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Highlights

Hot Chili Reduces Option Payments in 2024 by US$10 Million

Further Regional Consolidation Expands Costa Fuego Copper-Gold Project

- Options executed to acquire 100% interest in two historical mine areas located approximately 10km southwest of Costa Fuego's planned central processing hub in the coastal range of Chile
- Due diligence extended to facilitate execution of an Option to acquire 100% interest in Bastion Minerals Limited's (ASX: BMO) Cometa Project, located adjacent to Hot Chili's Costa Fuego landholding

First-Pass Exploration Drill Results Returned

- Assay results have been received for first-pass drilling undertaken in late 2023 across three new satellite targets within the Costa Fuego landholding: Marsellesa, Cordillera and Corroteo. Selected significant drill intersections include:
  - **25m grading 0.4% Copper (Cu) from surface** including **10m grading 0.8% Cu from 7m depth** (Marsellesa)
  - **19m grading 0.5% Cu** from 195m depth downhole including **2m grading 2.2% Cu** from 195m depth (Marsellesa)
  - **93m grading 0.3% Cu from surface** including **14m grading 0.4% Cu from surface** (Cordillera)

Next Phase of Resource Expansion Drilling Commences

- Ten diamond drill holes for approximately 5,000m are planned to test seven targets adjacent to the Company's two principal mineral resources: Cortadera and Productora
- Drilling aims to test multiple, large-scale resource growth opportunities, which may allow Hot Chili to consider an up-lift in the Pre-feasibility study scale for Costa Fuego

Costa Fuego Resource Upgrade Expected in Q1 2024

Pre-feasibility and Water Supply Concept Studies On-Track

Maritime Concession Works Begin

Strong Cash Position of A$13.3 million

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. 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. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Measured or Indicated Mineral Resource with continued exploration.

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

First-Pass Exploration Drill Results Returned

Assay results have been received for first-pass drilling undertaken in late 2023 across three new satellite targets within the Costa Fuego landholding: Marsellesa, Cordillera and Corroteo. Both Marsellesa and Cordillera are located approximately 10km southwest of Costa Fuego's planned central processing hub at Productora, and Corroteo is located approximately 5km southeast of Cortadera (refer to Figure 1 and Figure 2).

A total of 4 Reverse Circulation (RC) drill holes for 1,244m were completed across the historical Marsellesa open pit copper mine footprint (refer to Figure 1). The Marsellesa mine area is laterally extensive, measuring 400m in length and 200m in width, with historical open pit and underground mine workings exposing multiple zones of shallowly-dipping, strata-bound (manto-style), copper mineralisation.

Significant intersections were recorded in each of the four drill holes:

- **25m grading 0.4% Copper (Cu) from surface** including **10m grading 0.8% Cu from 7m depth**
- **16m grading 0.5% Cu** from 197m depth downhole including **6m grading 1.1% Cu** from 198m depth
- **19m grading 0.5% Cu** from 195m depth downhole including **2m grading 2.2% Cu** from 195m depth
- **8m grading 0.8% Cu from 1m** depth downhole including **4m grading 1.0% Cu from 4m depth**

Higher grade copper drilling intercepts are associated with both copper oxide (copper bearing limonite, brochantite and chrysocolla) and copper sulphide (chalcopyrite) mineralisation localised within moderately east-dipping manto horizons (refer to Figure 1). Follow-up work is being planned to further assess mineralisation continuity across the 500m of prospective strike length.

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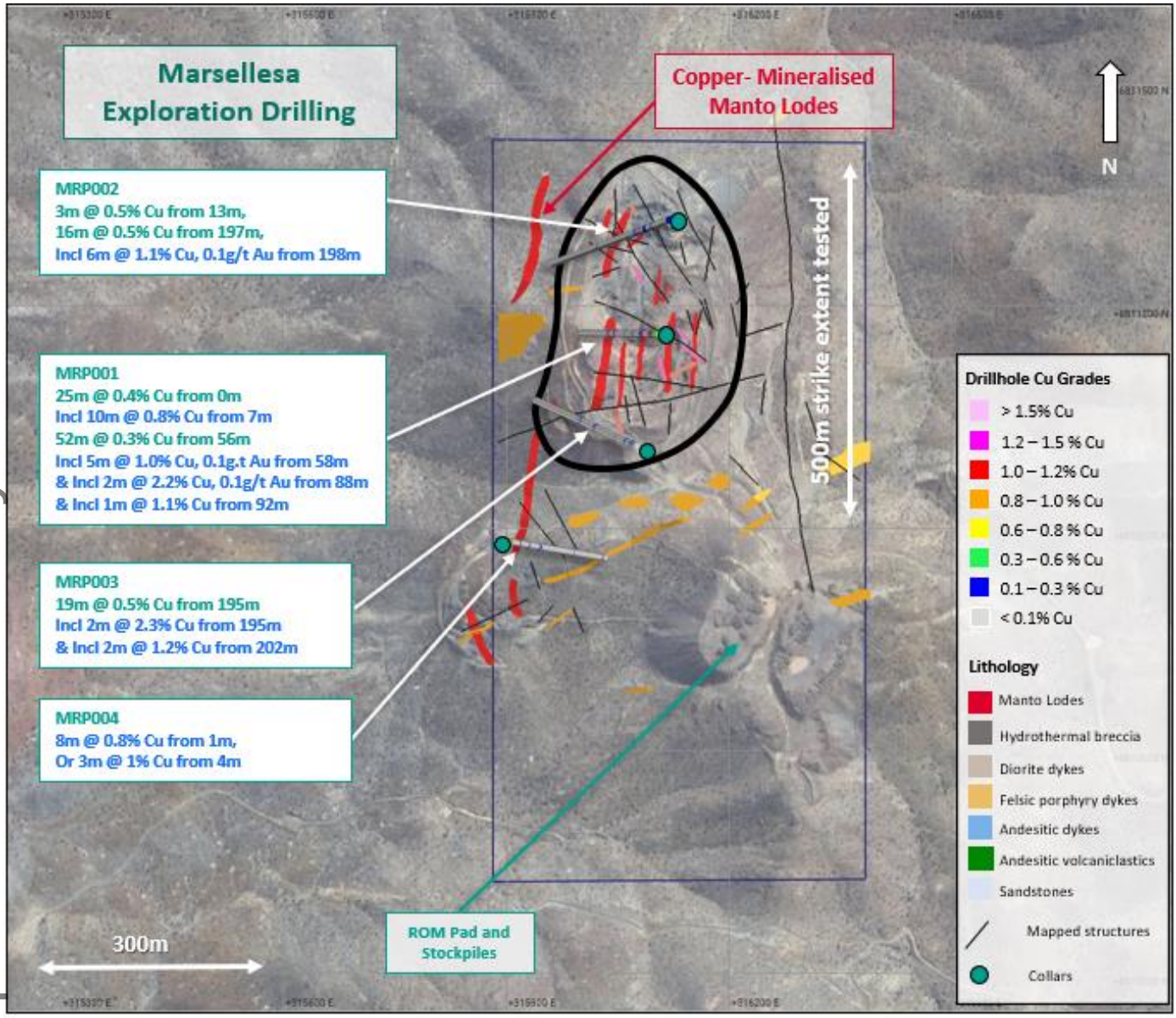

Figure 1. Aerial photo of surface and underground mine workings at Marsellesa overlain with mapped geology in relation to first-pass RC drilling significant intersections.

A total of 6 RC drill holes for 1,450m were completed across the historical Cordillera copper mine footprint, located approximately 1km west of Marsellesa (refer to Figure 2). Porphyry copper mineralisation, with well-developed stockwork and sheeted A and B style porphyry veining, is exposed in the Cordillera open pit mine workings, and porphyry outcrop has been mapped across an area measuring 300m in length and 200m in width.

Significant intersections recorded, include:

- **93m grading 0.3% Cu** from surface including **14m grading 0.4% Cu from surface**
- **53m grading 0.3% Cu** from 19m depth including **10m grading 0.4% Cu** from 44m depth
- **184m grading 0.2% Cu** from surface including **14m grading 0.3% Cu** from 42m depth

Wide RC drilling intersections returned at Cordillera relate to broad zones of oxide (Cu bearing limonite with very minor cuprite) and sulphide (chalcopyrite, molybdenite) porphyry copper mineralisation confirmed below and surrounding the small surface mine workings.

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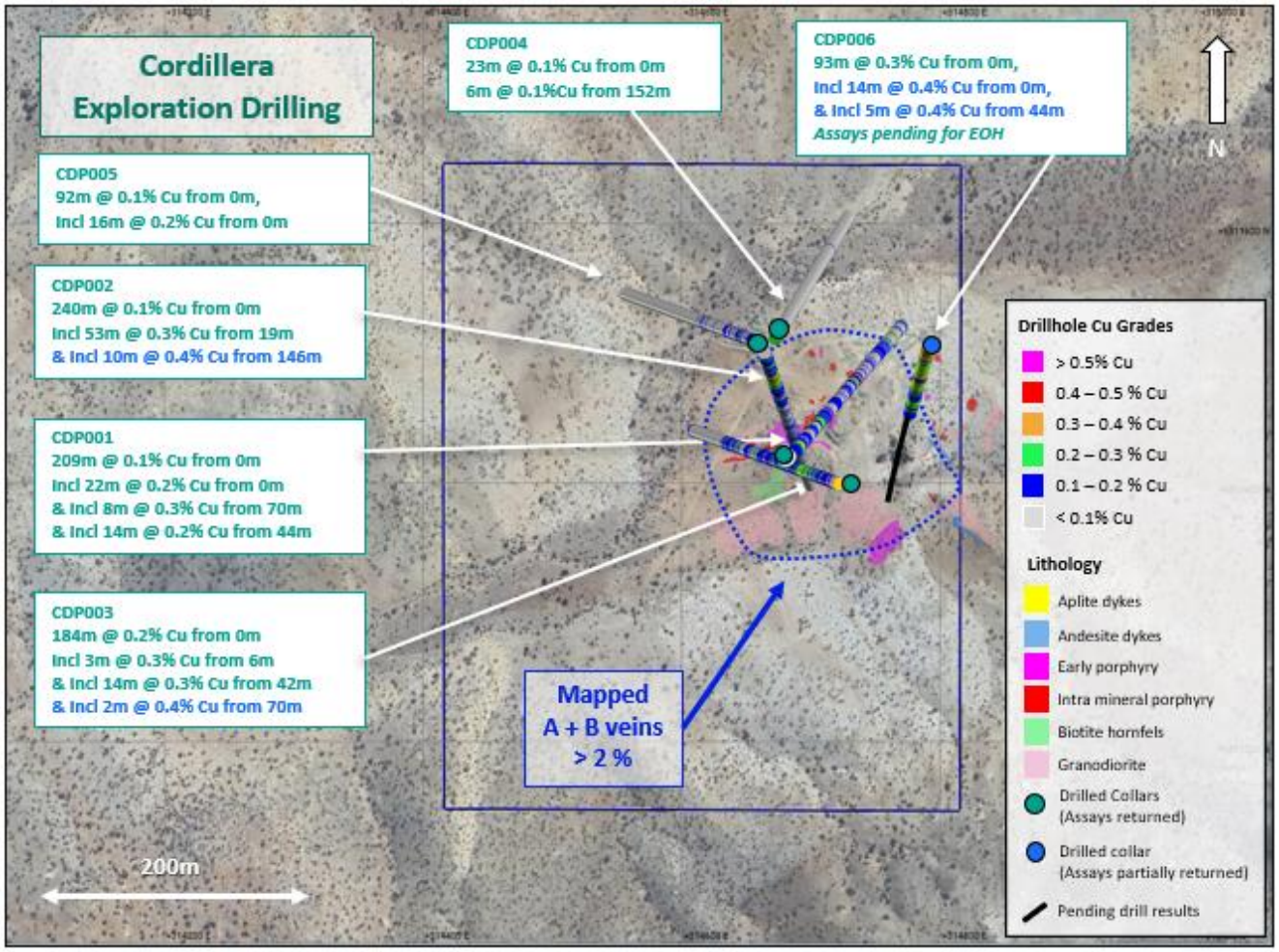

Figure 2. Aerial photo of surface and underground mine workings at Cordillera in relation to first-pass RC drilling significant intersections.

A total of eight RC drill holes for 2,324m were completed across the greenfield Corroteo exploration target located 5km southeast of Cortadera (refer to Figure 3). No significant intersections were recorded.

Wide spaced RC drilling has tested approximately 1.8km strike extent of the large-scale Corroteo alteration footprint. Significant pyrite mineralisation was encountered in drilling toward the northern extent of the target area, extending under a wide alluvial gravel plain. Final drilling directed under this alluvial cover confirmed the presence of tonalitic porphyry.

Hot Chili's exploration team is currently assessing the new drill results on each of these satellite exploration targets in preparation for potential follow-up drilling and exploration work programmes.

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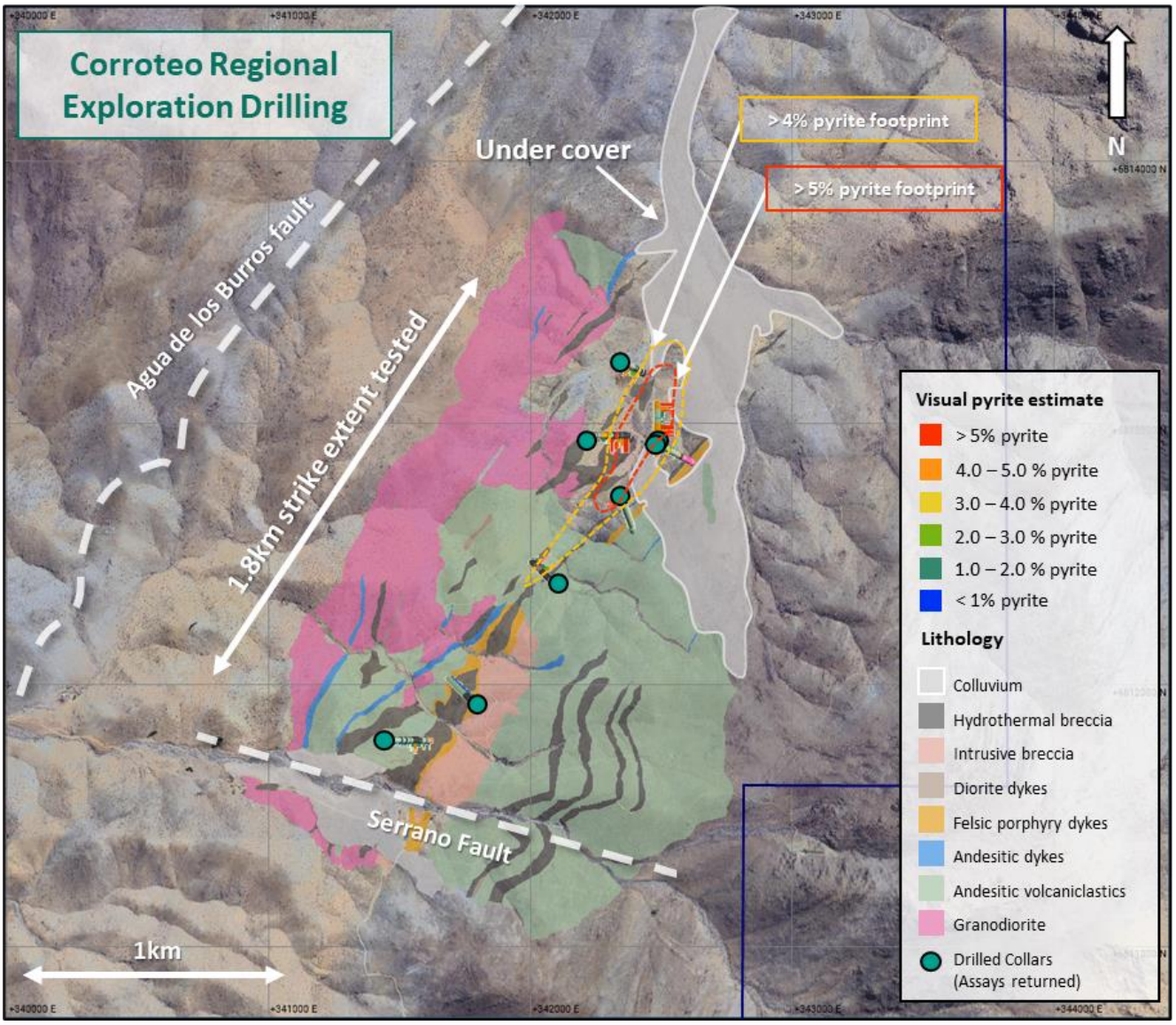

Figure 3. Aerial photo of surface and underground mine workings at Corroteo.

Next Phase of Resource Expansion Drilling at Costa Fuego Commences

Hot Chili's second phase of resource expansion drilling aims to test multiple resource growth opportunities, which may allow an up-lift in the Pre-feasibility study scale for Costa Fuego.

The first phase of drilling in H2 2023 involved 47 RC drill holes for 11,500m, focusing on resource extension potential at Cortadera and first-pass drilling across new satellite targets. In addition, several RC pre-collars were drilled in preparation for the second phase of diamond drill testing in 2024 adjacent to the Company's two principal mineral resources: Cortadera and Productora.

The second phase of drilling commenced on 12th January with one diamond drill rig operating on a 24-hour basis (double-shift). A programme of 10 diamond (DD) drill holes for approximately 5,000m is initially planned. The initial diamond drill programme comprises:

- Five DD holes are planned to test four large-scale targets at Cortadera (refer to **Figure 4**).
- A further five DD holes are planned to test three large-scale targets adjacent to Productora (refer to Figure 5).

The Company looks forward to providing further updates as drilling advances across these targets over the coming months.

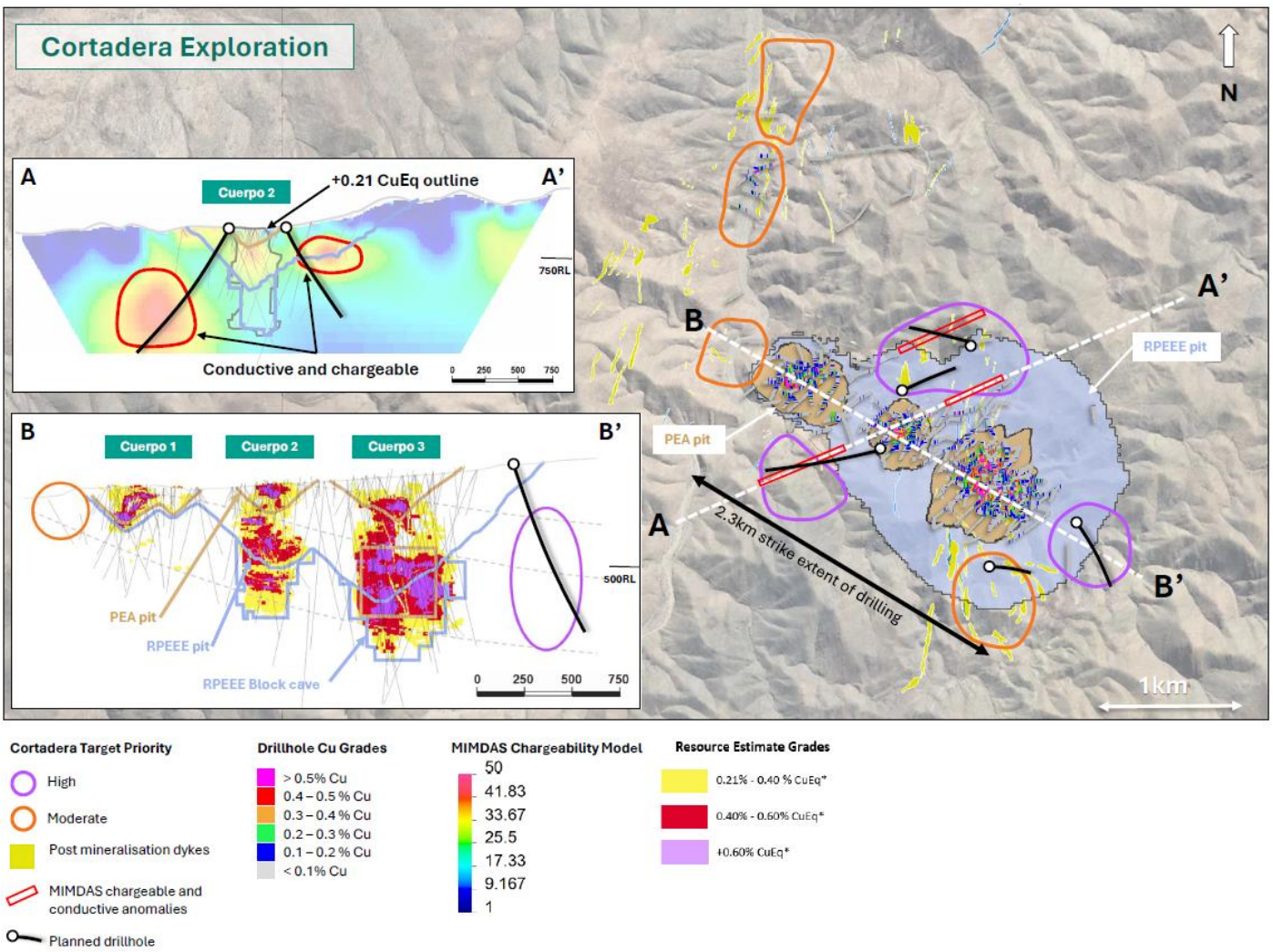

Figure 4. Plan view of Cortadera drill programme including MIMDAS and extensional targets

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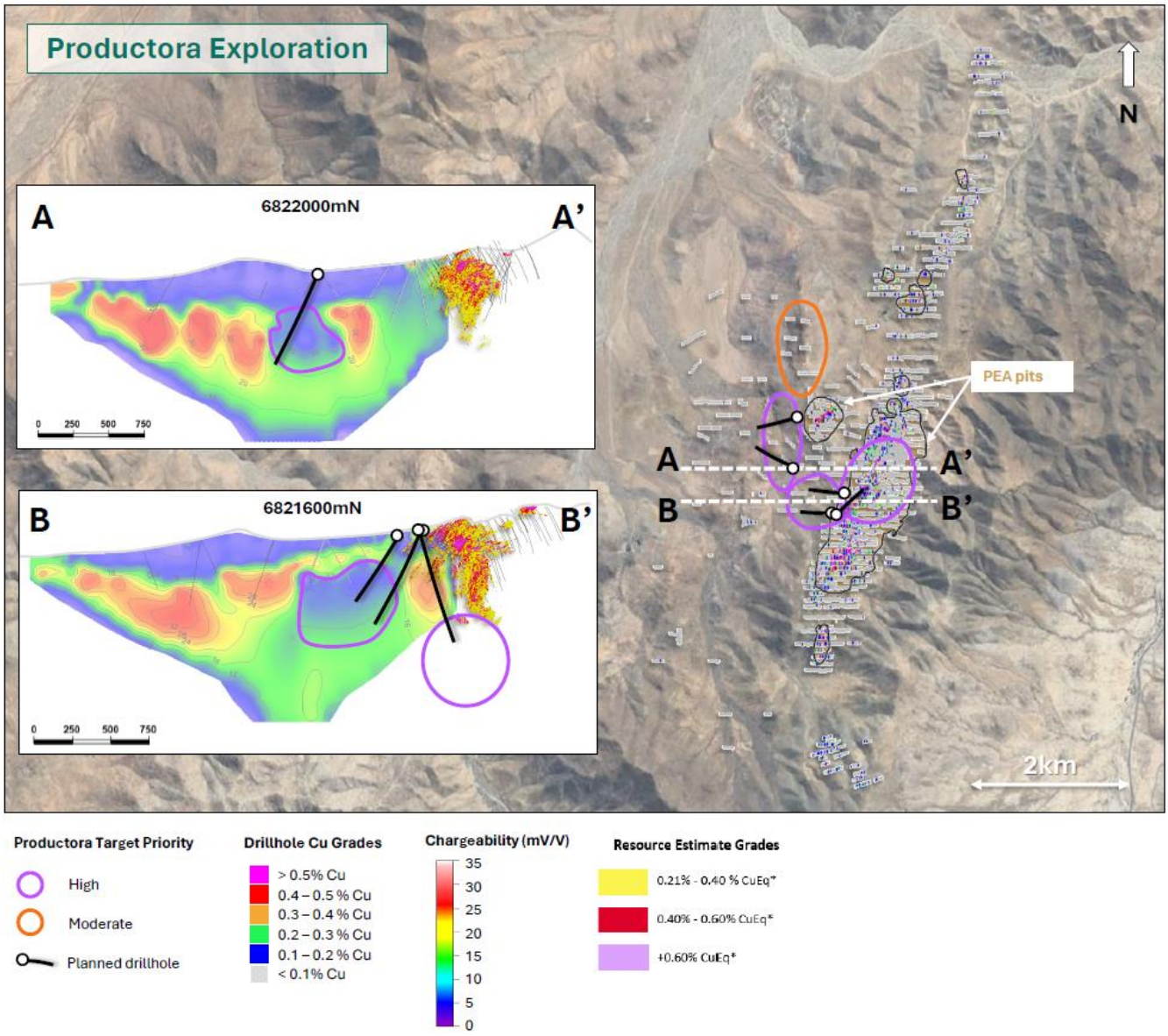

Figure 5. Plan view of Productora exploration drill programme including Induced Polarization (IP) geophysical targets.

Resource Upgrade Expected in Q1 2024

The Company is in the final stages of completing an update of its mineral resource for Costa Fuego based on all drilling completed since February 2022. The resource update is expected to be released in Q1 2024.

Development and Water Supply Concept Studies On-Track

The Company made several advances with its long-lead time Pre-Feasiblity Study (PFS) workstreams during the quarter, including the completion of a hydrogeological drilling programme and continuation of low-grade sulphide leach metallurgical test work programme.

In addition, the Company has continued to advance a water supply concept study for the Huasco valley of the Southern Atacama region. Hot Chili's existing water assets have provided an opportunity to investigate potential economic, social and environmental synergies associated with a single large water supplier for the Huasco valley.

Hot Chili holds the only granted maritime water concession and necessary permits to provide critical water access to the Huasco valley, where multiple large-scale new mining projects are located and stranded without water access.

The Company commenced preliminary engagement with potential customers and stakeholders during the quarter.

Updates on both PFS and the Water Supply Concept Study advances are expected in the coming months.

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SUMMARY OF CORPORATE ACTIVITIES

Update on Due Diligence Period for Cometa Project in Chile

During the previous quarter, the Company announced that it had entered into a binding letter of intent ("LOI") with Bastion Minerals Limited (ASX: BMO) ("Bastion") for the grant to Hot Chili of an option to acquire 100% of Bastion's Cometa Project in Chile ("Cometa"), located near to the Costa Fuego Copper-Gold Project ("Costa Fuego" or "the Project") in the coastal range of the Atacama Region, Chile.

The exclusivity period for Hot Chili to conduct due diligence has been extended from the initial 60 days until 19 February 2024. Please refer to the announcement dated 28 August 2023 "HCH Signs Binding LOI for Option to acquire Cometa Project" for further details.

Further Regional Consolidation Expands Costa Fuego

In November 2023, the Company executed Option Agreements to acquire a 100% interest in two historical copper mine areas; Marsellesa and Cordillera. Marsellesa and Cordillera are located approximately 10km southwest of Costa Fuego's planned central processing hub (refer accompanying Figure 6).

Both mine areas have been privately held and historically exploited for shallow copper oxide and copper sulphide material but have never previously been drill tested.

The historical Marsellesa mine area is laterally extensive, measuring 400m in length and 200m in width, with mine workings exposing multiple zones of shallowly-dipping, strata-bound (manto-style), copper mineralisation.

Lying approximately 1km west of Marsellesa, the smaller historical Cordillera mine workings expose outcropping porphyry copper mineralisation with well-developed stockwork and sheeted A and B style porphyry veining.

These latest project additions, including the Cometa project, provide a pipeline of opportunities and additional optionality for the discovery of new mineral resources for the Company's Costa Fuego copper hub.

Hot Chili continues to pursue further regional consolidation as the Company advances its growth strategy for Costa Fuego.

The material terms of the executed Marsellesa Option Agreement are as follows:

- Hot Chili's subsidiary Sociedad Minera La Frontera SpA ("Frontera") has executed a definitive option agreement with Hermanos Pefaur SpA, the holder of a 100% interest in the concession comprising Marsellesa, for the grant to Frontera of an option to acquire a 100% interest in the Marsellesa concession ("Marsellesa Option").
- Non-refundable cash payment of US$100,000 to Pefaur upon grant of the Marsellesa Option.
- Non-refundable cash payment of US$100,000 within 12 months from the grant of the Marsellesa Option.
- Non-refundable cash payment of US$150,000 within 24 months from the grant of the Marsellesa Option.
- Option may be exercised within 36 months of the date of grant of the Marsellesa Option for a final non-refundable cash payment of US$1,000,000.

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- Pefaur will also be granted a 1% NSR royalty over the Marsellesa concession on exercise of the Marsellesa Option. Frontera will have a right of first refusal to buy-back the NSR royalty.

The material terms of the executed Cordillera Option Agreement are as follows:

- Hot Chili's subsidiary Sociedad Minera La Frontera SpA ("Frontera") has executed a definitive option agreement with Mr Arnaldo Del Campo ("ADC") the holder of a 100% interest in the concessions comprising Cordillera, for the grant to Frontera of an option to acquire a 100% interest in the Cordillera concessions ("Cordillera Option").

- Non-refundable cash payment of US$100,000 to ADC upon grant of the Cordillera Option.

- Non-refundable cash payment of US$200,000 within 24 months from the grant of the Cordillera Option.

- Option may be exercised within 48 months of the date of grant of the Cordillera Option for a final non-refundable cash payment of US$3,700,000.

- Within the Cordillera concessions, ADC will also be granted a 1% NSR royalty over any material extracted from underground operations, and a 1.5% NSR royalty over any material extracted from open pit operations, on exercise of the Cordillera Option. Frontera will have a right of first refusal to buy-back the NSR royalties.

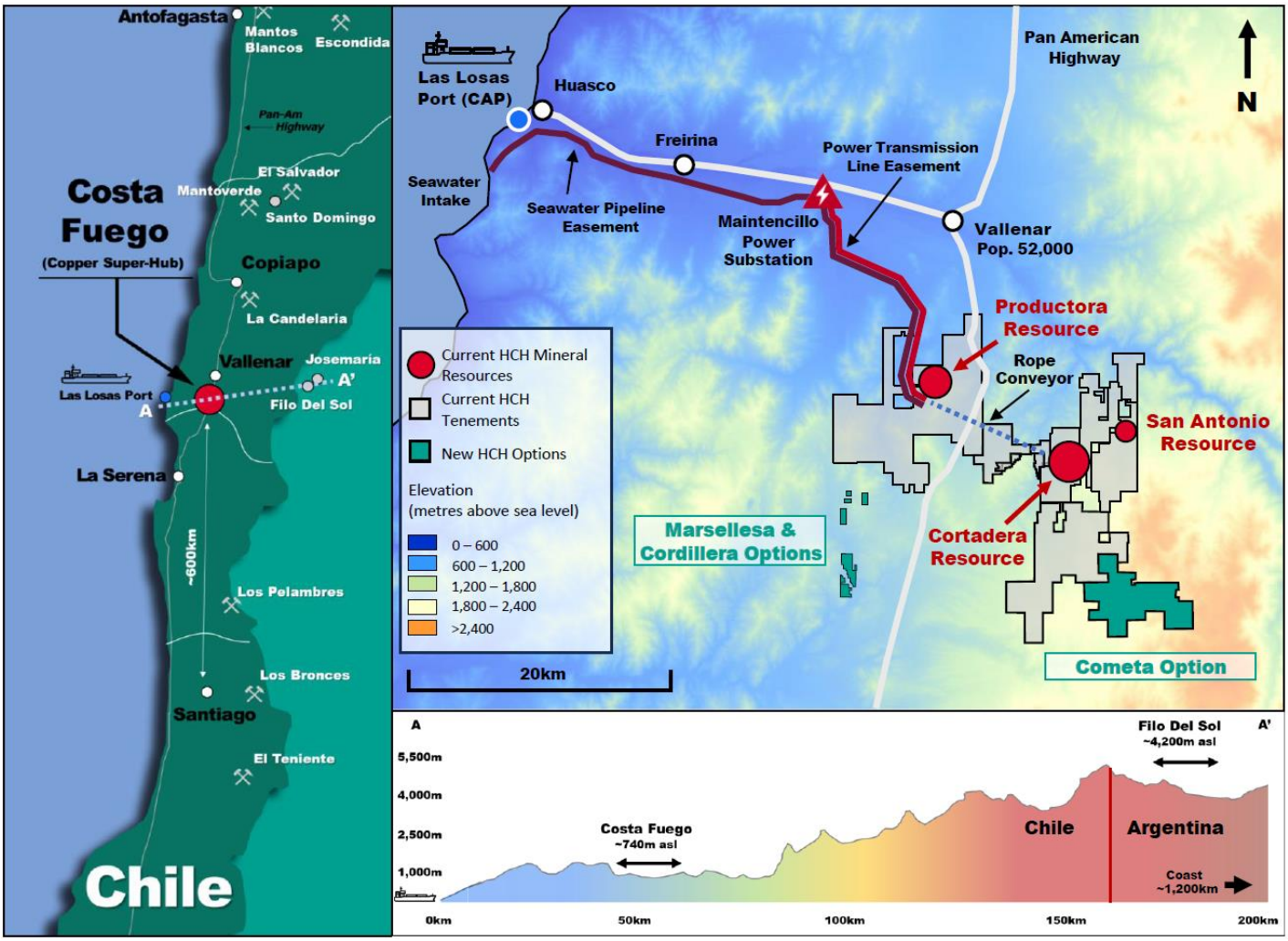

Figure 6. Location of the Tenements of the New Project Options in relation to Costa Fuego.

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Material Reduction in Option Payments of US$10 Million for 2024

During the quarter, the Company announced that it had materially improved the terms of several option agreements ("Options") to acquire privately-owned landholdings located along the eastern extent of the Costa Fuego Project. (refer Figure 7)

- Three Options due for exercise in 2024 over the San Antonio, Valentina and Santiago Z landholdings, have been terminated and replaced with one new option agreement (the "El Fuego Option") now exercisable in September 2026 that comprises all the mining rights included in the former "San Antonio", "Valentina" and "Santago Z" option agreements.

- The new El Fuego Option:

  - Materially reduces the Company's option payments due in 2024 from US$11 million to US$1 million

  - Increases Hot Chili's ownership from 90% to 100%, subject to exercise of the option

  - Extends the option expiry from 2024 to 2026 in exchange for aggregate payments of US$4.3 million over the next three years, including the US$1 million noted above as due for payment in 2024

The remaining payments for the three terminated Options covering the El Fuego landholdings <u>were:</u>

- Hot Chili's subsidiary Sociedad Minera La Frontera SpA ("Frontera") had the right to earn a 90% interest, subject to final exercise payments, in the following privately owned landholdings:

  - **Santiago Z** – US$400,000 would have been payable in January 2024

  - **Valentina** – US$4,000,000 would have been payable in June 2024

  - **San Antonio** – US$6,600,000 would have been payable in September 2024

  - **Total Option payments previously due in 2024** – US$11, 000, 000

The material terms of the El Fuego Option covering the El Fuego landholdings <u>now:</u>

- Frontera has been granted the right to purchase 100% interest in the El Fuego landholding, privately owned by Arnaldo and Alfredo del Campo Arias (Arnaldo in his own capacity and also through several vehicles with Alfredo), by making the following payments:

  - US$300,000 paid September 30th, 2023 (already satisfied)

  - US$1,000,000 payable September 30th, 2024

  - US$1,000,000 payable September 30th, 2025

  - US$2,000,000 payable at Frontera's election by September 30th, 2026 to exercise the El Fuego Option.

- The total purchase price for the El Fuego landholdings, if the El Fuego Option is exercised in 2026, is now US$4,300,000.

- If the option is not abandoned, additional payments of up to US$4,000,000 in total are conditional on the following matters:

- Additional payment of US$2,000,000, if the copper price average US$ 5.00/lb or above for a period of 12 consecutive months, within a period that expires January 1st, 2030.
- Additional payment US$2,000,000, if an independently estimated JORC compliant mineral resource is reported by Hot Chili or its subsidiaries containing 200 million tonnes or greater within the El Fuego landholdings, within a period that expires January 1st, 2030. Such mineral resource shall be reported at or above Hot Chili's current mineral resource reporting cut-off grade (+0.21% copper equivalent (CuEq) for open pit and +0.3% CuEq for underground).
- The additional payment(s) is to be made by March 2027, if the condition(s) is met before 30th September 2026, or from 1st October 2026 payment is to be made within 70 days after the relevant condition(s) is satisfied.

- Continuation of existing lease mining agreements to third parties in respect to the San Antonio copper mine (limited to the mining rights San Antonio 1 al 5; Santiago 15 al 19; Santiago 1 al 14/20; San Juan Sur 1 al and San Juan Sur 6 al 23. The lease mining agreements are limited to 50,000 tonnes of material extracted per year and will expire 31st December 2025.

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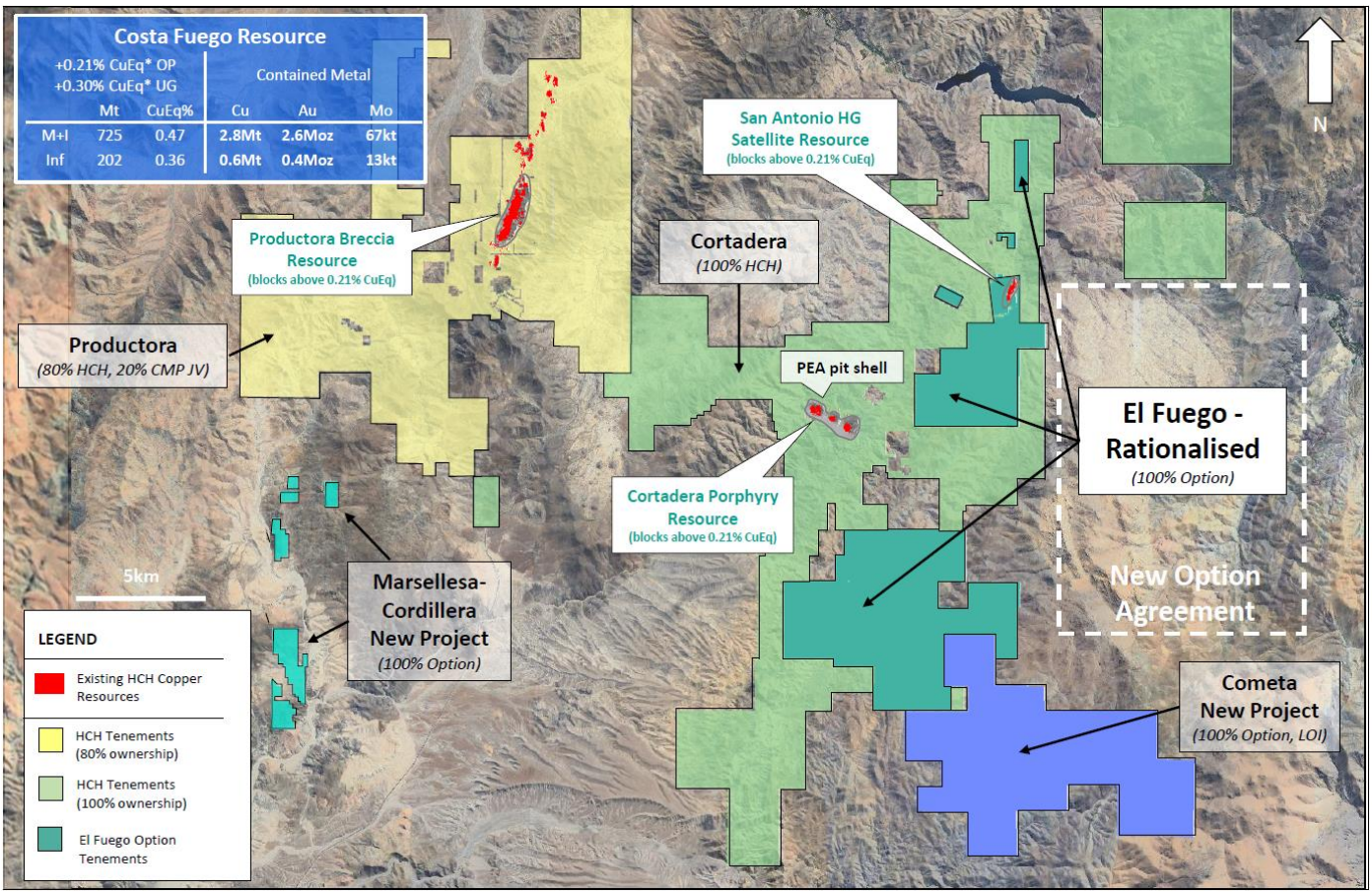

Figure 7. Location of the rationalised and re-negotiated El Fuego Option for Costa Fuego.

Maritime Concession Update

The Company has advanced local community engagement near its Maritime Concession to extract seawater on the coast of Chile, awarding the tender to construct a perimeter fence to a local company. The fence around the land, granted to Hot Chili in 2023 by the Chilean Navy, is required to safeguard the site and eventual planned works to construct the seawater intake.

In addition, the Company has initiated a second maritime concession application near Hot Chili's existing granted maritime concession. The new application relates to the provision of desalination water supply.

Cash Position and Capital Structure Changes

As of 31 December 2023, the Company had cash of A$13.3 million and no debt. The operating expenditure for period ending 31st December 2023 included expenses incurred during period ending 30th September 2023, including approximately A$2 million of additional expenses recorded during the quarter that were related primarily to delayed invoices for drilling and assays.

The following securities on issue:

- 119,445,206 ordinary fully paid shares
- 1,850,001 AUD$2.25 options expiring 30 September 2024
- 1,259,789 options at CAD$1.85 expiring 31 January 2025
- 5,996,728 unvested services and performance rights. Conditions have been met for the vesting of 94,491 Class A Performance Rights and 236,233 Class B Performance Rights. Vesting of these performance rights is subject to final approval by the Board.
- 10,900,000 warrants at CAD$2.50 expiring 31 January 2024

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Table 1 - Significant Drill Results for Costa Fuego in Quarter 4 2023

Hole_ID	Coordinates			Azim. (°)	Dip (°)	Hole Depth	Intersection		Interval	Copper	Gold	Silver	Moly[1]	Cu Eq*
	North	East	RL				From	To	(m)	(%)	(g/t)	(ppm)	(ppm)	(%)
LCP0020D	6815842	334867	927	245	-60	755	84	88	4	0.0	0.0	0.3	75	0.0
						&	272	294	22	0.0	0.0	0.3	43	0.0
						&	410	412	2	0.1	2.5	0.3	3	1.5
						&	456	462	6	0.2	0.0	0.4	2	0.2
						&	542	546	4	0.5	0.0	1.7	5	0.5
CDP001	6811425	314680	926	40	-60	264	0	209	209	0.1	0.0	0.3	13	
						including	0	22	22	0.2	0.0	0.3	7	
						& including	70	78	8	0.3	0.0	0.3	6	
						& including	146	160	14	0.2	0.0	0.3	37	
CDP002	6811502	314659	900	161	-60	300	0	240	240	0.1	0.0	0.2	11	
						including	19	72	53	0.3	0.0	0.3	4	
						or including	44	54	10	0.4	0.0	0.3	4	
CDP003	6811402	314718	916	290	-60	222	0	184	184	0.2	0.0	0.2	5	
						including	6	9	3	0.3	0.1	0.3	1	
						& including	42	56	14	0.3	0.0	0.3	7	
						& including	70	72	2	0.4	0.1	0.3	2	
CDP004	6811516	314676	922	31	-60	210	0	23	23	0.1	0.0	0.3	2	
						&	152	158	6	0.1	0.0	0.3	87	
CDP005	6811514	314661	913	290	-60	204	0	92	92	0.1	0.0	0.3	7	
						including	0	16	16	0.2	0.0	0.3	6	
CDP006	6811510	314785	909	196	-59	250	0	93	93	0.3	0.0	0.3	10	
						including	0	14	14	0.4	0.0	0.3	5	
						& including	44	49	5	0.4	0.1	0.3	13	
							Asssays pending from 93m to end-of-hole							
MRP001	6811161	316113	1092	271	-70	312	0	25	25	0.4	0.0	0.5	13	
						including	7	17	10	0.8	0.0	0.5	19	
						&	56	108	52	0.3	0.0	0.3	9	
						including	58	63	5	1.0	0.1	0.3	21	
						& including	88	90	2	2.2	0.1	0.4	42	
						& including	92	93	1	1.1	0.0	0.3	18	
MRP002	6811318	316128	1057	250	-60	340	13	16	3	0.5	0.0	0.3	8	
						&	197	213	16	0.5	0.0	0.2	5	
						including	198	204	6	1.1	0.1	0.2	9	
MRP003	6811007	316083	1106	294	-59	300	195	214	19	0.5	0.0	0.3	3	
						including	195	197	2	2.2	0.0	0.5	5	
						& including	202	204	2	1.2	0.0	0.3	2	
MRP004	6810877	315903	1077	294	-59	270	1	9	8	0.8	0.0	0.3	6	
						& including	4	8	4	1.0	0.0	0.3	7	

Notes to Table 1: Significant intercepts are calculated above a nominal cut-off grade of 0.1% Cu. Where appropriate, significant intersections may contain up to 30m down-hole distance of internal dilution (less than 0.1% Cu). Significant intersections are separated where internal dilution is greater than 30m down-hole distance. The selection of 0.1% Cu for intersection cut-off grade above is selected on the basis of exploration significance and is not meant to represent potential marginal economic cut-off grade for bulk tonnage polymetallic copper deposits of similar grade in Chile and elsewhere in the world.
Down-hole significant intercept widths are estimated to be at or around true-widths of mineralisation.

[1] Molybdenum
** 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 with recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. The copper equivalent formula for Cortadera is CuEq(%) = Cu(%) + 0.56 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)*

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Table 2 - Drill Holes Completed for Costa Fuego in Quarter 4 2023

Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Cortadera Hydro	CORMW01	6814879	334509	883	80	0	-90	NSR
Cortadera Hydro	CORMW02	6816861	334548	858	60	0	-90	NSR
Cortadera Hydro	CORMW02-B	6816860	334543	858	22	0	-90	NSR
Cortadera Hydro	CORMW03	6821909	335846	727	24	0	-90	Not assayed
Cortadera Hydro	CORMW04	6812090	333145	977	42	0	-90	Not assayed
Cortadera Hydro	CORMW04-B	6812092	333139	977	12	0	-90	Not assayed
Cortadera	CRP0212D	6813748	335464	1010	764	25	-85	NSR
Cortadera	CRP0225	6813767	336186	1035	168	350	-72	NSR
Cortadera	CRP0226	6813595	336368	1038	318	88	-72	NSR
Cuerpo 4	LCP0020D	6815842	334867	927	755	245	-60	Significant result returned Q4 2023
Productora Hydro	PROMW01	6826938	326580	605	21	0	-90	Not assayed
Productora Hydro	PROMW01-B	6826935	326580	605	80	0	-90	Not assayed
Productora Hydro	PROMW02	6826900	322481	521	84	0	-90	Not assayed
Productora Hydro	PROMW03	6828170	321824	510	114	0	-90	Not assayed
Productora Hydro	PROMW04	6823062	321175	631	18	0	-90	Not assayed
Corroteo	CTP001	6811909	341802	1544	300	315	-60	NSR
Corroteo	CTP002	6811784	341453	1525	366	90	-60	NSR
Corroteo	CTP003	6812368	342114	1546	300	315	-60	NSR
Corroteo	CTP004	6812944	342235	1508	300	90	-60	NSR
Corroteo	CTP005	6813235	342354	1464	176	120	-60	NSR
Corroteo	CTP006	6812728	342340	1541	300	160	-60	NSR
Corroteo	CTP007	6812925	342487	1504	300	120	-60	NSR
Corroteo	CTP008	6812925	342487	1504	312	0	-60	NSR
Marsellesa	MRP001	6811161	316113	1092	312	271	-70	Significant result returned Q1 2024
Marsellesa	MRP002	6811318	316128	1057	340	250	-60	Significant result returned Q1 2024
Marsellesa	MRP003	6811004	316100	1104	300	295	-60	Significant result returned Q1 2024
Marsellesa	MRP004	6810877	315903	1077	270	294	-60	Significant result returned Q1 2024
Mina Cordillera	CPD001	6811425	314680	926	264	40	-60	Significant result returned Q1 2024
Mina Cordillera	CPD002	6811502	314662	922	300	161	-70	Significant result returned Q1 2024
Mina Cordillera	CPD003	6811402	314718	916	222	290	-60	Significant result returned Q1 2024
Mina Cordillera	CPD004	6811516	314676	922	210	31	-60	Significant result returned Q1 2024
Mina Cordillera	CPD005	6811516	314657	922	204	290	-60	Significant result returned Q1 2024
Mina Cordillera	CPD006	6811510	314785	909	250	196	-60	Partial result returned Q1 2024

Note 1: NSR – no significant intersection recorded.

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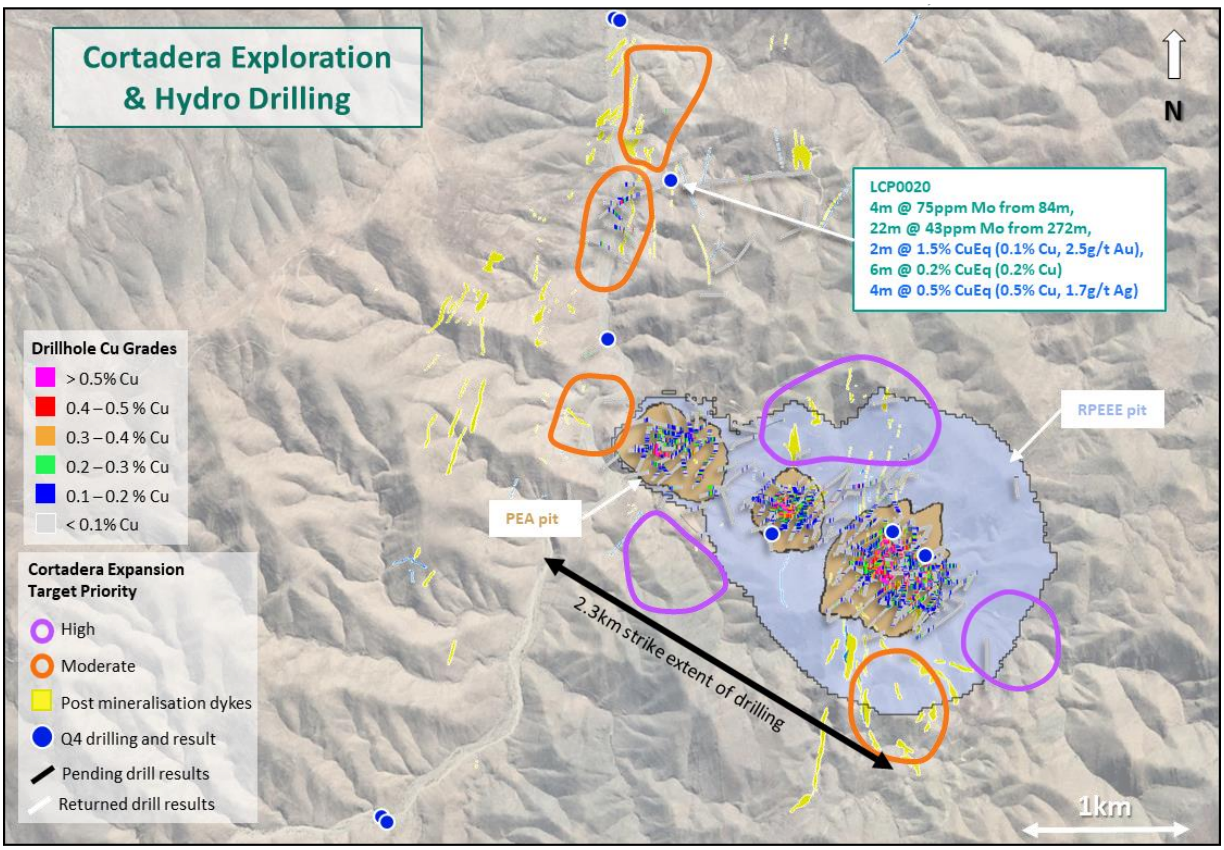

Figure 8. Plan view of Cortadera displaying collar locations of drilling undertaken and significant drill results returned during the quarter

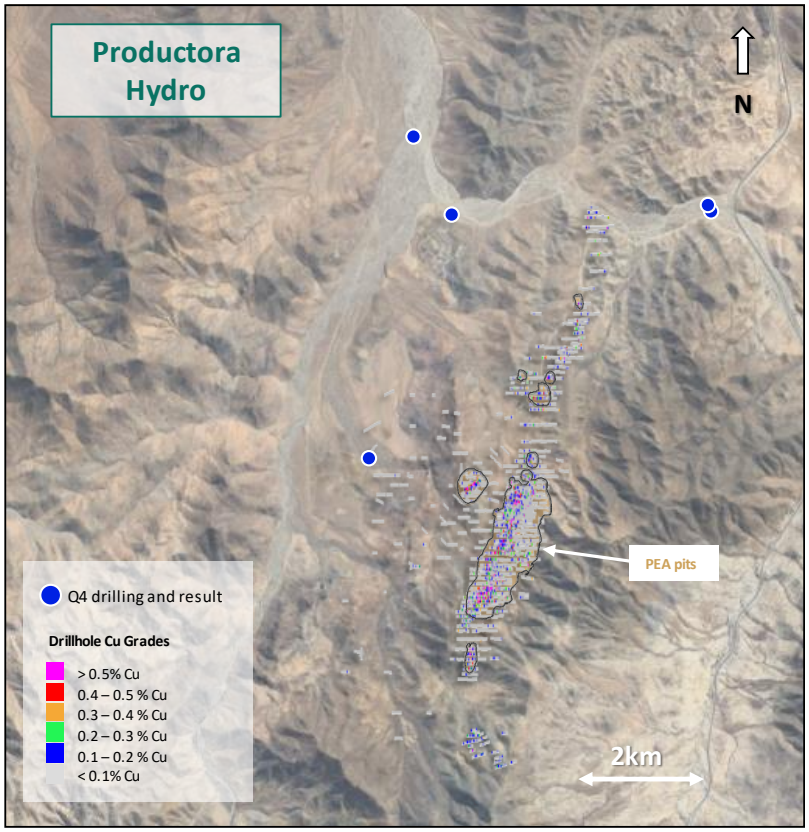

Figure 9. Plan view of Productora displaying collar locations of completed hydrogeology drilling during the quarter

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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 of 31 December 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 $162,875. This is comprised of directors' salaries and superannuation of $162,875

Health, Safety, Environment and Quality

Field operations during the period included geological reconnaissance activities, reverse-circulation drilling, hydrogeological well-drilling and installation, core-testing and logging, field mapping, and sampling exercises across the major Cortadera and Productora landholdings, as well as new tenements at Corroteo, Marsellesa and Mina Cordillera. Activities on new tenements are run from the Productora or Cortadera operations centres and their safety statistics are included under the figures for all projects.

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.

Table 3 HSEQ Quarter 4 2023 Performance and Statistics

Deposit	Productora		Cortadera		All Projects	
Timeframe	Q4 2023	Cum.[2]	Q4 2023	Cum.[2]	Q4 2023	Cum.[2]
LTI events	0	0	0	6	0	7
NLTI events	0	2	0	5	0	8
Days lost	0	0	0	152	0	175
LTIFR index	0	0	0	22	0	18
ISR index	0	0	0	554	0	462
IFR Index	0	33	0	40	0	40
Thousands of manhours	5.4	61	6.8	275	22.8	378
Incidents on materials and assets	0	0	0	0	0	0
Environmental incidents	0	0	0	0	0	0
Headcount[1]	24	9	23	35	95	52

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) Average monthly headcount (2) Cumulative statistics since April 2019.

Tenement Changes During the Quarter

During the Quarter, the option purchase agreements "San Antonio", "Valentina" and "Santiago Z", from Hot Chili's 100% owned subsidiary Sociedad Minera La Frontera SpA ("Frontera") have been terminated and replaced with one new option agreement "El Fuego Option" exercisable in September 2026.

Under the El Fuego Option, Frontera has been granted the right to purchase 100% interest (previously 90%) in the El Fuego landholding, privately owned by Arnaldo and Alfredo del Campo Arias (Arnaldo in his own capacity and also through several vehicles with Alfredo). The agreement comprises all the mining rights included in the former "San Antonio", "Valentina" and "Santiago Z" option agreements.

The Cordillera Option executed with Arnaldo del Campo ("ADC") during the quarter comprises the following mining rights:

i. "Cordillera uno al cinco",
ii. "Quebrada uno al diez",
iii. "Alborada III uno al treinta y cinco", "Alborada IV uno al veinte", "Alborada VII uno al veinticinco",
iv. "Cat IX uno al treinta", "Catita IX uno al veinte", "Catita XII uno al trece",
v. "Mina Herreros III uno al seis", "Mina Herreros IV uno al diez", "Herreros uno al catorce",
vi. "Veta uno al veintiocho", and
vii. "Porsiaca uno al treinta".

The Marsellesa Option executed with Hermanos Pefaur SpA during the quarter comprises one exploitation concession: "Marsellesa uno al cinco".

Table 4 Current Tenement (Patente) Holdings in Chile as of 31 December 2023

Cortadera Project Tenements

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	

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Cortadera Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
CORTADERA 1/40	100% Frontera SpA		374	
LAS CANAS ESTE 2003 1/30	100% Frontera SpA		300	
CORROTEO 1 1/260	100% Frontera SpA		260	
CORROTEO 5 1/261	100% Frontera SpA		261	
ROMERO 1 AL 31	100% Frontera SpA		31	
PURISIMA	100% Frontera SpA		20	NSR 1.5%

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

Productora Project Tenements

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	

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Productora Project

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

El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
Santiago 21 al 36		100% Frontera SpA	76	100% HCH Purchase Option Agreement: US$ 300,000 already paid. US$ 1,000,000 payable September 30th 2024; US$ 1,000,000 payable September 30th 2025; and US$ 2,000,000 payable by September 30th 2026 to exercise the El Fuego Option. Two additional payments by December 31 2030 of: US$ 2,000,000, if the copper price averages US$ 5.00/lb or above for a period of 12 consecutive months; and US$ 2,000,000, if a 200 million tonne or larger Mineral Resource Estimate is reported within the El Fuego landholdings.
		100% Frontera SpA	26	
Santiago A, 1 al 26		100% Frontera SpA	236	
Santiago B, 1 al 20		100% Frontera SpA	200	
Santiago C, 1 al 30		100% Frontera SpA	300	
Santiago D, 1 al 30		100% Frontera SpA	300	
Santiago E, 1 al 30		100% Frontera SpA	300	
Prima Uno		100% Frontera SpA	1	
Prima Dos		100% Frontera SpA	2	
Santiago 15 al 19		100% Frontera SpA	25	
San Antonio 1 al 5		100% Frontera SpA	25	
Santiago 1 AL 14 Y 20		100% Frontera SpA	75	
Romero 1 AL 31		100% Frontera SpA	31	
Mercedes 1 al 3		100% Frontera SpA	50	

El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
Kreta 1 al 4		100% Frontera SpA	16	
Mari 1 al 12		100% Frontera SpA	64	
PORFIADA VII 1 al 60		100% Frontera SpA	300	
PORFIADA VIII 1 al 60		100% Frontera SpA	300	
SANTIAGO Z 1/30		100% Frontera SpA	300	
PORFIADA IX 1 al 60		100% Frontera SpA	300	
PORFIADA A 1 al 40		100% Frontera SpA	200	
PORFIADA C 1 al 60		100% Frontera SpA	300	
PORFIADA E 1 al 20		100% Frontera SpA	100	
PORFIADA F 1 al 60		100% Frontera SpA	300	
SAN JUAN SUR 1/5		100% Frontera SpA	10	
SAN JUAN SUR 6/23		100% Frontera SpA	90	
PORFIADA G	100% 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	
DORO 2	100% Frontera SpA		200	
DORO 3	100% Frontera SpA		300	
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 X	100% Frontera SpA		200	
PORFIADA VI	100% Frontera SpA		100	
PORFIADA B	100% Frontera SpA		200	
PORFIADA D	100% Frontera SpA		300	
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 1 al 40	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	

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El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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 1 al 10	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 ½	Option AMSA	100% Frontera SpA	234	100% HCH Purchase Option Agreement: US$ 1,500,000 to be paid by November 15, 2024
NAVARRO 1 41/60	Option AMSA	100% Frontera SpA	81	
NAVARRO 2 21/37	Option AMSA	100% Frontera SpA	78	
ONICA 21/40	Option AMSA	100% Frontera SpA	85	
MONICA 41/52	Option AMSA	100% Frontera SpA	39	
CORDILLERA 1/5		100% Frontera SpA	20	100% HCH Purchase Option Agreement: US$ 100,000 already paid. US$ 200,000 payable by November 14th 2025; US$ 3,700,000 payable by November 14th 2027; and NSR 1% for underground mining and 1.5% for open-pit mining
QUEBRADA 1/10		100% Frontera SpA	28	
ALBORADA III 1/35		100% Frontera SpA	162	
ALBORADA IV 1/20		100% Frontera SpA	54	
ALBORADA VII 1/25		100% Frontera SpA	95	
CAT IX 1/30		100% Frontera SpA	150	
CATITA IX 1/20		100% Frontera SpA	100	
CATITA XII 1/13		100% Frontera SpA	61	
MINA HERREROS III 1/6		100% Frontera SpA	18	
MINA HERREROS IV 1/10		100% Frontera SpA	23	
HERREROS 1/14		100% Frontera SpA	28	
VETA 1/28		100% Frontera SpA	17	
PORSIACA 1/20		100% Frontera SpA	20	
MARSELLESA 1/5		100% Frontera SpA	50	100% HCH Purchase Option Agreement: US$ 100,000 already paid. US$ 100,000 payable by November 14th 2024; US$ 150,000 payable by November 14th 2025; US$ 1,000,000 by November 14, 2027; and NSR 1%

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

Qualifying Statements

Qualified Persons – NI 43-101

The scientific and technical information in this new release, has been reviewed and approved by Mr Christian Easterday, MAIG, Hot Chili's Managing Director and Chief Executive Officer, and a qualified person within the meaning of NI 43-101.

Competent Persons – JORC

The information in this announcement that relates to Exploration Results for the Marsellesa and Cordillera projects is based upon information 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 deposits 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 news release.

Cautionary Note for U.S. Investors Concerning Mineral Resources

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 news release 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 news 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 news release are in U.S. dollars unless otherwise noted.

Forward Looking Statements

This news release 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 news release 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 "believe", "could", "estimate", "expect", "may", "plan", "potential", "project", "should", 'toward", "up-scale", "will", "would" and similar expressions are intended to identify forward-looking statements.

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

In this news release, forward-looking statements relate, among other things, to: prospects, projections and success of the Company and its projects; 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 Company's ability to convert mineral resources to mineral reserves; opportunities for growth in mineral projects; the timing and outcomes of current and future planned economic studies; the Company's ability to up-scale the project; the potential to develop a water business in the Huasco valley and the future economics thereof; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of the Costa Fuego Project and/or future planned economic studies; whether or not the Company will make a development decision and the timing thereof; the ability of the Company to complete the PFS on the timeline indicated or at all and the outcomes of the PFS; 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 news release, 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

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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 news release and elsewhere in the Company's public disclosure record.

Although the forward-looking statements contained in this news release 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 news release, 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 news release to provide investors with a more complete 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.sedarplus.ca) 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 news release are expressly qualified by the foregoing cautionary statements and are made as of the date of this news release. 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 news release 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 news release 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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Mineral Resource Statement

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 (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 100% 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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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	31 December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(5,661)	(7,183)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(576)	(899)
	(e) administration and corporate costs	(1006)	(1,846)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	101	118
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(7,143)**	**(9,811)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(498)	(1,322)
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Osisko receipts (net of costs)	(39)	21,287
2.6	**Net cash from / (used in) investing activities**	**(541)**	**19,961**

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)	-	-
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	21,817	2,949
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,143)	(9,811)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(541)	19,961
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(812)	222
4.6	**Cash and cash equivalents at end of period**	**13,321**	**13,321**

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	5,883	14,045
5.2	Call deposits	7,438	7,772
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)**	**13,321**	**21,817**

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	163
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.

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(7,1543)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	**(7,143)**
8.4	Cash and cash equivalents at quarter end (item 4.6)	13,321
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	**13,321**
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.86

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?

No. The operating cash flows for Q2 (period ending 31st December 2023) include Q1 expenses (period ending 30th September 2023). This included approximately $2 million of additional expenses during the quarter that were related primarily to delayed invoices for drilling and assays.

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?

No

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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?
Yes	

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.

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: .....31 January 2024.....

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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