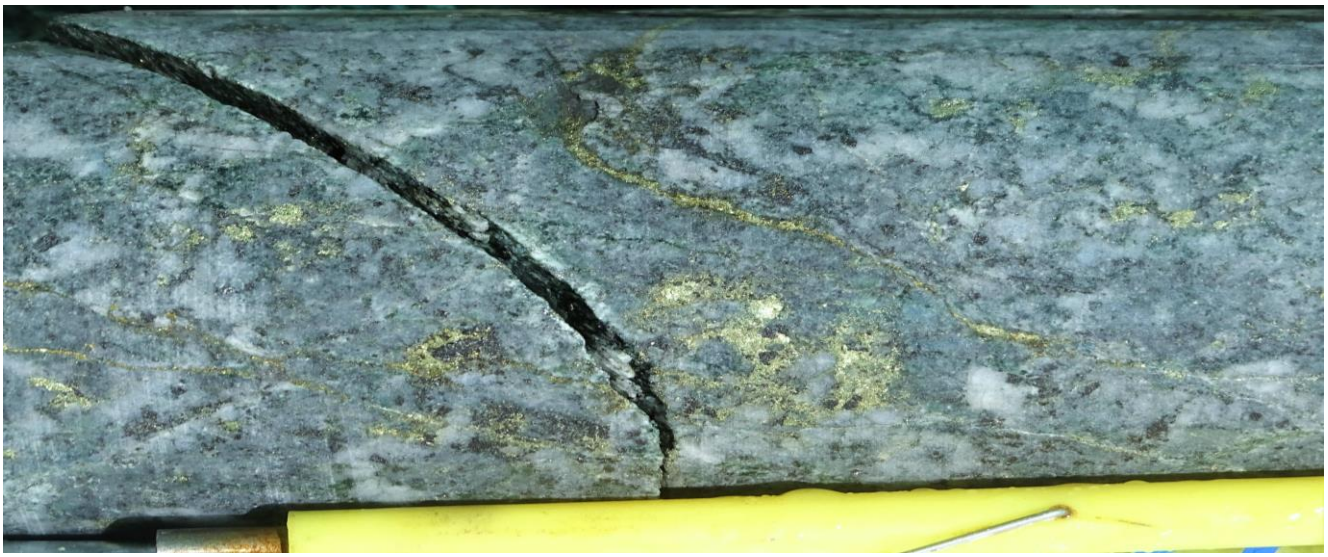
Announcement

Thursday 23rd February 2023

Hot Chili Confirms Fourth Porphyry at Cortadera

120m grading 0.5% CuEq* incl. 38m grading 1.0% CuEq



LCD0001 (56m depth) grading 1.0% Cu, 0.7g/t Au, 4.6g/t Ag. Tonalitic porphyry with sericite-chlorite alteration and 2% A-B porphyry vein abundance. Confirmation drill hole across new fourth porphyry at Cortadera

Highlights

- **First assay results returned** from stage-one drilling across the recently consolidated western extension to the Company's Cortadera copper-gold porphyry resource in Chile
- **New assay results confirm a fourth porphyry at Cortadera, returning a wide diamond drill intersection from shallow depth,** similar in tenor to historical twin drill hole results recorded by Antofagasta Minerals SA in 2005 (see announcement dated 26th November 2022):
  - **120m grading 0.5% CuEq*** (0.4% Cu, 0.2g/t Au) from 22m depth down-hole **to end of hole;**

    *including **38m grading 1.0% CuEq*** (0.8% Cu, 0.4g/t Au) from 22m depth;*

    *or including **18m grading 1.3% CuEq*** (1.0% Cu, 0.5g/t Au) from 32m depth*
- **Wide intercept of mineralised porphyry intersected below Cortadera's Cuerpo 1 porphyry** confirming significant resource expansion potential; assay results pending
- **Drill programme expanded to test five new targets** across Cortadera's larger porphyry cluster footprint with ten drill holes complete and a further fifteen drill holes remaining in stage-one
- **Fully funded with cash balance of approximately A$10 million**

** Copper Equivalent (CuEq) reported for the drillhole intersections 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 × Cu_recovery). 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. The entirety of the intersection is assumed as fresh. The recovery and copper equivalent formula for Cortadera – Recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)*

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

Hot Chili Limited (ASX: HCH) (TSXV:HCH) (OTCQX: HHLKF) ("Hot Chili" or "Company") is pleased to announce first drill results from the recently secured western extension to the Cortadera copper-gold resource, the centrepiece of the Company's low-altitude, Costa Fuego copper-gold project in Chile.

New assay results have recorded a significant drill intersection of shallow copper-gold porphyry mineralisation, confirming the presence of a fourth porphyry (Cuerpo 4) at Cortadera.

Diamond drill hole LD0001 was drilled as a confirmatory twin hole to historical[1] AMSA drill hole COR-03 that intersected 128m grading 0.5% CuEq* (0.4% Cu & 0.1g/t Au) from 28m downhole depth, including 16m grading 1.3% CuEq* (1% Cu & 0.5g/t Au) from 28m depth (as announced on 28th November 2022).

LCD0001 has successfully returned a similar result to AMSA's hole, intersecting 120m grading 0.5% CuEq* (0.4% Cu, 0.2g/t Au from 22m depth down-hole to end of hole. Importantly, the wide intersection also included 38m grading 1.0% CuEq* (0.8% Cu, 0.4g/t Au) from 22m depth, or 18m grading 1.3% CuEq* (1.0% Cu, 0.5g/t Au) from 32m depth.

Sulphide mineralisation (chalcopyrite-pyrite) is primarily hosted within an early and intra-mineral stage tonalitic porphyry with sericite-chlorite-biotite alteration and 2 to 7% A-B porphyry vein abundance (typical of higher grade sulphide porphyry mineralisation at the Cortadera resource). Results for a further eight Reverse Circulation (RC) drill holes at Cuerpo 4 are pending.

The Company is also pleased to confirm potential for a significant depth extension to the current Mineral Resource (resource) below Cuerpo 1 at Cortadera.

Cuerpo 1 Resource Growth Potential Expanding

Diamond drill hole CORMET001 was completed to a depth of 350m in April 2022 and confirmed significant mineralisation below the defined limits of the Cuerpo 1 resource, with the hole ending in 6m grading 0.6% copper in mineralised porphyry (as announced 29th April 2022).

CORMET001 has now been extended to 611m depth and has recorded a 70m intersection of visually identified sulphides in mineralised porphyry between 350m and 420m depth down hole. Visually identified sulphide mineralisation comprised 1 to 3% chalcopyrite as disseminations and in association with pyrite and 2 to 10% A-B porphyry veining within early-stage and intra-mineral host porphyry.

Assay results are pending for CORMET001 and a further four drill holes have been added to drill test below the highest grade sulphide zone of Cuerpo 1, which remains open at depth for resource expansion.

First-Pass Drill Programme Expanded and Advancing

Five new porphyry targets are being tested as part of Hot Chili's first-pass 6,000m drill programme for 2023 following the inclusion of additional targets at Cortadera North and Cuerpo 1. These additional targets are located within Hot Chili's 100% landholdings and add to Cortadera's larger porphyry cluster potential.

Since drilling commenced on 11th January, a total of 10 drill holes for 3,300m have been completed and a further 15 drill holes for 2,700m remain.

For personal use only

A second-pass 4,000m drill programme is planned to commence following review of the first-pass programme drill results.

The current status of the drill programme is outlined on the below figures and as follows:

1. **Cuerpo 4** (AMSA Option Agreement for 100% ownership)
   9 drill holes complete (results pending for 8 drill holes), 2 drill holes planned
2. **Target 2** (AMSA Option Agreement for 100% ownership)
   1 drill hole planned
3. **Target 3** (AMSA Option Agreement for 100% ownership)
   3 drill holes planned
4. **Cuerpo 1 Depth Extension** (100% Hot Chili ownership)
   1 drill hole complete (assay results pending), 4 drill holes planned (2 holes underway)
5. **Cortadera North** (100% Hot Chili ownership)
   5 drill holes planned

Further assay results are expected over the coming weeks.

The Directors look forward to an exciting period of results from drilling activities at Cortadera this year.

This announcement is authorised by the Board of Directors for release to ASX and TSX.

For more information please contact:

Christian Easterday	+61 8 9315 9009
Managing Director – Hot Chili	admin@hotchili.net.au
Penelope Beattie	+61 8 9315 9009
Company Secretary – Hot Chili	admin@hotchili.net.au
ASX Investor	
Investor & Public Relations (Australia)	eliza@asxinvestor.com.au
Harbor Access	Graham.Farrell@harbor-access.com
Investor & Public Relations (Canada)	jonathan.paterson@harbor-access.com

or visit Hot Chili's website at www.hotchili.net.au

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

Table 1. New Significant Diamond Drill Hole Assay Results at Cortadera

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval	Copper	Gold	Silver	Molybdenum	Cu Eq*
	North	East	RL				From	To	(m)	(% Cu)	(g/t Au)	(g/t Ag)	(ppm Mo)	(% Cu Eq)
LCD0001	6815719	334574	870	61	-57	142	22	142	120	0.4	0.2	1.0	2	0.5
						Including	22	60	38	0.8	0.4	2.4	2	1.0
						& Including	32	50	18	1.0	0.5	2.9	3	1.3
CORMET001	334736	6814269	976	74	-60	611	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	344	350	6	0.6	0.0	1.4	4	0.6
Extended from EOH 350m depth (April 2022) to 611m depth							350	420	70	*visual sulphide mineralised porphyry recorded, results pending*				

Notes:

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.

CORMET001 has now been extended to 611m depth (from 350m depth) and has recorded a 70m intersection of visual sulphides in mineralised porphyry between 350m and 420m depth down hole. Visual sulphide mineralisation comprised 1 to 3% chalcopyrite as disseminations and in association with pyrite and 2 to 10% A-B veining within early-stage and intra-mineral host porphyry.

** Copper Equivalent (CuEq) reported for the drillhole intersections 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 × Cu_recovery). 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. The entirety of the intersection is assumed as fresh. The recovery and copper equivalent formula for Cortadera is: – Recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)*

[1] Historical Data related to CORE-03 was qualified in the Company's announcement dated 28th November 2022: This news release includes historical information that has been reviewed by Hot Chili's qualified person (QP). Hot Chili's review of the historical records and information reasonably substantiate the validity of the information presented in this news release; however, Hot Chili cannot directly verify the accuracy of the historical data, including (but not limited to) the procedures used for sample collection and analysis. Therefore, any conclusions or interpretations borne from use of this data should be considered too speculative to suggest that additional exploration will result in mineral resource delineation. Hot Chili encourages readers to exercise appropriate caution when evaluating these data and/or results.

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

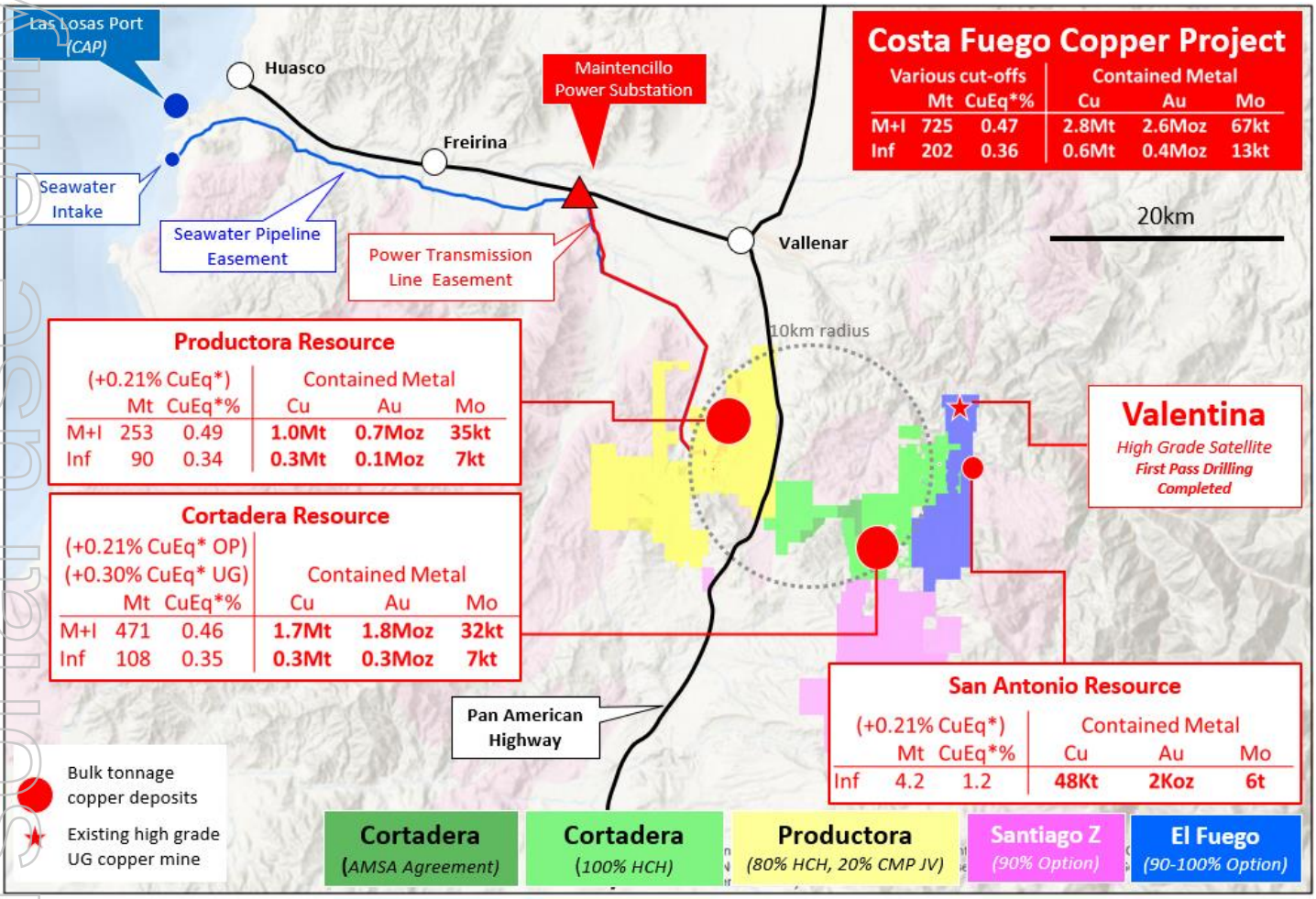


Figure 1. Location of Cortadera, Productora, San Antonio and nearby coastal range infrastructure of Hot Chili's combined Costa Fuego copper-gold project, located 600km north of Santiago in Chile.

Notes:
Refer to ASX Announcement "Hot Chili Delivers Next Level of Growth" (31st March 2022) for JORC Code Table 1 information related to the Costa Fuego JORC-compliant Mineral Resource Estimate (MRE) by Competent Person Elizabeth Haren, constituting the MREs of Cortadera, Productora and San Antonio (which combine to form Costa Fuego).
** 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 × Cu_recovery).*
The Metal Prices applied in the CuEq calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance.
The recovery and copper equivalent formula for each deposit is:
Cortadera and San Antonio – Weighted recoveries of 82% Cu, 55% Au, 82% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)
Productora – Weighted recoveries of 84% Cu, 47% Au, 47% Mo and 0% Ag (not reported). CuEq(%) = Cu(%) + 0.46 x Au(g/t) + 0.00026 x Mo(ppm)
Costa Fuego – Recoveries of 83% Cu, 53% Au, 69% Mo and 23% Ag. CuEq(%) = Cu(%) + 0.52 x Au(g/t) + 0.00039 x Mo(ppm) + 0.0027 x Ag(g/t)
*** 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 the JORC Code, CIM and NI 43-101. Metal rounded to nearest thousand or, if less, to the nearest hundred.*
Total Mineral Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground.
For disclosure of the resources by category, please see Qualifying Statements below.

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

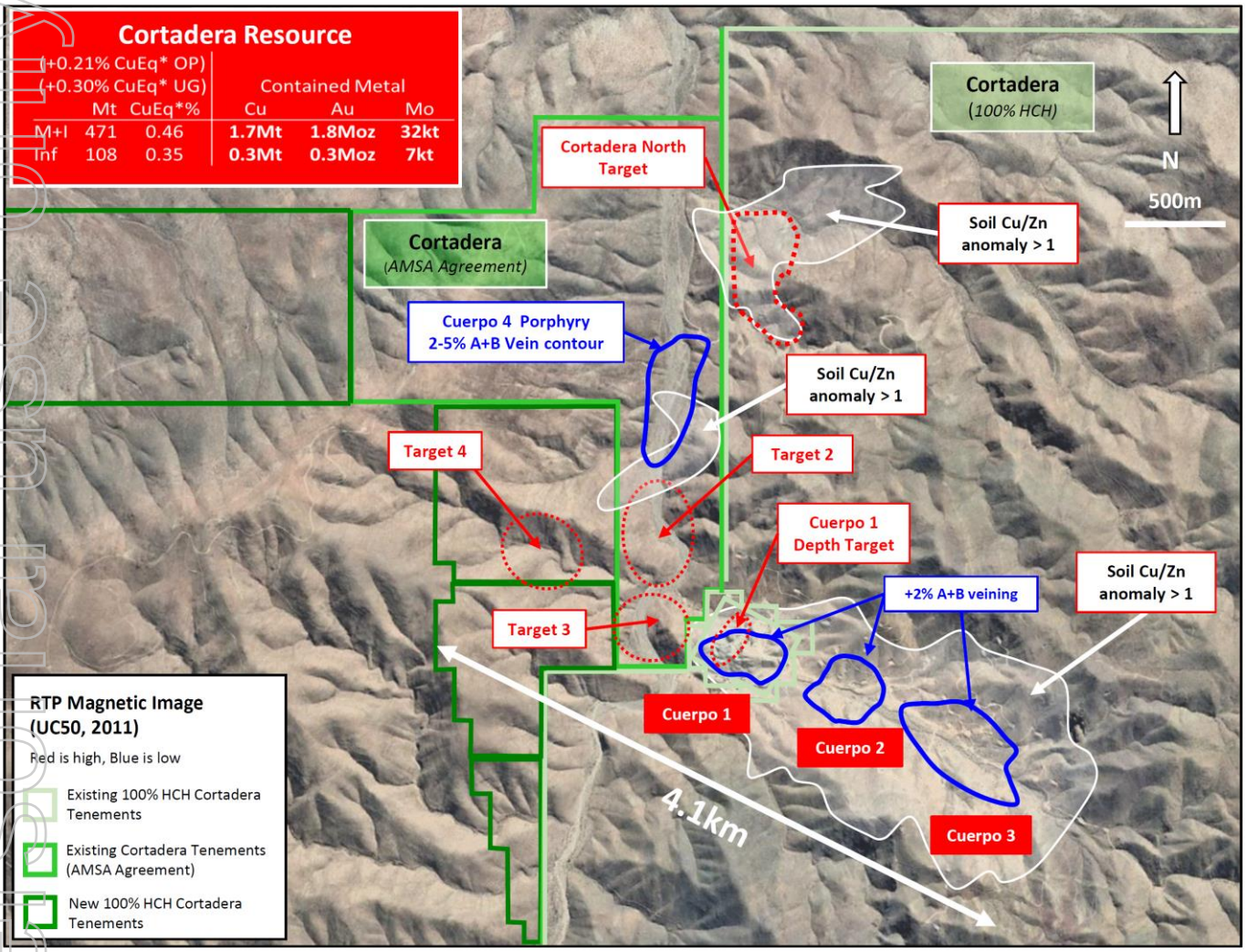


Figure 2. Location of Cuerpo 4 and other immediate porphyry targets within the AMSA landholding and new landholding acquired through public auction, lying immediately west of the Cortadera resource. A 6,000m first-pass drill programme is underway targeting Cuerpo 4, Target 2, Target 3, Cuerpo 1 Depth target and Cortadera North. A second-pass 4,000m programme is also planned to follow. See announcement "Further Consolidation of Cortadera" dated 30th Nov 2022 for Table 1 details relating to this figure.

For personal use only

For personal use only

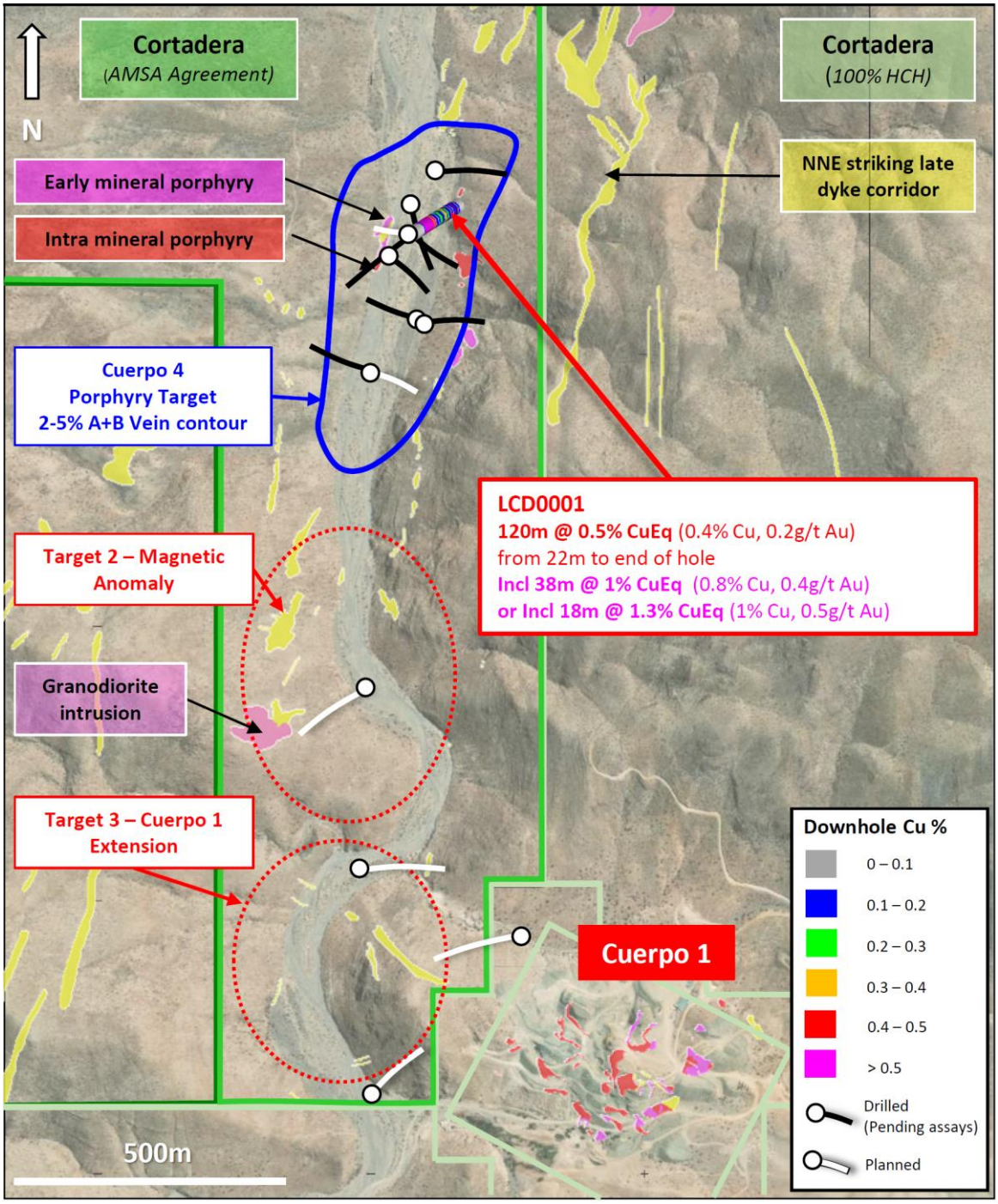


Figure 3. Location of Cuerpo 4 and other immediate porphyry targets within the AMSA landholding and new landholding acquired through public auction, lying immediately west of the Cortadera resource. Note the location of new results from diamond hole LCD0001 which recorded a significant intersection in mineralised porphyry, confirming earlier historical results recorded in AMSA drill hole COR-03.

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

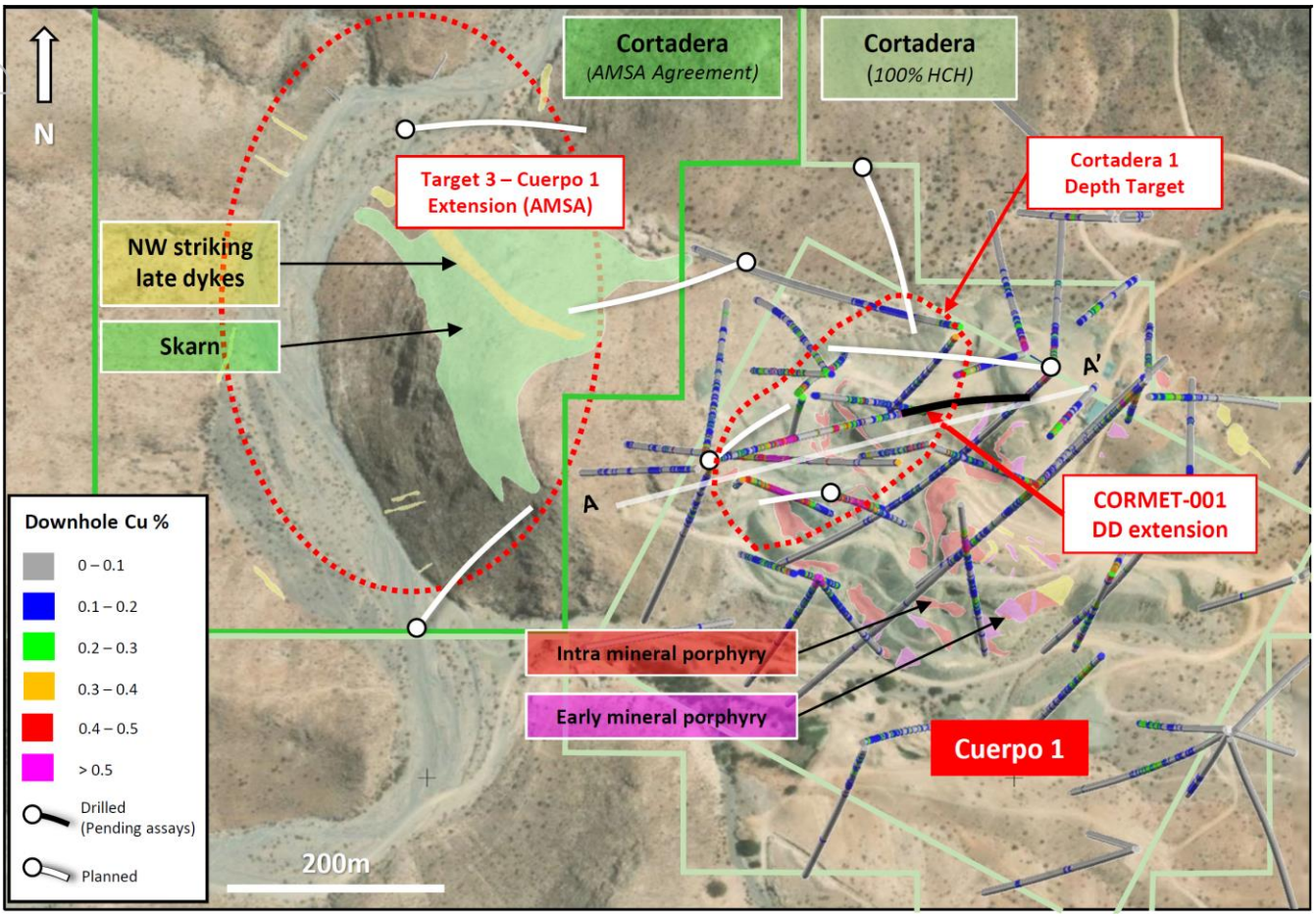


Figure 4. Location of Cuerpo 1 and Target 3 porphyry targets. Note the location of diamond hole CORMET001 which has been extended from 350m to 611m depth. The area outlined in red at Cuerpo 1 depth target is open at depth. Results are pending for CORMET001 extension and a further four holes are planned (two currently underway)

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

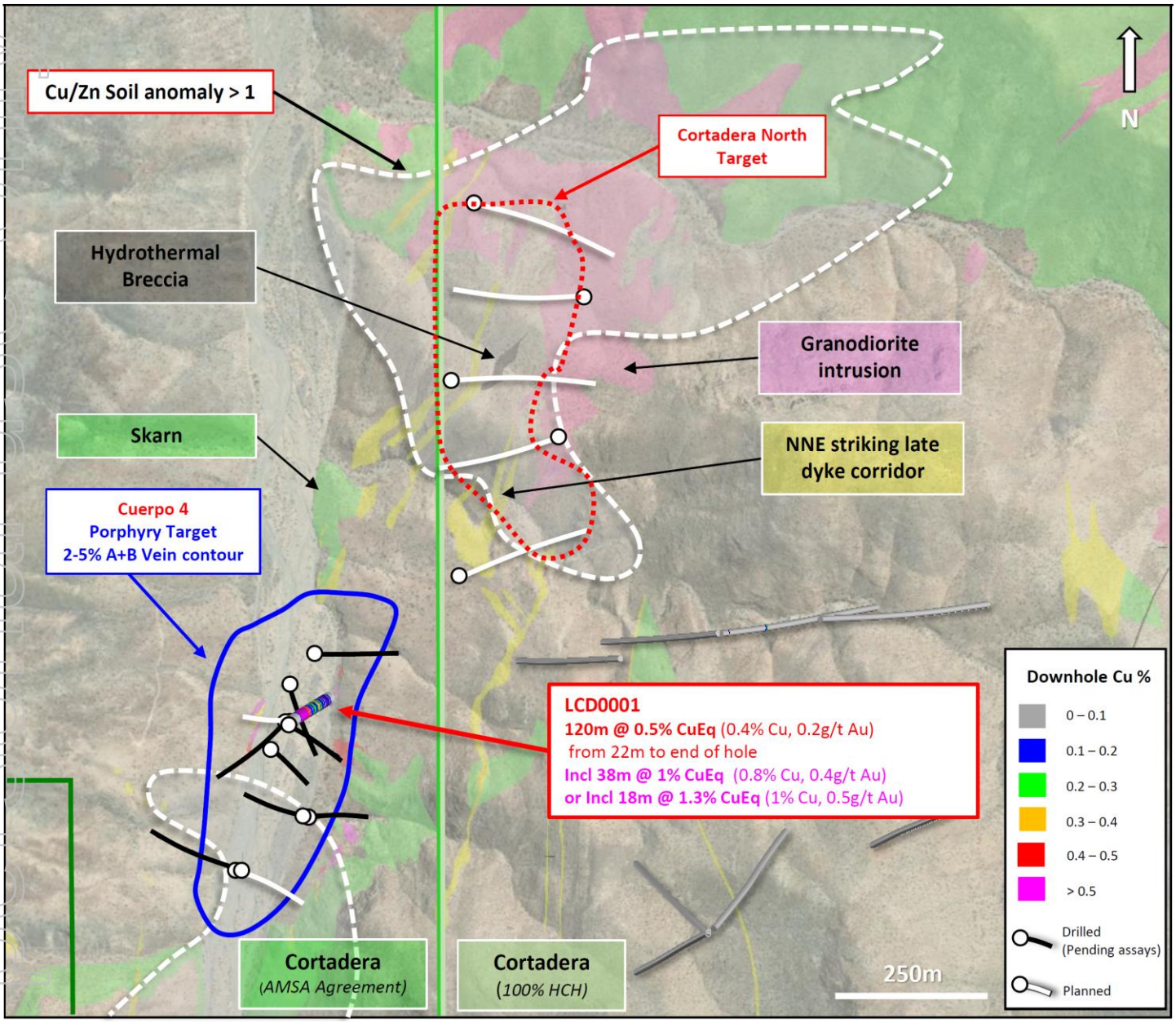


Figure 5. Location of the Cortadera North porphyry target. Note the location of the large surface geochemical Cu:Zn ratio anomaly. A first-pass programme of five deep RC drill holes is planned.

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

Qualifying Statements

Costa Fuego Combined Mineral Resource (Reported 31st March 2022)

Costa Fuego OP Resource		Grade					Contained Metal				
Classification (+0.21% CuEq*)	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (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 (+0.30% CuEq*)	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (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 (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (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**

Notes:

Refer to ASX Announcement "Hot Chili Delivers Next Level of Growth" (31st March 2022) for JORC Code Table 1 information related to the Costa Fuego JORC-compliant Mineral Resource Estimate (MRE) by Competent Person Elizabeth Haren, constituting the MREs of Cortadera, Productora and San Antonio (which combine to form Costa Fuego).

** 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 × Cu_recovery).*

The Metal Prices applied in the CuEq calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. The recovery and copper equivalent formula for each deposit is:

Cortadera and San Antonio – Weighted recoveries of 82% Cu, 55% Au, 82% Mo and 37% Ag.

CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)

Productora – Weighted recoveries of 84% Cu, 47% Au, 47% Mo and 0% Ag (not reported)

CuEq(%) = Cu(%) + 0.46 x Au(g/t) + 0.00026 x Mo(ppm)

Costa Fuego – Weighted recoveries of 83% Cu, 53% Au, 69% Mo and 23% Ag

CuEq(%) = Cu(%) + 0.52 x Au(g/t) + 0.00039 x Mo(ppm) + 0.0027 x Ag(g/t)

*** 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 the JORC Code, 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.

*** Note: Silver (Ag) is only present within the Cortadera Mineral Resource estimate*

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

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 mineralization 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' and is a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. 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 "NI 43-101 Resource Report for the Costa Fuego Copper Project Located in Atacama, Chile", dated May 13, 2022 with an effective date of March 31, 2022, which is available for review on SEDAR (www.sedar.com) under Hot Chili's issuer profile.

Scientific and Technical Information

The scientific and technical information contained in this document was reviewed and approved by Ms Kirsty Sheerin, a Member of the Australian Institute of Geoscientists, Hot Chili's Resource Development Manager and a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Ms Sheerin has undertaken extensive data verification and is satisfied with the exploration, sampling, security, and QA/QC procedures employed by Hot Chili for Costa Fuego and that their results are sufficient to produce data suitable for the purposes described in the technical report titled "NI 43-101 Resource Report for the Costa Fuego Copper Project Located in Atacama, Chile", dated May 13, 2022 with an effective date of March 31, 2022, as well as for public reporting purposes subsequent to the technical report.

Forward Looking Statements

This document contains certain "forward-looking statements" and "forward-looking information" concerning the business, operations and financial performance and condition of Company. Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to permitting and legal processes in relation to mining permitting and approvals; estimated production and mine life of the various mineral projects of the Company; the ability to obtain permits for operations; synergies; the realisation of mineral resource estimates; the benefits of the development potential of the properties of the Company; the future price of minerals, including gold, copper, and silver; the estimation of mineral reserves and resources; success of exploration activities; and currency exchange rate fluctuations. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "should" or "will" occur. Forward-looking statements are based on the opinions and estimates of the Company at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include variations in ore grade or recovery rates, changes in market conditions, risks relating to the availability and timeliness of permitting and governmental approvals; risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail and are cautioned not to place undue reliance on forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated,

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

estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or the Company's estimates or opinions should change except as required by applicable securities laws. Any comparative market information is as of a date prior to the date of this document.

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

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

Appendix 1. JORC Code Table 1 for Cortadera

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	*Drilling undertaken by Hot Chili Limited ("HCH" or "the Company") includes both Diamond and Reverse Circulation (RC). Drilling has been carried out under Hot Chili (HCH) supervision by an experienced drilling contractor (BlueSpec Drilling).* *The majority of DD drilling completed by HCH comprises RC pre-collars to an average depth of 200m, one drillhole was drilled PQ DD from surface to a depth of 115m. RC and PQ DD collars are followed by HQ DD core to an average depth of 520m, followed by NQ2 DD core from depths greater than approximately 520 metres, up to 1473.5m.* *Samples were obtained using both reverse circulation (RC) and diamond drilling (DD).* *RC drilling produced a 1m bulk sample and representative 2m cone split samples (nominally a 12.5% split) were collected using a cone splitter, with sample weights averaging 5 kg.* *Geological logging was completed, and mineralised sample intervals were determined by the geologists to be submitted as 2m samples for RC. In RC intervals assessed as unmineralised, 4m composite (scoop) samples were collected for analysis. If these 4m composite samples return results with anomalous grade the corresponding original 2m split samples are then submitted to the laboratory for analysis.* *PQ diamond core was drilled on a 1.5m run, HQ and NQ2 were drilled on a 3m run unless ground conditions allowed for a 6m run in the NQ2. The core was cut using a manual core-saw and half core samples were collected on 2m intervals.* *Both RC and DD samples were crushed and split at the laboratory, with up to 1kg pulverised, and a 50g pulp sample analysed by industry standard methods - ICP-OES (33 element, 4 acid digest) and Au 30 gram fire assay.* *Every 50th metre downhole was also assayed by ME-MS61 (48 element, 4 acid digest) for exploration targeting purposes.* *Sampling techniques used are deemed appropriate for exploration and resource estimation purposes for this style of deposit and mineralisation.* *Data compiled from historical drilling has been collated from documents supplied by SCM Carola and Antofagasta Minerals S.A (AMSA).* *Historical drilling was diamond core (DD) or Reverse Circulation (RC) from surface.* *Where information has been retained, historical diamond sampling was predominantly HQ3 half core. 99% of the diamond drillhole sample data comprises 2m composited samples (taken at 2m intervals).* *Where information has been retained, assay techniques for legacy data comprise 30g fire assay for gold, and for copper, either 4-acid or 3-acid digest followed by either an ICP-OES, ICP-MS, ICP-AAS or HF-ICP-AES.* *HCH has verified as much as possible the location, orientation, sampling methods, analytical techniques, and assay values of legacy data.*

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

		HCH has completed a review of SCM Carola QA/QC data with no issues detected in that review. *No QAQC data is available from drilling completed by AMSA.*
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	*HCH drilling consisted of RC with face sampling bit (143 to 130mm diameter) ensuring minimal contamination during sample extraction.* *HCH DD drilling uses NQ2 bits (50.5mm internal diameter), HQ bits (63.5mm internal diameter) and PQ bits (85mm internal diameter). DD core was oriented using a Reflex ACT III RD tool. At the end of each run, the low side of the core was marked by the drillers and this was used at the site for marking the whole drill core with a reference line.* *Historical DD drilling by Minero Fuego used HQ3 bits (61.1mm internal diameter). Historical drill core was not oriented.* *No information other that the drilling methodology (RC) is available in the AMSA documentation.*
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	*Core recovery was measured and recorded continuously from the start of core drilling to the end of the hole for each drill hole. The end of each 1.5m, 3m or 6m length run was marked by a core block which provided the depth, the core drilled and the core recovered. Generally, the core recovery was >99%.* *All DD drilling utilised PQ, HQ and NQ2 core with sampling undertaken via half core cutting and 2m sample intervals. Previous Table 1 for Cortadera incorrectly reported the use of HQ3 core sampling by HCH.* *Drilling techniques to ensure adequate RC sample recovery and quality included the use of "booster" air pressure. Air pressure used for RC drilling was 700-800psi.* *Logging of all samples followed established company procedures which included recording of qualitative fields to allow discernment of sample quality. This included (but was not limited to) recording: sample condition (wet, dry, moist), sample recovery (poor, moderate, good), sample method (RC: scoop, cone; DD core: half, quarter, whole).* *The majority of HCH drilling had acceptable documented recovery and expectations on the ratio of wet and dry drilling were met, with no bias detected between the differing sample conditions.* *Historical DD core recovery has not been quantitatively assessed. However, inspection of core photography has been undertaken, with good core recovery observed, and no material issues noted.* *Methods taken to maximise historical sample recovery, quality and condition are unknown, however it is noted that the drill method (HQ3 DD) is consistent with best practice for sample recovery. No analysis of historical samples weights, sample condition or recovery has been undertaken.* *Twin analysis of RC and DD drilling has identified a slight sample bias. RC samples appear to display a negative bias for assay results, meaning that RC samples appear to under call the assay grades. This is not yet fully understood or confirmed and requires further analysis and investigation with future twin holes. Additional twinned drilling had commenced following assay cut off for MRE.*
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant*	*HCH Drilling: Detailed descriptions of RC chips and diamond core were logged qualitatively for lithological composition and texture, structures, veining, alteration, and copper speciation. Visual percentage estimates were made for some minerals, including sulphides.* *Geological logging was recorded in a systematic and consistent manner such that the data was able to be interrogated accurately using modern mapping and 3D geological modelling software*

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

	intersections logged.	*programs. Field logging templates were used to record details related to each drill hole.* *Historical Drilling: Geological logs were provided as part of historical data from SCM Carola and AMSA. These logs have been reviewed and are deemed to be of an appropriate standard. HCH has also completed verification and re-logging programmes of historical diamond drill core where this was available and has aligned the codification of both generations of geological data to one unified coding system.* *Core reconstruction and orientation was completed where possible prior to structural and geotechnical observations being recorded. The depth and reliability of each orientation mark is also recorded.* *All logging information is uploaded into an acQuire™ database which ensures validation criteria are met upon upload.*
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*PQ (85mm), HQ (63.5mm) and NQ2 (50.5mm) diamond core was sawn in half, with half core collected in a bag and submitted to the laboratory for analysis, the other half was retained in the tray and stored. All DD core was sampled at 2m intervals.* *RC drilling was sampled at two metre intervals by a fixed cone splitter with two nominal 12.5% samples taken: with the primary sample submitted to the laboratory, and the second sample retained as a field duplicate sample. Cone splitting of RC drill samples occurred regardless of the sample condition. RC drill sample weights range from 0.3kg to 17kg, but typically average 4kg.* *All HCH samples were submitted to ALS La Serena Coquimbo (Chile) for sample preparation before being transferred to ALS Lima (Peru) for multi-element analysis and ALS Santiago (Chile) for Au and Cu overlimit analysis.* *Due to transport restrictions during Covid-19 pandemic, samples were sent to ALS Vancouver (Canada) from March to April 2020. A small number of samples were also analysed in ALS Lulea (Sweden). The sample preparation included:* *DD half core and RC samples were weighed, dried and crushed to 70% passing 2 mm and then split using a rotary splitter to produce a 1kg sub-sample. The crushed sub-sample was pulverised with 85% passing 75 µm using a LM2 mill and a 110 g pulp was then subsampled, 20 g for ICP and 90g for Au fire assay analysis.* *ALS method ME-ICP61 involves a 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by ICP-AES determination.* *Samples that returned Cu grades >10,000ppm were analysed by ALS "ore grade" method Cu-AA62, which is a 4-acid digestion, followed by AES measurement to 0.001%Cu.* *Samples determined by geologists to be either oxide or transitional were also analysed by Cu-AA05 method to determine copper solubility (by sulphuric acid).* *Pulp samples were analysed for gold by ALS method Au-ICP21; a 30g lead-collection Fire Assay, followed by ICP-OES to a detection limit of 0.001ppm Au. ALS method ME-MS61 is completed on pulps for every 50th metre downhole, it involves a 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by ICP-MS determination.* *Field duplicates were collected for RC drill samples at a rate of 1 in 50 drill metres ie. 1 in every 25 samples (when 2m sampling intervals observed). The procedure involves placing a second sample bag on the cone splitter to collect a duplicate sample.* *Field duplicates for DD samples were submitted at a rate of 1 in 50 drill metres (ie. 1 in 25 samples). The half core was sampled, and the lab (instructed by Hot Chili) collected a second coarse duplicate sample after the initial crushing process of the original*

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

		sample. Crushed samples were split into two halves, with one half flagged as the original sample and the other half flagged as the duplicate sample *Review of duplicate results indicates that there is strong correlation between the primary and duplicate assay values, implying that the selected sample size is reasonable for this style of mineralisation.* *For historic drilling competed at Cortadera by Minera Fuego, half DD core was routinely sampled on 2m intervals. All samples were submitted to accredited laboratories - ACTLAB, ACME Labs (now Bureau Veritas), ALS Global and Andes Analytical Assay.* *Typical analysis methods used for samples included;* *For copper and multi-element; either 4-acid or 3-acid digest followed by either an ICP-MS, ICP-AAS, or a HF digest with ICP-AES. E.g., ACTLAB method 3ACID-AAS, ALS method Cu-AA61, Andes Analytical Assay method (4A-AAS1E01 or ICP_AES_HH22).* *Gold grades were analysed for Fire Analysis (30g charge). E.g., ACTLABS method FA-AAS, ALS method Au-AA23, Andes Analytical Assay method AEF_AAS1EE9.* *No information is available on sampling techniques and sample preparation for holes drilled at Cortadera by AMSA.* *Where possible (i.e., where documentation exists), HCH has verified historical sampling methods, analytical techniques, and assay values with no material issues identified.* *The selected sample sizes and sample preparation techniques are considered appropriate for this style of mineralisation, both for exploration purposes and MRE.*
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	*All HCH drill samples were assayed by industry standard methods through accredited ALS laboratories in Chile, Peru, Canada and Sweden. Typical analytical methods are detailed in the previous section and are considered 'near total' techniques.* *HCH undertakes several steps to ensure the quality control of assay results. These include, but are not limited to, the use of duplicates, certified reference material (CRM) and blank media:* *Routine 'standard' (mineralised pulp) Certified Reference Material (CRM) was inserted at a nominal rate of 1 in 25 samples.* *Routine 'blank' material (unmineralised quartz) was inserted at a nominal rate of 3 in 100 samples at the logging geologist's discretion - with particular weighting towards submitting blanks immediately following mineralised field samples.* *Routine field duplicates for RC and DD samples were submitted at a rate of 1 in 25 samples.* *Analytical laboratories provided their own routine quality controls within their own practices. No significant issues have been noted.* *All results are checked in the acQuire™ database before being used, and analysed batches are continuously reviewed to ensure they are performing within acceptable tolerance for the style of mineralisation.* *Assessment of historical QA/QC data was undertaken as part of the MRE. For drilling by Minera Fuego at Cortadera, CRM and duplicate assay data were reviewed with no significant issues identified. Umpire laboratory checks undertaken by Minera Fuego on historical drilling were reviewed, analysis found good repeatability for Cu, Au and Mo. Majority of samples in the historic umpire program returned Ag results below detection limit. Follow up umpire sampling of historic Ag is recommended. Historical assay data comprised approximately 10% of QA/QC data.*

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

		HCH has not completed a comprehensive review of the AMSA QA/QC data but notes that blanks and pulp standards were submitted at the time of assaying. *It is also noted that duplicate samples have been taken, although it is unknown whether these are field or laboratory duplicates.*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	*All DD sample intervals were visually verified using high quality core photography, with selected samples taken within mineralised intervals for petrographic and mineragraphic microscopy.* *All assay results have been compiled and verified by an independent database consultant to ensure veracity of assay results and the corresponding sample data. This includes a review of QA/QC results to identify any issues prior to incorporation into the Company's geological database.* *No adjustment has been made to assay data following electronic upload from original laboratory certificates to the database. Where samples returned values below the detection limit, these assay values were set to half the lowest detection limit for that element for the purposes of MRE.* *The capture of drill logging data was managed by a computerised system and strict data validation steps were followed. The data is stored in a secure acQuire™ database with access restricted to an external database manager.* *Documentation of primary data, data entry procedures, data verification and data storage protocols have all been validated through internal database checks and by a third-party audit as part of the Cortadera MRE.* *Visualisation and validation of drill data was also undertaken in 3D using multiple software packages - Datamine and Leapfrog with no errors detected.* *Twinned drilling was completed by HCH, to compare the results of RC samples to historical HQ DD and RC samples. Five sets of twin drill holes were completed, with no appreciable assay variance observed between the different drilling and associated sampling methodologies.* *A slight negative bias was observed for RC samples in select intervals, however overall, the twin hole assay results correlated well for both techniques. This supports the use of both RC or DD samples as being representative and appropriate for mineral exploration and resource estimation for this style of mineralisation.* *Hot Chili has undertaken quarter core duplicate sampling across selected intervals of historical half DD core and its own DD core to test assay repeatability and to provide metallurgical samples.* *An analysis of field duplicate samples was undertaken, with results from duplicates returned within acceptable range for this type of mineralisation and for classification of the MRE. The comparison showed no evidence of bias, with a robust correlation achieved between duplicate samples.* *All retained core and pulp samples are stored in a secured site and are available for verification if required.*
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	*The WGS84 UTM zone 19S coordinate system was used for all undertakings.* *Drill hole collar locations were surveyed on completion of each drill hole using a handheld Garmin GPS with an accuracy of +/-5 m. On completion of each HCH drill campaign an independent survey company was contracted to survey drill collar locations using a CHCNAV model i80 Geodetic GPS, dual frequency, Real Time with 0.1cm accuracy.*

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

		Drill collar survey methods used by SCM Carola are unknown, however all collars were located by HCH and have been surveyed using the same method as HCH drilling. *Downhole surveys for HCH drilling were completed by the drilling contractor every 30m using an Axis Champ Navigator north seeking gyroscope tool and Reflex GYRO north seeking gyroscope tool. Downhole surveys for historical drilling were completed every 10m by gyroscope. Exact specifications for the gyroscope tool are unknown.* *Some drill holes could not be surveyed due to downhole blockages, these holes used planned survey or compass bearing/ dip measurements for survey control, and the majority of these holes lie outside of the resource area.* *The topographic model used at Cortadera is deemed adequate for topographic control. It comprises a high resolution topographical elevation model as supplied by SCM Carola.* *Validation of the final topographical model used for resource estimation was completed via visual validation against high resolution drone orthophotography, drill collars, and known infrastructure (roads, tenement pegs etc.)* *Topography at the project ranges from ~900m to 1050m ASL.* *PSAD56 zone 19S coordinate system was used for all historical undertakings, with all data since converted to WGS84 zone 19S.* **Coordinate Datum PSAD-56** Northing: 6814387.779 Easting: 335434.643 RL: 970.49 **Coordinate Datum WGS-84** Northing: 6814009.615 Easting: 335250.244 RL: 1003.611
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	*Around the current Cortadera Resource, drill spacing is nominally 80 metres across strike by 80 metres along strike. In total there were 218 drillholes used to inform the Cortadera geological model, of which 181 were contained within the mineralisation wireframe used to constrain the MRE.* *The current drilling density provides sufficient information to support a robust geological and mineralisation interpretation as the basis for Indicated and Inferred Mineral Resources for the majority of the drill defined deposit.* *Further drilling is planned to explore along strike in 2022 as well as for development study purposes.* *Compositing of drillhole samples was undertaken on 2 metre intervals. Compositing for grade estimation purposes is discussed in section 3.* *Drill spacing is not considered at the early stage exploration projects surrounding the Cortadera resource.*
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*The spacing and location of drilling at Cortadera is variable, ranging from 80m to 300m. The selected drill spacing and orientation over the resource area ensures that drilling is optimised where possible to intersect perpendicular to mineralisation.* *The majority of drilling was oriented from -60 to -80° toward the northeast or southwest. In addition, some other drill orientations were used to ensure geological representivity and to maximise the use of available drill platforms.* *The orientation of drilling is considered appropriate for this style of*

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

		mineralisation, and no sampling bias is inferred from drilling completed as part of the MRE. In addition, copper-gold porphyry mineralisation is typically fairly homogenous meaning a limited chance of bias is likely to be caused from drilling orientation. *The coordinates and orientations for all of the historical Cortadera drill holes have been reported to the ASX in Table 1, Section 2 of the Company's previous drilling announcements.*
Sample security	*The measures taken to ensure sample security.*	*HCH has strict chain of custody procedures that are adhered to. All samples have the sample submission number/ticket inserted into each bulk polyweave sample bag with the id number clearly visible. The sample bag is stapled together such that no sample material can spill out and no one can tamper with the sample once it leaves HCH's custody.* *Measures taken to ensure sample security during historical drilling are unknown. All retained core and pulp samples are currently stored in a secured warehouse facility and are available for verification if required.*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*As part of the Cortadera MRE, WoodPLC conducted an independent review of the drill database. This review has found the data to be accurate and acceptable.* *Expedio Services completed further review of the database to ensure data quality and integrity for the MRE. This review has found the accuracy and repeatability to be adequate.* *An umpire laboratory programme was undertaken by HCH at the Bureau Veritas Laboratory in 2021. The analysis found good correlation, accuracy, and repeatability between the original and umpire data sets for the samples reviewed.* *An audit of the ALS preparation laboratory facilities in La Serena Coquimbo (Chile) was undertaken by the MRE Competent Person in June 2022. The review identified the process of sample preparation to be acceptable and in line with expectation of standards outlined by the JORC Code (2012) and National Instrument 43-101.*

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	*The Cortadera project comprises the following tenements (patentes):*

Magdalenita 1/20	*Corroteo 5 1/26*	*Las Cañas 1/15*
Atacamita 1/82	*Paulina 27 A 1/30*	*Cortadera 1/40*
Paulina 11B 1/30	*Paulina 15 B 1/30*	*Paulina 24 A 1/24*
Paulina 10B 1/20	*Paulina 22 A 1/30*	*Paulina 25 A 1/20*
Amalia 942 A 1/10	*Cortadera 1 1/200*	*Las Cañas Este 2003 1/30*
Paulina 12B 1/30	*Cortadera 2 1/200*	*Paulina 26 A 1/30*

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

		Paulina 13B 1/30 / *Cortadera 41* / *Cortadera 42* *Paulina 14B 1/30* / *Corroteo 1 1/280* / *Lo Cañas 16* *The Cortadera MRE is contained within two Mining Rights:* ***CORTADERA 1/40*** *(374 hectares). Mining tax (or cost per year to keep the mining right) USD 2,673. Such mining right 1/40 is owned 100% by SM La Frontera SpA (wholly owned by Hot Chili).* ***Purísima 1/8*** *(1/2-5/6). (20 hectares). Mining tax (or cost per year to keep the mining right) USD 142. Such mining right is owned 100% by SM La Frontera SpA (wholly owned by Hot Chili) with a 1.5% NSR attached.* *The ground at Western Cortadera, currently under option agreement with AMSA (see 'Hot Chili Executes Deal to Secure Cortadera Extension' dated 28th November 2022) includes the following licenses:* **License ID** / **Area (Ha)** Arboleda 7 1/25 / 234 Navarro Uno 41 Al 60 / 81 Navarro Dos 21 Al 37 / 78 Monica 41 Al 52 / 39 Monica 21 Al 40 / 85
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	*Previous exploration at the project included:* *Historical surface workings.* *1993 to 1995. Mount Isa Mining Company Chile (MMIC) undertook 1:5,000 scale geological mapping, six excavation trenches sampling through the alteration zone, IP-Resistivity surveying and terrestrial magnetometry on 5 m spacing collected along IP-Resistivity lines. Also drilling of 10 diamond holes targeting anomalous geological, geochemical and geophysical features, confirming the presence of porphyry style Cu-Au-Mo mineralisation on a NW-SE trending mineralised corridor of approximately 2 km long by 1km wide.* *Before 1994, ENAMI, reported by Briones (2013), completed a small percussion drilling program of 4 shallow drillholes aimed at defining near-surface oxide resources, prior to open pit mining.* *2001. SCM Carola undertook field surveys including sampling.* *2005. RC drilling completed by AMSA at Western Cortadera (five drillholes for 1,056m)* *2011-2013. Minera Fuego undertook four surface mapping campaigns in Purisima mine workings, and areas surrounding Quebrada Cortadera and Quebrada Las Cañas. Rock chip and soil sampling were carried out and completed along and adjacent to the mineralised corridor. Drilling of 39 diamond holes (23,231m) were completed and a preliminary geological model mineralisation was developed. In addition, geophysical data collection included terrestrial and airborne magnetometry, seven IP chargeability and resistivity profiles and two MIMDAS profiles were completed through the 3 mineralised bodies.*
Geology	*Deposit type, geological setting and style of mineralisation.*	*The Cu-Au-Mo mineralisation at Cortadera is associated with multiple porphyry intrusions. These porphyries have intruded into the early to mid Cretaceuos Totorralillo and Nantoco Formations (consisting of bedded sedimentary rocks, volcaniclastic rocks, bioclastic limestones, volcanic breccias, and andesitic volcanic units) along an apparent WNW-striking structure.* *These porphyries exhibit typical Cu-Au porphyry vein networks and*

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

		associated hydrothermal alteration styles. As typical in porphyry deposits, Cu and Au are strongly related, and higher-grade Cu and Mo are associated with high vein density. *Local oxide mineralisation encountered in drilling and observed at surface suggests supergene mineralisation is present.*
Drillhole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	*The coordinates and orientations for all of the historical Cortadera drill holes have been reported to ASX in Table 1, Section 2 of the Company's previous drilling announcements, most recently 9th February 2022.* *All drill holes completed by HCH have been reported in previous announcements to the ASX made in Quarterly Reports announced to ASX preceding this announcement.* *All historic or previous company drilling results not included may be due to; a) uncertainty of result, location or other unreliability, b) yet to be assessed by HCH, c) unmineralised, d) unsampled or unrecorded, or e) not considered material.*
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated*	*In reported exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval assay grade), divided by sum of interval lengths and rounded to one decimal place.* *Significant intercepts for Cortadera 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.* *For Western Cortadera, significant intersections are calculated above a nominal cut-off grade of 0.1% Cu. These parameters are suitable for reporting of an early stage, polymetallic exploration project.* *No top cuts have been considered in reporting of grade results, nor was it deemed necessary for the reporting of significant intersections.* *Copper Equivalent (CuEq) reported for the drillhole intersections 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 × Cu_recovery).* *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. The entirety of the intersection is assumed as fresh. The recovery and copper equivalent formula for each deposit is:* *Cortadera – Recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)*
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths*	*Drilling was nominally perpendicular to mineralisation, where known and practical.* *Mineralisation at Cortadera is hosted within a relatively homogenous and large porphyry intrusion with disseminated mineralisation, hence drill orientation and associated sample lengths are deemed to be representative and unbiased (regardless of drill orientation).*

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

	are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known')..	*At Western Cortadera, the relationship of mineralisation widths to the intercepts of drilling undertaken by other previous companies is unknown and is currently being assessed.* *Drill intersections are reported as downhole length.*
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	*Refer to figures in the announcement.* *Indicative mineralisation models were created using the logging of chalcopyrite (+0.17% Cpy, +1% Cpy, +1.2% Cpy +1.65% Cpy) and are included in figures within this announcement. These mineralisation domains have been generated in Leapfrog software from HCH's four dimensional geological model. These mineralisation domains are provided for reference only.* *The four dimensional model incorporates all lithological units determined from surface mapping and downhole logging. These lithological units are modelled spatially, honouring the deposit paragenesis (timing relationships). This allows for effective exploration targeting and understanding of grade distribution and mineralisation controls to be modelled following the Anaconda methodology of porphyry assessment.* *The images of mineralisation domains are not an Exploration Target and do not contain nor indicate any estimate of potential size and grade ranges for the Cortadera discovery.*
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	*All new exploration results are being reported for the Mineral Resource Area.* *The coordinates and orientations for all the historical Cortadera drill holes have been reported to ASX in Table 1, Section 2 of the Company's previous drilling announcements.*
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	*Available historical data from previous exploration includes surface mapping, surface geochemical surveys and geophysical surveys (Ground magnetics, airborne magnetics and Induced Polarisation surveys). Where possible, historical exploration data has been supported and verified by selected surface sampling and geological mapping undertaken by HCH.* *Soil sampling at Cortadera and Santiago Z was completed on a 200 x 100m grid, and samples were sieved to a -2mm fraction that was sent for analysis for ME-MS61 (48 element) and Au.* *Multi element ME-MS61 (48 element) analysis was completed every 50th metre downhole. This data was used for 3D geochemical modelling completed independently by Fathom Geophysics in 2021 following the geochemical element zoning models for the Yerington porphyry copper deposit in Nevada (Cohen, 2011]; and Halley et al., 2015).* *Cohen, J.F., 2011, Mineralogy and geochemistry of alteration at the Ann-Mason copper deposit, Nevada: Comparison of large-scale ore exploration techniques to mineral chemistry: M.Sc. thesis, Corvallis, Oregon, Oregon State University, 112 p. plus appendices.* *Halley, S., Dilles, J.H, and Tosdal, R.M., 2015, Footprints: Hydrothermal alteration and geochemical dispersion around porphyry copper deposits, Society of Economic Geologists Newsletter v. 100, p 1, 12-17.* *The XRF readings (for Hot Chili samples) were taken by the Olympus "Vanta" portable XRF. The Minera Fuego data was a Niton XRF.* *U-Pb SHRIMP zircon age-dating at Cortadera included analysis of early, intra and late mineral porphyry intrusive samples from half diamond core samples. Sample weights ranged between 800g -1200g per sample.* *U-Pb SHRIMP zircon age-dating was undertaken in parallel withthin-section petrography and SEM mineragraphy.* *Metallurgical testwork is discussed in Section 3.*

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

Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	*Potential work at Cortadera may include further verification drilling, sampling, assaying and QA/QC. Other further work may also include infill drilling for resource classification upgrade purposes and/ or exploratory and extensional drilling for resource additions, as well as additional drilling required for development studies.*

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