



Quarterly Report

Period Ending June 30th 2021

Highlights

Cortadera On-Track for Resource Upgrade This Year

- Step-out drilling confirms that the two largest porphyries join at depth, with eleven new extensional drilling intersections returned post Cortadera 451Mt resource estimate
- High grade intersection of 144m grading 1.0% CuEq* recorded, demonstrating strong continuity across northern flank of main porphyry and potential for lateral expansion of high grade core at Cortadera.
- All three drill rigs focussed on extensional drilling with 6,352m of assay results outstanding.

Costa Fuego PFS Commences

- Wood appointed as lead engineer for Costa Fuego Pre-Feasibility Study (PFS), aiming to create a globally significant, low altitude, clean concentrate, copper-gold project, which can leverage from a central processing and combined infrastructure approach.

HCH Market Reach Expanding

- Hot Chili commenced trading on the OTCQB venture market, and kicked off TSXV dual listing process- a key step toward future funding and development of the Costa Fuego copper-gold project in Chile.



RC and Diamond Drill Rigs operating at Cortadera, July 2021



Hot Chili Limited ACN 130 955 725



First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004



www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

SUMMARY OF OPERATIONAL ACTIVITIES

Resource Expansion- Three Drill Rigs in Operation, Five Shifts Per Day

It has been a productive quarter of activities for Hot Chili, thanks largely to operational efficiencies enabled by the Company's COVID-19 safety management plan. Drilling and other field activities have been undertaken following strict safety protocols, allowing activities to continue seamlessly during the pandemic.

Operational activities included 49 holes for 15,617 metres of drilling at Cortadera and Cortadera North, surface mapping and geochemical sampling at Santiago Z and Cortadera North, and other regional targets at the Cortadera project.

The Company has identified several prospective targets at the wider Cortadera project following an extensive desktop review and the field team are progressing these targets through surface mapping and geochemical sampling as part of first pass reconnaissance and rationalisation of these targets.

The combined Costa Fuego copper-gold project is set to deliver on both scale and grade - at a time of increasing copper price and limited large-scale new copper supply opportunities in top-tier mining jurisdictions.



Field operations at Cortadera, July 2021

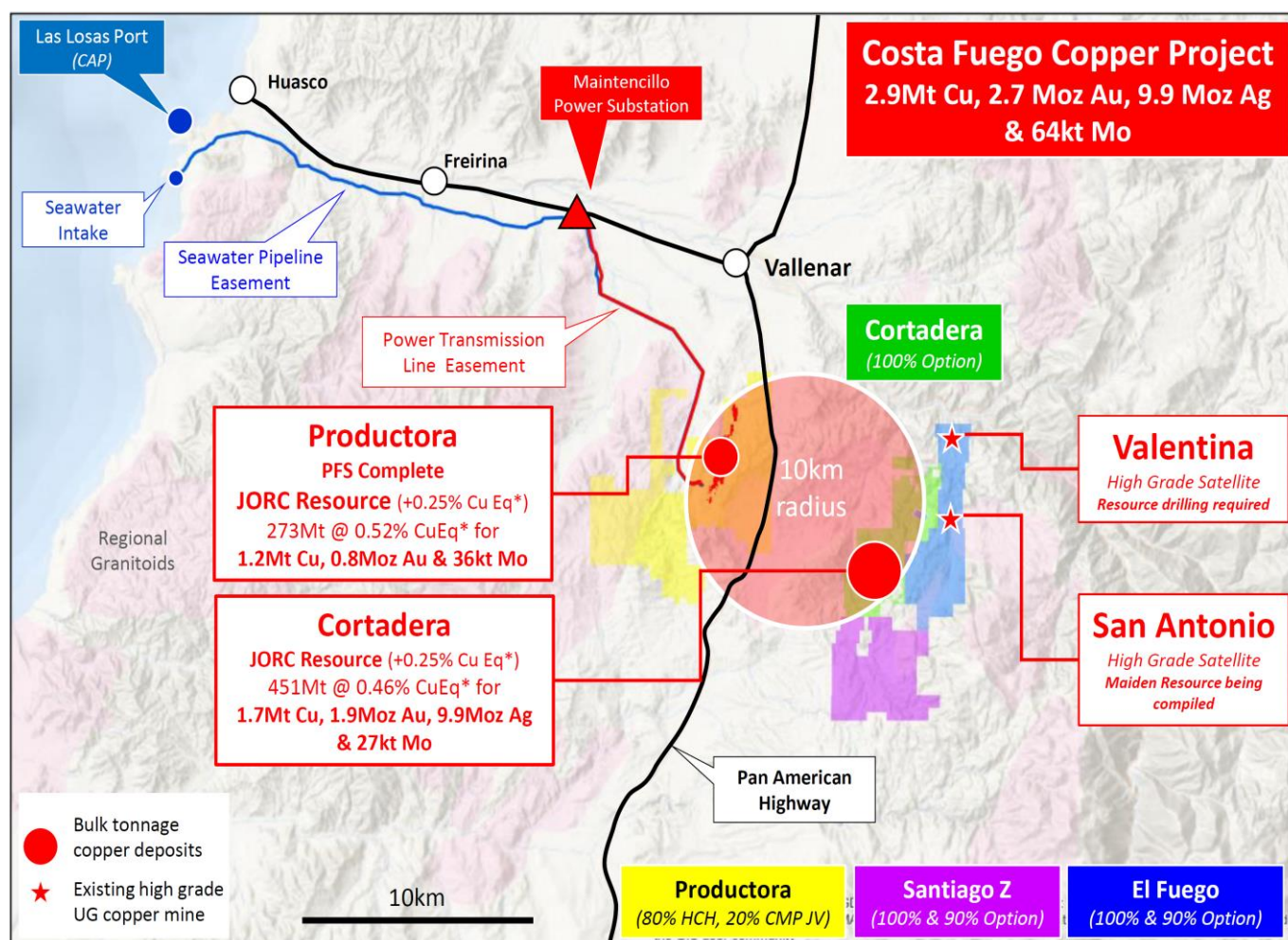


Figure 1 Location of Productora and the Cortadera discovery in relation to the coastal range infrastructure of Hot Chili’s combined Costa Fuego copper project, located 600km north of Santiago in Chile

Refer to ASX Announcement “Costa Fuego Becomes a Leading Global Copper Project” (12th October 2020) for JORC Table 1 information related to the Cortadera JORC compliant Mineral Resource estimate by Wood and the Productora re-stated JORC compliant Mineral Resource estimate by AMC Consultants.

* Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu\ price\ 1\% \ per\ tonne \times Cu_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag_recovery)) / (Cu\ price\ 1\% \ per\ tonne)$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

** Reported on a 100% Basis - combining Cortadera and Productora Mineral Resources using a +0.25% CuEq reporting cut-off grade

Step Out Drilling expands Cortadera Maiden Resource Envelope

Extensional drilling at Cortadera is on-track to deliver a significant upgrade to the Company’s Costa Fuego copper-gold resource in Chile. Costa Fuego’s combined resource base sits at 724Mt grading 0.48% CuEq for 2.9Mt copper, 2.7Moz gold, 9.9Moz silver and 64kt molybdenum and is being expanded toward a Tier-1 copper resource (+5Mt copper).

The initial phase of the Company's 40,000m drill programme at Cortadera this year focussed on growth of the high grade core at Cuerpo 3, with results proving that the resource is robust and that the high grade core is continuing to grow predictably.

Two diamond drill rigs and one RC rig are operating to complete the large resource expansion drill programme across Cortadera, with Hot Chili achieving eleven significant extensional diamond drill intersections since Cortadera's maiden resource was announced in October last year.

Significant results from drilling this quarter include two significant intersections in CRP0046D comprising 114m grading 0.5% copper and 0.2g/t gold from 248m depth and 185m grading 0.5% copper and 0.2g/t gold from 568m depth down-hole. The two higher grade intersections were contained within a broader drill result of 838m grading 0.3% copper and 0.1g/t gold from 140m depth.

Importantly, the two higher grade intersections in CRP0046D were recorded in areas previously modelled as low grade within the main porphyry (Cuerpo 3) of the Cortadera resource. These results add to the high grade zone recorded in CRP0061D (318m grading 0.6% copper and 0.2g/t gold) and continue to confirm growth of higher grade, bulk tonnage, resources at Cortadera.

CRD0080 was the first significant step-out extensional drill hole this year, designed to test the width of the main porphyry (Cuerpo 3) across its southern flank, and returned a significant result of 836m grading 0.4% copper & 0.1g/t gold (0.5% CuEq*) from 536m depth, with the hole ending in mineralised porphyry; including a higher grade interval of 436m grading 0.5% copper & 0.2g/t gold (0.6%CuEq*) from 536m.

The new result in CRD0080 adds substantially to the current resource, extending the southern flank of Cuerpo 3 by approximately 80m and confirming depth continuation of the main porphyry below 1,000m.

Cuerpo 3 High Grade Core Returns Another Outstanding Result

Hot Chili also recorded its second best high grade interval at Cortadera, successfully demonstrating strong continuity of high grade mineralisation (+1.0% CuEq) across the northern flank of the main porphyry.

CRP0088D returned a broad intersection of 410m grading 0.6% CuEq from 440m, including a higher grade interval of 144m grading 1.0% CuEq (0.8% Cu, 0.3g/t Au) from 706m down-hole. Importantly, CRP0088D returned a 62m wide zone grading 1.0% Cu and 0.4g/t Au, which is significantly higher than previous drilling included in Cortadera's maiden resource of 451Mt grading 0.46% CuEq.

The new result is similar to the high grade discovery zone hole CRP0013D, which recorded 100m grading 1.0% Cu and 0.5g/t Au within a broader intersection of 750m grading 0.7% CuEq from 204m depth. CRP0088D is located 300m to the southeast of CRP0013D along the northern flank of Cuerpo 3, with both high grade intersections recorded at approximately the same vertical depth.

In addition, CRP0047D also returned a strong new intercept from Cuerpo 3, recording 218m grading 0.6% CuEq from 720m down-hole including 24m grading 0.8% CuEq.

High grade results returned from drilling this quarter provide confidence for further growth in predictive extensional areas where the high grade core has not been defined in Cortadera's maiden resource owing to low or no drilling density.

Cortadera's most significant drill intersections to date:

- 972m grading 0.5% copper and 0.2g/t gold from surface in CRP0020D

(including 412m grading 0.7% copper and 0.3g/t gold),

- 750m grading 0.6% copper and 0.2g/t gold from 204m down-hole depth in CRP0013D
(including 188m grading 0.9% copper and 0.4g/t gold),
- 848m grading 0.4% copper and 0.2g/t gold from 112m down-hole depth in CRP0011D
(including 184m grading 0.7% copper and 0.3g/t gold),
- 836m grading 0.4% copper and 0.1g/t gold from 536m down-hole depth in CRD0080
(including 436m grading 0.5% copper and 0.2g/t gold) – NEW RESULT, Q2 2021
- 813m grading 0.4% copper and 0.1g/t gold from 54m down-hole depth in CRP0061D
(including 318m grading 0.6% copper and 0.2g/t gold),
- 649m grading 0.4% copper and 0.1g/t gold from 328m down-hole depth in CRP0029D
(including 440m grading 0.5% copper and 0.2g/t gold),
- 596m grading 0.5% copper and 0.2g/t gold from 328m down-hole depth in CRP0017D
(including 184m grading 0.7% copper and 0.3g/t gold), and
- 542m grading 0.5% copper and 0.2g/t gold from 422m down-hole depth in CRP0040D
(including 218m grading 0.7% copper and 0.2g/t gold)

Cortadera continues to be one of the few large global copper discoveries to regularly achieve copper-sector leading drill results from its continued exploration and resource growth drilling activities.

Confirmation The Two Largest Porphyries Join at Depth

Results from diamond drilling testing the “gap zone” between Cuerpo 2 and Cuerpo 3 have confirmed that the two largest porphyries connect at depth. Although no significant results were returned from this drilling, the diamond holes both intersected a wide zones of weakly mineralised “intra-mineral” porphyry.

Intra-mineral porphyries at Cortadera typically grade between 0.1% and 0.4% Cu and were emplaced immediately following the early porphyry phase of mineralisation which typically grades between 0.3% and 1.0% Cu.

Confirmation that the large porphyries join at depth is exciting for Hot Chili’s technical team and adds large potential for the addition of further resources in this largely untested region. Further work will be completed before further testing this area.

Cortadera and Cortadera North Exploration Drilling Update

An additional five first-pass RC holes were drilled this quarter at Cortadera North, located 2km north of Cortadera, with eight holes in total now drilled at the large Cortadera “look alike” target. Pathfinder

multielement modelling will be key to determining potential areas for second-pass diamond drill hole tails and RC follow-up drilling at Cortadera North.

A third phase of drilling at Cortadera North has been delayed owing to drill rig prioritisation for pre-collar drilling at Cortadera. Drilling is planned to re-commence at Cortadera North shortly and will utilise recently completed 3 dimensional geochemical modelling.

In addition, several shallow significant intersections were recorded from preliminary RC drilling across Cuerpo 1 at Cortadera, including 36m grading 0.4% copper and 0.1g/t gold from surface (including 10m grading 0.7% copper and 0.2g/t gold from 24m) and 22m grading 0.5% copper and 0.1g/t gold from surface.

Further RC drilling is planned to extend areas of shallow higher grade copper and gold at Cuerpo 1.

Current Copper Prices see Productora's NPV increase 500%

Detailed work over the past nine months has confirmed the potential for Productora to provide a higher grade open pit development option for Costa Fuego. Productora is located 14km from the Company's flagship Cortadera copper-gold porphyry discovery which has a maiden resource of 451Mt grading 0.46% Cu Eq that is set to be upgraded this year.

Productora's current resource of 273Mt grading 0.44% Cu and 0.09g/t Au supports a bulk tonnage open pit ore reserve estimate of 166.9Mt grading 0.43% copper, 0.09g/t gold (refer to ASX Announcement "Hot Chili Delivers PFS and Near-Doubles Reserves at Productora", 2nd March 2016).

Channel sample grades and mapping of the Santa Innes underground mine at Productora have shown positive reconciliation to the Productora 2016 resource estimated block grades, with additional zones of mineralisation recognised while mining.

Structural analysis and mapping suggest the additional zones are high grade (+0.4% Cu) short range breccias which exist within the current drill density at Santa Innes.

Multiple iterations of estimation parameters have been completed to best represent the distribution of high grades at Productora, and provide a fit-for-purpose block model for use in revised pit optimisations using higher cut-off grades. This now gives the Company flexibility to assess Productora as either a bulk tonnage or higher grade satellite ore source.

Productora's value has been enhanced and economics improved by higher copper prices and lower power costs than that considered in the 2016 PFS. Since 2016, the central and southern Chilean electrical grids have been connected, driving a large influx of solar power derived from the Atacama region. Several large solar projects are now operating proximal to Costa Fuego.

These factors have allowed contemplation to adopt a finer grind size, a key recommendation of the Productora PFS. This will see sulphide copper recoveries increase by 2% to 88% overall at Productora (refer to ASX Announcement "Hot Chili Delivers PFS and Near-Doubles Reserves at Productora", 2nd March 2016).

Further metallurgical testwork programmes are underway to optimise gold and oxide copper recoveries for the combined Costa Fuego PFS. These items are considered significant potential value levers for the project.

Productora 2016 PFS Results Versus Copper Price (Wood, 2020)

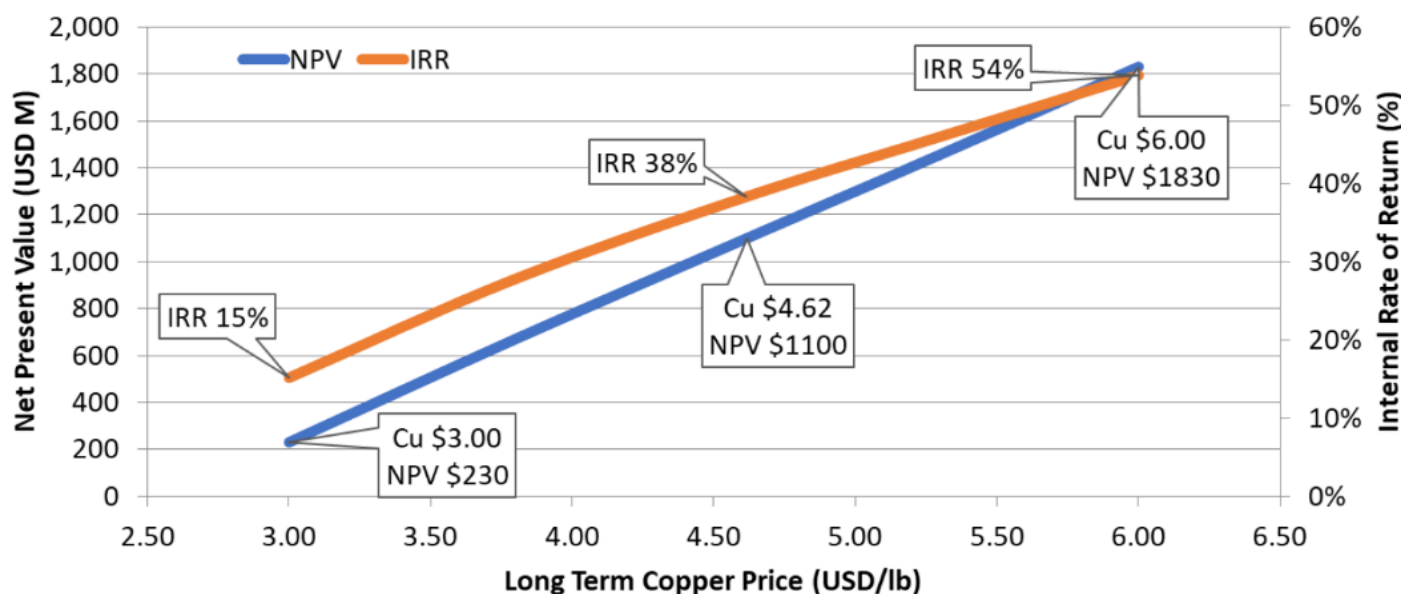


Figure 2. Productora 2016 PFS Results (NPV & IRR) Versus Copper Price (Wood, 2020)

Refer to "Hot Chili Delivers PFS and Near-Doubles Reserves at Productora", 2nd March 2016. The PFS financial model for Productora is adjusted each year by independent consultants Wood to model changing economic conditions. The copper price leverage using the 2020 adjustment is shown above. The model was adjusted for the following changes (only) - Au = 1,550 USD/oz Au (increased 300 USD/oz), Mo = 12.00 USD/lb Mo (decreased 2.00 USD/lb), Foreign Exchange CLP:USD was adjusted from 690 CLP : 1 USD to 719 CLP : 1 USD (the average FX rate for YTD according to S&P Global, increased 4%)

Costa Fuego Copper-Gold PFS Underway

The Costa Fuego Pre-feasibility Study (PFS) commenced during the quarter, and aims to transform the Company's 2016 Productora PFS to create a globally significant, low altitude, clean concentrate, copper-gold project, which can leverage from a central processing and combined infrastructure approach.

Wood has been appointed and will be responsible for the process plant and infrastructure design, capital and operating cost estimation and execution planning. Several expert consultants have also been engaged to fully resource the project in the disciplines of resource development, mining, metallurgy and infrastructure. The consultants will work closely with Wood to ensure efficient and effective delivery of the PFS.

Wood is a world-renowned engineering and consulting group, recognised for its full inhouse capability over the whole project life cycle of mining & mineral developments, with over 3,000 studies and 250 major projects successfully designed, constructed and commissioned in over 40 countries.

With the addition of Cortadera, located just 14 km from Productora, the resource base of the combined project has effectively tripled (currently 724Mt grading 0.48% CuEq for 2.9Mt contained copper and 2.7Moz gold) and is set to grow further with the Company's next resource upgrade this year. Costa Fuego is expected to capture significant option-value through sequencing of deposit extraction.

Internal study workstreams underway for the past nine months have included metallurgical and geotechnical testwork, as well as environmental baseline studies and financial scenario modelling. This work has outlined the potential for a large-scale, long-life, conventional open-cut and cave mining operation utilising conventional sulphide and oxide processing with strong environmental and social credentials.

The Costa Fuego PFS commences from an advanced position, and benefits from existing site layout design, regulatory permitting, a maritime concession for water rights, and critical infrastructure easement accesses (water pipeline and power) originally secured for the Productora PFS.

The PFS will consider a concentrator and leach throughput range of 20Mtpa to 30Mtpa and is expected to be complete in Q3 2022.



Hot Chili geologists at the Cortadera core farm, July 2021

Table 1 Significant Drill Results Reported in Q2 2021

Hole_ID	Coordinates (WGS84)			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Moly (ppm Mo)	Cu Eq (% Cu Eq)
	North	East	RL				From	To						
CRP0088D	6813365	336621	1060	286	-63	1434.4	440	850	410	0.5	0.2	0.7	71	0.6
				<i>including</i>			706	850	144	0.8	0.3	1.4	136	1.0
				<i>or including</i>			714	830	116	0.9	0.3	1.5	130	1.1
				<i>or including</i>			718	780	62	1.0	0.4	1.6	96	1.2
CRP0047D	6813692	336497	1050	227	-60	1148.6	282	326	44	0.3	0.1	0.4	40	0.3
							414	426	12	0.3	0.1	0.3	29	0.4
							470	492	22	0.3	0.1	0.4	20	0.3
							576	588	12	0.3	0.2	0.6	23	0.4
							632	646	14	0.4	0.2	0.7	10	0.5
							720	938	218	0.5	0.1	0.8	147	0.6
				<i>including</i>			720	744	24	0.7	0.2	1.2	74	0.8
				<i>including</i>			756	890	134	0.6	0.2	1.0	177	0.7
CRP0061D	6813542	336010	1027	109	-77	867.1	54	867.1	813.1	0.4	0.1	0.7	72	0.4
	<i>(to end of hole, hole abandoned early)</i>			<i>including</i>			440	758	318	0.6	0.2	1.0	89	0.7
CRP0068D	6814344	335030	955	225	-61	678.6	0	22	22	0.5	0.1	0.9	26	0.5
CRD0080	6813391	335926	1093	35	-70	1,474	536	1372	836	0.4	0.1	0.8	109	0.5
				<i>including</i>			536	972	436	0.5	0.2	0.9	154	0.6
CRP0091	6814199	335058	962	27	-69	106	0	14	14	0.4	0.1	0.8	6	0.4
							76	106	30	0.3	0.1	0.3	83	0.3
CRP0094	6814200	335059	962	209	-60	150	2	12	10	0.5	0.1	0.9	4	0.5
CRP0098	6814226	334956	975	174	-60	282	40	96	56	0.4	0.1	1.0	17	0.5
							56	76	20	0.7	0.2	1.6	7	0.7

Significant intercepts are calculated above a nominal cut-off grade of 0.2% Cu. Where appropriate, significant intersections may contain up to 30m down-hole distance of internal dilution (less than 0.2% Cu). Significant intersections are separated where internal dilution is greater than 30m down-hole distance. The selection of 0.2% Cu for significant intersection cut-off grade is aligned with marginal economic cut-off grade for bulk tonnage polymetallic copper deposits of similar grade in Chile and elsewhere in the world.



Diamond core photos exhibiting typical porphyry mineralisation at Cuerpo 3 (CRD0080 and CRP0088D)

Table 2 Details of all Drillholes Completed at Cortadera in Q2 2021

Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Q1 2021	Cuerpo 3	CRD0080	6813391	335926	1,093	1,474	35	-70	Significant result
Q1 2021	Cuerpo 3	CRP0047D	6813692	336497	1,050	1,149	230	-60	Significant result
Q1 2021	Cuerpo 3	CRP0061D	6813542	336010	1,027	867	-77	110	Significant result
Q1 2021	Cuerpo 2-3 Gap Zone	CRP0062D	6814175	335958	1,031	1,462	200	-73	NSR
Q1 2021	Cuerpo 1	CRP0068D	6814334	335033	960	679	226	-60	Significant result for RC pre-collar, NSR for DD tail
Q1 2021	Cortadera North	CRP0083	6815575	335665	1,050	516	300	-60	NSR
Q1 2021	Cortadera North	CRP0084	6815578	335670	1,050	500	0	-60	NSR
Q2 2021	Cuerpo 3	CRP0058D	6814172	335959	1,040	1163	223	-66	DD tail assays pending
Q2 2021	Cortadera North	CRP0085	6815380	335270	1,062	486	310	-60	NSR
Q2 2021	Cortadera North	CRP0086	6815170	335200	1,101	300	270	-60	NSR
Q2 2021	Cuerpo 3	CRP0087	6813365	336621	1,060	120	295	-63	NSR
Q2 2021	Cuerpo 3	CRP0088D	6813365	336621	1,060	1,434	286	-63	Significant result, remainder of DD assays pending
Q2 2021	Cuerpo 1	CRP0089D	6814376	334950	984	508	280	-60	NSR
Q2 2021	Cuerpo 3	CRP0090D	6813873	336247	1,059	999	230	-65	NSR
Q2 2021	Cuerpo 1	CRP0091	6814200	335059	962	106	30	-70	Significant result
Q2 2021	Cuerpo 1	CRP0092	6814255	335147	972	132	210	-75	NSR
Q2 2021	Cuerpo 3	CRP0093	6813275	336235	1,083	270	48	-59	NSR
Q2 2021	Cuerpo 1	CRP0094	6814175	335083	963	150	209	-60	Significant result
Q2 2021	Cuerpo 1	CRP0095	6814170	335238	957	177	251	-60	NSR
Q2 2021	Cuerpo 1	CRP0096	6814041	335186	955	148	271	-60	NSR
Q2 2021	Cuerpo 1	CRP0097	6814039	335182	965	138	210	-61	NSR
Q2 2021	Cuerpo 1	CRP0098	6814233	334954	974	282	174	-60	Significant result
Q2 2021	Cuerpo 1	CRP0099	6814342	335110	960	84	201	-61	NSR
Q2 2021	Cuerpo 1-2 Gap Zone	CRP0100D	6814041	335183	965	439	239	-70	NSR
Q2 2021	Cuerpo 1 South	CRP0101	6813751	335082	974	72	39	-60	NSR
Q2 2021	Cuerpo 1	CRP0102	6813750	335084	974	60	350	-60	NSR
Q2 2021	Cuerpo 3	CRP0103D	6813200	336324	1,093	1,149	37	-58	NSR
Q2 2021	Cuerpo 1 south	CRP0104	6813977	335373	966	138	251	-60	NSR
Q2 2021	Cuerpo 1	CRP0105	6814039	335186	965	114	108	-61	NSR
Q2 2021	Cuerpo 1	CRP0106	6814366	335009	954	271	343	-60	NSR
Q2 2021	Cuerpo 1 south	CRP0107	6813940	335105	961	93	288	-61	NSR
Q2 2021	Cuerpo 1	CRP0108D	6814105	335074	946	288	227	-70	NSR
Q2 2021	Cuerpo 1	CRP0109	6813940	335102	961	270	250	-60	NSR
Q2 2021	Cuerpo 3	CRP0110	6813694	336500	1,049	244	215	-88	NSR
Q2 2021	Cuerpo 2-3 Gap Zone	CRP0111D	6813876	335904	999	1,039	104	-80	RC pre-collar assays returned, DD assays pending

Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Q2 2021	Cuerpo 1 south	CRP0112D	6814034	335183	965	487	161	-63	Pending
Q2 2021	Cuerpo 2-3 Gap Zone	CRP0113	6813876	335904	999	162	139	-80	Pending
Q2 2021	Cuerpo 2 South	CRP0114	6813975	335373	966	131	196	-60	Pending
Q2 2021	Cuerpo 2	CRP0115	6813806	335446	994	198	259	-60	Pending
Q2 2021	Cuerpo 2	CRP0116D	6814035	335552	980	717	302	-80	Pending
Q2 2021	Cuerpo 2	CRP0117	6814037	335552	980	154	38	-80	Pending
Q2 2021	Cuerpo 2	CRP0118	6813716	335678	1,017	132	13	-70	Pending
Q2 2021	Cuerpo 2	CRP0119	6813978	335375	966	90	348	-71	Pending
Q2 2021	Cuerpo 2	CRP0120	6813977	335376	966	120	0	-82	Pending
Q2 2021	Cuerpo 3	CRP0121	6813647	335982	1,015	241	281	-60	Pending
Q2 2021	Cuerpo 3	CRP0122	6813663	336037	1,016	270	300	-70	Pending
Q2 2021	Cuerpo 3	CRP0123	6813694	336500	1,049	120	239	-70	Pending
Q2 2021	Cuerpo 3	CRP0124D	6813694	336500	1,049	923	239	-75	Pending
Q2 2021	Cuerpo 3	CRP0125	6813547	336010	1,027	200	297	-70	Pending
Q2 2021	Cuerpo 3	CRP0126	6813622	336269	1,028	192	31	-59	Pending
Q2 2021	Cuerpo 3	CRP0127	6813534	336306	1,035	156	98	-67	Pending
Q2 2021	Cuerpo 3	CRP0128	6813534	336306	1,035	330	177	-80	Pending
Q2 2021	Cuerpo 3	CRP0129	6813187	336315	1,098	150	37	-64	Pending
Q2 2021	Cuerpo 3	CRP0130	6813850	336312	1,057	145	160	-77	Pending
Q2 2021	Cuerpo 3	CRP0131	6813818	336421	1,089	90	250	-80	Pending
Q2 2021	Cuerpo 3	CRP0132	6813850	336312	1,057	66	170	-76	Pending

Note 1: NSR – no significant intersection recorded

Note 2: Results for RC drill holes CRP0113 to CRP0132 and DD drill holes CRP0058D, CRP0111D, CRP0112D, CRP0116D and CRP0124D completed during the quarter are pending.



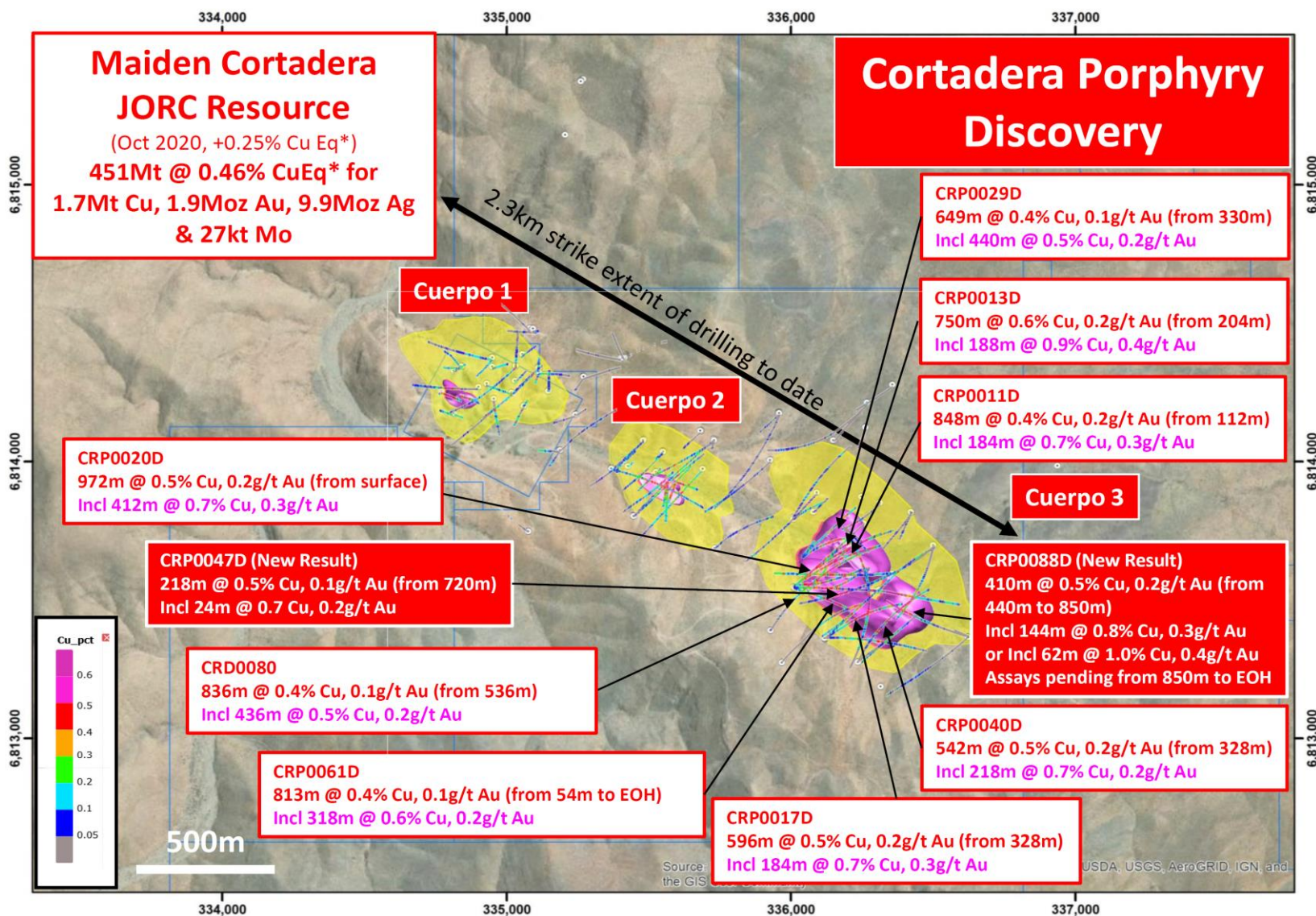


Figure 3. Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow+0.1% Cu and magenta +0.4% Cu). Note the selected HCH drilling intersections (White) and the new result reported from CRP0088D and CRP0047D (Red).

Long Section Displaying Geology Model

(updated June 2021)

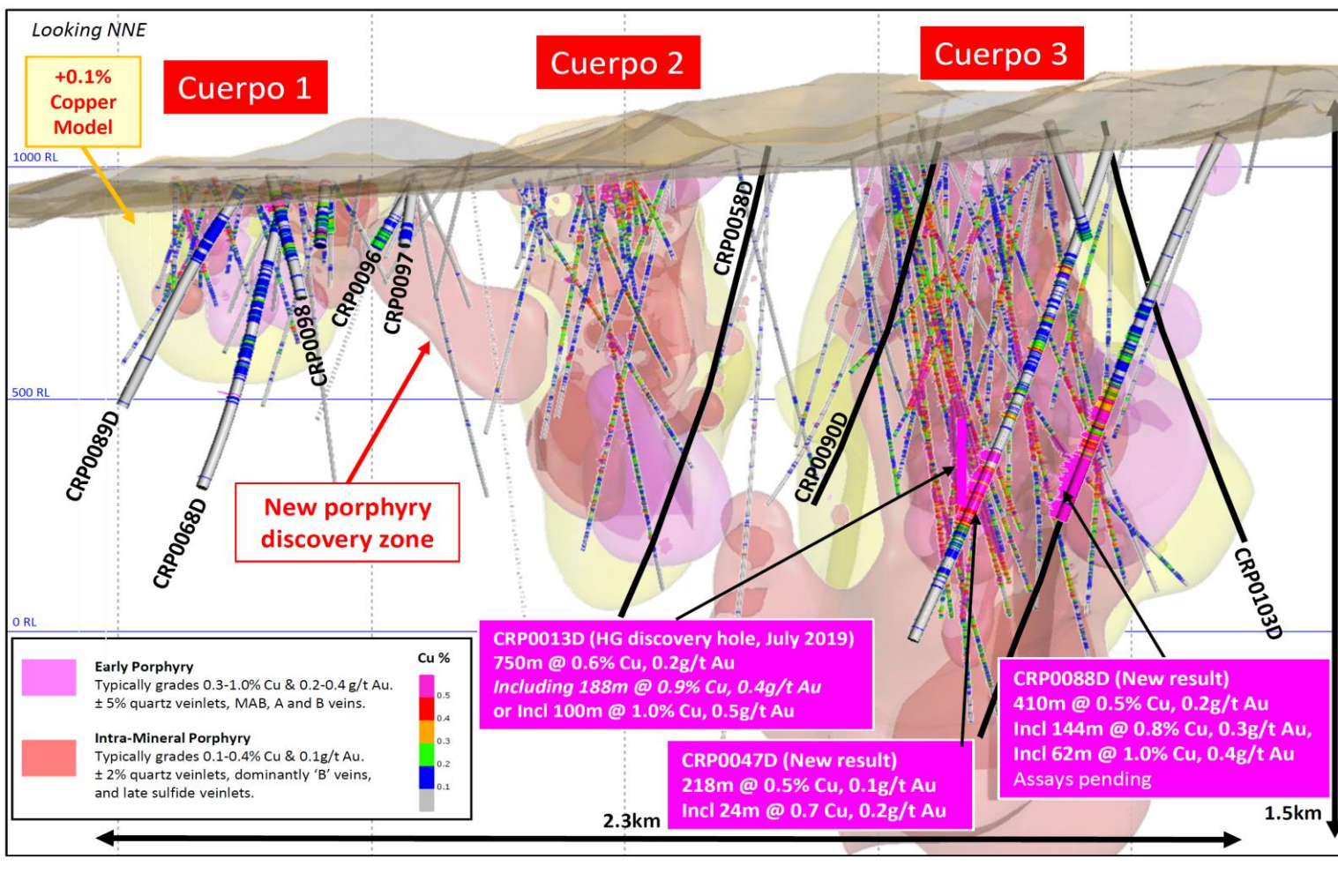


Figure 4. Long Section displaying the location of CRP0088D and CRP0047D in relation to the Cortadera copper-gold discovery window. A new shallow porphyry zone confirms that all of Cortadera's porphyries join across 2.3km strike length. Results are pending for CRP0090D, CRP00103D and CRP0058D. Diamond drilling of CRP0103D and CRP0058D (recently completed, assays pending)

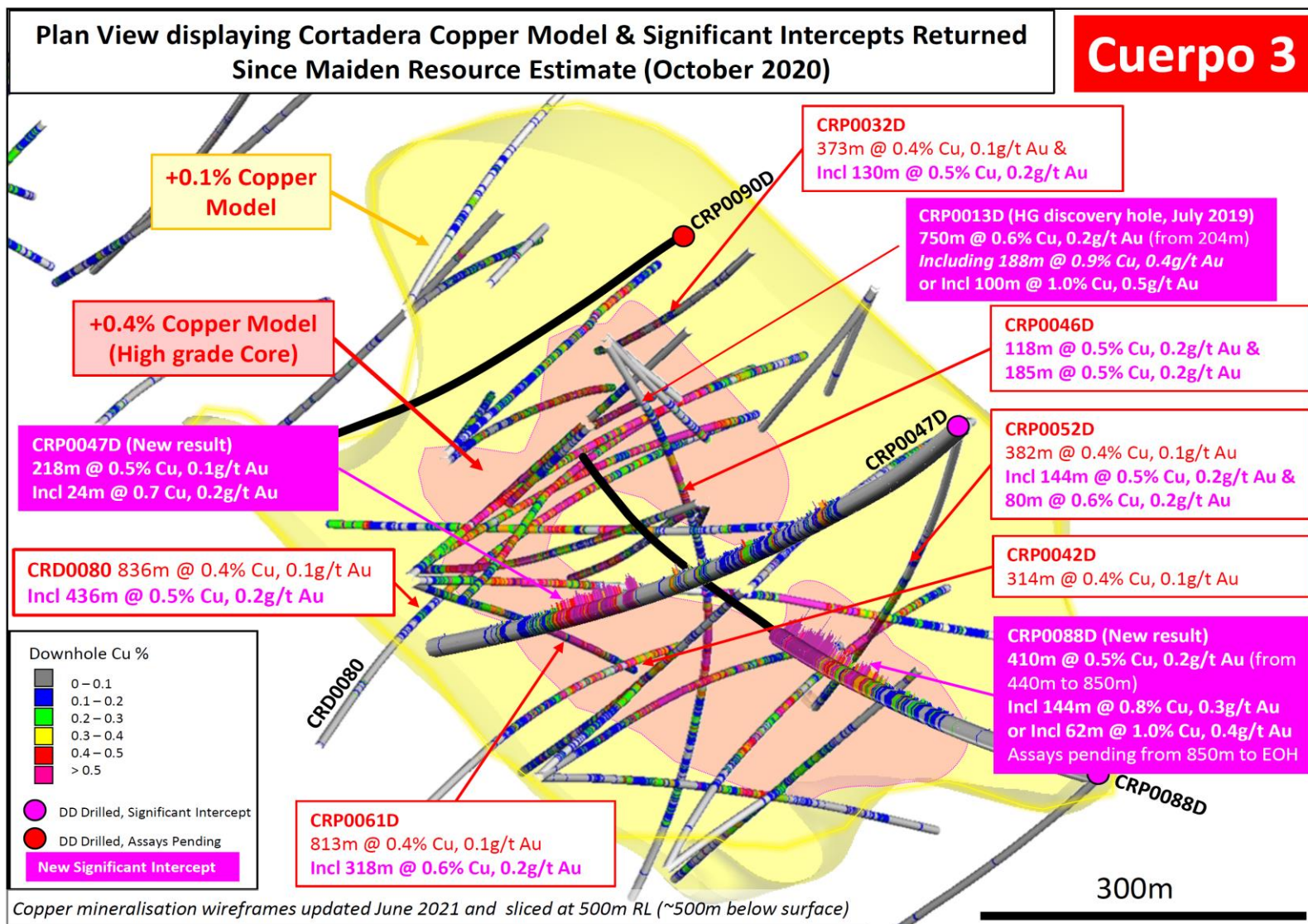


Figure 5. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 3 since the October 2020 resource estimate. The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow- +0.1% Cu). Note the new result reported from CRP0088D and CRP0047D (Magenta collar) as well as the location of CRP0090D which is pending assay results (black traces, red collars).

Plan view displaying Geology Model

(updated June 2021)

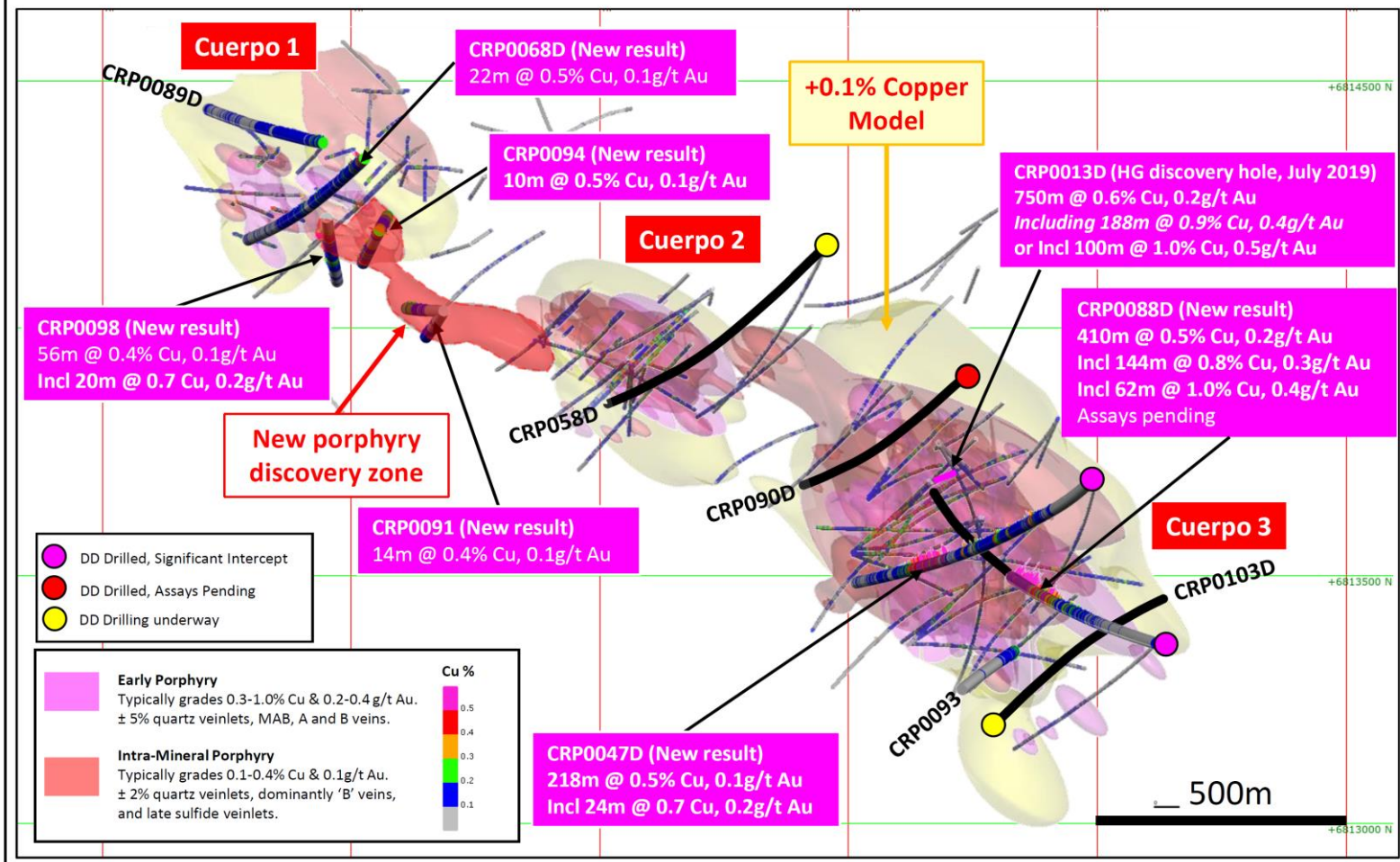


Figure 6. Plan view across the Cortadera discovery area displaying new significant copper-gold DD and RC drilling intersections (magenta). The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow- +0.1% Cu) and the extent of modelled porphyries. Note the location of the new shallow porphyry discovery zone as well as the location of DD holes which are pending assay results (black traces, red collars).

SUMMARY OF CORPORATE ACTIVITIES

Hot Chili Commences Trading on the OTCQB

Hot Chili joined US-based OTCQB Venture Market under the Ticker symbol HHLKF (OTCQB: HHLKF). Trading commenced in the US on 6th May 2021 (<http://www.otcmarkets.com/stock/HHLKF/quote>). Hot Chili met the financial and corporate governance standards and passed the OTC compliance obligations. US-based MCAP LLC provided advisory services.

The OTCQB is a well-established trading platform, operated by OTC Markets Group in New York, that provides live-market trading in developing companies which hold primary listings in other markets. There are no additional compliance or regulatory standards over and above Hot Chili's compliance with ASX Listing Rules.

OTC trading is non-dilutive to existing shareholders, as no new shares are being issued to enable trading on the OTCQB and Hot Chili's shares will continue to trade on the Australian Securities Exchange under the symbol ASX:HCH.

OTC trading will enhance the visibility and accessibility of the Company to North American shareholders and media partners.

Hot Chili Commences TSXV Dual Listing Process

Hot Chili has announced its intention to list in Canada on the TSX Venture Exchange (TSXV) by the end of 2021. The move to dual list in Canada is a key step toward the future funding and development of the Company's large-scale Costa Fuego copper-gold project in Chile.

The Company has paid application fees, appointed legal advisors and commenced the formal application process for dual listing.

The Canadian market has a proven track record in supporting large-scale exploration and development companies in the copper and gold space with the transformative dual listings from Equinox Minerals (C\$7.3Bn takeover by Barrick Gold Corp) and Andean Resources Limited (C\$3.6Bn takeover by Goldcorp Inc) the stand-outs.

A TSXV dual listing would position Hot Chili favourably amongst its Canadian peers which trade at significantly higher valuation multiples and who control the other leading copper developments in South America such as Marimaca Copper Corp. (Chile, TSXV:MARI), Filo Mining Corp. (Argentina, TSXV:FIL), Solaris Resources Inc (Ecuador, TSX: SLS), Josemaria Resources Inc. (Chile, TSX: JOSE) and SolGold Plc (Ecuador, TSX: SOLG).

A listing on the TSXV is subject to all necessary approvals of the TSXV, and there can be no guarantee that Hot Chili will be accepted for listing pending completion of the application process.



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

Additional ASX Disclosure Information

ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter. The Company continues to work with ENAMI in bringing production to fruition and accordingly, lease miners continue to build sample test tonnage.

ASX Listing Rule 5.3.3 - Schedule of Mineral Tenements as at 30 June 2021

The schedule of Mineral Tenements and changes in interests is appended in Table 5 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 \$4,960,000. This is comprised of Directors' salaries and fees (excl. GST) and salaries of \$163,000 and payments to Blue Spec Sondajes, a company controlled by Mr Murray Black, for rents of \$6,000 and drilling services of \$4,791,000. The Company also received \$416,667 by way of exercise of options over shares held by Blue Spec Sondajes.

ASX Waivers. The Company applied for and was granted a waiver for the issue of up to 30,537,423 shares to unrelated parties and up to 1,543,841 shares to related parties in consideration for the payment of interest of 8% per annum on Convertible Notes, payable quarterly through the issue of shares ("Interest Shares") over the 12 month period from the date of the Company's Annual General Meeting held 30 November 2020, in respect to the quarters ending on 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021. Interest Shares issued during the quarter:

Table 3 Details of Interest Shares Issued During Q2 2021

	Unrelated party interest shares	Related party interest shares	Total interest shares
Approved at AGM	30,537,423	1,543,841	32,081,264
Issued pursuant to the 31 December 2020 quarter interest payable	3,525,876	185,577	3,711,453
Issued pursuant to the 31 March 2021 quarter interest payable	3,359,085	185,721	3,544,806
Issued pursuant to the 30 June 2021 quarter interest payable	3,804,493	222,291	4,026,784
Remaining unissued as at 30 June 2021	19,847,969	950,252	20,798,221



Health, Safety, Environment and Quality

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.

Importantly, the Company has implemented COVID safety measures and procedures to ensure the safety of its staff, consultants and contractors during these challenging times. This has been critical in allowing for continuation of drilling and other field activities during the quarter.

The Company has refined these protocols and ensured adequate manning of each operational shift to maintain strong productivity at its operations, there is no greater importance than ensuring the safety of our people and their families.

The company recorded no safety incidences this quarter. Field operations during the period including geological reconnaissance activities, RC and diamond drilling, field mapping and sampling exercises at the Cortadera project.

The Company's HSEQ quarterly performance is summarised below:

Table 4 HSEQ Quarter 2 2021 Performance and Statistics

Item	PRODUCTORA		CORTADERA	
	Apr-Jun 2021	Last 24 Months	Apr-Jun 2021	Last 12 Months
LTI events	0	0	2	3
NLTI events	0	0	0	2
Days lost	0	0	49	54
LTIFR index	0	0	64.1	27.3
ISR index	0	0	1570.7	492
Thousands of mh (1)	2.034	10.266	31.197	109.845
Environmental incidents	0	0	0	2
Headcount (2)	5.0	2.3	62	27

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

Tenement Changes During the Quarter

There were no changes to the Company's tenement holdings during the quarter.



Hot Chili Limited ACN 130 955 725
 First Floor, 768 Canning Highway, Applecross, Western Australia 6153
 PO Box 1725, Applecross, Western Australia 6953
 P: +61 8 9315 9009 F: +61 8 9315 5004
www.hotchili.net.au

Contact
Mr Christian Easterday
 Managing Director
 E: admin@hotchili.net.au

Table 5. Current Tenement (Patente) Holdings in Chile as at 30 June 2021

Cortadera Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
MAGDALENITA 1/20		100% Frontera SpA	100	HCH 100% option earn in: US\$5 million paid before 15th October 2019; US\$2 million paid on 4th June 2020; US\$10 million paid on 5th February 2021; US\$15 million to be paid by 15th July 2022
ATACAMITA 1/82		100% Frontera SpA	82	
AMALIA 942 A 1/6		100% Frontera SpA	53	
PAULINA 10 B 1/16		100% Frontera SpA	136	
PAULINA 11 B 1/30		100% Frontera SpA	249	
PAULINA 12 B 1/30		100% Frontera SpA	294	
PAULINA 13 B 1/30		100% Frontera SpA	264	
PAULINA 14 B 1/30		100% Frontera SpA	265	
PAULINA 15 B 1/30		100% Frontera SpA	200	
PAULINA 22 A 1/30		100% Frontera SpA	300	
PAULINA 24 1/24		100% Frontera SpA	183	
PAULINA 25 A 1/19		100% Frontera SpA	156	
PAULINA 26 A 1/30		100% Frontera SpA	294	
PAULINA 27A 1/30		100% Frontera SpA	300	
CORTADERA 1 1/200		100% Frontera SpA	200	
CORTADERA 2 1/200		100% Frontera SpA	200	
CORTADERA 41		100% Frontera SpA	1	
CORTADERA 42		100% Frontera SpA	1	
LAS CANAS 16		100% Frontera SpA	1	
LAS CANAS 1/15		100% Frontera SpA	146	
CORTADERA 1/40		100% Frontera SpA	374	
LAS CANAS ESTE 2003 1/30		100% Frontera SpA	300	
CORROTEO 1 1/260		100% Frontera SpA	260	
CORROTEO 5 1/261		100% Frontera SpA	261	
PURISIMA		100% Frontera SpA	20	HCH 100% option earn in: US\$400,000 already paid US\$1.1 million to be paid on 14 th December 2021 NSR 1.5%

Productora Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
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	



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

License ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
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	



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

License ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
URANIO, 1-70	NA	NA	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	NSR 1%



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
Santiago 21 al 36		90% Frontera SpA	76	90% (HCH)-10% (Arnaldo del Campo) JV. 6 years term. USD 200,000 already paid. USD 300,000 to be paid by November 7 th 2022 USD 6,700,000 as a final exercise payment November 7 th 2023.
Santiago 37 al 43		90% Frontera SpA	26	
Santiago A, 1 al 26		90% Frontera SpA	236	
Santiago B, 1 al 20		90% Frontera SpA	200	
Santiago C, 1 al 30		90% Frontera SpA	300	
Santiago D, 1 al 30		90% Frontera SpA	300	
Santiago E, 1 al 30		90% Frontera SpA	300	
ROMERO 1 al 31		100% Frontera SpA	31	
Prima Uno		90% Frontera SpA	1	
Prima Dos		90% Frontera SpA	2	
Santiago 15 al 19		90% Frontera SpA	25	
San Antonio 1 al 5		90% Frontera SpA	25	
Santiago 1 AL 14 Y 20		90% Frontera SpA	75	
Mercedes 1 al 3		90% Frontera SpA	50	
Romero 1 al 31		90% Frontera SpA	31	
CORTADERA 1	100% Frontera SpA		200	100% HCH Earn In (Arnaldo del Campo). 5 years term. USD 600,000 to be paid on year 3 – 22nd January 2024. 1.5% NSR
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	100% Frontera SpA		100	
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	
SANTIAGO Z		100% Frontera SpA	300	100% HCH Earn In (Arnaldo del Campo). 5 years term. USD 600,000 to be paid on year 3 – 22nd January 2024. 1.5% NSR
PORFIADA I		100% Frontera SpA	300	
PORFIADA II		100% Frontera SpA	300	
PORFIADA III		100% Frontera SpA	300	
PORFIADA IV		100% Frontera SpA	300	
PORFIADA V		100% Frontera SpA	200	
PORFIADA VI		100% Frontera SpA	100	90% (HCH)-10% JV. 6 years term. USD 150,000 to be paid on June 1st 2023. USD 4,000,000 as a final exercise payment on June 1st 2024.
SAN JUAN SUR 1/5	90% Frontera SpA		10	
SAN JUAN SUR 6/23	90% Frontera SpA		90	90% (HCH)-10% JV. 6 years term. USD 150,000 to be paid on June 1st 2023. USD 4,000,000 as a final exercise payment on June 1st 2024.



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment-Payments
CHILIS 1	100% Frontera SpA		200	
CHILIS 2	100% Frontera SpA		200	
CHILIS 3	100% Frontera SpA		100	
CHILIS 4	100% Frontera SpA		200	
CHILIS 5	100% Frontera SpA		200	
CHILIS 6	100% Frontera SpA		200	
CHILIS 7	100% Frontera SpA		200	
CHILIS 8	100% Frontera SpA		200	
CHILIS 9	100% Frontera SpA		300	
CHILIS 10	100% Frontera SpA		200	
CHILIS 11	100% Frontera SpA		200	
CHILIS 12	100% Frontera SpA		300	
CHILIS 13	100% Frontera SpA		300	
CHILIS 14	100% Frontera SpA		300	
CHILIS 15	100% Frontera SpA		300	
CHILIS 16	100% Frontera SpA		300	
CHILIS 17	100% Frontera SpA		300	
CHILIS 18	100% Frontera SpA		30	



Qualifying Statements

Independent JORC Code Costa Fuego Combined Mineral Resource (Reported 12th October 2020)

Costa Fuego Combined Resource			Grade					Contained Metal				
Deposit	Classification (+0.25% CuEq*)	Tonnage (Mt)	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
			(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Cortadera	Indicated	183	0.49	0.40	0.15	0.7	43	905,000	728,000	889,000	4,227,000	7,900
	Inferred	267	0.44	0.35	0.12	0.7	73	1,181,000	935,000	1,022,000	5,633,000	19,400
	Sub Total	451	0.46	0.37	0.13	0.7	61	2,086,000	1,663,000	1,911,000	9,860,000	27,300
Productora	Indicated	208	0.54	0.46	0.10		140	1,122,000	960,000	643,000	-	29,200
	Inferred	67	0.44	0.38	0.08		109	295,000	255,000	167,000	-	7,200
	Sub Total	273	0.52	0.44	0.09		133	1,417,000	1,215,000	810,000	-	36,400
Costa Fuego (Combined)	Indicated	391	0.52	0.43	0.12		95	2,027,000	1,688,000	1,533,000	-	37,000
	Inferred	334	0.44	0.36	0.11		80	1,476,000	1,191,000	1,189,000	-	26,700
	Total	724	0.48	0.40	0.12	0.7**	88	3,503,000	2,879,000	2,722,000	9,860,000	63,700

Reported at or above 0.25% CuEq*. Figures in the above table are rounded, reported to appropriate significant figures, and reported in accordance with the JORC Code - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Metal rounded to nearest thousand, or if less, to the nearest hundred. ** Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

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

Competent Person's Statement- Exploration Results

Exploration information in this Announcement is based upon work compiled by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Easterday consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement- Productora Mineral Resources

The information in this Announcement that relates to the Productora Project Mineral Resources, is based on information compiled by Mr N Ingvar Kirchner. Mr Kirchner is employed by AMC Consultants (AMC). AMC has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Mineral Resource estimates. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Member of the Australian Institute of Geoscientists (AIG). Mr Kirchner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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' (the JORC Code 2012). Mr Kirchner consents to the inclusion in this report of the matters based on the source information in the form and context in which it appears.

Competent Person's Statement- Cortadera and Costa Fuego Mineral Resources

The information in this report that relates to Mineral Resources for the Cortadera and combined Costa Fuego Project is based on information compiled by Elizabeth Haren, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed as an associate Principal Geologist of Wood, who was engaged by Hot Chili Limited. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

Reporting of Copper Equivalent

Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person



Hot Chili Limited ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009 F: +61 8 9315 5004

www.hotchili.net.au

Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Hot Chili Limited

ABN

91 130 955 725

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(5,624)	(12,069)
(b) development	-	-
(c) production	-	-
(d) staff costs	(445)	(1,503)
(e) administration and corporate costs	(495)	(1,626)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	25
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(6,564)	(15,173)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(13,956)
(c) property, plant and equipment	-	(2)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12....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	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(13,958)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	26,112
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	521	1,906
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(1,616)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	511	26,402

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,529	6,308
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,564)	(15,173)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(13,958)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	511	26,402

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(103)
4.6	Cash and cash equivalents at end of period	3,476	3,476

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	3,387	9,440
5.2	Call deposits	89	89
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,476	9,529

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	4,960
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
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)	(6,564)
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)	(6,564)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,476
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,476
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.53
<i>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.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The company is raising funds in the capital market immediately.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The company has raised adequate funds to continue its operations and meet its business objectives.	
<i>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.</i>	

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:30th July 2021.....

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 opera