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Announcement

Monday 11 November 2024

Hot Chili Adds La Verde Cu Mine to its Costa Fuego Coastal Copper Hub, Drilling Underway

View looking north across the La Verde porphyry copper mine within the historic Domekyo mining area, Chile

Highlights

- **Hot Chili has executed an Option Agreement to acquire** a 100% interest in the historical **La Verde Copper Mine (La Verde),** located 30 km south of the Company's low-altitude, Costa Fuego copper-gold project in Chile
- **La Verde encompasses 800m strike length of open pit workings**, previously exploited by private interests for shallow porphyry copper-style oxide mineralisation
- **The La Verde Option Agreement**, along with the recently executed Domeyko Option Agreement (see announcement dated 30th April 2024), **for the first time consolidates and provides access to, a much larger potential porphyry copper deposit footprint measuring approximately 1.4km by 1.2km**
- **A first-pass, 4,000m drill program commenced at La Verde on 30th October 2024,** with one drill rig in operation and two drill holes already complete (assay results pending)
- **Hot Chili has updated timing for the planned release of its next key catalysts to accommodate additional project optimisation and to align the outcomes of its copper and water studies:**
    - Water Supply Business Case Study (Pre-feasibility Study level (PFS)) for Huasco Water has been brought forward - now planned for release in Q1 2025
    - Costa Fuego PFS will be delivered in parallel with the Huasco Water PFS – now also planned for release in Q1 2025
- **Strong treasury of approximately A$25.7 million as of 30 September 2024**

Hot Chili Limited (ASX: HCH) (TSXV: HCH) (OTCQX: HHLKF) ("Hot Chili" or the "Company") is pleased to announce the Company has entered into a three-year Option Agreement to acquire a 100% interest in the historical La Verde open pit copper mine ("La Verde").

La Verde is located in the core of the historical Domeyko mining district and lies approximately 30 km south of the Company's Costa Fuego copper-gold project ("Costa Fuego" or "the Project") planned central processing hub in the coastal range of the Atacama region, Chile.

La Verde comprises significant historical open pit workings, where shallow porphyry copper oxide mineralisation was previously exploited by private interests across a strike extent of approximately 800m, widths of up to 200m and depths of up to 15m. Historical drilling was limited to the surrounding leases, with little to no drilling undertaken across the mine area.

Importantly, La Verde sits in the centre of Hot Chili's recently consolidated and larger Domeyko landholding, secured in an Option Agreement in April 2024 (Figures 1 and 2). The execution of the La Verde Option Agreement marks the first time that the entire La Verde porphyry system has been consolidated and controlled by a single party, allowing for drill testing across a potentially much larger porphyry copper deposit footprint, measuring approximately 1.4km by 1.2km (Figures 4 and 5).

The Company has undertaken several exploration programs (soil geochemistry, mapping, magnetics surveys) across the Domeyko region (see ASX announcement on 31 October 2024 of the Quarterly Report for period ending 30 September 2024) since April of this year. These programs were extended over the La Verde copper mine area as part of the Company's due diligence process, prior to the Option Agreement execution.

Geological mapping of outcrop within the open pit has identified copper oxide mineralisation associated with porphyry-style quartz veins, fractures, and faults, as well as several porphyry intrusive phases of similar age (late Cretaceous) and style to the Company's Cortadera porphyry copper deposit located 30km to the north (Figures 2 and 3).

Historical exploration undertaken by Hudbay Minerals Inc. across surrounding tenements attempted to define continuations of La Verde's mineralisation, outside of the privately held mining lease, with several reverse circulation (RC) and diamond drill holes (DD) completed.

Hot Chili commenced a first-pass drill program at La Verde, comprising eleven RC drill holes for approximately 4,000 m, on 30 October 2024 with one drill rig in operation (Figure 5). Two drill holes for 800m are already complete, confirming wide intersections of porphyry-style copper mineralisation in both holes, based on visual logging, with assay results pending.

This latest project acquisition is an important step in Hot Chili's ongoing consolidation and growth strategy for Costa Fuego. The Company continues to evaluate opportunities to secure additional advanced prospects within economic distance of planned central processing facilities. This approach may provide additional bulk tonnage and/or high-grade copper-gold mineral resource additions for Costa Fuego.

The Company looks forward to the receipt of first assay results and providing further updates as exploration drilling activities progress at La Verde.

Hot Chili is well positioned with A$25.7 million in cash (as of 30 September 2024) to complete the Costa Fuego PFS, Environmental Impact Statement (EIA), Huasco Water PFS, port upgrade studies and planned regional growth drilling programs.

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Updates to Timing of Next Company Catalysts

Hot Chili has updated the timing for delivery of its next key milestones in order to allow for additional project optimisations and to ensure alignment of the outcomes of each of the following:

- Water Supply Business Case Study (PFS-level) for Huasco Water has been brought forward - now planned for release in Q1 2025
- Costa Fuego PFS will be delivered in parallel with the Huasco Water PFS – now planned for release in Q1 2025

All Costa Fuego PFS workstreams are on track for completion by late 2024, laying the groundwork for integrating results into both the Costa Fuego and Huasco Water PFSs in Q1 2025.

Accelerating the Huasco Water PFS aligns its release with Costa Fuego's, enabling further project optimizations based on multiple independent reviews. These refinements will be incorporated into the Costa Fuego PFS in early 2025, ahead of the planned simultaneous release of both studies.

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The material terms of executed La Verde Option Agreement are as follows:

- Hot Chili's 100% owned subsidiary Sociedad Minera La Frontera SpA ("Frontera") has executed a definitive option agreement with SLM Los Dominiceros una de la Sierra Los Chiqueros ("SLM Dominoceros"), the holder of a 100% interest in the concession comprising La Verde, for the grant to Frontera of an option to acquire a 100% interest in the La Verde concession ("La Verde Option Agreement").
- Non-refundable cash payment of US$320,000 to SLM Dominoceros upon grant of the La Verde Option Agreement.
- Non-refundable cash payment of US$680,000 within 12 months from the grant of the La Verde Option Agreement.
- Non-refundable cash payment of US$1,000,000 within 24 months from the grant of the La Verde Option Agreement.
- Option may be exercised within 36 months of the date of grant of the La Verde Option for a final non-refundable cash payment of US$6,890,000.

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

For more information please contact:

Christian Easterday	Tel:	+61 8 9315 9009
Managing Director – Hot Chili	Email:	admin@hotchili.net.au
Carol Marinkovich	Tel:	+61 8 9315 9009
Company Secretary – Hot Chili	Email:	admin@hotchili.net.au
Graham Farrell	Email:	graham@hotchili.net.au
Investor & Public Relations		

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

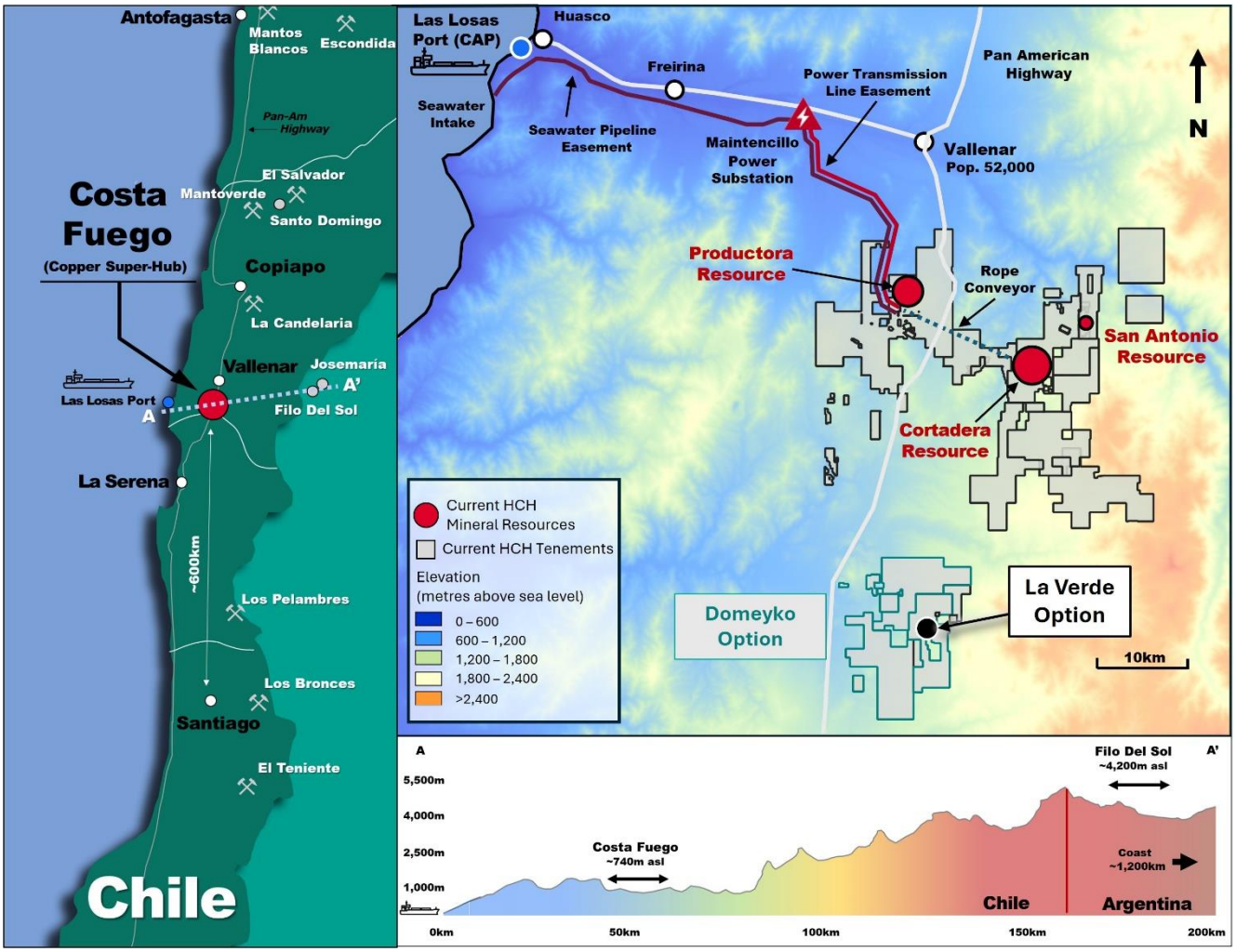

Figure 1. Location of La Verde in relation to Costa Fuego, coastal range Chile

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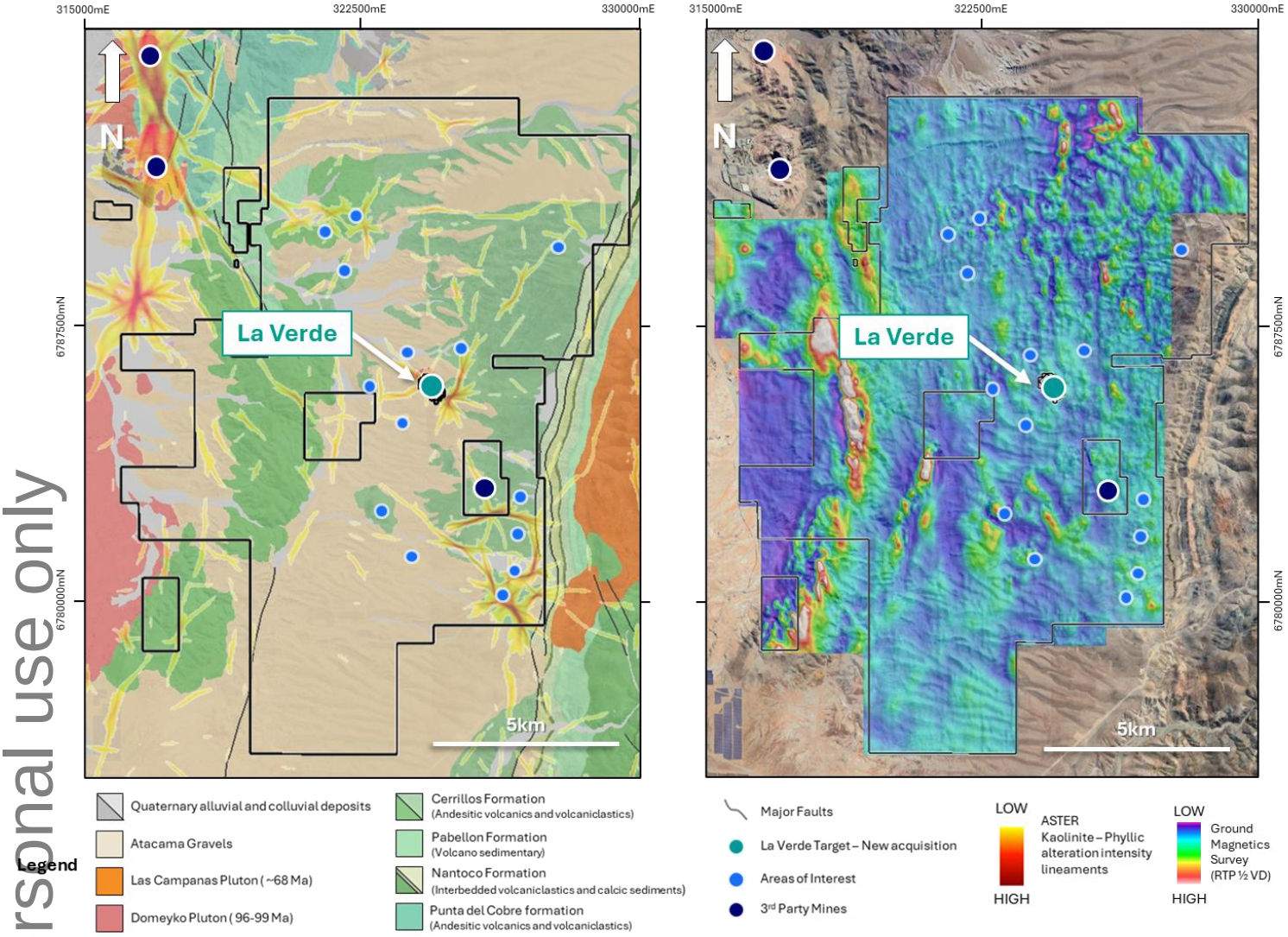

Figure 2. Location of La Verde in relation to the larger Domeyko landholding, displaying recently completed geological mapping (left) and recently acquired ground magnetic survey (right)

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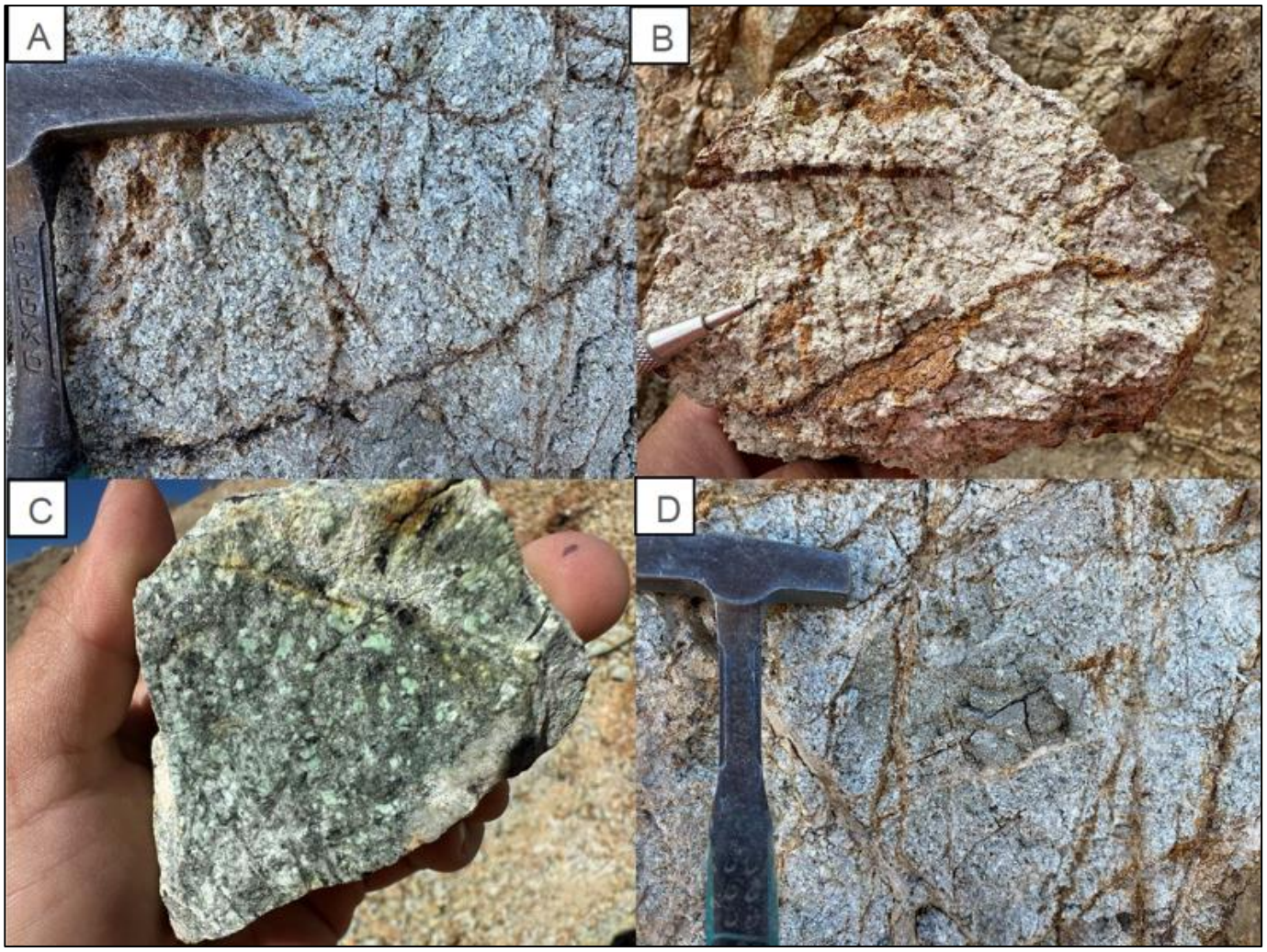

Figure 3. Photos of rock samples collected from the La Verde open pit. A) Tonalitic porphyry B) Tonalitic porphyry with quartz and hematite veins, C) Pre-mineral dioritic porphyry, D) Pre-mineral dioritic porphyry with quartz veins and wallrock xenolith

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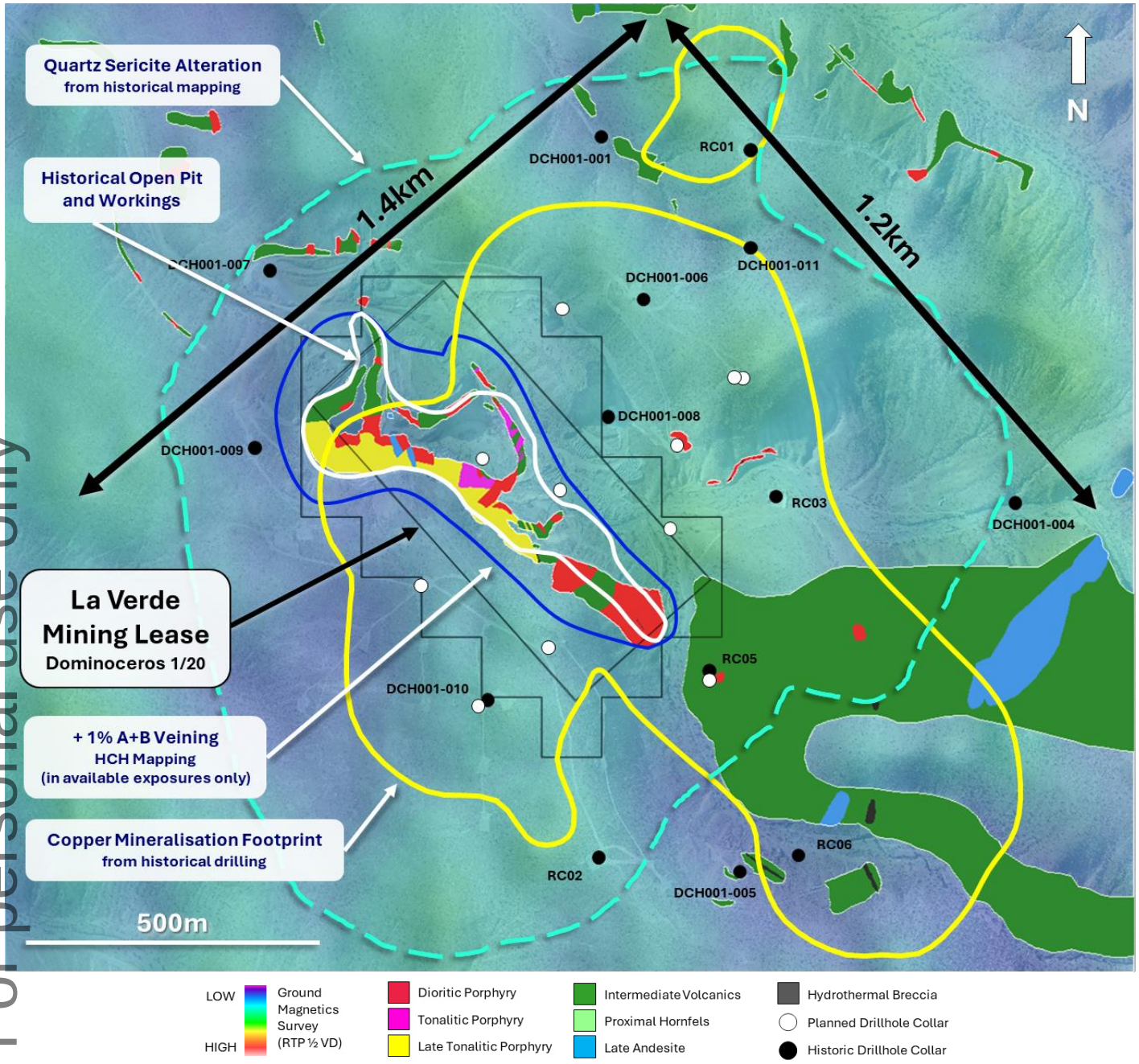

Figure 4. Plan map of La Verde showing historical drill collars, historical open pit and extents (white) compared to the recently acquired ground magnetic survey reduced to the pole half vertical derivative (RTP ½ VD) and in pit geological mapping. Hot Chili has modelled a copper mineralisation footprint (yellow) from the historical drill logs, as well as contours for quartz-sericite alteration (dashed green) and +1% A+B veining (blue)

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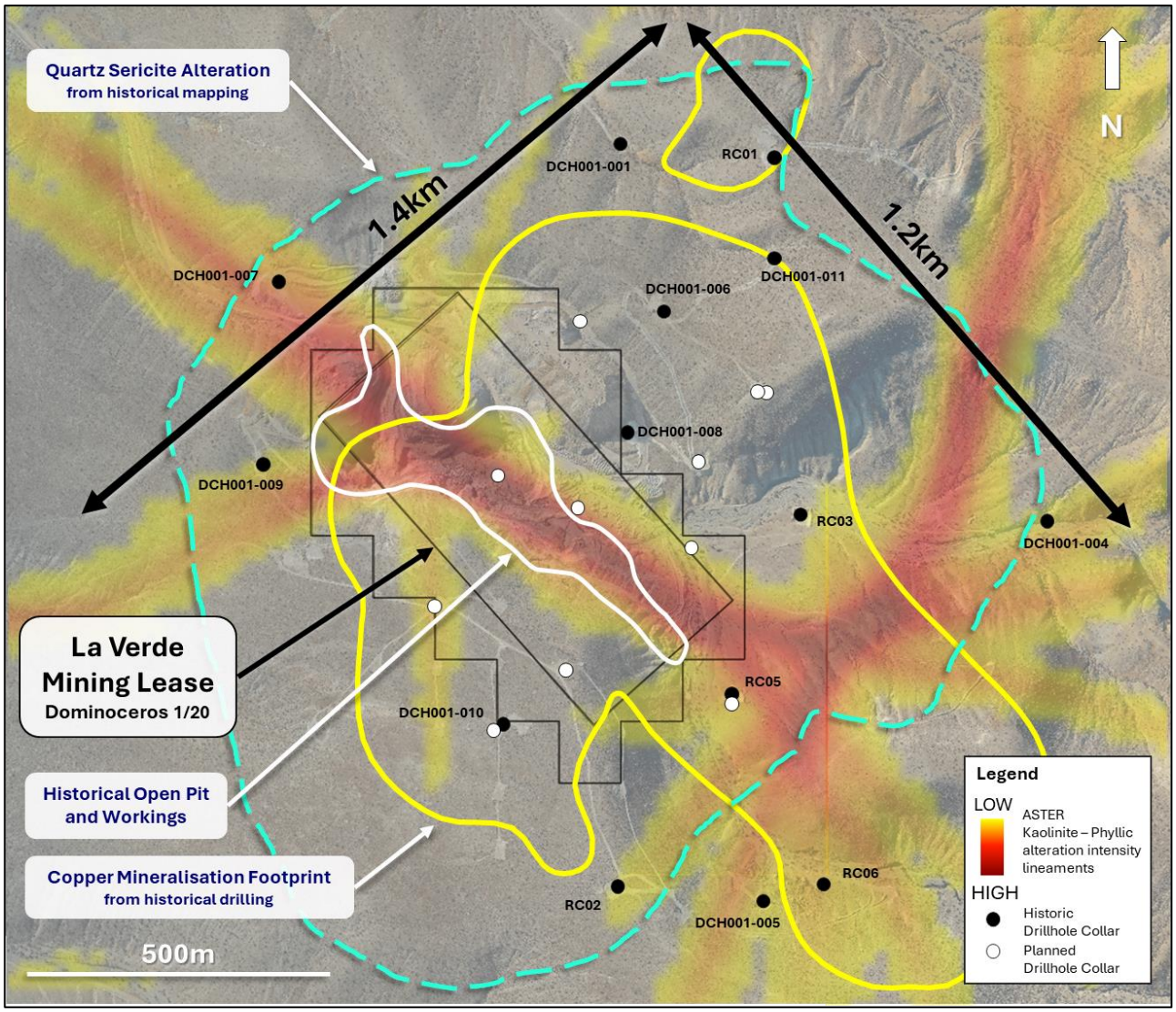

Figure 5. Plan map of La Verde showing historical drill collars and historical open pit extent (white) compared to the ASTER Kaolinite-Phyllic alteration intensity lineaments. Hot Chili has modelled a copper mineralisation footprint (yellow) from the historical drill logs, as well as contours for mapped quartz-sericite alteration (dashed green)

Qualifying Statements

Qualified Person – NI 43-101

The technical information in this news release has been reviewed and approved by Mr. Christian Easterday, MAIG, Hot Chili's Managing Director and a qualified person within the meaning of NI43-101.

Competent Person – JORC

The information in this announcement that relates to Exploration Results for the La Verde project is based upon information compiled by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited, who 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 Report.

Forward Looking Statements

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

The forward-looking statements within this announcement are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this report.

In this Report, 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 planned drilling to extend mineral resources and to identify new deposits; the Company's ability to convert exploration potential in mineral resources; the Company's ability to explore effectively and execute drilling operations in a timely manner; the Company's ability to fulfill obligations and exercise the La Verde and Domeyko Option Agreements; the Company's ability to convert mineral resources to mineral reserves; the timing and outcomes of current and future planned economic studies including the planned PFS for the Costa Fuego copper-gold project; the potential to develop a water business in the Huasco valley and the future economics thereof; the timing and results of the PFS level Water Supply Business Case Study; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of the Costa Fuego Project, including the EIA, as well as for the Huasco Water business; whether or not the Company will make a development decision for the Costa Fuego Project and/or Huasco Water and the timing thereof; and estimates of planned exploration costs and the results thereof.

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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 announcement, including, but not limited to, the following material factors: operational risks; risks related to the cost estimates of exploration; sovereign risks associated with the Company's operations in Chile; changes in estimates of mineral resources of properties where the Company holds interests; recruiting qualified personnel and retaining key personnel; future financial needs and availability of adequate financing; fluctuations in mineral prices; market volatility; exchange rate fluctuations; ability to exploit successful discoveries; the production at or performance of properties where the Company holds interests; ability to retain title to mining concessions; environmental risks; financial failure or default of joint venture partners, contractors or service providers; competition risks; economic and market conditions; and other risks and uncertainties described elsewhere in this report and elsewhere in the Company's public disclosure record.

Although the forward-looking statements contained in this announcement 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 announcement, 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 announcement 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 announcement are expressly qualified by the foregoing cautionary statements and are made as of the date of this announcement. 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 announcement or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Investors should read this entire report and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of an investment in the Company.

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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

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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 NI 43-101. Mineral Resource estimation practices are in accordance with CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (November 29, 2019) and reported in accordance CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014) that are incorporated by reference into NI 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 SpA (a 100% subsidiary of Hot Chili Limited), and 20% owned by 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 SpA, 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 SpA, which is a 100% subsidiary of Hot Chili Limited) and Frontera has an Option Agreement to earn a 100% interest.

5 The Mineral Resource Estimates (MRE) 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 All MRE were assessed for Reasonable Prospects of Eventual Economic Extraction (RPEEE) using both Open Pit and Block Cave Extraction mining methods at Cortadera and Open Pit mining methods at the Productora, Alice and San Antonio deposits.

7 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)

8 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. It is the Company's opinion that all the elements included in the CuEq calculation have a reasonable potential to be recovered and sold.

9 Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The MRE 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.

10 The effective date of the MRE is February 26th, 2024. The MRE were previously reported in Hot Chili's ASX announcement released February 26th, 2024 "*Hot Chili Indicated Resource at Costa Fuego Copper-Gold Project Increases to 798 Mt*" (Resource Announcement). 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 MRE in the Resource Announcement continue to apply and have not materially changed.

11 Hot Chili Limited is not aware of political, environmental, or other risks that could materially affect the potential development of the Mineral Resources other than as disclosed in this Report. A detailed list of Costa Fuego Project risks is included in Chapter 25.12 of the Technical Report "Costa Fuego Copper Project – NI 43-101 Technical Report Mineral Resource Estimate Update" dated April 8th, 2024.

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JORC Code Table 1 for La Verde within the Domeyko Project

The following table provides a summary of important assessment and reporting criteria used for the reporting of Mineral Resource and Ore Reserves in accordance with the Table 1 checklist in the Australasian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves (The JORC Code, 2012 Edition).

The San Antonio MRE will be reported to the standard of the Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects", and as such has been completed by a Qualified Person (QP). A QP under NI43-101 guidelines is interchangeable with a Competent Person (CP) under the JORC Code and has been referred to as such below.

The follow list provides the names and the sections for Competent Person responsibilities:

Section 1 and 2: C. Easterday - MAIG (Hot Chili Limited)

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	***Drilling*** *Existing drilling at the Domeyko project comprises eight Reverse Circulation (RC) holes drilled for a total of 2,299 m (drilled in 2010), and twelve Diamond Core (DD) holes drilled for a total of 5,774 m (drilled between 2012 and 2014).* *Available data pertaining to these campaigns of drilling is incomplete and unverifiable; as such HCH due diligence is continuing, and results of these drill holes are considered to be of low confidence and not presently material.* ***Surface Geochemistry*** *A 400 m x 200 m grid spaced soil program has been undertaken by HCH across the broader project area, with infill soil sampling on a 200 m x 100 m grid over the La Verde open pit area, for a total of 1181 samples taken.* *Soil samples at Domeyko were collected at a pre-determined sampling point by navigating to the WGS84 UTM co-ordinates with hand-held GPS, then digging a hole 30 x 30 cm and 20 cm deep.* *The first 10 to 15 cm of organic matter and soil were removed before residual soil was then placed through a 2mm sieve, with a ~500 g sample of the fine fraction collected in a pre-labelled calico bag.* *At each sampling point an excel spreadsheet was populated with the sample type e.g. Regolith, Colluvium or Alluvium.* *All samples were tested by HCH personnel using an Olympus "Vanta" portable XRF and their magnetic susceptibility measured with an industry standard KT-10 magsus meter. Each sample underwent subsequent multielement analysis by ALS laboratories.* *Rock chip samples have been collected sporadically across the project areas by HCH geologists during geological mapping activities. These samples have been taken from locations of interest as hand gathered float samples, or as fresh chips broken from outcrop with a hammer. In all cases a sample of around 2kg has been taken in a calico bag, geologically described and the GPS location recorded.*
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is*	*2012 to 2014 DD drilling by Hudbay Minerals Inc. used HQ3 bits (61.1 mm internal diameter). Drill core was not oriented.* *No information is available regarding the conduct of the 2010 RC drilling campaign.*

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Criteria	JORC Code explanation	Commentary
	oriented and if so, by what method, etc).	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	*No information is available on RC drill sample recovery.* *Diamond core recovery was recorded in a provided spreadsheet, which HCH has reviewed against the core photographs. Overall, good core recovery is observed.* *At the current early exploration stage, it is unclear whether there is a relationship between sample recovery and grade.*
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	*Geological logs were provided as part of the data package for all drilling (DD and RC).* *For DD, these logs have been reviewed against core photographs and are deemed to be of a reasonable standard for an early exploration target.* *For RC, as chips and chip tray photographs are not available, no validation has been completed.*
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	***Drilling*** *No information is available on DD sub-sampling technique, other than the sub-sampling being completed at 2 m intervals.* *No information is available on RC sub-sampling technique, other than the sub-sampling being completed on 1 m intervals from the bulk sample.* *Limited information is available regarding the sample preparation and assaying methodology of the DD and RC samples, it appears that multiple methods have been used and compiled into the available assay tables without supporting documentation available for verification.* ***Surface Geochemistry*** *Each sample underwent multielement analysis by ALS laboratories.* *ALS Soil sample preparation included drying samples at <60°C/140°F, then sieving samples to -180 micron (80 mesh). Each sample was then analysed by ALS method ME-MS61 4-acid digestion followed by ICP-MS determination, with gold analysis by Au-ICP21 (30 g Fire Assay ICP-AES finish).* *Rock chip samples submitted to ALS were dried, crushed to a nominal 20mm size and split, with around 400g pulverised and a subsequent pulp sub-sample analysed by ALS method ME-MS61 4-acid digestion followed by ICP-MS determination, with gold analysis by Au-ICP21 (30 g Fire Assay ICP-AES finish).*
Quality of assay data and	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	***Drilling*** *HCH has not completed a comprehensive review of QA/QC data from historical drilling.*

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Criteria	JORC Code explanation	Commentary
laboratory tests	*For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	***Surface Geochemistry*** *All soil samples collected at Domeyko were scanned using an Olympus "Vanta" portable XRF and tested for magnetic susceptibility with a portable KT-10 meter.* *Routine QA/QC standards are used at the beginning and end of each XRF campaign in addition to every 50 XRF measurements recorded. Standards have been selected to represent typical multi-element distribution for the style of deposit being analysed.* *Routine comparison of soil sample XRF and assay results is completed at the end of each soil geochemical campaign.* *Soil and rock chip samples were also submitted to ALS for multielement analysis by ME-MS61 method. This method provides 48 element analysis at very low detection limits, suitable for mapping lithology from geochemistry. Analysis involves HNO_3-$HClO_4$-HF acid digestion, HCl leach, dissolving nearly all minerals, this is paired with ICP-MS and ICP-AES analysis. This technique is appropriate for this type of sample and is considered total.* *The analytical laboratories provided routine quality controls within their own practices. No significant issues have been noted. No company standards or blanks are submitted by HCH.* *All results are checked in the acQuire™ database before being used, and analysed batches are continuously reviewed to ensure they are performing within acceptable tolerance for the style of mineralisation.*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	*No assays are being reported as the quality of supplied drill data cannot be verified.* *No twinned holes have been drilled.* *DD and RC sampling and assay results have been supplied as basic compiled spreadsheet format. The lack of information regarding sample chain of custody procedures and analytical methods has limited the use of the data to exploration targeting until a future verification campaign with remaining available core samples and/or twinning of existing holes.* *No adjustment has been made any of the provided assay data.*
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	***Drilling*** *Collar co-ordinates were supplied in either PSAD or WGS coordinate system. Where necessary, a translation has been applied to transform to WGS84 UTM zone 19S coordinate system. This translation is as follows:*

Coordinate Datum PSAD-56		
Northing	Easting	RL
6814387.779	335434.643	970.49
Coordinate Datum WGS-84		
Northing	Easting	RL
6814009.615	335250.244	1003.611

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Criteria	JORC Code explanation	Commentary
		Several diamond drill holes have documented DGPS/ Total Station survey collar pickups, these are situated satisfactorily on the supplied DTEM and commercial satellite imagery. Several holes have questionable locations on satellite imagery with no supporting documentation available to satisfactorily resolve the error. *The topographic model used at Domeyko is deemed adequate for topographic control. Drillhole collar locations have been validated against the topographic model.* ***Surface Geochemistry*** *Soil samples at Domeyko were collected at a pre-determined sampling point by navigating to the WGS84 UTM co-ordinates with hand-held GPS.* *Rock chip samples have been collected at the discretion of the mapping geologist, sample locations have been recorded from handheld GPS set to the WGS84 UTM datum.*
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	***Drilling*** *Drill spacing is not considered at this stage of the project.* ***Surface Geochemistry*** *A 400 x 200 m grid spacing soil program with a total of 1181 samples has been taken across the Domeyko leases. The soil sample lines were designed on E-W grid with WGS84 UTM 19S point locations. This sample spacing is considered appropriate for first pass soil geochemical sampling.* *Rock chips have been collected in a non-representative spacing, and do not reflect the character of the wider project area. This sampling cannot be relied upon to imply geological or grade continuity.*
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*The orientation of drilling is considered appropriate for this style of mineralisation, and no sampling bias is inferred from drilling completed as. In addition, copper-gold porphyry mineralisation is typically homogenous meaning a limited chance of bias is likely to be caused from drilling orientation.*
Sample security	*The measures taken to ensure sample security.*	*The measures taken to ensure sample security for drilling completed by Hudbay Minerals Inc. are unknown.* *For HCH data, a strict chain of custody procedures were adhered to. All samples have the sample submission number/ticket inserted into each bulk polyweave sample bag with the id number clearly visible. The sample bag is stapled together such that no sample material can spill out and no one can tamper with the sample once it leaves Hot Chili custody.*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*None completed.*

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Section 2 Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.

The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>The Domeyko landholding comprises the following permits:
<table>
<tr><th>License ID</th><th>Area (Ha)</th></tr>
<tr><td>INES 1/40</td><td>200</td></tr>
<tr><td>ANTONIO 1/40</td><td>200</td></tr>
<tr><td>ANTONIO 1 1/56</td><td>280</td></tr>
<tr><td>ANTONIO 5 1/40</td><td>200</td></tr>
<tr><td>ANTONIO 9 1/40</td><td>193</td></tr>
<tr><td>ANTONIO 10 1/21</td><td>63</td></tr>
<tr><td>ANTONIO 19 1/30</td><td>128</td></tr>
<tr><td>ANTONIO 21 1/20</td><td>60</td></tr>
<tr><td>CERRO MOLY 1</td><td>300</td></tr>
<tr><td>CERRO MOLY 2</td><td>300</td></tr>
<tr><td>CERRO MOLY 3</td><td>300</td></tr>
<tr><td>CERRO MOLY 4</td><td>300</td></tr>
<tr><td>PRIMO 1 1/6</td><td>36</td></tr>
<tr><td>LORENA 1 AL 2</td><td>2</td></tr>
<tr><td>EMILIO 1 1/8</td><td>38</td></tr>
<tr><td>EMILIO 3 1/9</td><td>45</td></tr>
<tr><td>SANTIAGUITO 5 1/24</td><td>114</td></tr>
<tr><td>MERCEDITA 1 AL 7</td><td>22</td></tr>
<tr><td>CAZURRO 1</td><td>200</td></tr>
<tr><td>CAZURRO 2</td><td>200</td></tr>
<tr><td>CAZURRO 3</td><td>300</td></tr>
<tr><td>CAZURRO 4</td><td>300</td></tr>
<tr><td>CAZURRO 5</td><td>100</td></tr>
<tr><td>CAZURRO 6</td><td>200</td></tr>
<tr><td>CAZURRO 7</td><td>200</td></tr>
<tr><td>CAZURRO 8</td><td>200</td></tr>
<tr><td>DOMINOCEROS 1/20</td><td>20</td></tr>
</table></td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>Previous exploration across the Domeyko project includes:

• Cominco Resources – Seven RC holes of unknown length completed, soil sampling. No data available
• BHP and Teck Cominco – Geological mapping and soil sampling. No data available
• Rio Tinto – site visit and project appraisal. Report supplied to HCH
• International Copper Corporation – geological mapping, trenching, rock chip sampling, final report available without raw data
• Hudbay Minerals Inc – geological mapping, 116 rock chip samples taken (no data available), 3.4 km^2 of ground magnetic surveys, 67.2 line km of Titan IP/MT surveys (final images and reports supplied to HCH)</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>Surface mapping is ongoing across the Domeyko project, which will increase understanding of the individual prospects contained within.

The copper mineralisation at the La Verde prospect is associated with multiple porphyry intrusions, with historical mining activity confined to a zone of overlying supergene copper oxides. The relationship between this supergene zone and the suspected primary porphyry mineralisation is not yet</td></tr>
</table>

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Criteria	JORC Code explanation	Commentary
		understood. *These porphyries have intruded into, and the vein systems cut through, the Cretaceous Bandurrias and Chañarcillo Formations (variously stratified agglomerates, volcanic breccias, dacitic tuffs and limestones). Most of the western portion of the project area is overlain by eroded Atacama Gravel sequences, with elongate fingers of the gravels extending across to the eastern boundary.*
Drillhole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	*The coordinates and orientations for all holes reported are tabulated below:*

Hole ID	East	North	RL	Azi	Dip	Hole Depth
DCH001-001	324610	6786359	1132	117	-56	250
DCH001-002	325488	6785703	1169	166	-61	250
DCH001-003	325557	6785770	1179	125	-55	250
DCH001-004	325297	6785746	1155	266	-75	700.95
DCH001-005	324799	6785171	1174	34	-70	150
DCH001-006	324671	6786105	1185	270	-84	533.35
DCH001-007	324058	6786138	1105	71	-52	400
DCH001-006A	324671	6786105	1185	270	-85	634
DCH001-008	324618	6785893	1139	270	-58	900
DCH001-009	324030	6785840	1139	100	-50	406.6
DCH001-010	324440	6785434	1188	270	-58	598.35
DCH001-011	324840	6786221	1176	270	-56	700.75
RC-01	324848	6786349	1197	260	-75	306
RC-02	324599	6785162	1205	270	-60	242
RC-03	324903	6785757	1136	270	-80	300
RC-04	326212	6785560	1210	240	-75	306
RC-05	324794	6785470	1147	270	-75	218
RC-06	324919	6785170	1166	240	-70	251
RC-07	325944	6780670	1268	270	-80	276
RC-08	326394	6780670	1283	270	-80	400

Note that drillhole collars were provided in the PSAD_56 co-ordinate system. A translation has been applied by HCH to transform to WGS_84_19S.

Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated*	*No assay data is being reported.*

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Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known')..*	*The relationship of mineralisation widths to the intercepts for historic drilling is unknown.*
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	*Refer to figures in the announcement.*
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	*No historical drilling information has been verified to the satisfaction of the company.* *All drill hole locations are reported as supplied to the company.*
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	*A ground magnetic survey was conducted in June and July 2024 by Argali Geofisica Chile E.I.R.L. (Argali) on behalf of Hot Chili Limited. The survey was conducted on north-south lines with a spacing of 100 m for a total of 1791 km. Readings were acquired as a continuous profile once every 1 second or an approximate station spacing of approximately 0.5 to 1.5 m. The survey was competed in WGS84, Zone 19S and has been visualised as a pole reduced magnetic map (RTP).* *Available historical data from previous exploration includes surface mapping, surface geochemical surveys and geophysical surveys (Ground magnetics and Induced Polarisation surveys).* *Historic surface geochemical sampling programs of both rock chip and soil samples have been undertaken over the project, however, the inconsistent distribution, presence of extensive later cover sequences and questionable QA/QC status of the data has led the company to consider the results unreliable.* *A Titan-24 IP/MT survey was conducted in April and June 2008 by Quantec Geoscience Ltd. on behalf of Hudbay Minerals Inc. (as then subsidiary Minera Quebrada de Oro S.A.). The survey was conducted in two grids of 300 m separated east-west oriented lines of 100 m spaced stations, reflecting the separated tenement holdings at that time. Seven section lines were acquired in the western grid, and twenty one section lines in the eastern grid.* *MAPING Ltda. of Santiago was contracted by Hudbay during June 2012 to complete a ground magnetometry survey over three separate areas. The larger area covered the La Varde mine area with 65 east-west oriented, 25 m spaced lines. A smaller area over the San Antonio deposit was covered with seven east-west lines at a 50 m spacing. Further to the south, in the area referred to by the company as Panacea, a similar size area was covered by eight east-west 50 m spaced lines. Magnetometry data on all lines was acquired at 1 second intervals, equivalent to a lateral spacing of approximately 1.4 m.*

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	*Additional work currently being across the Domeyko Project includes (but is not limited to) detailed litho-structural mapping, additional extensional and infill soil geochemistry, twinning of existing drillholes and further exploration drilling.*

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