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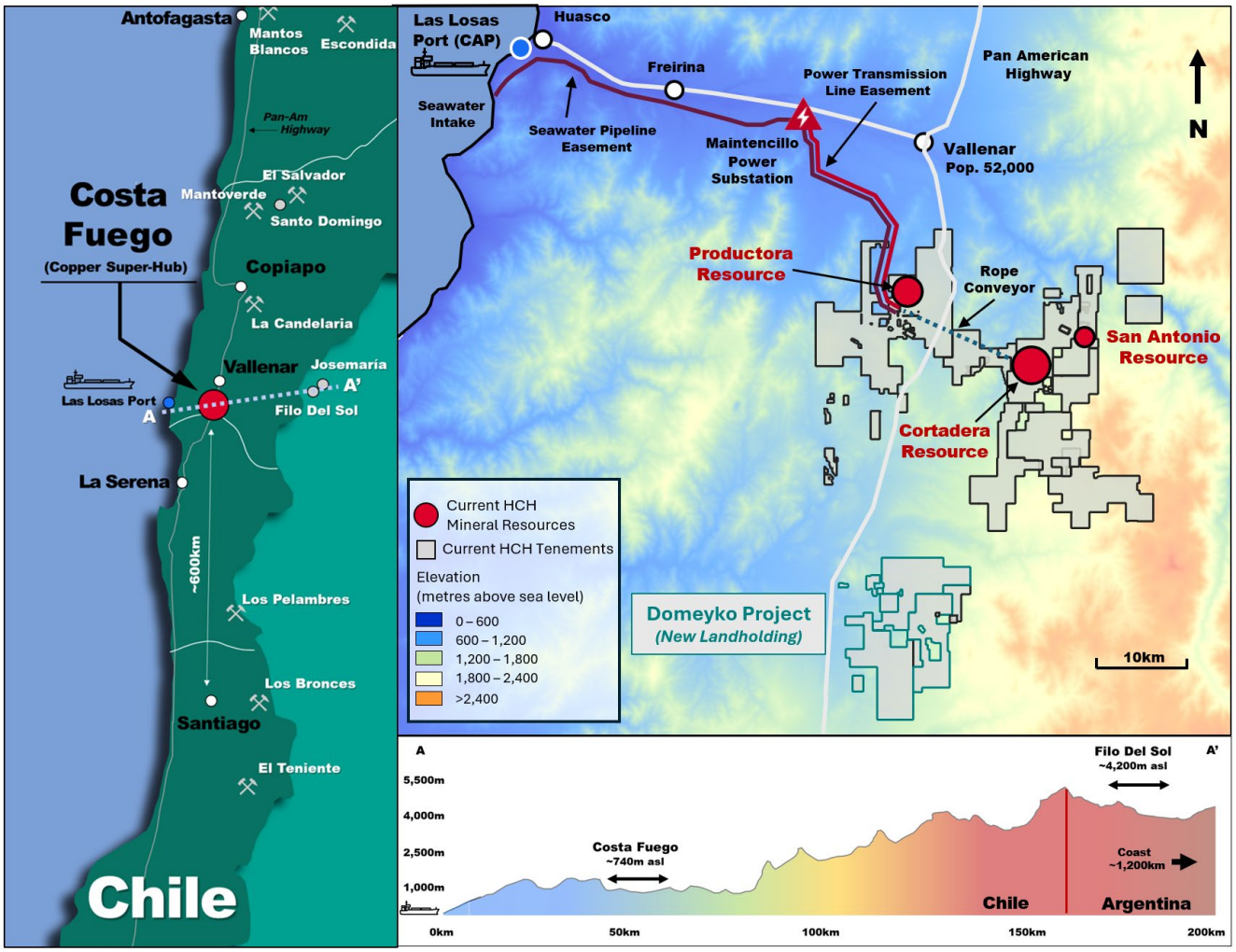
Announcement

Tuesday 30th April 2024

Hot Chili Secures Large Addition to its Costa Fuego Coastal Copper Hub in Chile

Domeyko Consolidation Signficantly Boosts Exploration Pipeline



Hot Chili Limited (ASX: HCH) (TSXV: HCH) (OTCQX: HHLKF) ("Hot Chili" or the "Company") is pleased to announce another significant step in the Company's consolidation efforts at its Costa Fuego Copper-Gold Project ("Costa Fuego" or "the Project") in the coastal range of the Atacama Region, Chile.

The Company has secured an option to acquire concessions known as the "Domeyko cluster" or "Domeyko" within the historical Domekyo copper-gold mining centre, located approximately 30km south of Hot Chili's planned central processing location (at Productora) for Costa Fuego.

Importantly, Domeyko is the largest land consolidation undertaken by Hot Chili since Cortadera was added to Costa Fuego in 2019. Domeyko covers an area of 141 km^2 and represents a 25% lift in Hot Chili's total landholding area at Costa Fuego.

The Domeyko landholding comprises several new tenement applications in addition to an Option Agreement to acquire 100% interests in several key tenements covering a highly prospective, 10km long copper-gold mineralisation corridor.

Further discussions for consolidation are underway on additional advanced opportunities within the area.

The Domeyko mining centre hosts several significant historical copper-gold mines, which were principally exploited for oxide mineralisation with very limited exploration undertaken for copper sulphide mineralisation within the area. Both porphyry and structurally hosted styles of mineralisation are present.

Historical exploration datasets are being compiled and reviewed across several highly prospective targets previously identified but never drill tested. The Company's exploration team have commenced site visits and regional exploration campaigns (mapping and surface geochemistry) are planned to commence in the coming weeks.

This new landholding significantly strengthens the Company's pipeline of opportunities for the discovery of new mineral resources to further enhance the potential scale of Costa Fuego.

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Costa Fuego Copper-Gold Project – Near-Term, Meaningful, Copper Supply

The Company's recently published technical report entitled "Costa Fuego Copper Project NI 43–101 Technical Report Mineral Resource Estimate Update" and dated 8 April 2024 with an effective date of February 26, 2024 [1] ("the Technical Report") confirms Costa Fuego as a low-risk, long life copper project benefiting from a low capital intensity per pound of copper produced and a high annual copper equivalent[2] metal production profile of over 100 kt for a 16-year mine life, including 95 kt copper and 49 koz gold during primary production (first 14 years) at C1 Cash Cost[3] of US$1.33/lb (estimated net of by-product credits).

Hot Chili is on-track to deliver of the Costa Fuego Pre-Feasibility Study ("PFS") in 2H 2024 and is one of a limited number of globally significant copper developments, not owned by a major mining company, that could deliver meaningful new copper supply this decade.

Material Terms of the Executed Domeyko Option Agreement

- Hot Chili's subsidiary Sociedad Minera La Frontera Spa ("La Frontera"), has executed an Option Agreement ("Option Agreement") with a private Chilean syndicate holding 100% interests in 12 Exploration and 14 Exploitation concessions for the grant to Frontera of an option to acquire a 100% interest in the concessions ("Domeyko Option" or "Option").
- The other parties to the Option Agreement are Sociedad Legal Minera Unes Una de la Quebrada San Antonio (SLMQ); Compania Minera Algarrobo Limitada) ("CMAL") and John Arturo Hunter Flores ("JHF"), collectively "Owners".
- The Option Agreement also includes any water rights that may correspond to the properties, mining easements and rights of any kind over the corresponding surface lands and all other rights and permits that are legally annexed to the properties.

[1] The Technical Report is preliminary in nature and includes 3% inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the economics in the Technical Report will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. See Page 6 for additional cautionary language.

[2] CuEq considers assumed commodity prices and average metallurgical recoveries from testwork. See page 9 for complete mineral resource disclosure of Costa Fuego.

[3] See page 7 for full non-IFRS measures discussion.

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- The total price to acquire the Domeyko Project if the Option is exercised is US$4,000,000 payable as follows:
  - Non-refundable cash payment of US$120,000 within 60 days of execution of the Option Agreement, subject to due diligence by La Frontera
  - Non-refundable cash payment of US$100,000 within 12 months of the date of the Option Agreement to maintain the Option
  - Non-refundable cash payment of US$100,000 within 24 months of the date of the Option Agreement to maintain the Option
  - Non-refundable cash payment of US$200,000 within 36 months of the date of the Option Agreement to maintain the Option
  - Option may be exercised within 48 months of the date of the Option Agreement by a final non-refundable cash payment of US$3,480,000

- La Frontera is required to pay all annual patent costs for the Domeyko concessions for the 2024 period.
- The Owners will also be granted a 1% NSR royalty over the Option concessions on exercise of the Domeyko Option. La Frontera will have a right of first refusal to buy-back the NSR royalty.

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The Company looks forward to providing further updates on drilling, exploration and development study workstreams across the Company's Costa Fuego copper-gold project. Further updates on progress of the Company's regional water supply Business Case Study are also expected.

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

Hot Chili's Managing Director and Chief Executive Officer Mr Christian Easterday is responsible for this announcement and has provided sign-off for release to the ASX and TSXV.

For more information please contact:

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

Figure 2. Location of the Domeyko landholding in relation to third party, signficant copper-gold mines, 30km south of Costa Fuego's planned central processing

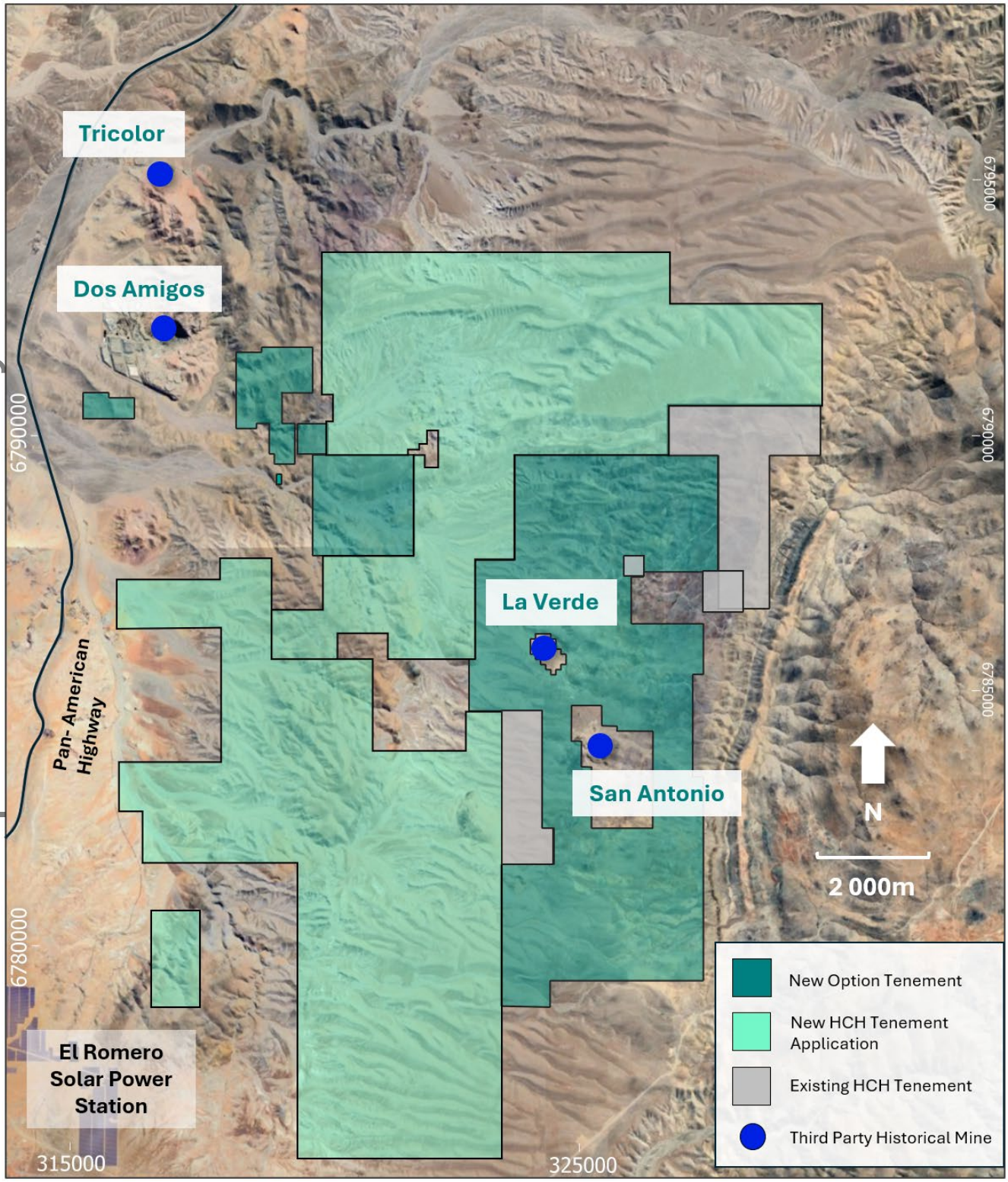

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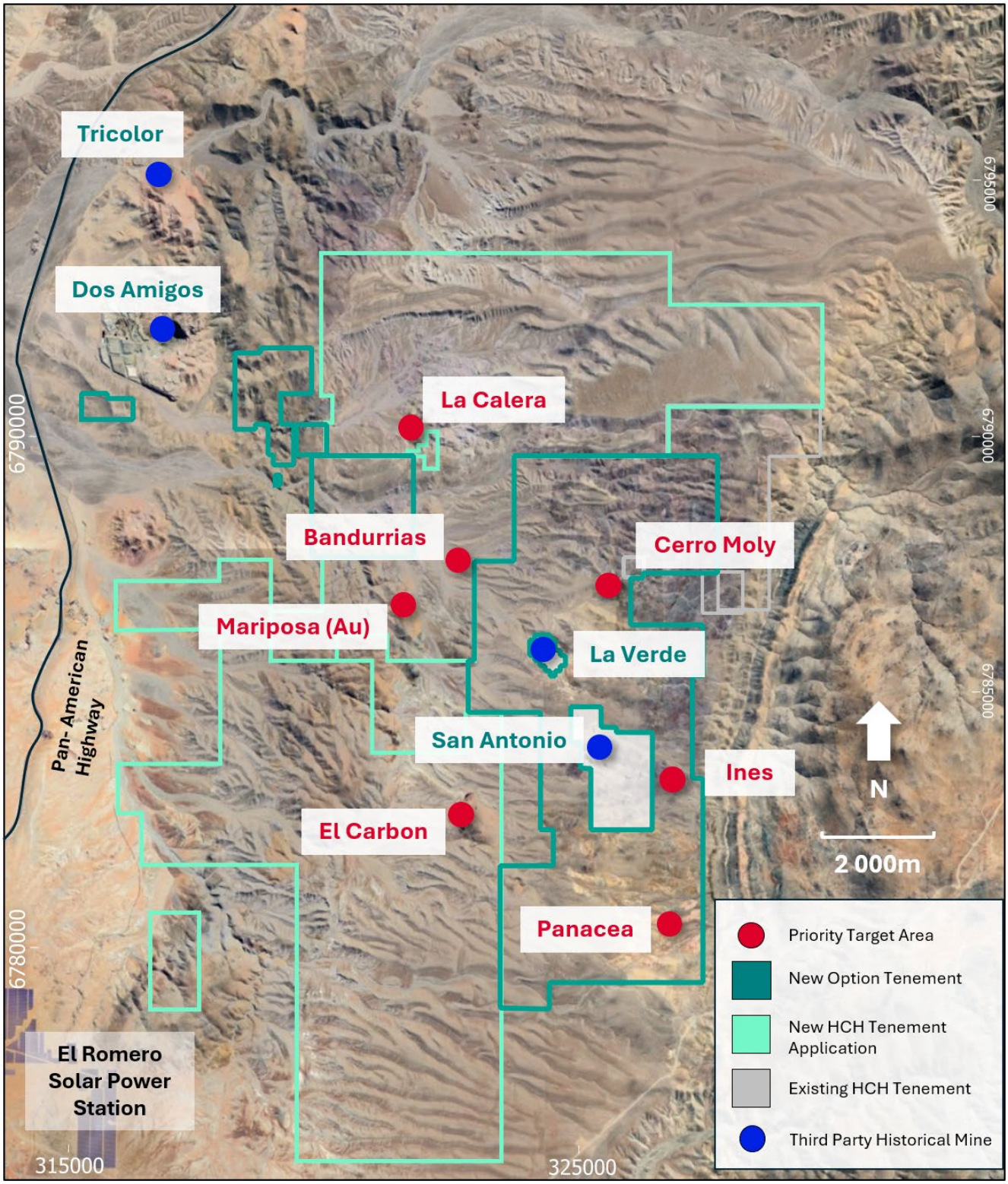
Figure 3. Location of the Domeyko landholding in relation to initial exploration targets



Qualifying Statements

Technical Report

Certain scientific, technical and economic information contained in this news release is derived from the Technical Report. For readers to fully understand such information, they should read the Technical Report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") (available on www.sedarplus.ca or at www.hotchili.net.au) in its entirety, including all qualifications, assumptions, limitations and exclusions that relate to the information set out in this news release. The Technical Report 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 news release is subject to the assumptions and qualifications contained in the Technical Report.

Qualified Persons – NI 43-101

The Technical Report was compiled by Wood Australia Pty Ltd with contributions from a team of independent qualified persons (within the meaning of NI 43-101). The scientific, technical and economic information contained in this news release pertaining to Coast Fuego is based on the Technical Report, which was prepared 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
- Mr Jeffrey Steven (PE) of Wood Pty Ltd – Capital and Operating Costs
- Mr Anton von Wielligh (FAUSIMM) of ABGM Consulting Pty Ltd – Mine Planning and Scheduling
- Mr Edmundo Laporte (PE) of GAC – Environmental Studies, Permitting and Social or Community Impact
- Mr Dave Morgan (PE) of Knight Piésold – Project Infrastructure (TSF)

The independent qualified persons have verified the information disclosed in the Technical Report, 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 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.

Mineral Resources and Ore Reserves

The information in this announcement relating to the estimate of Mineral Resources and Ore Reserves for the Costa Fuego Copper-Gold Project was previously reported in the Company's announcement 'Costa Fuego Indicated Resource Increases' released to ASX on 26 February 2024 and is available to view on the Company's website at www.hotchili.net.au/investors/asx-announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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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.

Non IFRS Financial Performance Measures

"C1 Cash Cost" is not a 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.

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", “planned”, “planning”, "potential", "project", “projections”, "should", “up-scale”, "will", “would” variants of these words 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: the Company's timing and ability to enter into a definitive agreement with respect to the Option; the completion of the conditions to exercise the Option; receipt of all regulatory approvals in respect of the Option, including the approval of the TSXV (if required); prospects, projections and success of the Company and its projects; further consolidation and additional opportunities within the area; timing for, and completion of, regional exploration campaigns; the strengthening of the Company’s pipeline of opportunities for the discovery of new mineral resources to further enhance the potential scale of Costa Fuego; the ability of the Company to deliver meaningful new copper supply this decade; the ability of the Company to expand mineral resources beyond current mineral resource estimates; the results and impacts of current and planned drilling, to extend mineral resources and to identify new deposits, including at on the Domeyko landholdings; the Company’s ability to convert mineral resources to mineral reserves; opportunities for growth in mineral projects; the timing and outcomes of future planned economic studies including the PFS; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of the Costa Fuego Project as contemplated in the Technical Report 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 consolidate additional landholdings around its Project; estimates of cost; and estimates of planned exploration across multiple targets on the Domeyko landholdings.

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: the ability of the Company to complete the conditions to exercise the Option; obtaining all regulatory approvals for the completion of the Option; 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 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

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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 26th February 2024)

Costa Fuego OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq[1])	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	736	0.46	0.37	0.11	0.50	85	3,370,000	2,720,000	2,480,000	11,700,000	62,800
M+I Total	**736**	**0.46**	**0.37**	**0.11**	**0.50**	**85**	**3,370,000**	**2,720,000**	**2,480,000**	**11,700,000**	**62,800**
Inferred	170	0.30	0.25	0.06	0.36	65	520,000	420,000	340,000	1,900,000	11,000

Costa Fuego UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.27% CuEq[1])	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	62	0.39	0.31	0.08	0.55	85	250,000	190,000	160,000	1,100,000	5,300
M+I Total	**62**	**0.39**	**0.31**	**0.08**	**0.55**	**85**	**250,000**	**190,000**	**160,000**	**1,100,000**	**5,300**
Inferred	33	0.35	0.29	0.07	0.41	46	120,000	96,000	76,000	430,000	1,500

Costa Fuego Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq[1] OP 0.27% CuEq[1] UG)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	798	0.45	0.37	0.10	0.50	85	3,620,000	2,910,000	2,640,000	12,800,000	68,100
M+I Total	**798**	**0.45**	**0.37**	**0.10**	**0.50**	**85**	**3,620,000**	**2,910,000**	**2,640,000**	**12,800,000**	**68,100**
Inferred	203	0.31	0.25	0.06	0.36	61	640,000	516,000	416,000	2,330,000	12,500

[1] Mineral Resources are reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora, Alice 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 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 – Weighted recoveries of 82% Cu, 55% Au, 81% Mo and 36% Ag. CuEq(%) = Cu(%) + 0.55 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)

San Antonio - Weighted recoveries of 85% Cu, 66% Au, 80% Mo and 63% Ag. CuEq(%) = Cu(%) + 0.64 x Au(g/t) + 0.00044 x Mo(ppm) + 0.0072 x Ag(g/t)

Alice - Weighted recoveries of 81% Cu, 47% Au, 52% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.48 x Au(g/t) + 0.00030 x Mo(ppm) + 0.0044 x Ag(g/t)

Productora – Weighted recoveries of 84% Cu, 47% Au, 48% Mo and 18% Ag. CuEq(%) = Cu(%) + 0.46 x Au(g/t) + 0.00026 x Mo(ppm) + 0.0021 x Ag(g/t)

Costa Fuego – Recoveries of 83% Cu, 53% Au, 71% Mo and 26% Ag. CuEq(%) = Cu(%) + 0.53 x Au(g/t) + 0.00040 x Mo(ppm) + 0.0030 x Ag(g/t)

[7] 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 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, Alice and San Antonio deposits is 0.20% CuEq while the cut-off grade for mineral resources considered amenable to underground extraction methods at the Cortadera deposit is 0.27% 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 February 26th, 2024. 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, Alice 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 beyond those disclosed in the Technical Report and the Forward Looking Statements included in this release.

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