Quarterly Report

Period Ending 30th June 2023

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Highlights

Costa Fuego Copper-Gold Project Preliminary Economic Assessment (PEA)[1] Outlines One of World's Lowest Capital Intensity, Major Copper Developments

- **Strong Economics:** Costa Fuego PEA delivers using an 8% discount rate and long-term metal price assumptions of US$3.85/lb copper (Cu) and US$1,750/oz gold (Au)
- **Base-case post-tax Net Present Value ($NPV_{8\%}$) of US$1.10 Billion** (approximately, within a range of US$733 Million to US$1.46 Billion) **and Internal Rate of Return (IRR) of 21%** (approximately, within a range of 17% to 25%)
- **Low Start-up Capital:** US$1.05 Billion estimated, resulting in fast 3.5-year payback. Initial phases of open pit mining fully fund development of a bulk underground operation
- **Low Capital Intensity:** One of the lowest capital intensities of global copper development projects
- **Approximately 112 ktpa Average CuEq[2] Production Rate:** Including 95 kt Cu and 49 koz Au during primary production (first 14 years) at C1 Cash Cost[3] of US$1.33/lb (estimated, net of by-product credits)
- **Initial Mine Life:** 16-years with 1.41 Mt Cu and 718 koz Au produced for total revenue of approximately US$13.52 Billion and total free cash flow of approximately US$3.28 Billion (post-tax, after operating costs, capital costs, and royalties)

US$15 Million Investment Agreement with Osisko Gold Royalties

- **Strong endorsement** from a leading North American royalty-streaming group with funds to be used to advance the Costa Fuego Pre-feasibility Studies (PFS), resource growth drilling programmes and general project advancement.

30,000 m drilling program across multiple targets to commence shortly

Single, Large Pit Scenario for Cortadera being studied in H2 2023

Strong Cash balance of $26 million

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[1] The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves (NI 43-101) or Ore Reserves (JORC 2012), and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves or Ore Reserves do not have demonstrated economic viability. References to "Mineral Reserves" in this announcement include Ore Reserves (JORC 2012). See page 39 for additional cautionary language.

[2] The copper-equivalent (CuEq) annual production rate was based on the combined processing feed (across all sources) and used long-term commodity prices of: Copper US$3.85/lb, Gold US$1,750/oz, Molybdenum US$17/lb, and Silver US$21/oz; and estimated metallurgical recoveries for the production feed to the following processes: Concentrator (87% Cu, 56% Au, 37% Ag, 58% Mo), Oxide Leach (55% Cu only), & Low-grade Sulphide Leach (40% Cu only).

[3] See page 16 for full non-IFRS measures disclaimer.

ASX: HCH
TSXV: HCH
OTCQX: HHLKF

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Cautionary Statement – JORC Code (2012)

The Preliminary Economic Assessment referred to in this report is equivalent to a Scoping Study under JORC Code (2012) reporting guidelines. It has been undertaken for the purpose of initial evaluation of a potential development of the Costa Fuego Copper Project in Chile. It is a preliminary technical and economic study of the potential viability of the Costa Fuego Copper Project. The PEA outcomes, production target and forecast financial information referred to in the report are based on low level technical and economic assessments that are insufficient to support estimation of Ore Reserves. The PEA is presented in US dollars to an accuracy level of +/- 35%. While each of the modifying factors was considered and applied, there is no certainty of eventual conversion to Ore Reserves or that the production target itself will be realised. Further exploration and evaluation and appropriate studies are required before Hot Chili will be in a position to estimate any Ore Reserves or to provide any assurance of any economic development case. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PEA.

Of the Mineral Resources scheduled for extraction in the PEA production plan, approximately 97% are classified as Indicated and 3% as Inferred during the 18-year evaluation period. The Company has concluded that it has reasonable grounds for disclosing a production target which includes a small amount of Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. Inferred Mineral Resources comprise 2.5% of the production schedule in the first four years of operation. The viability of the development scenario envisaged in the PEA does not depend on the inclusion of Inferred Mineral Resources.

The Mineral Resources underpinning the production target in the PEA have been prepared by a competent person in accordance with the requirements of the JORC 2012. For full details on the Mineral Resource estimate, please refer to the ASX announcement of 31 March 2022. Hot Chili confirms that it is not aware of any new information or data that materially affects the information included in that release and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not been changed.

To achieve the outcomes indicated in the PEA, including reaching Definitive Feasibility Study ("DFS") stage, funding in the order of US$1.10 Billion will be required, including pre-production and working capital and assumed financing charges. Investors should note that that there is no certainty that Hot Chili will be able to raise that amount of funding when needed. One of the key assumptions is that the funding for the Project will be available when required. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Hot Chili's existing shares. It is also possible that Hot Chili could pursue other value realisation strategies such as debt financing, a sale or partial sale of its interest in the Costa Fuego Copper Project, sale of further royalties and/or streaming rights, sale of non-committed offtake rights, and sale of non-core assets.

This report contains forward-looking statements. Hot Chili has concluded that it has a reasonable basis for providing these forward-looking statements and believes it has a reasonable basis to expect it will be able to fund development of the Costa Fuego Copper Project. However, a number of factors could cause actual results or expectations to differ materially from the results expressed or implied in the forward-looking statements. Given the uncertainties involved, investors should not make any investment decisions based solely of the results of the PEA.

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SUMMARY OF OPERATIONAL ACTIVITIES

Costa Fuego Copper-Gold Project Preliminary Economic Assessment (PEA)[1] Outlines One of World's Lowest Capital Intensity, Major Copper Developments

The Costa Fuego PEA has been prepared by Wood Australia Pty. Ltd. as an update to the historical Productora 2016 Pre-Feasibility Study (the "2016 PFS"). It follows significant regional consolidation and a near quadrupling of the Company's resource inventory with the addition of the Cortadera porphyry resource, and the San Antonio high-grade satellite resource. The expanded resource base provided the opportunity to lift the scale of development for a combined development hub (Costa Fuego) and optimise infrastructure required to transport these resources to a proposed centralised processing plant at Productora. The PEA therefore presents a materially different project to that contemplated in the 2016 PFS.

The Costa Fuego PEA presents the largest copper development project listed on the Australian Securities Exchange (ASX). Already the ASX's largest copper development resource, the PEA confirms Costa Fuego as having the largest potential copper production in the exchange's development pipeline (refer to ASX Announcement "Costa Feugo PEA Presentation", released 28th June 2023, slide 51 "New Material Copper Supply") at a time when the ASX is losing its significant copper-players, with Oz Minerals taken over by diversified-miner BHP and Newcrest under takeover by US-based Newmont.

The strong economics of Costa Fuego are described below in Table 1, using financial assumptions of an 8% discount rate and long-term metal price assumptions for the base case of US$3.85/lb copper (Cu) and US$1,750/oz gold (Au).

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[1] The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves (NI 43-101) or Ore Reserves (JORC 2012), and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves or Ore Reserves do not have demonstrated economic viability. References to "Mineral Reserves" in this announcement include Ore Reserves (JORC 2012). See page 19 for additional cautionary language.

Table 1. Copper Price Ranges: Lower-, Base-, and Upper-Case Scenarios[1,2]

Project Metric		Units	Copper Price		
			Lower (US$3.50/lb)	**Base (US$3.85/lb)**	Upper (US$4.20/lb)
Pre-Tax	**$NPV_{8\%}$**	US$M	1,046	**1,540**	2,029
	IRR	%	19%	**24%**	29%
Post-Tax	**$NPV_{8\%}$**	US$M	733	**1,100**	1,463
	IRR	%	17%	**21%**	25%
Annual Average Revenue		US$M	779	**845**	911
Annual Average EBITDA		US$M	384	**445**	506
Annual Average Free Cash Flow		US$M	226	**271**	315
Payback period (From First Production)		years	4.25	**3.50**	3.25
Post-Tax $NPV_{8\%}$ /Start-up Capital			0.7	**1.1**	1.4

Within the base-case scenario of the PEA, the positive economics shown in Table 2 outline a project that leverages its low-elevation advantage to achieve low start-up capital costs and consequently one of the lowest capital intensities of global copper development projects at this scale. Annual average revenue of around US$845 Million allow the project to achieve a fast 3.5-year payback on the back of initial open pit mining that fully funds the project expansion and development of underground bulk mining.

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[1] Certain terms of measurement used in this news release are not performance measures reported in accordance with International Financial Reporting Standards ("IFRS"). Non-IFRS terms measures used such as "Cash Cost", "All-in Sustaining Costs", "C1", "Expansion Costs", "Free Cashflow" and "All-in costs" are included because these statistics are measures that management uses internally to evaluate performance, to assess how the Project ranks against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

[2] The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. See page 19 for additional cautionary language.

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Table 2: Costa Fuego PEA[1] Economic Highlights[2]- Base Case

Project Metric			Units	Estimated Value
Financial Measures				
Pre-tax	Cu US$3.85/lb	$NPV_{8\%}$	US$M	1,540
		IRR	%	24
Post-tax	Cu US$3.85/lb	$NPV_{8\%}$	US$M	1,100
		IRR	%	21
Payback period (from start of operations)			years	3.5
Open Pit Strip Ratio			W/P	1.8
Post-tax NPV/Start-up Capex			Ratio	1.1
Capital Costs Costs[2]				
Total Pre-production Capital Expenditure			US$M	1,046
Expansion			US$M	708
Sustaining			US$M	1,014
Total			US$M	2,768
Operating Costs[2]				
C1			$/lb Cu	1.33
Total Cash Cost (net by-products and including royalties)			$/lb Cu	1.43
All-in-Sustaining Cost			$/lb Cu	1.74
All-In Cost LOM			$/lb Cu	2.31
Mine Life & Metal Production				
Primary Mine Production Including Ramp-up			years	14
Mine Life (Life of Mine Processing)			years	16
Primary Mine Production – Average Annual Copper Equivalent Metal[3]			kt	112
Primary Mine Production – Average Annual Copper Metal			kt	95
Primary Mine Production – Average Annual Gold Metal			koz	49

Following the pre-production Capital Cost of around US$1.05 Billion, operations are expanded to access the remaining deposits at an estimated Capital Cost of US$708 Million, with Sustaining Capital Costs bringing the total project Capital Cost to around US$2.77 Billion. Capital Costs incorporated a 20% contingency, with further contingency applied to the mining pit shells, which were developed using a copper price of US$3.30/lb to hedge against downside price risk impacting the production feed inventory.

Operating costs for Costa Fuego average (estimated net of by-products) a C1 Cash Cost of US$1.33/lb of copper, with an approximate average production rate of 112 ktpa CuEq[4] that includes 95 kt Cu and 49 koz Au during primary production (first 14 years).

[1] The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. See page 39 for additional cautionary language.

[2] Certain terms of measurement used in this news release are not performance measures reported in accordance with International Financial Reporting Standards ("IFRS"). See page 40 for full non-IFRS measures disclaimer.

[3] Includes Payability

[4] The copper-equivalent (CuEq) annual production rate was based on the combined processing feed (across all sources) and used long-term commodity prices of: Copper US$3.85/lb, Gold US$1,750/oz, Molybdenum US$17/lb, and Silver US$21/oz; and estimated

The Costa Fuego life-of-mine processing runs for 16-years, producing an estimated 1.41 Mt of copper and 718 koz of gold (plus 22 kt of molybdenum and 1.7 Moz of silver) for total revenue of approximately US$13.52 Billion and total free cash flow of approximately US$3.28 Billion (post-tax, after operating costs, capital costs, and royalties)

Revenues from the PEA metal payload are described in Table 3 below, with 85% of revenue deriving from copper. Costa Fuego is highly leveraged to the copper price, with analysis identifying that for every US$0.10/lb increase above US$ 3.85/lb Cu price, US$100 Million (approximately) is added in post-tax $NPV_{8\%}$

Table 3: Costa Fuego Revenue Breakdown[1]

LOM Revenue Contribution	Revenue (US$M)	% of Total
Copper in Concentrate	10,342	76%
Copper Cathode	1,218	9%
Gold	1,132	8%
Molybdenum	799	6%
Silver	32	0.2%
Total	**13,523**	**100%**

Hot Chili has been systematic in its approach to de-risking the project with over a decade of work in consolidating the deposits and securing infrastructure easements and surface rights. Costa Fuego is one of the very few projects globally that holds a granted water permit, approval for power connection to the national grid and the necessary easement corridors for water and power infrastructure that would support the advancement of the project to construction.

30,000 m drilling program across multiple targets to commence shortly

The Company plans to rapidly begin drilling high priority growth targets proximal to the current resource. Drilling will also test promising greenfield targets as shown in Figure 1. Further strategic regional consolidation options are concurrently being pursued, with mineral resource estimate upgrades expected in Q4 2023 and H1 2025.

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metallurgical recoveries for the production feed to the following processes: Concentrator (87% Cu, 56% Au, 37% Ag, 58% Mo), Oxide Leach (55% Cu only), & Low-grade Sulphide Leach (40% Cu only).

[1] Includes Payability

Figure 1. Exploration Growth Targets Across the Costa Fuego Project

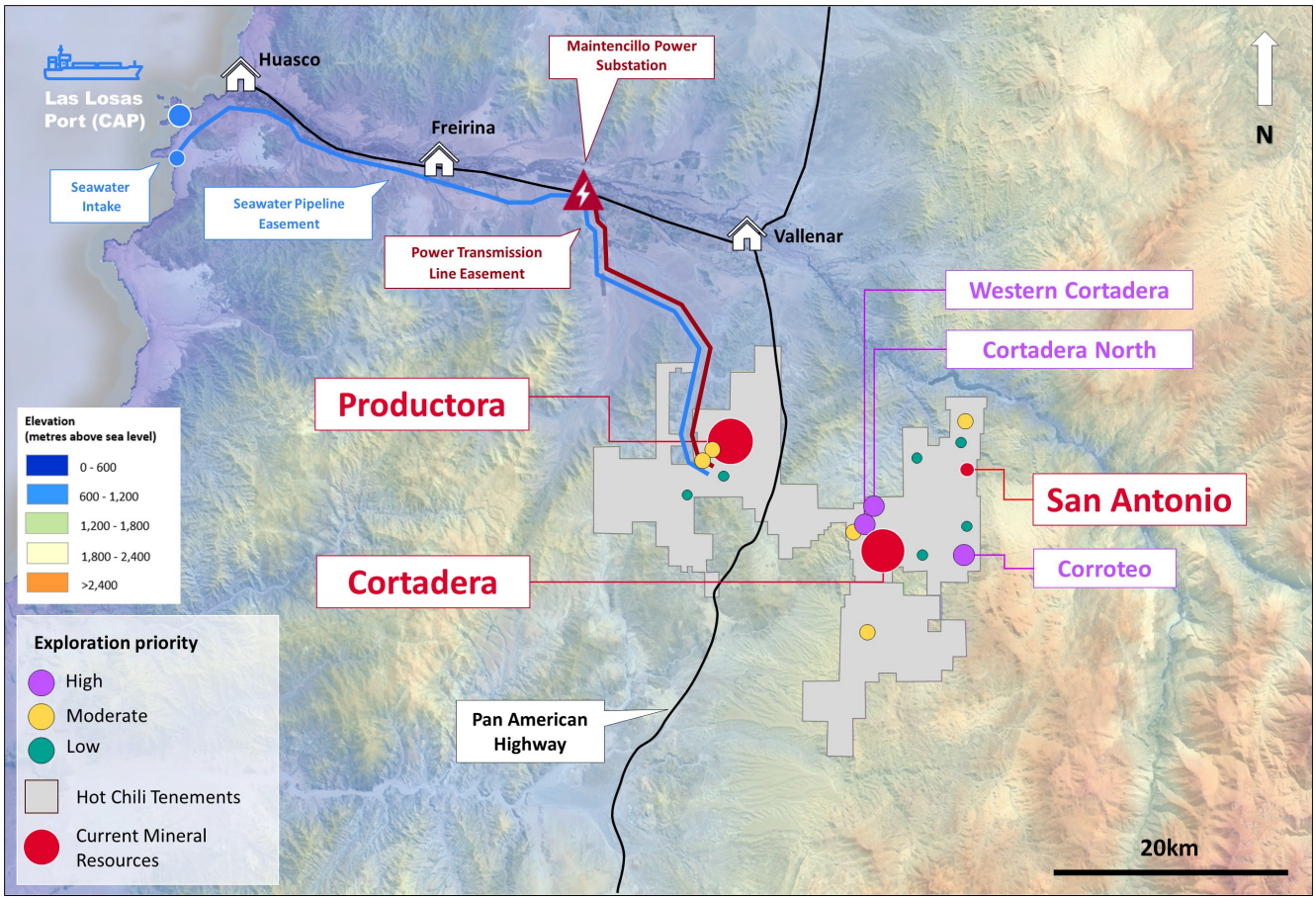

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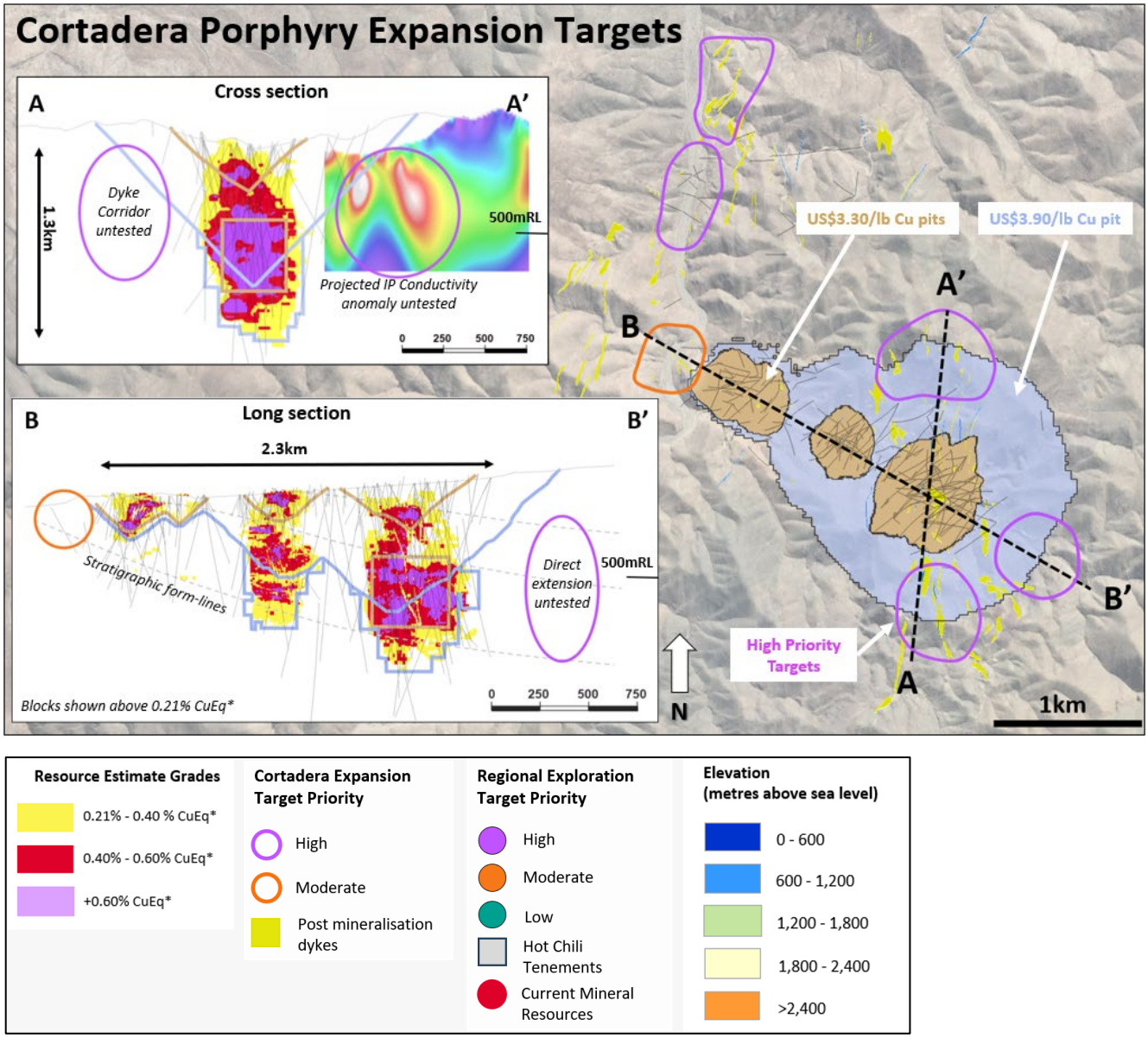
Figure 2. Cortadera Porphyry Expansion Targets[1]



[1] Refer to announcement dated 28th August 2019 for further information regarding Induced Polarisation (IP/MT–MIMDAS) Survey.

* Resource Copper Equivalent (CuEq) considers assumed commodity prices and average metallurgical recoveries for the Mineral Resource from testwork. See Page 43 for complete Mineral Resource disclosure of Costa Fuego.

Single, Large Pit Scenario for Cortadera being studied in H2 2023

The Company is investigating a large single open pit scenario for Cortadera (no underground block cave) with the potential to materially increase processing feed inventory and mine-life.

This scenario would necessitate a second PEA, studied while refining of the model inputs for metallurgy, geotechnical engineering and hydrogeology, to be incorporated into the Pre-feasibility. Once both PEA scenarios are assessed, the Company would select a single scenario to complete the final stages of its PFS for Costa Fuego, which is expected to be completed by H2 2024.

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SUMMARY OF CORPORATE ACTIVITIES

US$15 Million Investment Agreement with Osisko Gold Royalties

The significant investment by Osisko provides strong endorsement from one of North America's leading royalty-streaming groups. The key elements of the royalty agreement, which closed in late July, are:

- **US$15 million in funds for growth and development** with the investment (Royalty Consideration) to be used to advance the Costa Fuego Pre-Feasibility Studies (PFS), resource growth drilling programmes and for the general advancement of the Project
- **Clear "look-through" value** given the Osisko NSR is equivalent to a 1.12% CuEq[1] NSR royalty across payable metals for US$15 million and Hot Chili's market capitalisation at the time of announcing the royalty was US$80 million
- **Buyback rights if a change of control event occurs** prior to the fourth anniversary of Closing. The Osisko NSR can be reduced to 0.5% NSR royalty on copper and 2.5% NSR royalty on gold
- **Osisko to have a Right of First Offer (ROFO)** with respect to the sale of any future royalty, stream, or similar interests by Hot Chili

Development and Growth Funding

The Investment by Osisko has strengthened the Company's cash position to approximately A$26 million and the project is now fully funded for the next 12 to 18 months to deliver the next steps in its growth and development plan, (refer Figure 3) including:

- **Commencement of 30,000 m drill program** – preparations well-advanced, drilling operations set to commence in the coming weeks.
- **Completion of Costa Fuego resource upgrade by late 2023.**
- **Delivery of Costa Fuego PFS by H2 2024 -** The Company has already considerably advanced its PFS (approximately 80% complete) with minimal expenditure required for completion.

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[1] CuEq considers assumed commodity prices and average metallurgical recoveries from test work. See qualifying statements on page 19.

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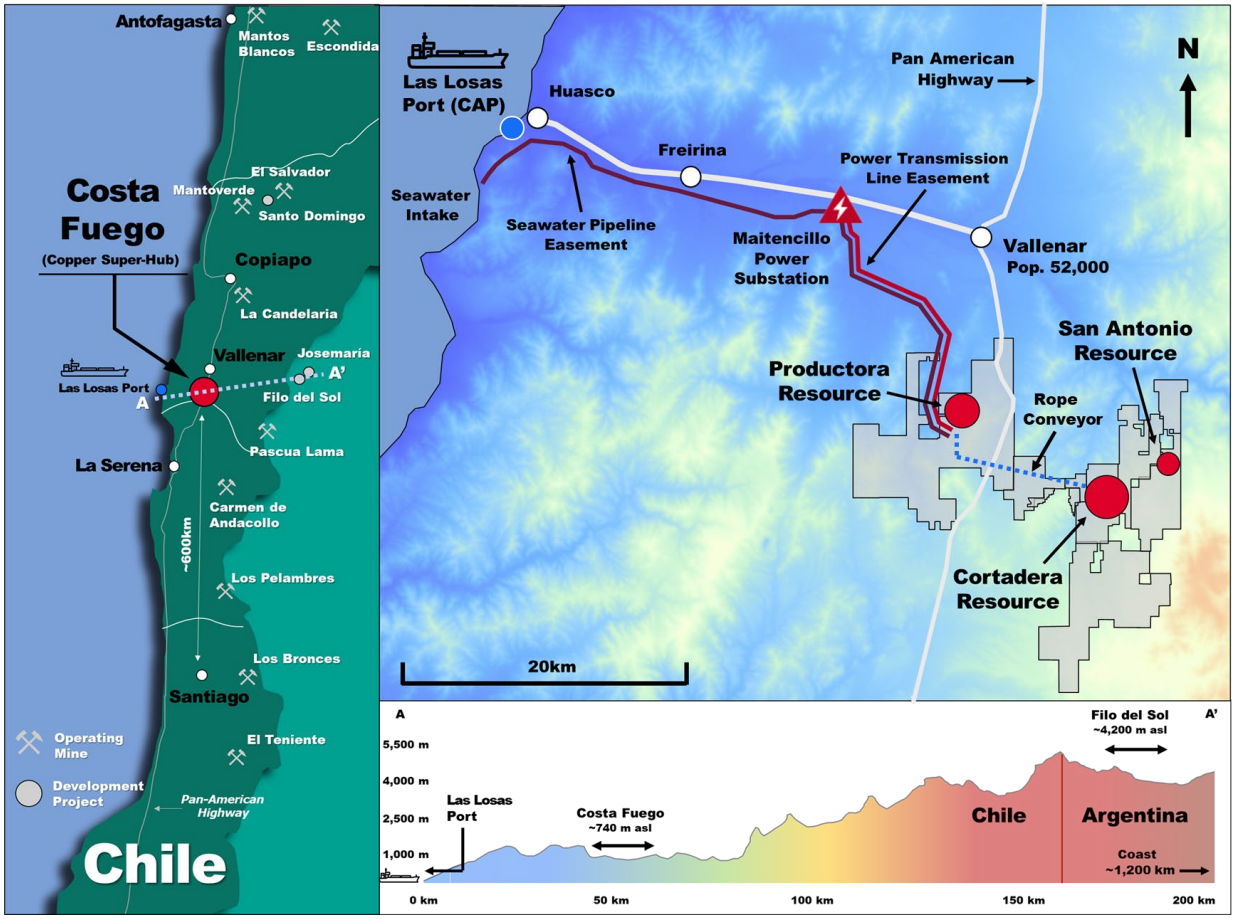
Figure 3. Costa Fuego Project Roadmap[1]

Figure 4. Location of the Costa Fuego Project Regionally in Relation to Key Infrastructure



[1] The Mining Project delivery schedule mentioned herein is subject to various risks inherent to the mining industry, and external factors beyond the control of the project stakeholders, including but not limited to, geological and processing challenges, government policies, permits, or regulations, fluctuations in commodity prices, or market conditions. These external factors can impact the Project timeline and potentially result in delays. The delivery schedule provided is based on the best estimates and assumptions available at the time of its creation, and the Project team is committed to minimising disruptions and implementing mitigation measures to the best of their abilities. However, the effectiveness of these measures in avoiding delays cannot be guaranteed.

Drill Results Reported for Costa Fuego in Quarter 2 2023

No further drilling has been completed in Q2, subsequently there are no details to report.

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 2023

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 $151,667. This is comprised of directors' salaries and superannuation of $151,667.

Health, Safety, Environment and Quality

Field operations during the period included geological reconnaissance activities, 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.

No safety incidents were recorded during the quarter. The Company's HSEQ quarterly performance is summarised in Table 3 below.

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. There is no greater importance than ensuring the safety of our people and their families.

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Table 3 HSEQ Quarter 1 2023 Performance and Statistics

Deposit	Productora		Cortadera		Las Cañas	
Timeframe	Q2 2023	Cum.	Q2 2023	Cum.	Q2 2023	Cum.
LTI events	0	0	0	6	0	1
NLTI events	0	2	0	5	0	1
Days lost	0	0	0	152	0	23
LTIFR index	0	0	0	24	0	170
ISR index	0	0	0	596	0	3,898
IFR Index	0	39	0	43	0	339
Thousands of manhours[1]	2.1	51.2	7.9	257	0	5.9
Incidents on materials and assets	0	0	0	0	0	0
Environmental incidents	0	0	0	0	0	0
Headcount[2]	4	11	15	37	0	21

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

Tenement Changes During the Quarter

During the Quarter, the Company has renewed the mining exploration concessions Porfiada I (replaces Porfiada I, which expired on June, 14th, 2023), Porfiada II (replaces Porfiada II, which expired on July, 5th, 2023), Porfiada III (replaces Porfiada III, which expired on June, 15th, 2023) and Porfiada IV (replaces Porfiada IV, which expired on July, 5th, 2023).

The Company's existing tenements are detailed in the table below.

Table 4. Current Tenement (Patente) Holdings in Chile as at 30 June 2023

Cortadera Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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	

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License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
CORROTEO 5 1/261	100% Frontera SpA		261	
ROMERO 1 AL 31	100% Frontera SpA		31	
PURISIMA	100% Frontera SpA		20	NSR 1.5%

Note. Frontera SpA is a 100% owned subsidiary company of Hot Chili Limited

Productora Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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	
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	NSR 3%
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 US$250,000 per year (average for the 25 year term); plus 2% NSR all but gold; 4% NSR gold; 5% NSR non-metallic
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	

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License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
JULI 22	80% SMEA SpA		300	
JULI 23 1/60	80% SMEA SpA		300	
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	GSR 1%
JULIETA 1-4	80% SMEA SpA		4	

Note. SMEA SpA is subsidiary company - 80% owned by Hot Chili Limited, 20% owned by CMP (Compañía Minera del Pacífico)

El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
Santiago 21 al 36		90% Frontera SpA	76	90% (HCH)-10% (Arnaldo del Campo) JV. 6-year term. USD 300,000 already paid. USD 300,000 to be paid by September 7, 2023 USD 6,600,000 final exercise payment to be paid by September 7, 2024.
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	
Kreta 1 al 4		90% Frontera SpA	16	
Mari 1 al 12		90% Frontera SpA	64	
PORFIADA VII		90% Frontera SpA	300	
PORFIADA VIII		90% Frontera SpA	300	
PORFIADA IX		90% Frontera SpA	300	
PORFIADA X		90% Frontera SpA	200	
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	
PORFIADA G		90% Frontera SpA	200	
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		93	
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	

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Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
DORO 2	100% Frontera SpA		200	
DORO 3	100% Frontera SpA		300	
SANTIAGO Z 1/30		100% Frontera SpA	300	100% HCH Purchase Option Agreement USD 200,000 already paid. USD 400,000 to be paid by January 22, 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 already paid USD 4,000,000 by June 1, 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	
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	
CHAPULIN COLORADO 1/3	100% Frontera SpA		3	
PEGGY SUE 1/10	100% Frontera SpA		100	
DONA FELIPA	100% Frontera SpA		50	
ELEANOR RIGBY 1/10	100% Frontera SpA		100	
CF 6	100% Frontera SpA		200	
CF 7	100% Frontera SpA		100	
CF 8	100% Frontera SpA		200	
CF 9	100% Frontera SpA		100	
MARI 1	100% Frontera SpA		300	
MARI 6	100% Frontera SpA		300	
MARI 8	100% Frontera SpA		300	
FALLA MAIPO 2 1/10	100% Frontera SpA		99	
FALLA MAIPO 3 1/8	100% Frontera SpA		72	
FALLA MAIPO 4 1/26	100% Frontera SpA		26	
ARBOLEDA 7 1/2	Option AMSA		234	100% HCH Purchase Option Agreement USD 1,500,000 to be paid by November 15, 2024
NAVARRO 1 41/60	Option AMSA		81	
NAVARRO 2 21/37	Option AMSA		78	
MONICA 21/40	Option AMSA		85	
MONICA 41/52	Option AMSA		39	

Note. Frontera SpA is a 100% owned subsidiary company of Hot Chili Limited

Qualifying Statements

Costa Fuego Combined Mineral Resource (Effective Date 31st March 2022)

Costa Fuego Open Pit Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq[7]	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq[7])	(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 Underground Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq[7]	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.30% CuEq[7])	(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[7]	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] Mineral Resources are reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. All figures are rounded, reported to appropriate significant figures, and reported in accordance with the Joint Ore Reserves Committee Code (2012) and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definition, as required by National Instrument 43-101.

[2] The Productora deposit is 100% owned by Chilean incorporated company Sociedad Minera El Aguila SpA (SMEA). SMEA is a joint venture (JV) company – 80% owned by Sociedad Minera El Corazón Limitada (a 100% subsidiary of Hot Chili Limited), and 20% owned by CMP Productora (a 100% subsidiary of Compañía Minera del Pacífico S.A (CMP)).

[3] The Cortadera deposit is controlled by a Chilean incorporated company Sociedad Minera La Frontera SpA (Frontera). Frontera is a subsidiary company – 100% owned by Sociedad Minera El Corazón Limitada, which is a 100% subsidiary of Hot Chili Limited.

[4] The San Antonio deposit is controlled through Frontera (100% owned by Sociedad Minera El Corazón Limitada, which is a 100% subsidiary of Hot Chili Limited) and has an Option Agreement with a private party to earn a 90% interest.

[5] The Mineral Resource estimates in the tables above form coherent bodies of mineralisation that are considered amenable to a combination of open pit and underground extraction methods based on the following parameters: Base Case Metal Prices: Copper US$ 3.00/lb, Gold US$ 1,700/oz, Molybdenum US$ 14/lb, and Silver US$20/oz.

[6] Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. Process recoveries: 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).

[7] Resource Copper Equivalent (CuEq) grades are calculated based on the 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 base case cut-off grade for mineral resources considered amenable to open pit extraction methods at the Cortadera, Productora and San Antonio deposits is 0.21% CuEq while the cut-off grade for mineral resources considered amenable to underground extraction methods at the Cortadera deposit is 0.3% CuEq.

[8] Mineral resources are not mineral reserves and do not have demonstrated economic viability. These Mineral Resource estimates include Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as Mineral Reserves. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Measured or Indicated Mineral Resources with continued exploration.

[9] The effective date of the estimate of Mineral Resources is March 31st, 2022. Refer to ASX Announcement "Hot Chili Delivers Next Level of Growth" ("Resource Announcement") for JORC Code Table 1 information related to the Costa Fuego Resource Estimate (MRE) by Competent Person Elizabeth Haren, constituting the MREs of Cortadera, Productora and San Antonio (which combine to form Costa Fuego). Hot Chili confirms it is not aware of any new information or data that materially affects the information included in the Resource Announcement and all material assumptions and technical parameters stated for the Mineral Resource Estimates in the Resource Announcement continue to apply and have not materially changed.

[10] Hot Chili Limited is not aware of political, environmental or other risks that could materially affect the potential development of the Mineral Resources

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Competent Person's Statement- Exploration Results

Exploration information in this Report 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.

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 report.

This report is to be used by the recipient for informational purposes only and does not purport to be complete or contain all the information that may be material to the current or future business, operations, financial condition, or prospects of Hot Chili Limited ("Hot Chili" or the "Company"). Each recipient should perform its own independent investigation and analysis of Hot Chili, and the information contained in this report is not a substitute therefore. Hot Chili makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this report or in any other written or oral communication transmitted to any recipient by any party. Except for liability that cannot be disclaimed by law, by accepting this Document, the recipient agrees that neither Hot Chili nor any of its officers, directors, employees, or representatives has any liability for any representations or warranties, express or implied, contained in, or for any omissions from, this report or any such other written or oral communication from any person.

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This report should not be considered as a recommendation from any person to purchase any securities. Each person for whom this report is made available should consult its own professional advisors in making its own independent investigations and assessment and, after making such independent investigations and assessments, as it deems necessary, in determining whether to proceed with any investment in the Company.

Technical Report

For readers to fully understand the information in this report, they should read the PEA Technical Report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") (to be available on www.sedar.com or at www.hotchili.net.au within 45 days of June 30, 2023) in its entirety, including all qualifications, assumptions, limitations and exclusions that relate to the information set out in this report that qualifies the technical information contained in the PEA. The PEA is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in this report is subject to the assumptions and qualifications contained in the PEA.

Qualified Persons – NI 43-101

The PEA was compiled by Wood Australia Pty Ltd with contributions from a team of independent Qualified Persons within the meaning of Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43 -101"). The scientific and technical information contained in this report pertaining to Coast Fuego has been reviewed and verified by the following independent qualified persons within the meaning of NI 43-101:

- Ms Elizabeth Haren (MAUSIMM (CP) & MAIG) of Haren Consulting – Mineral Resource Estimate
- Mr Dean David (FAUSIMM (CP)) of Wood Pty Ltd – Metallurgy
- Mr Piers Wendlandt (PE) of Wood Pty Ltd – Market Studies and Contracts, Economic Analysis
- Farzard Kossari (PE) of Wood Pty Ltd – Cost Estimation
- Mr Anton von Wielligh (FAUSIMM) of ABGM Consulting Pty Ltd – Mine Planning and Scheduling

The independent qualified persons have verified the information disclosed herein, including the sampling, preparation, security, and analytical procedures underlying such information.

Disclosure regarding mine planning and infrastructure has been reviewed and approved by Mr Grant King, FAUSIMM, Hot Chili's Chief Operations Officer, and a Qualified Person within the meaning of NI43-101.

Competent Persons – JORC

The information in this report that relates to Mineral Resources for the Costa Fuego Project is based on information compiled by:

- Ms Elizabeth Haren (MAUSIMM (CP) & MAIG) of Haren Consulting – Mineral Resource Estimate
- Mr Dean David (FAUSIMM (CP)) of Wood Pty Ltd – Metallurgy
- Mr Piers Wendlandt (PE) of Wood Pty Ltd – Market Studies and Contracts, and Economic Analysis
- Mr Farzard Kossari (PE) of Wood Pty Ltd – Cost Estimation
- Mr Anton von Wielligh (FAUSIMM) of ABGM Consulting Pty Ltd – Mine Planning and Scheduling

Ms Haren, Mr David, Mr Wendlandt, Mr Kossari and Mr von Wielligh have 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' and as Qualified Persons under NI43-101.

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

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for review on SEDAR (www.sedar.com) under Hot Chili's issuer profile.

Cautionary Note for U.S. Investors Concerning Mineral Resources

National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") is a rule of the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Technical disclosure contained in this report has been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ from the requirements of the U.S. Securities and Exchange Commission ("SEC") and resource information contained in this press release may not be comparable to similar information disclosed by domestic United States companies subject to the SEC's reporting and disclosure requirements.

All amounts in this report are in U.S. dollars unless otherwise noted.

Non IFRS Financial Performance Measures

"Total Cash Cost", "All-in Sustaining Cost", "All-in cost LOM", "C1", and "Free Cashflow" are not performance measures reported in accordance with International Financial Reporting Standards ("IFRS"). These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess how the Costa Fuego Project compares against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

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.

Sampling, Analysis and Data Verification

A fixed cone splitter was used to create two nominal 12.5% samples (Sample "A" and "B"), along with the large bulk reject sample. The "A" sample is always taken from the same sampling chute, and comprises the primary sample submitted to the laboratory. The "B" samples were retained for use as the field duplicate sample. The coarse residues were collected into large plastic bags and were retained on the ground near the drillhole collar, generally in rows of 50 bags.

All RC drillhole sampling was executed at two metre intervals for Costa Fuego. Within logged mineralisation zones, the 2-metre sample ("A" sample) was submitted. Outside the main mineralised zones (as determined by the logging geologist), 4-metre composites were created from scoops of 2-metre sample residues over this interval. The composited 4-metre samples were analysed first and, if required, the individual and original 2-metre "A" samples comprising this 4-metre interval were sent for analysis. This ensured that no mineralisation was missed while minimising analytical costs. The same procedure was applied to RC drilling undertaken across Productora, however, drillhole sampling was executed at 1-metre intervals.

At Costa Fuego, the majority of diamond core has had systematic half-core sampled at 2-metre intervals. Half-core was chosen as the preferred sampling method to ensure a representative sample was submitted for analysis, while also retaining half-core for review of lithology and mineralisation, and for further test work as required.

Prior to the cutting and sample process, two additional samples are also taken for Costa Fuego being Density and Geotechnical samples.

- Density samples are selected every 30 metres if the geological conditions allow it and are provided to the laboratory for testwork.
- Geotechnical samples are taken for tests including triaxial (one sample per 250 m) and uniaxial tests (one sample per 50 m).

Once assigned a sample number, individual samples to be sent to ALS laboratories were sealed using a staple gun and accompanied by three identical sample tickets (one stapled to plastic bag to identify any tampering/breakage of seal prior to opening at the laboratory in preparation and another placed in the bag). Any broken staple seals on samples were to be notified by ALS to Hot Chili. No sealed bags were reported as being opened or broken by ALS.

For both RC and diamond samples, sample bags were placed inside larger plastic bags and delivered by a dedicated truck to the ALS analytical laboratory in Coquimbo (Chile) for sample preparation and routine analysis.

Following analysis at ALS, the RC and diamond drilling coarse rejects were returned to site and stored in sequence in plastic bags under shade cloth at Hot Chili's nearby Productora core farm. The laboratory pulps were returned and stored at the Productora core farm where they are stored in organised, dry and safe storage containers.

Hot Chili has strict chain of custody security procedures for all samples sent to and from the analytical laboratories.

The ALS analytical laboratory in Coquimbo (Chile) completed all sample preparation and specific gravity test work, while ALS Santiago (Chile) completed all gold analysis, and ALS Lima (Peru) completed all other multielement analysis for the Cortadera

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assays used in the resource estimate. Hot Chili has implemented rigorous sample preparation and analytical procedures for both RC and diamond core samples, following consultation with ALS in Chile, to ensure that mineralised assays were reported with a high degree of confidence and a wide range of appropriate commodities were assessed.

Samples have been analysed by certified laboratories in Chile and Lima, Peru by standard analytical techniques including:

- Copper, silver and molybdenum were analysed by 4-acid digestion (Hydrochloric-Nitric- Perchloric-Hydrofluoric) followed by evaluation using Inductively Coupled Plasma - Optical Emission Spectrometry ("ICP-OES") or Atomic Absorption Spectrometry ("AAS");
- Copper results > 10,000 ppm were analysed by "ore grade" method Cu-AA62 (upper limit 40% Cu);
- Samples within the oxide and transitional weathering domains (as determined by geologists' logging) were analysed for "soluble copper" (upper limit 10% Cu) to detect the leachability of copper oxide minerals within these domains; and
- Gold was analysed by 30 or 50 g lead-collection Fire Assay, followed by ICP-OES or AAS.

The verification of input data included the use of company QA/QC blanks and reference material, field and laboratory duplicates, umpire laboratory checks and independent sample and assay verification.

The Qualified Person has assessed the drillhole database validation work and QAQC undertaken by Hot Chili and was satisfied the input data could be relied upon for the estimation of Indicated and Inferred Classified Mineral Resources.

All laboratories used are independent of Hot Chili and the work is performed under a commercial arrangement.

Forward Looking Statements

This report contains certain statements that are "forward-looking information" within the meaning of Canadian securities legislation and Australian securities legislation (each, a "forward-looking statement"). Forward-looking statements reflect the Company's current expectations, forecasts, and projections with respect to future events, many of which are beyond the Company's control, and are based on certain assumptions. No assurance can be given that these expectations, forecasts, or projections will prove to be correct, and such forward-looking statements included in this report should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "believe", "could", "estimate", "expect", "may", "plan", "potential", "project", "should", "will", "would" and similar expressions are intended to identify forward-looking statements.

The forward-looking statements within this report are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this report. In addition, this report may contain forward-looking statements attributed to third-party industry sources, the accuracy of which has not been verified by the Company.

In this report, forward-looking statements relate, among other things, to: prospects, projections and success of the Company and its projects; expected cash inflows; the ability of the Company to expand mineral resources beyond current mineral resource estimates; the results and impacts of current and planned drilling to convert inferred mineral resources to indicated, to extend mineral resources and to identify new deposits; the timing and results of the planned 30,000m drill program; the results of planned update to current mineral resource estimates; the Company's ability to convert mineral resources to mineral reserves; the outcome of the review of a possible large pit scenario at Cortadera, including the economics thereof and the comparison with the existing PEA scenario; the timing and results of the planned updated PEA (if completed) and the PFS; opportunities for growth in mineral projects; the ability of the Company to secure necessary infrastructure; the terms and conditions related to use of existing port and electrical infrastructure, including the ability to access renewable energy sources; the timing and outcomes of this current and future planned economic studies; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of the Costa Fuego Project as contemplated in this and future planned economic studies; whether or not the Company will make a development decision and the timing thereof; the ability of the Company to consolidate additional landholdings around its project; estimates of cost; and estimates of planned exploration.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this report, including, but not limited to, the following material factors: operational risks; risks related to the cost estimates of exploration; sovereign risks associated with the Company's operations in Chile; changes in estimates of mineral resources of properties where the Company holds interests; recruiting qualified personnel and retaining key personnel; future financial needs and availability of adequate financing; fluctuations in mineral prices; market volatility; exchange rate fluctuations; ability to exploit successful discoveries; the production at or performance of properties where the Company holds interests; ability to retain title to mining concessions; environmental risks; financial failure or default of joint venture partners, contractors or service providers; competition risks; economic and market conditions; and other risks and uncertainties described elsewhere in this report and elsewhere in the Company's public disclosure record.

Although the forward-looking statements contained in this report are based upon assumptions which the Company believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this report, the Company has made assumptions regarding: future commodity prices and demand; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing; and assumptions underlying estimates related to adjusted funds from operations. The Company has included the above summary of assumptions and risks related to forward-looking information provided in this report to provide investors with a more complete

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perspective on the Company's future operations, and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made herein, please refer to the public disclosure record of the Company, including the Company's most recent Annual Report, which is available on SEDAR (www.sedar.com) under the Company's issuer profile. New factors emerge from time to time, and it is not possible for management to predict all those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this report are expressly qualified by the foregoing cautionary statements and are made as of the date of this report. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Investors should read this entire report and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of an investment in the Company.

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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 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,577)	(13,816)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(680)	(2,089)
	(e) administration and corporate costs	(735)	(3,390)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	31	160
1.5	Interest and other costs of finance paid	-	-
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**	**(3,961)**	**(19,135)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(286)	(1,518)
	(c) property, plant and equipment	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
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**	**(286)**	**(1,518)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (CMP option)	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
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**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,389	23,722
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,961)	(19,135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(286)	(1,518)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	45	118
4.6	**Cash and cash equivalents at end of period**	**3,187**	**3,187**

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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	2,036	4,740
5.2	Call deposits	1,151	2,649
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)**	**3,187**	**7,389**

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	152
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.

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.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,961)
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)	**(3,961)**
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,187
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	**3,187**
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.80

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: Yes. The company has executed a US$15 million Investment Agreement with Osisko Gold Royalties Limited ("Osisko"). See ASX announcement dated 28 June 2023.

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: Completion of the Agreement and the receipt of US$15 million ("Royalty Consideration") by the Company as announced 26 July 2023.

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: Yes. The receipt of the Royalty Consideration from Osisko will be applied to the commencement of drilling activities across multiple growth targets and the completion and delivery of the resource upgrade in H2 2023 and the PFS for Costa Fuego in H2 2024.

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.

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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: .....28 July 2023.....

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.

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