCcompliant Mineral Resource estimate by AMC Consultants.

** Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery) + (Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz.*

For Costa Fuego, the average Metallurgical Recoveries combine leach and flotation and were: Cu=83%, Au=53%, Mo=69%, and Ag=23%. For Productora, the average Metallurgical Recoveries combine leach and flotation and were: Cu=84%, Au=47%, Mo=47%, and Ag=0%. For Cortadera, the average Metallurgical Recoveries combine leach and flotation and were: Cu=82%, Au=55%, Mo=82%, and Ag=37%. For San Antonio, the average Metallurgical Recoveries were: Cu=88%, Au=72%, Mo=88%, and Ag=69%.

*** Reported on a 100% Basis - combining Cortadera and Productora Mineral Resources using a +0.25% CuEq reporting cut-off grade*

For personal use only

Table 1 Significant Drill Results Reported for Cortadera in Q2 2022

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Silver	Moly	CuEq*
	North	East	RL				From	To	(m)	(%)	(g/t)	(g/t)	(ppm)	(%)
CORMET003	6813372	336123	1068	59	-60	1023	276	828	552	0.4	0.2	0.8	89	0.6
						including	574	822	248	0.6	0.2	1.1	179	0.8
CORMET001	6814269	334736	976	74	-60	350	86	156	70	0.5	0.1	1.1	11	0.6
						-	222	350	128	0.2	0.0	0.6	14	0.3
						including at end-of-hole	344	350	6	0.6	0.0	1.4	4	0.6
CORMET005	6813534	336171	1066	352	-69.2	951.6	232	890	658	0.4	0.2	0.8	122	0.6
						-	470	604	134	0.6	0.2	0.9	181	0.8
						-	662	792	130	0.6	0.2	1.1	253	0.9
						-	690	750	60	0.8	0.4	1.3	238	1.2
						-	690	720	30	1.1	0.5	1.6	165	1.4
CORMET002	6813867	335534	992	0	-60	370	0	370	370	0.3	0.1	0.6	8	0.4
						including	24	44	20	0.6	0.4	1.0	5	0.8
						and including	136	158	22	0.8	0.5	1.8	4	1.0
						and including	222	272	50	0.4	0.1	0.9	9	0.4
CORMET004	6813819	336428	1094	218	-64	1126	548	1032	484	0.4	0.1	0.6	94	0.5
						including	644	700	56	0.8	0.3	1.1	48	1.0
						and including	800	1006	206	0.5	0.2	0.7	173	0.7
						or including	878	922	44	0.8	0.3	1.1	131	1.0

Significant intercepts are calculated above a nominal cut-off grade of 0.2% Cu. Where appropriate, significant intersections may contain up to 30m down-hole distance of internal dilution (less than 0.2% Cu). Significant intersections are separated where internal dilution is greater than 30m down-hole distance. The selection of 0.2% Cu for significant intersection cut-off grade is aligned with marginal economic cut-off grade for bulk tonnage polymetallic copper deposits of similar grade in Chile and elsewhere in the world.

Down-hole significant intercept widths are estimated to be at or around true-widths of mineralization.

** Copper Equivalent (CuEq) reported for the drill holes at Cortadera were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera, the average Metallurgical Recoveries combine leach and flotation and were: Cu=82%, Au=55%, Mo=82%, and Ag=37%.*

Table 2 Significant Drill Results Reported for Productora in Q2 2022

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Molybdenum	CuEq*
	North	East	RL				From	To	(m)	(%)	(g/t)	(ppm)	(%)
MET025	6820931	323027	884	90	-60	280	39	66	27	0.5	0.2	92	**0.7**
							78	117	39	0.7	0.2	136	**0.8**
							129	139	10	0.5	0.1	169	**0.6**
							159	168	9	0.5	0.1	117	**0.6**
							246	256	10	0.5	0.1	64	**0.6**
MET026	6822284	323426	816	90	-60	260	93	111	18	0.4	0.1	193	**0.5**
							120	129	9	0.4	0.1	33	**0.5**

Table 2 (continued) Significant Drill Results Reported for Productora in Q2 2022

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Molybdenum	CuEq*
	North	East	RL				From	To	(m)	(%)	(g/t)	(ppm)	(%)
MET027	6821389	323082	858	90	-62	394.6	36	61	25	0.4	0.1	159	**0.5**
							100	135	35	0.4	0.1	228	**0.5**
						including	122	128	6	1.2	0.2	770	**1.5**
							247	271	24	0.5	0.1	209	**0.6**
							280	325	45	1.0	0.2	225	**1.2**
						including	280	288	8	3.0	0.8	699	**3.6**
MET028	6822576	322851	790	270	-59	250.1	46	85	39	1.0	0.1	31	**1.1**
						including	60	72	12	1.4	0.2	37	**1.5**
							105	115	10	0.5	0.0	71	**0.6**
							132	142	10	0.5	0.0	36	**0.5**
							165	175	10	0.3	0.0	175	**0.4**
PRF001	6821677	323055	837	264.7	-68.87	451	34	180	146	0.1	0.0	4	**0.1**
						including	57	60	3	0.3	0.3	4	**0.4**
						and including	116	120	4	0.1	0.3	4	**0.2**
						and including	176	180	4	0.1	0.3	3	**0.3**
PRF003	6821398	322916	825	38.57	-60.24	326	20	120	100	0.1	0.1	21	**0.1**
						including	24	50	26	0.1	0.3	12	**0.2**
							236	290	54	0.1	0.1	4	**0.1**
						including	236	239	3	0.8	0.5	7	**1.1**
							290	326	36	0.2	0.1	7	**0.2**
						including	290	302	12	0.4	0.1	11	**0.4**
PRF004	6821398	322916	825	270.87	-61.05	321	26	30	4	0.1	0.9	52	**0.5**
							37	93	56	0.1	0.1	19	**0.2**
						including	81	91	10	0.3	0.1	28	**0.3**
							162	165	3	0.2	0.2	11	**0.3**
PRF005	6821989	323069	810	88.34	-79.14	504	270	272	2	0.3	0.1	6	**0.3**
							314	320	6	0.2	0.1	7	**0.2**
PRF006	6822161	323154	794	91.58	-59.49	373	20	124	104	0.1	0.0	14	**0.1**
						including	22	30	8	0.2	0.0	1	**0.2**
						including	43	51	8	0.2	0.1	36	**0.2**
						and including	92	95	3	0.3	0.1	44	**0.3**
							344	347	3	0.4	0.0	90	**0.4**
PRF008	6822349	323033	772	102.83	-58.43	432	50	58	8	0.2	0.1	10	**0.2**
						including	50	52	2	0.4	0.2	25	**0.4**
PRF009	6822608	323120	762	251.2	-59.5	432	246	278	32	0.1	0.0	3	**0.1**

Significant intercepts are calculated above a nominal cut-off grade of 0.1% Cu. Where appropriate, significant intersections may contain up to 30m down-hole distance of internal dilution (less than 0.1% Cu). Significant intersections are separated where internal dilution is greater than 30m down-hole distance. The selection of 0.1% Cu for intersection cut-off grade above is selected on the basis of exploration significance and is not meant to represent potential marginal economic cut-off grade for bulk tonnage polymetallic copper deposits of similar grade in Chile and elsewhere in the world.

Down-hole significant intercept widths are estimated to be at or around true-widths of mineralisation

** Copper Equivalent (CuEq) reported for the drill holes at Productora were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery) + (Mo ppm × Mo price per g/t × Mo_recovery) + (Au ppm × Au price per g/t × Au_recovery) + (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Productora, the average Metallurgical Recoveries combine leach and flotation and were: Cu=84%, Au=47%, Mo=47%, and Ag=0%.*

For personal use only

Table 3 Details of all Drillholes Completed at Costa Fuego in Q2 2022

Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Dip	Azimuth	Results
Q2 2022	La Negrita	PRF015a	321202	6823500	620	18	-60	240	NSR
Q2 2022	La Negrita	PRF015	321202	6823501	620	300	-60	240	NSR
Q2 2022	La Negrita	PRF016	321197	6823500	620	354	-58	59	NSR
Q2 2022	La Negrita	PRF017	321397	6823998	617	400	-60	62	NSR
Q2 2022	Productora	MET025	6820931	323027	884	280	-60	90	Significant result returned Q3
Q2 2022	Productora	MET026	6822284	323426	816	260	-60	90	Significant result returned Q3
Q2 2022	Productora	MET027	6821389	323082	858	394.6	-62	90	Significant result returned Q3
Q2 2022	Alice	MET028	6822576	322851	790	250.1	-59	270	Significant result returned Q3
Q2 2022	Cuerpo 1	CRP0191	6814024	334872	939	264	-70	72	NSR
Q2 2022	Cuerpo 1	CRP0192	6814104	334632	929	258	-60	80	NSR
Q2 2022	Cuerpo 1	CRP0193	6814021	334874	935	296	-61	203	NSR
Q2 2022	Cuerpo 3	CRP0194	6813389	335930	1096	180	-82	123	NSR
Q2 2022	Cuerpo 3	CRP0195	6813193	336161	1132	250	-60	250	NSR
Q2 2022	Cuerpo 3	CRP0196	6813068	336258	1153	360	-75	93	NSR
Q2 2022	Cuerpo 3	CORMET-004	6813819	336428	1094	1126	-64	218	Significant result returned Q3
Q2 2022	Valentina	VAP0004	6823548	342835	947	260	-61	90	Significant result returned Q3
Q2 2022	Valentina	VAP0005	6823584	342877	934	41	-61	90	NSR
Q2 2022	Valentina	VAP0006	6823584	342875	934	250	-74	90	NSR
Q2 2022	Valentina	VAP0007	6823604	342876	934	48	-75	91	Significant result returned Q3
Q2 2022	Valentina	VAP0008	6823491	342903	926	200	-60	90	NSR
Q2 2022	Valentina	VAP0009	6823439	342916	944	200	-60	90	Significant result returned Q3
Q2 2022	Valentina	VAP0010	6823507	342967	932	80	-80	88	NSR
Q2 2022	Valentina	VAP0011	6823462	342942	943	150	-59	88	Significant result returned Q3
Q2 2022	Valentina	VAP0012	6823810	342896	886	200	-59	90	NSR
Q2 2022	Valentina	VAP0013	6823407	342903	945	156	-60	120	Pending
Q2 2022	Valentina	VAP0014	6823505	342957	927	150	-60	269	Pending
Q2 2022	Valentina	VAP0015	6823551	342932	910	150	-58	284	Pending
Q2 2022	Valentina	VAP0016	6823431	342920	945	5	-57	131	Pending
Q2 2022	Valentina	VALMET-001	6823543	342890	925	29	-60	90	Pending
Q2 2022	Valentina	VALMET-002	6823436	342915	944	70	-60	89	Pending
Q2 2022	San Antonio	SAP0042	6819270	342486	1204	150	-80	89	Significant result returned Q3
Q2 2022	San Antonio	SAP0043	6818902	342555	1182	162	-80	271	NSR
Q2 2022	San Antonio	SAP0044	6818761	342438	1208	170	-59	239	Significant result returned Q3
Q2 2022	San Antonio	SAP0045	6818978	342509	1201	85	-61	360	NSR
Q2 2022	San Antonio	SAP0046	6818628	342432	1192	250	-85	346	NSR
Q2 2022	San Antonio	SAP0047	6818793	342448	1213	200	-76	197	Significant result returned Q3
Q2 2022	San Antonio	SAP0048	6818509	342288	1233	100	-58	330	Significant result returned Q3
Q2 2022	San Antonio	SAP0049	6818601	342317	1235	120	-60	15	Significant result returned Q3
Q2 2022	San Antonio	SAP0050	6819258	342584	1157	160	-65	269	NSR
Q2 2022	San Antonio	SAPMET-001	6818913	342555	1178	165	-60	330	Pending
Q2 2022	San Antonio	SAPMET-002	6818824	342424	1211	130	-60	255	Pending
Q2 2022	San Antonio	SAPMET-003	6818628	342432	1192	200	-61	321	Pending

Note 1: NSR – no significant intersection recorded

For personal use only

For personal use only

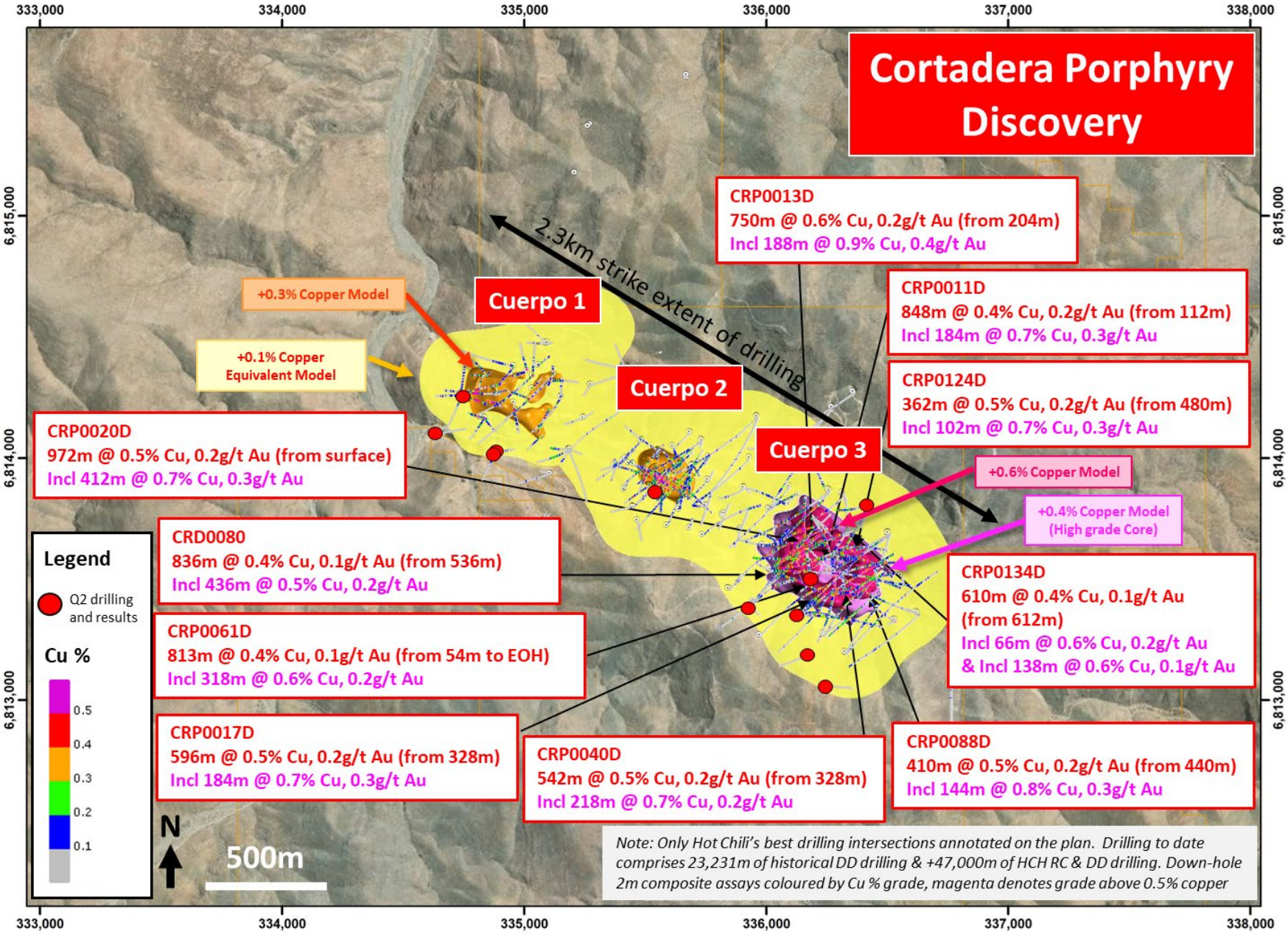


Figure 2. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 1, 2 and 3 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow- +0.1% Cu, orange +0.3% Cu, pink +0.4% and magenta +0.6% Cu). Note the collar locations of HCH drilling (red) during the quarter

For personal use only

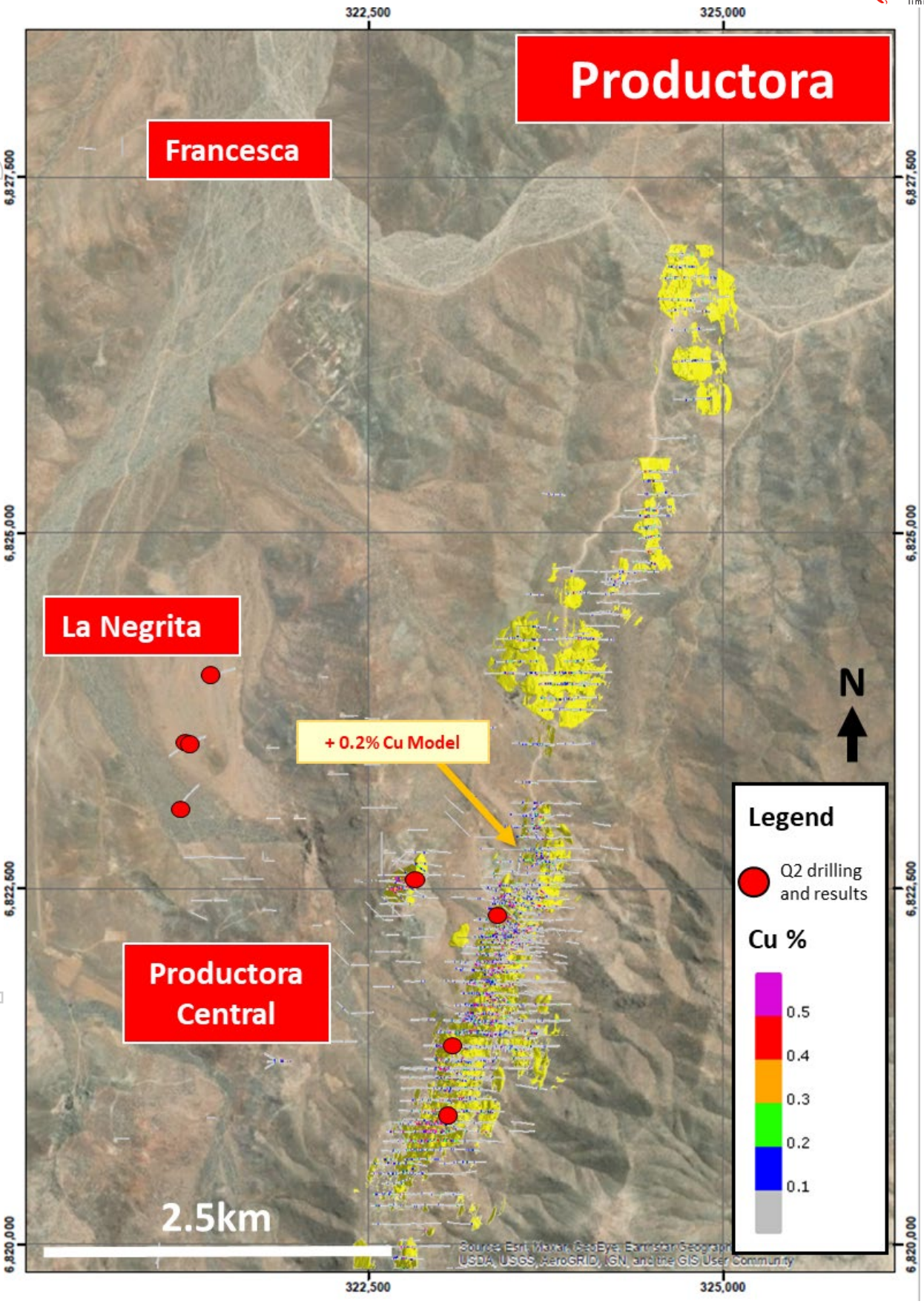


Figure 3 Plan view across the Productora tenements displaying the modelled 0.2% Cu model in yellow and the collar locations of exploration drilling during the quarter in red.

For personal use only

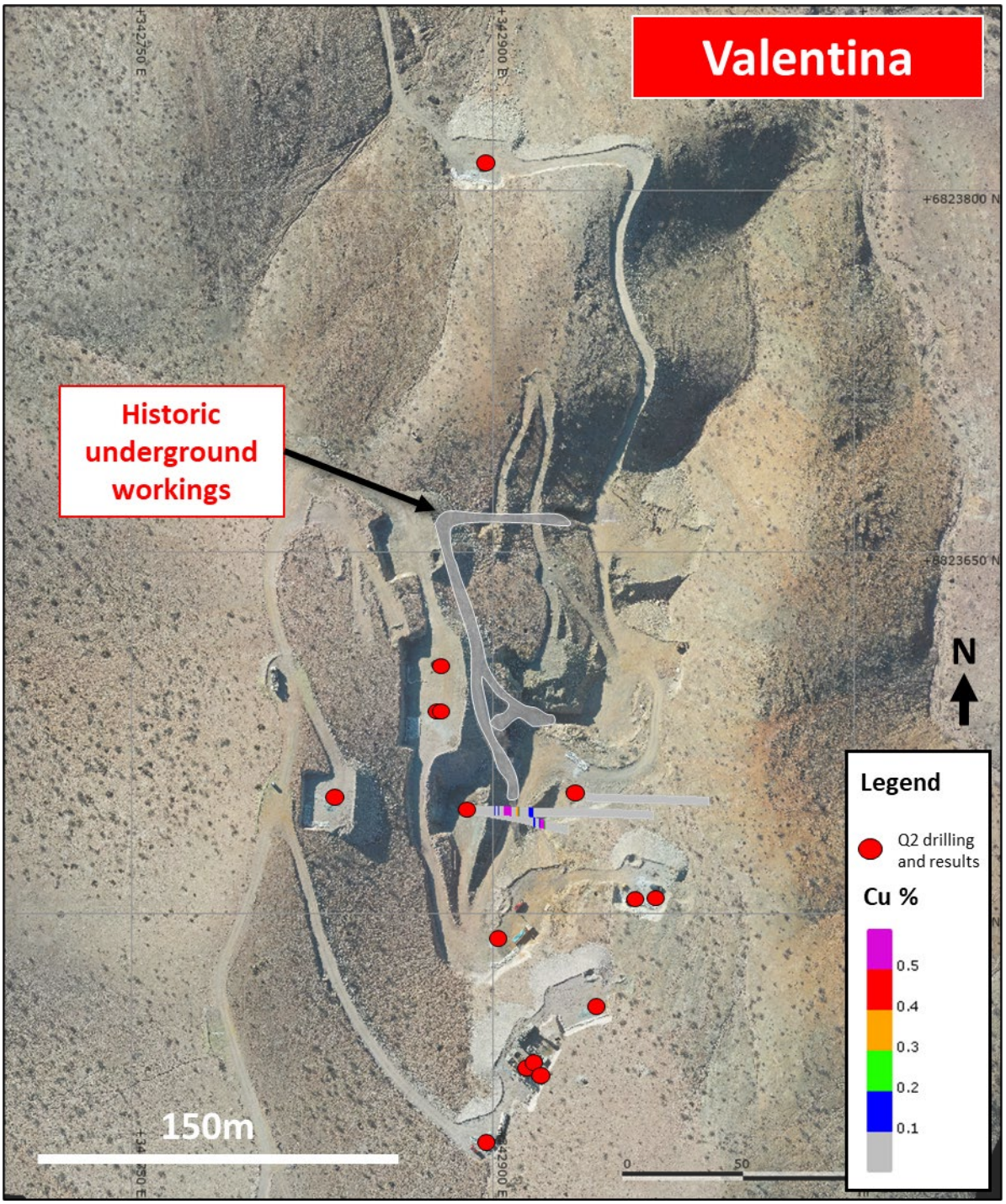


Figure 4 Plan view across the Valentina tenements displaying the underground drives superimposed on the topography and the collar locations of exploration drilling during the quarter in red.

For personal use only

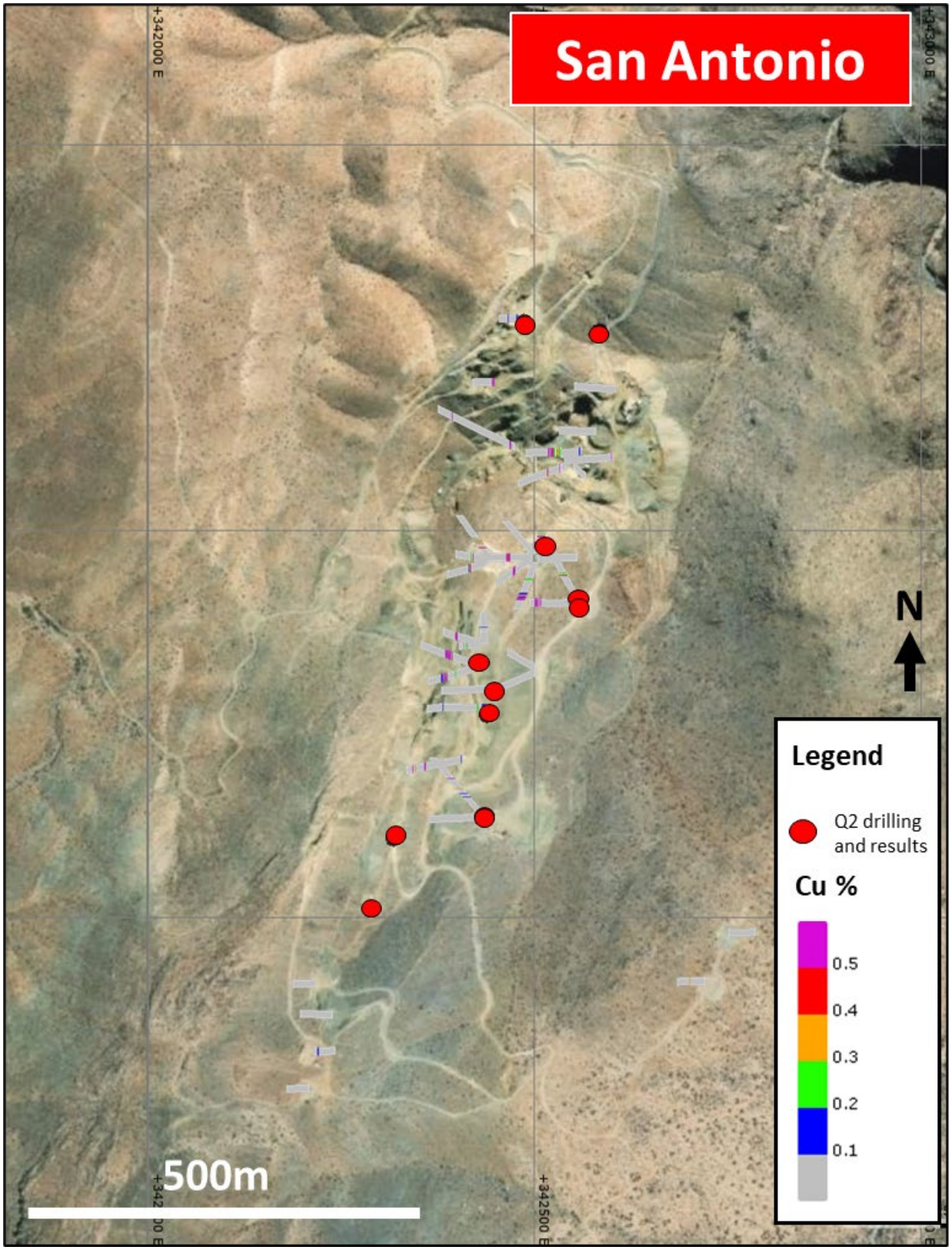


Figure 5 Plan view across the San Antonio tenements displaying the assayed drillholes at the deposit and the collar locations of exploration drilling during the quarter in red.

For personal use only

SUMMARY OF CORPORATE ACTIVITIES

Summary of Options Exercised

The Quarter saw the expiry of a tranche of $1.25 Options. 2,491,477 options were exercised during the quarter under review. Inflows for the quarter from option conversion was $3,114,346. The number of securities that expired without exercise was 2,691,307, or 45% of the options issued.

Filing of NI 43-1-1 Technical Report for Costa Fuego Copper-Gold Project in Chile

The Company has filed with the Canadian Securities Administrators a National Instrument 43-101 Technical Report ("The Report") for its Costa Fuego copper-gold project in Chile. The Report titled "Resource Report For the Costa Fuego Copper Project Located in Atacama, Chile Technical Report NI43-101" and dated May 13, 2022, with an effective date of March 31 2022, was prepared pursuant to Canadian National Instrument 43-101. It is available for review on both SEDAR (www.sedar.com) and the Company's website (www.hotchili.net.au).

Issuance of Shares for Convertible Notes

The Company issued 33,704 ordinary fully paid shares during the quarter to certain holders of convertible notes on conversion of 555 Convertible Notes issued on 22 June 2017 and 8 September 2017. The deemed price for the conversion of notes was $1.6665 per share as per the terms and conditions of the notes.

Maturity of Convertible Notes and Interest Payment

During the quarter, the Company issued 6,473,671 ordinary fully paid shares to holders of convertible notes on final maturity of 59,758 Convertible Notes issued on 22 June 2017 and 8 September 2017. The deemed price for the conversion of notes was $0.92309 per share as per the terms and conditions of the notes.

A further 114,455 fully paid ordinary shares in the company, at the deemed issue price of $0.92309 each, were issued in settlement of accrued interest in the amount of $105,658.

For personal use only

Additional ASX Disclosure Information

ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.3: Schedule of Mineral Tenements as at 30 June 2022

The schedule of Mineral Tenements and changes in interests is appended at the end of this activities report.

ASX Listing Rule 5.3.4: Reporting under a use of funds statement in a Prospectus does not apply to the Company currently.

ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B totaled $3,220,062. This is comprised of directors' salaries and superannuation of $155,795. and payments to Blue Spec Sondajes, a company controlled by Mr Murray Black, former chairman of Hot Chili Limited, for rents of $6,682 and drilling services of $3,057,585.

ASX Waivers. The Company applied for and was granted a waiver for the issue of up to 167,090 shares to unrelated parties and up to 14,996 shares to related parties in consideration for the payment of interest of 8% per annum on Convertible Notes, payable quarterly through the issue of shares ("Interest Shares") over the 12 month period from the date of the Company's Annual General Meeting held 14 December 2021 in respect to the quarters ending on 31 December 2021, 31 March 2022 and the period to 22 June 2022. Interest Shares issued during the quarter:

	Unrelated party interest shares	Related party interest shares.	Total interest shares
Issued pursuant to the interest payable on Maturity of Notes for the 30 June 2022 quarter	109,522	4,933	114,455
Interest Shares Remaining to be Issued 30 June 2022	0	0	0

For personal use only

Health, Safety, Environment and Quality

Hot Chili's sustainability framework ensures an emphasis on business processes that target long-term economic, environmental and social value. The Company is dedicated to continual monitoring and improvement of health, safety and the environmental systems.

Importantly, the Company has implemented COVID safety measures and procedures to ensure the safety of its staff, consultants and contractors during these challenging times. This has been critical in allowing for continuation of drilling and other field activities during the quarter.

The Company has refined these protocols and ensured adequate manning of each operational shift to maintain strong productivity at its operations, there is no greater importance than ensuring the safety of our people and their families.

No safety incidents were recorded this quarter. Field operations during the period including geological reconnaissance activities, RC and diamond drilling, core-testing and logging, field mapping, and sampling exercises across the Cortadera, El Fuego and Productora landholdings. El Fuego field activities are run from the Cortadera operations centre and safety statistics are combined for reporting.

The Company's HSEQ quarterly performance is summarised below:

Table 4 HSEQ Quarter 2 2022 Performance and Statistics

Deposit	Productora	Cortadera	Valentina	San Antonio
Timeframe	April – June, 2022			
LTI events	0	0	0	0
NLTI events	0	0	0	0
Days lost	0	0	0	0
LTIFR index	0	72	0	0
ISR index	0	252	0	0
IFR Index	0	108	0	0
Thousands of mh (1)	11.4	18.4	6.1	6.8
Incidents on materials and assets	0	0	0	0
Environmental incidents	0	0	0	0
Headcount (2)	25	53	34	58

For personal use only

Table 4 (continued) HSEQ Quarter 2 2022 Performance and Statistics

Deposit	Productora	Cortadera	Valentina	San Antonio
Timeframe	Cumulative[3]			
LTI events	0	6	0	0
NLTI events	0	3	0	0
Days lost	0	152	0	0
LTIFR index	0	27	0	0
ISR index	0	680	0	0
IFR Index	0	40	0	0
Thousands of mh (1)	37.9	223.7	6.1	6.8
Incidents on materials and assets	0	0	0	0
Environmental incidents	0	0	0	0

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Safety performance is reported on a monthly basis to the National Mine Safety Authority on a standard E-100 form; (1) man-hours; (2) Average monthly headcount (3) Cumulative statistics since April 2019.

For personal use only

Tenement Changes During the Quarter

During the Quarter, there were the following changes to the Company's tenement holdings during the quarter, also shown in Figure 6:

- SM Frontera SpA acquired 100% (with no further commitments or royalties) of the following mining rights for the El Fuego tenements:
    - Doña Felipa 1 al 10.
    - Elenor Rigby 1 al 10.
    - Peggy Sue 1 al 10.
- SM El Aguila added a small lease titled Julieta 1 al 4 to the Productora tenements.

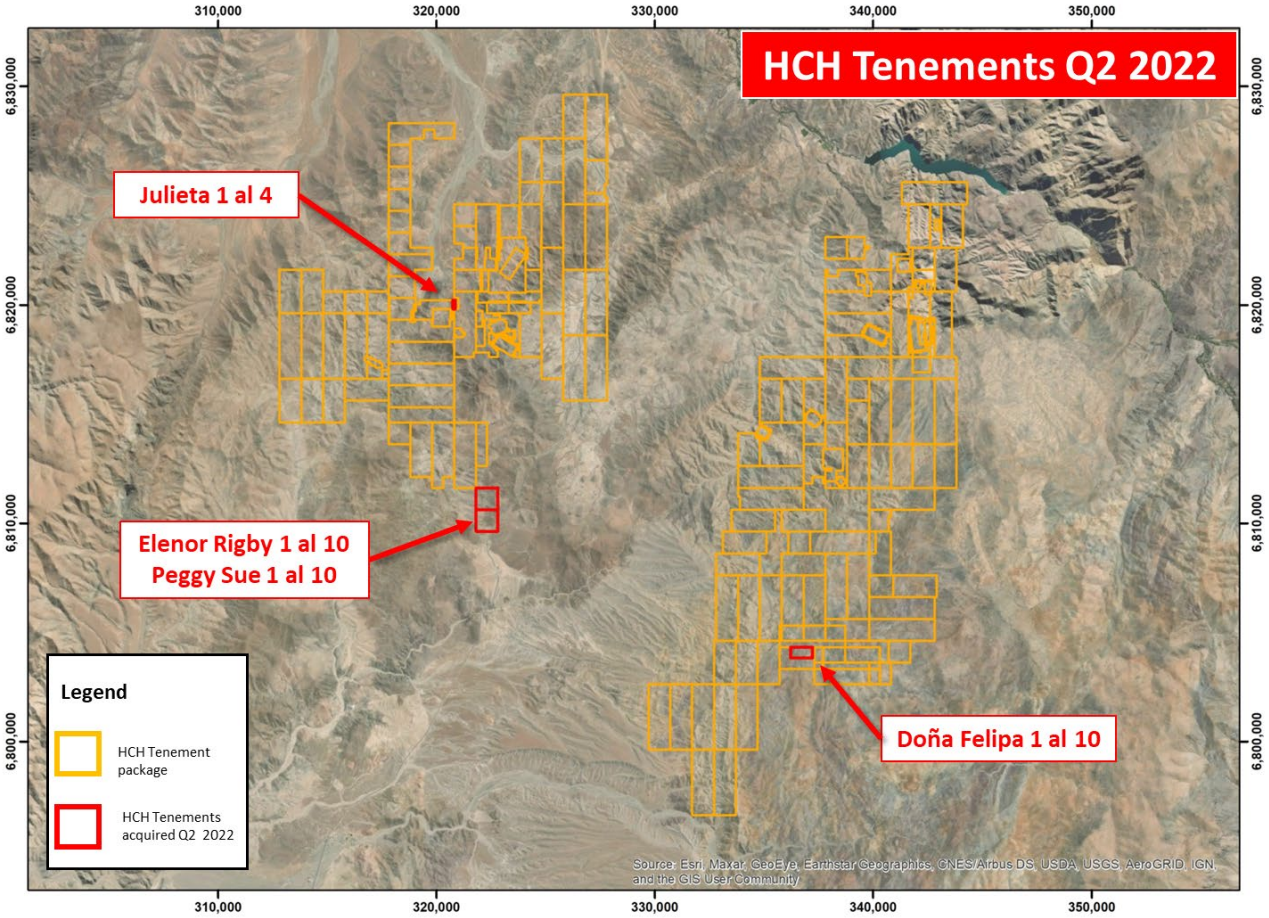


Figure 6. Additional tenements added this quarter to the tenement packages.

For personal use only

Table 5. Current Tenement (Patente) Holdings in Chile as at 30 June 2022

Cortadera Landholding

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
MAGDALENITA 1/20	100% Frontera SpA		100	
ATACAMITA 1/82	100% Frontera SpA		82	
AMALIA 942 A 1/6	100% Frontera SpA		53	
PAULINA 10 B 1/16	100% Frontera SpA		136	
PAULINA 11 B 1/30	100% Frontera SpA		249	
PAULINA 12 B 1/30	100% Frontera SpA		294	
PAULINA 13 B 1/30	100% Frontera SpA		264	
PAULINA 14 B 1/30	100% Frontera SpA		265	
PAULINA 15 B 1/30	100% Frontera SpA		200	
PAULINA 22 A 1/30	100% Frontera SpA		300	
PAULINA 24 1/24	100% Frontera SpA		183	
PAULINA 25 A 1/19	100% Frontera SpA		156	
PAULINA 26 A 1/30	100% Frontera SpA		294	
PAULINA 27A 1/30	100% Frontera SpA		300	
CORTADERA 1 1/200	100% Frontera SpA		200	
CORTADERA 2 1/200	100% Frontera SpA		200	
CORTADERA 41	100% Frontera SpA		1	
CORTADERA 42	100% Frontera SpA		1	
LAS CANAS 16	100% Frontera SpA		1	
LAS CANAS 1/15	100% Frontera SpA		146	
CORTADERA 1/40	100% Frontera SpA		374	
LAS CANAS ESTE 2003 1/30	100% Frontera SpA		300	
CORROTEO 1 1/260	100% Frontera SpA		260	
CORROTEO 5 1/261	100% Frontera SpA		261	
ROMERO 1 al 31	100% Frontera SpA		31	
PURISIMA	100% Frontera SpA		20	

Productora Landholding

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
FRAN 1, 1-60	80% SMEA SpA		220	
FRAN 2, 1-20	80% SMEA SpA		100	
FRAN 3, 1-20	80% SMEA SpA		100	
FRAN 4, 1-20	80% SMEA SpA		100	
FRAN 5, 1-20	80% SMEA SpA		100	
FRAN 6, 1-26	80% SMEA SpA		130	
FRAN 7, 1-37	80% SMEA SpA		176	
FRAN 8, 1-30	80% SMEA SpA		120	
FRAN 12, 1-40	80% SMEA SpA		200	
FRAN 13, 1-40	80% SMEA SpA		200	
FRAN 14, 1-40	80% SMEA SpA		200	
FRAN 15, 1-60	80% SMEA SpA		300	

For personal use only

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
FRAN 18, 1-60	80% SMEA SpA		273	
FRAN 21, 1-46	80% SMEA SpA		226	
ALGA 7A, 1-32	80% SMEA SpA		89	
ALGA VI, 5-24	80% SMEA SpA		66	
MONTOSA 1-4	80% SMEA SpA		35	
CHICA	80% SMEA SpA		1	
ESPERANZA 1-5	80% SMEA SpA		11	
LEONA 2A 1-4	80% SMEA SpA		10	
CARMEN I, 1-50	80% SMEA SpA		222	
CARMEN II, 1-60	80% SMEA SpA		274	
ZAPA 1, 1-10	80% SMEA SpA		100	
ZAPA 3, 1-23	80% SMEA SpA		92	
ZAPA 5A, 1-16	80% SMEA SpA		80	
ZAPA 7, 1-24	80% SMEA SpA		120	
CABRITO, CABRITO 1-9	80% SMEA SpA		50	
CUENCA A, 1-51	80% SMEA SpA		255	
CUENCA B, 1-28	80% SMEA SpA		139	
CUENCA C, 1-51	80% SMEA SpA		255	
CUENCA D	80% SMEA SpA		3	
CUENCA E	80% SMEA SpA		1	
CHOAPA 1-10	80% SMEA SpA		50	
ELQUI 1-14	80% SMEA SpA		61	
LIMARÍ 1-15	80% SMEA SpA		66	
LOA 1-6	80% SMEA SpA		30	
MAIPO 1-10	80% SMEA SpA		50	
TOLTÉN 1-14	80% SMEA SpA		70	
CACHIYUYITO 1, 1-20	80% SMEA SpA		100	
CACHIYUYITO 2, 1-60	80% SMEA SpA		300	
CACHIYUYITO 3, 1-60	80% SMEA SpA		300	
LA PRODUCTORA 1-16	80% SMEA SpA		75	
ORO INDIO 1A, 1-20	80% SMEA SpA		82	
AURO HUASCO I, 1-8	80% SMEA SpA		35	
URANIO, 1-70	0%	0%	350	25-year Lease Agreement
JULI 9, 1-60	80% SMEA SpA		300	
JULI 10, 1-60	80% SMEA SpA		300	
JULI 11 1/60	80% SMEA SpA		300	
JULI 12 1/42	80% SMEA SpA		210	
JULI 13 1/20	80% SMEA SpA		100	
JULI 14 1/50	80% SMEA SpA		250	
JULI 15 1/55	80% SMEA SpA		275	
JULI 16, 1-60	80% SMEA SpA		300	
JULI 17, 1-20	80% SMEA SpA		100	
JULI 19	80% SMEA SpA		300	
JULI 20	80% SMEA SpA		300	
JULI 21 1/60	80% SMEA SpA		300	
JULI 22	80% SMEA SpA		300	
JULI 23 1/60	80% SMEA SpA		300	

For personal use only

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
JULI 24, 1-60	80% SMEA SpA		300	
JULI 25	80% SMEA SpA		300	
JULI 27 1/30	80% SMEA SpA		150	
JULI 27 B 1/10	80% SMEA SpA		50	
JULI 28 1/60	80% SMEA SpA		300	
JULIETA 5	80% SMEA SpA		200	
JULIETA 6	80% SMEA SpA		200	
JULIETA 7	80% SMEA SpA		100	
JULIETA 8	80% SMEA SpA		100	
JULIETA 9	80% SMEA SpA		100	
JULIETA 10 1/60	80% SMEA SpA		300	
JULIETA 11	80% SMEA SpA		300	
JULIETA 12	80% SMEA SpA		300	
JULIETA 13, 1-60	80% SMEA SpA		298	
JULIETA 14, 1-60	80% SMEA SpA		269	
JULIETA 15, 1-40	80% SMEA SpA		200	
JULIETA 16	80% SMEA SpA		200	
JULIETA 17	80% SMEA SpA		200	
JULIETA 18, 1-40	80% SMEA SpA		200	
ARENA 1 1-6	80% SMEA SpA		40	
ARENA 2 1-17	80% SMEA SpA		113	
ZAPA 1 – 6	80% SMEA SpA		6	
JULIETA 1 al 4	80% SMEA SpA		4	

El Fuego Landholding

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
Santiago 21 al 36		90% Frontera SpA	76	90% (HCH) Option Agreement USD 200,000 already paid. USD 300,000 by November 7th, 2022. USD 6,700,000 by November 7th, 2023.
Santiago 37 al 43		90% Frontera SpA	26	
Santiago A, 1 al 26		90% Frontera SpA	236	
Santiago B, 1 al 20		90% Frontera SpA	200	
Santiago C, 1 al 30		90% Frontera SpA	300	
Santiago D, 1 al 30		90% Frontera SpA	300	
Santiago E, 1 al 30		90% Frontera SpA	300	
Prima Uno		90% Frontera SpA	1	
Prima Dos		90% Frontera SpA	2	
Santiago 15 al 19		90% Frontera SpA	25	
San Antonio 1 al 5		90% Frontera SpA	25	
Santiago 1 AL 14 Y 20		90% Frontera SpA	75	
Mercedes 1 al 3		90% Frontera SpA	50	
Porfiada A		90% Frontera SpA	200	
Porfiada B		90% Frontera SpA	300	
Porfiada C		90% Frontera SpA	300	
Porfiada D		90% Frontera SpA	300	
Porfiada E		90% Frontera SpA	300	
Porfiada F		90% Frontera SpA	300	

For personal use only

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
Porfiada G		90% Frontera SpA	200	
Porfiada VII		90% Frontera SpA	300	
Porfiada VIII		90% Frontera SpA	300	
Porfiada IX		90% Frontera SpA	300	
Porfiada X		90% Frontera SpA	200	
Kreta 1-4		90% Frontera SpA	16	
Mary 1-22		90% Frontera SpA	64	
CORTADERA 1	100% Frontera SpA		200	
CORTADERA 2	100% Frontera SpA		200	
CORTADERA 3	100% Frontera SpA		200	
CORTADERA 4	100% Frontera SpA		200	
CORTADERA 5	100% Frontera SpA		200	
CORTADERA 6	100% Frontera SpA		300	
CORTADERA 7, 1-20	100% Frontera SpA		100	
SAN ANTONIO 1	100% Frontera SpA		200	
SAN ANTONIO 2	100% Frontera SpA		200	
SAN ANTONIO 3	100% Frontera SpA		300	
SAN ANTONIO 4	100% Frontera SpA		300	
SAN ANTONIO 5	100% Frontera SpA		300	
DORO 1	100% Frontera SpA		200	
DORO 2	100% Frontera SpA		200	
DORO 3	100% Frontera SpA		300	
SANTIAGO Z		100% Frontera SpA	300	100% (HCH) Option Agreement USD 600,000 by January 22nd, 2024. NSR 1.5%
Porfiada I		100% Frontera SpA	300	
Porfiada II		100% Frontera SpA	300	
Porfiada III		100% Frontera SpA	300	
Porfiada IV		100% Frontera SpA	300	
Porfiada V		100% Frontera SpA	200	
Porfiada VI		100% Frontera SpA	100	
SAN JUAN SUR 1/5		90% Frontera SpA	10	90% (HCH) Option Agreement USD 150,000 by June 1st, 2023. USD 4,000,000 by June 1st, 2024.
SAN JUAN SUR 6/23		90% Frontera SpA	90	
CHILIS 1	100% Frontera SpA		200	
CHILIS 2	100% Frontera SpA		200	
CHILIS 3	100% Frontera SpA		100	
CHILIS 4	100% Frontera SpA		200	
CHILIS 5	100% Frontera SpA		200	
CHILIS 6	100% Frontera SpA		200	
CHILIS 7	100% Frontera SpA		200	
CHILIS 8	100% Frontera SpA		200	
CHILIS 9	100% Frontera SpA		300	
CHILIS 10	100% Frontera SpA		200	
CHILIS 11	100% Frontera SpA		200	
CHILIS 12	100% Frontera SpA		300	
CHILIS 13	100% Frontera SpA		300	
CHILIS 14	100% Frontera SpA		300	
CHILIS 15	100% Frontera SpA		300	

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
CHILIS 16	100% Frontera SpA		300	
CHILIS 17	100% Frontera SpA		300	
CHILIS 18	100% Frontera SpA		300	
SOLAR 1	100% Frontera SpA		300	
SOLAR 2	100% Frontera SpA		300	
SOLAR 3	100% Frontera SpA		300	
SOLAR 4	100% Frontera SpA		300	
SOLAR 5	100% Frontera SpA		300	
SOLAR 6	100% Frontera SpA		300	
SOLAR 7	100% Frontera SpA		300	
SOLAR 8	100% Frontera SpA		300	
SOLAR 9	100% Frontera SpA		300	
SOLAR 10	100% Frontera SpA		300	
SOLEDAD 1	100% Frontera SpA		300	
SOLEDAD 2	100% Frontera SpA		300	
SOLEDAD 3	100% Frontera SpA		300	
SOLEDAD 4	100% Frontera SpA		300	
CF 1	100% Frontera SpA		300	
CF 2	100% Frontera SpA		300	
CF 3	100% Frontera SpA		300	
CF 4	100% Frontera SpA		300	
CF 5	100% Frontera SpA		300	
Chapulín Colorado	100% Frontera SpA		3	
Doña Felipa 1 al 10	100% Frontera SpA		50	
Elenor Rigby 1 al 10	100% Frontera SpA		100	
Peggy Sue 1 al 10	100% Frontera SpA		100	

For personal use only

For personal use only

Qualifying Statements

The Mineral Resource summary for the Costa Fuego Project is presented in Table 5. Tables 6 to 8 present the individual deposits that combine to form the Costa Fuego Project.

Table 5. Costa Fuego Copper-Gold Project Mineral Resource Estimate, March 2022

Costa Fuego OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	576	0.46	0.37	0.10	0.37	91	2,658,000	2,145,000	1,929,000	6,808,000	52,200
M+I Total	**576**	**0.46**	**0.37**	**0.10**	**0.37**	**91**	**2,658,000**	**2,145,000**	**1,929,000**	**6,808,000**	**52,200**
Inferred	**147**	**0.35**	**0.30**	**0.05**	**0.23**	**68**	**520,000**	**436,000**	**220,000**	**1,062,000**	**10,000**

Costa Fuego UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.30% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
M+I Total	**148**	**0.51**	**0.39**	**0.12**	**0.78**	**102**	**750,000**	**578,000**	**559,000**	**3,702,000**	**15,000**
Inferred	**56**	**0.38**	**0.30**	**0.08**	**0.54**	**61**	**211,000**	**170,000**	**139,000**	**971,000**	**3,400**

Costa Fuego Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	725	0.47	0.38	0.11	0.45	93	3,408,000	2,755,000	2,564,000	10,489,000	67,400
M+I Total	**725**	**0.47**	**0.38**	**0.11**	**0.45**	**93**	**3,408,000**	**2,755,000**	**2,564,000**	**10,489,000**	**67,400**
Inferred	**202**	**0.36**	**0.30**	**0.06**	**0.31**	**66**	**731,000**	**605,000**	**359,000**	**2,032,000**	**13,400**

1 Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground

2 Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Costa Fuego, the average Metallurgical Recoveries combine leach and flotation and were: Cu=83%, Au=53%, Mo=69%, and Ag=23%.

Table 6. Productora Deposit Mineral Resource Estimate, March 2022

Productora Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	253	0.49	0.41	0.08		139	1,247,000	1,043,000	646,000		35,100
M+I Total	**253**	**0.49**	**0.41**	**0.08**		**139**	**1,247,000**	**1,043,000**	**646,000**		**35,100**
Inferred	**90**	**0.34**	**0.29**	**0.03**		**75**	**305,000**	**259,000**	**91,000**		**6,800**

[1] Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit.

[2] Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Productora, the average Metallurgical Recoveries combine leach and flotation and were: Cu=84%, Au=47%, Mo=47%, and Ag=0%.

Table 7. Cortadera Deposit Mineral Resource Estimate, March 2022

Cortadera OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	323	0.44	0.34	0.12	0.66	53	1,411,000	1,102,000	1,284,000	6,808,000	17,100
M+I Total	**323**	**0.44**	**0.34**	**0.12**	**0.66**	**53**	**1,411,000**	**1,102,000**	**1,284,000**	**6,808,000**	**17,100**
Inferred	**53**	**0.32**	**0.25**	**0.08**	**0.46**	**62**	**168,000**	**132,000**	**135,000**	**778,000**	**3,300**

Cortadera UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.30% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
M+I Total	**148**	**0.51**	**0.39**	**0.12**	**0.78**	**102**	**750,000**	**578,000**	**559,000**	**3,702,000**	**15,000**
Inferred	**56**	**0.38**	**0.30**	**0.08**	**0.54**	**61**	**211,000**	**170,000**	**139,000**	**971,000**	**3,400**

Cortadera Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	471	0.46	0.36	0.12	0.69	68	2,161,000	1,680,000	1,843,000	10,509,000	32,200
M+I Total	**471**	**0.46**	**0.36**	**0.12**	**0.69**	**68**	**2,161,000**	**1,680,000**	**1,843,000**	**10,509,000**	**32,200**
Inferred	**108**	**0.35**	**0.28**	**0.08**	**0.50**	**62**	**379,000**	**301,000**	**274,000**	**1,749,000**	**6,700**

[1] Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground

[2] Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera, the average Metallurgical Recoveries combine leach and flotation and were: Cu=82%, Au=55%, Mo=82%, and Ag=37%.

Table 8. San Antonio Deposit Mineral Resource Estimate, March 2022

San Antonio Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Inferred	**4.2**	**1.2**	**1.1**	**0.01**	**2.1**	**1.5**	**48,100**	**47,400**	**2,000**	**287,400**	**6**

[1] Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit

[2] Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For San Antonio, the average Metallurgical Recoveries were: Cu=88%, Au=72%, Mo=88%, and Ag=69%.

For personal use only

For personal use only

Competent Person's Statement- Exploration Results

Exploration information in this Announcement is based upon work compiled 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- Costa Fuego Mineral Resources

The information in this report that relates to Mineral Resources for Cortadera, Productora and San Antonio which constitute the combined Costa Fuego Project is based on information compiled by Ms Elizabeth Haren, a Competent Person who is a Member and Chartered Professional of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Ms Haren is a full-time employee of Haren Consulting Pty Ltd and an independent consultant to Hot Chili. Ms Haren has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears. For further information on the Costa Fuego Project, refer to the technical report titled "Resource Report for the Costa Fuego Technical Report", dated December 13, 2021, which is available for review under Hot Chili's profile at www.sedar.com.

Reporting of Copper Equivalent

Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery)+(Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne). The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Costa Fuego, the average Metallurgical Recoveries combine leach and flotation and were: Cu=83%, Au=53%, Mo=69%, and Ag=23%. For Productora, the average Metallurgical Recoveries combine leach and flotation and were: Cu=84%, Au=47%, Mo=47%, and Ag=0%. For Cortadera, the average Metallurgical Recoveries combine leach and flotation and were: Cu=82%, Au=55%, Mo=82%, and Ag=37%. For San Antonio, the average Metallurgical Recoveries were: Cu=88%, Au=72%, Mo=88%, and Ag=69%.

Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties and may differ materially from results ultimately achieved.

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, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade 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

Disclaimer

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Hot Chili Limited

ABN	Quarter ended ("current quarter")
91 130 955 725	30 June 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	91
1.2	Payments for		
	(a) exploration & evaluation	(6,120)	(24,438)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(509)	(2,059)
	(e) administration and corporate costs	(951)	(3,928)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(7,579)**	**(30,333)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(98)	(22,574)
	(c) property, plant and equipment	-	(43)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(98)**	**(22,617)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	76,814
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	3,114	3,822
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(5,067)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (CMP option)	-	(2,179)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,093**	**73,390**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	28,287	3,476
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,579)	(30,333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(98)	(22,617)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,093	73,390

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(66)	(279)
4.6	**Cash and cash equivalents at end of period**	**23,637**	**23,637**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	23,549	28,199
5.2	Call deposits	88	88
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**23,637**	**28,287**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3,220
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

For personal use only

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(7,579)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(7,579)
8.4	Cash and cash equivalents at quarter end (item 4.6)	23,637
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	23,637
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.12

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

For personal use only

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 July 2022.....

Authorised by: .....By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.