



# Quarterly Report

Period Ending 30<sup>th</sup> September 2021

## Highlights

### Hot Chili Completes \$40 Million Capital Raising

- Glencore becomes 9.99% strategic shareholder and adds representative to Hot Chili's Board
- Final US\$15 million instalment satisfied for 100% ownership of the Cortadera copper-gold discovery in Chile

### Cortadera Continues to Expand Ahead of Resource Upgrade

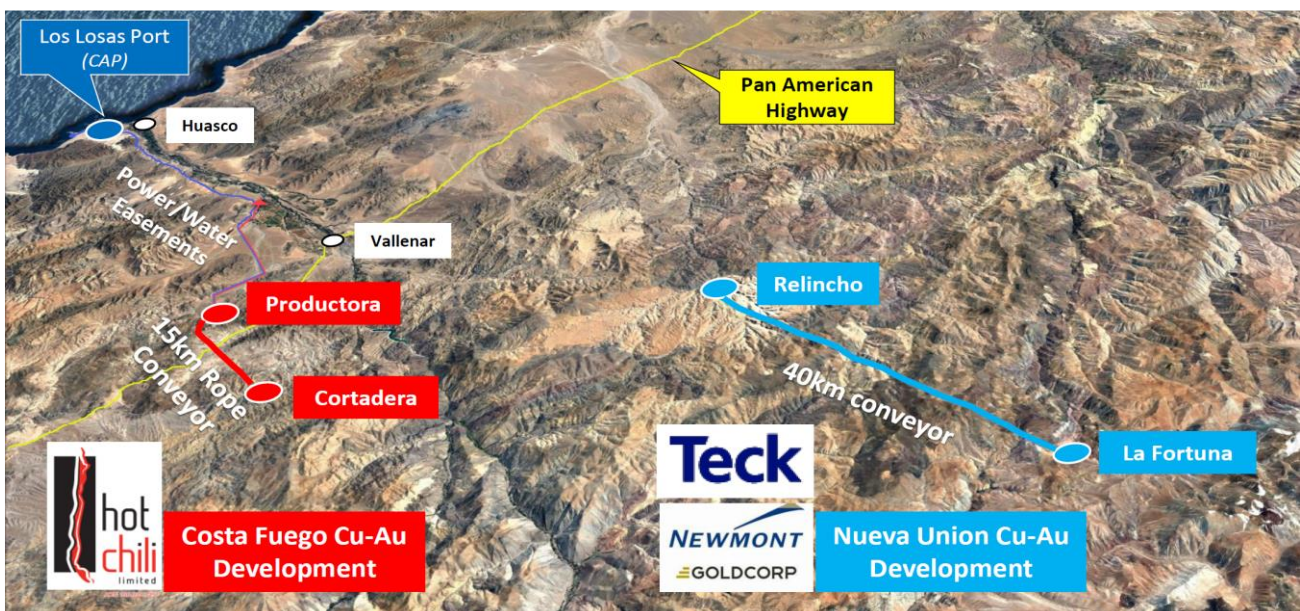
- Further strong extensional drill results from 40,000m drilling programme at Cortadera
  - 168m grading 1.0% CuEq (0.8% Cu, 0.3g/t Au) from 682m depth (CRP0088D)
  - 82m grading 1.0% CuEq (0.7% Cu, 0.3g/t Au) from 634m depth (CRP0124D)
  - 138m grading 0.8% CuEq (0.6% Cu, 0.1g/t Au) from 634m depth (CRP0134D)

### Costa Fuego Expands Reach and Readies for New Growth Drilling Phase

- Low-cost rope-conveyor transport and handling confirmed in Costa Fuego Pre-Feasibility Study
- Advanced Three-Dimensional (3D) Geochemical targeting has been applied for the first time across Hot Chili's consolidated Costa Fuego landholding - several large targets being prepared for first drilling

### Proposed Share Consolidation in Advance of Planned Dual Listing in Canada

- Preparations to dual-list the Company in Canada this year are on-track
- A fifty to one share consolidation is proposed for shareholder approval to provide a more efficient and appropriate share price for a wider range of investors, particularly North American institutional investors



Low-altitude, Costa Fuego combined coastal development in relation to Nuevo Union combined development, Chile

## SUMMARY OF OPERATIONAL ACTIVITIES

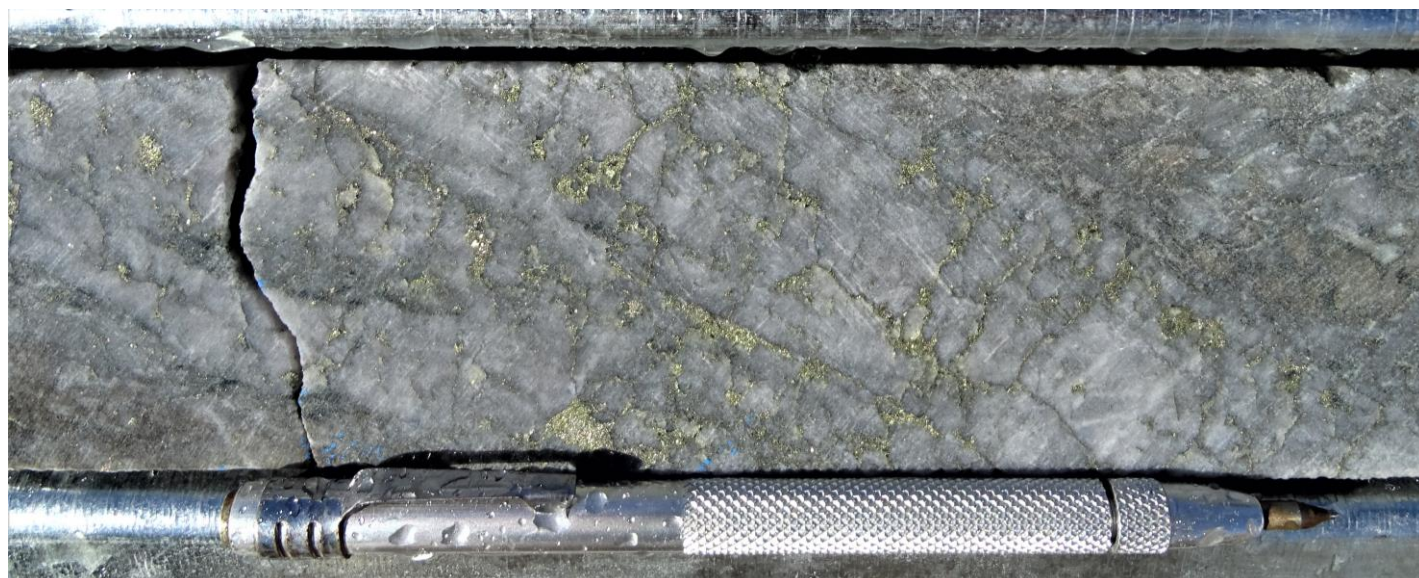
### Cortadera Resource Growth Drilling

The Company's resource growth drilling programme at the Cortadera copper-gold discovery in Chile continued with three drill rigs in operation completing a total of 41 drill holes for 14,081m during the quarter.

Results have continued to expand and upgrade the categorisation of the maiden 451Mt resource at Cortadera and encouraged the Company to extend its planned drilling until mid-December, past the originally planned 40,000m programme.

Highlights from Cortadera drilling during the quarter include:

- **Strong extensional drill results demonstrating continued expansion of high grade resources** (+0.8% CuEq) across the northern flank (North Flank) of the main porphyry (Cuerpo 3)
- **Final assays from CRP0088D** have significantly upgraded the initial result (reported to ASX 16<sup>th</sup> June, 2021) to **486m grading 0.6% CuEq** (0.5% Cu, 0.2g/t Au) from 426m depth down-hole, **including 168m grading 1.0% CuEq** (0.8% Cu, 0.3g/t Au) from 682m depth
- **CRP0124D returned** a broad intersection of **362m grading 0.6% CuEq** (0.5% copper (Cu), 0.2g/t gold (Au)) from 480m depth down-hole, **including 82m grading 1.0% CuEq** (0.7% Cu, 0.3g/t Au) from 634m depth
- **CRP0134D returned** an extensive intersection of **610m grading 0.5% CuEq** (0.4% copper (Cu), 0.1g/t gold (Au)) from 216m depth down-hole, **including 138m grading 0.8% CuEq** (0.6% Cu, 0.1g/t Au) from 634m depth
- Results from CRP0134D and CRP0124D have extended the North Flank by approximately 170m
- Successful drill testing of additional open flanks at Cuerpo 2 have confirmed significant extension of shallow resources
- Results pending for approximately **6,600m of assay results pending from 27 drill holes as of 27<sup>th</sup> October**



CRP00124D (702m depth down-hole) – 1.0% copper, 0.5g/t gold, 2.2g/t silver and 49 ppm molybdenum. Early-stage porphyry, sericite-chlorite-albite alteration with 11% A-B vein abundance

## Cost Fuego Development PFS Advancing

Pre-feasibility studies (PFS) into the combined Costa Fuego copper-gold development are making good progress across preliminary mine design, geotechnical studies and metallurgical workstreams.

Highlights from the Costa Fuego PFS during the quarter include:

- **Appointment of experienced mining engineer and executive Mr John Hearne in the role of Executive Studies Manager** - responsible for driving the Costa Fuego PFS and managing all aspects of the Company's development group
- **Results of a materials handling scoping study have significantly reduced the cost of ore transport for Costa Fuego**
- **Central processing at Productora** allows the use of RopeCon and significantly reduces development timeframes and additional capital related to locating central processing at Cortadera
- **RopeCon ore transport** determined to be most cost-effective materials handling system for transport of Cortadera ore approximately **14 km down-hill to Productora**
- RopeCon determined to be **less than 10% of the operating cost associated with truck haulage** and 25% less than conventional conveyor
- **Approximately 70% of metallurgical samples have arrived in Australia** for commencement of oxide and sulphide metallurgical testwork for Cortadera and Productora



Close-up view - RopeCon transports material on a flat belt with corrugated side walls that is fixed to axles that run on track ropes suspended from tower structures.

## Costa Fuego Exploration Pipeline Building

The Company has ramped-up its exploration activities across its consolidated Costa Fuego landholding.

Regional soil sampling and mapping advanced in parallel with targeting across several high impact growth targets which are being prepared for first drilling late this year.

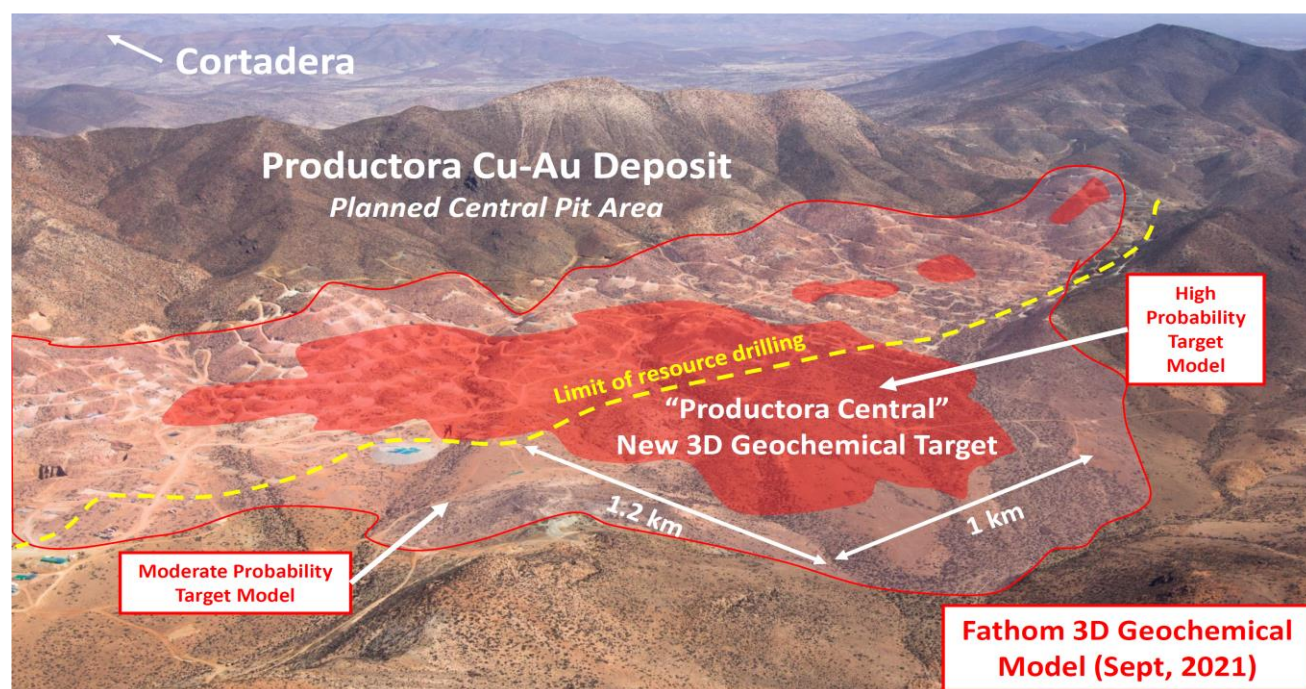
**Highlights from Exploration across Costa Fuego** during the quarter include:

### Exploration Accelerating, New Large Growth Targets

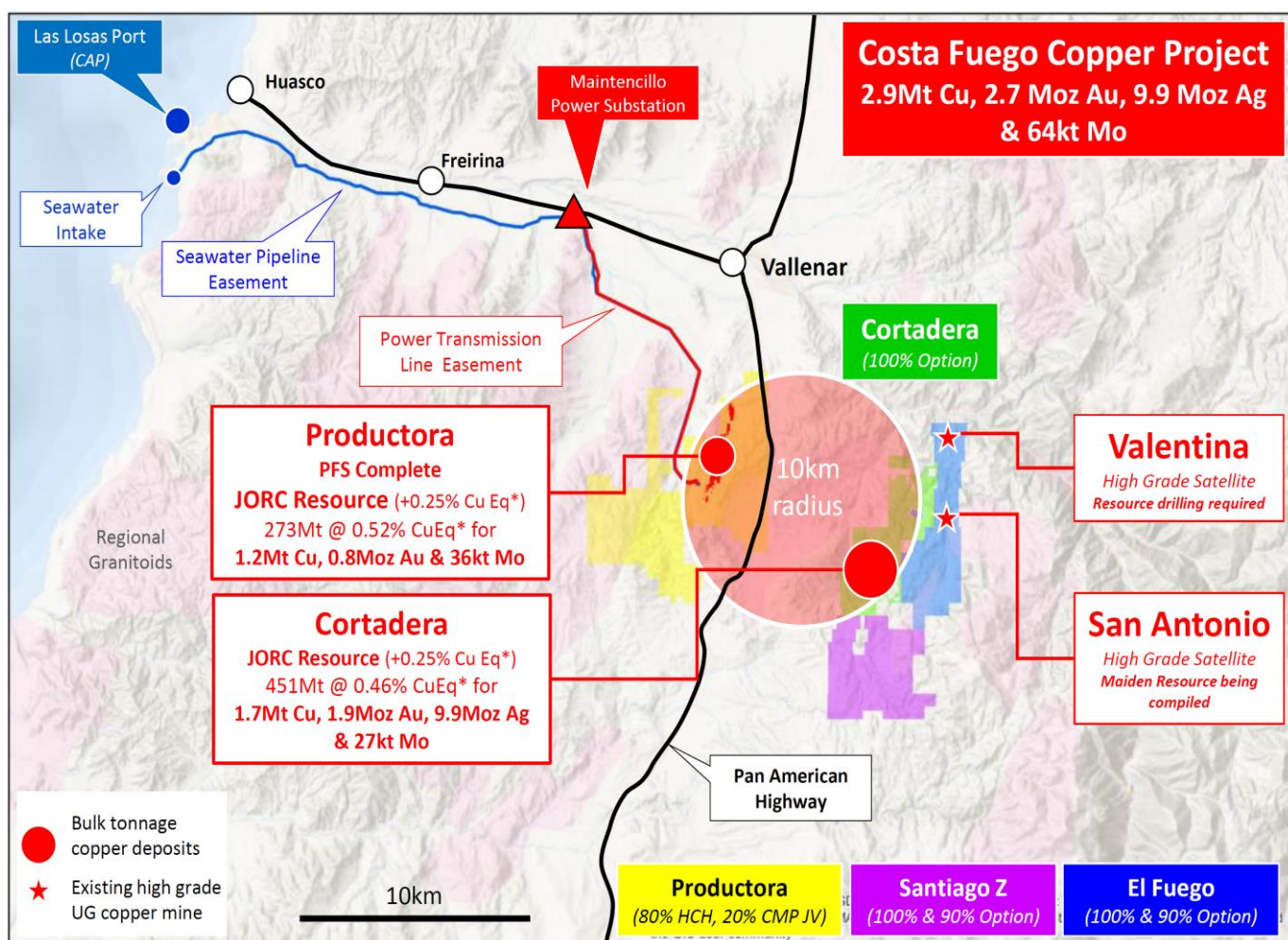
- **Approximately 862 soil samples were collected across the Cortadera regional area, 89% of programme complete**
- **Systematic mapping completed across key extensional trends to the Cortadera discovery zone**
- **Advanced Three-Dimensional (3D) Geochemical targeting**, using multielement surface geochemical data, applied for the first time across Costa Fuego
- The 3D geochemical approach generated probability models which **accurately mirrored existing copper resource models at both Cortadera and Productora**
- **Two, large-scale, 3D geochemical targets have been identified as high probability for immediate drill testing– Productora Central and Santiago Z – both considered potential game changers** for Costa Fuego’s growing resource base

### Preparation to Commence New Growth Drilling Phase

- Regulatory approval for drilling at **Santiago Z is expected in December.**
- Regulatory applications being prepared for drilling across **several new growth targets at Productora and Cortadera**
- **Drilling across large growth targets at Productora, Santiago Z and Cortadera set to commence** late this year



View looking SE across Productora – New, large 3D geochemical target set to be drilled in Q4 this year



**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:  $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu\_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo\_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au\_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag\_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$ . 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%.

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

**Table 1 Significant Drill Results Reported in Q2 2021**

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)	Cu Eq (% Cu Eq)
	North	East	RL				From	To						
CRP0088D	6813365	336621	1060	286	-63	1434	426	912	486	0.5	0.2	0.8	77	0.6
<i>Updated with final assays</i>						<i>or including</i>	682	850	168	0.8	0.3	1.4	109	1.0
						<i>or including</i>	714	830	116	0.9	0.3	1.5	130	1.1
							718	780	62	1	0.4	1.6	96	1.2
CRP090D	6813872	336253	1060	231	-	999	310	648	338	0.3	0.1	1.0	128	0.4
CRP0099	6814342	335109	960	201	-	84	26	85	59	0.4	0.1	1.0	15	0.4
CRP0100D	6814041	335183	965	239	-	439	184	236	52	0.3	0.1	1.0	76	0.3
CRP0106	6814366	335009	954	343	-	271	0	58	58	0.3	0.0	1.0	39	0.3
						<i>including</i>	0	12	12	0.5	0.1	1.0	13	0.5
CRP0127D	6813534	336306	1035	98	-	637	232	290	58	0.3	0.1	0.4	67	0.3
							298	332	34	0.3	0.1	0.3	139	0.4
CRP0126	6813622	336269	1028	32	-	192	14	30	16	0.2	1.2	0.3	16	0.9
						<i>Including</i>	14	22	8	0.3	2.4	0.4	16	1.5
CRP0108D	6814105	335074	946	227	-	288	28	80	52	0.3	0.1	0.8	60	0.4
CRP0058D	6814177	335957	1032	223	-	1163	70	84	14	0.3	0.2	0.8	7	0.4
							570	576	6	0.5	0.0	4.4	5	0.5
							784	810	26	0.4	0.1	0.8	32	0.4
CRP0092D	6814256	335147	972	209	-	635	4	8	4	0.3	0.1	0.3	10	0.3
							68	136	68	0.2	0.0	0.5	59	0.3
						<i>Including</i>	68	84	16	0.3	0.1	0.5	79	0.4
							112	122	10	0.3	0.0	0.5	36	0.3
							500	506	6	0.4	0.0	0.8	5	0.4
CRP0124D	6813694	336500	1049	239	-	1020	480	842	362	0.5	0.2	0.9	123	0.6
						<i>including</i>	628	776	148	0.6	0.3	1.3	150	0.8
						<i>or including</i>	628	730	102	0.7	0.3	1.3	195	0.9
						<i>or including</i>	634	716	82	0.7	0.3	1.3	225	1.0
CRP0134D	6813615	336269	1027	96	-	1025	216	826	610	0.4	0.1	0.7	206	0.5
						<i>including</i>	502	568	66	0.6	0.2	0.9	159	0.7
						<i>and including</i>	634	772	138	0.6	0.1	1.4	486	0.8
CRP0132D	6813861	336310	958	170	-76	766	300	766	466	0.2	0.1	0.4	89	0.3
						<i>including</i>	540	576	36	0.4	0.1	0.6	169	0.5
							714	764	50	0.3	0.1	0.7	92	0.3

Hole_ID	Coordinates			Azim	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)	Cu Eq (% Cu Eq)
	North	East	RL				From	To						
CRP0133	6813977	335692	985	150	59.9	108	12	108	96	0.2	0.1	0.4	34	0.2
						<i>including</i>	12	54	42	0.3	0.1	0.5	15	0.3
CRP0139	6813981	335446	969	115	61.1	222	0	222	222	0.2	0.1	0.5	7	0.3
						<i>including</i>	<b>180</b>	<b>222</b>	<b>42</b>	<b>0.4</b>	<b>0.3</b>	<b>0.8</b>	<b>4</b>	<b>0.5</b>
CRP0140	6813975	335695	985	25	70.1	92	10	62	52	0.2	0.1	0.4	23	0.3
CRP0150	6813982	335427	968	109	-54	132	34	96	62	0.2	0.1	0.3	23	0.2
CRP0151	6813865	335540	992	168	75.5	162	0	30	30	0.3	0.1	0.6	13	0.3
						162	48	118	70	0.3	0.1	0.5	19	0.3

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.

\* 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%.



**Table 2 Details of all Drillholes Completed at Cortadera in Q3 2021**

Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Q2 2021	Cuerpo 3	CRP0058D	6814172	335959	1,040	1163	223	-66	Significant result returned Q3
Q2 2021	Cuerpo 3	CRP0088D	6813365	336621	1,060	1,434	286	-63	Significant result returned Q3
Q2 2021	Cuerpo 3	CRP0090D	6813873	336247	1,059	999	230	-65	Significant result returned Q3
Q2 2021	Cuerpo 1	CRP0092D	6814255	335147	972	635	210	-75	Significant result returned Q3
Q2 2021	Cuerpo 1	CRP0099	6814342	335110	960	84	201	-61	Significant result returned Q3
Q2 2021	Cuerpo 1-2 Gap Zone	CRP0100D	6814041	335183	965	439	239	-70	Significant result returned Q3
Q2 2021	Cuerpo 1	CRP0106	6814366	335009	954	271	343	-60	Significant result returned Q3
Q2 2021	Cuerpo 1	CRP0108D	6814105	335074	946	288	227	-70	Significant result returned Q3
Q2 2021	Cuerpo 3	CRP0124D	6813694	336500	1,049	1,020	239	-75	Significant result returned Q3
Q2 2021	Cuerpo 3	CRP0126	6813622	336269	1,028	192	31	-59	Significant result returned Q3
Q3 2021	Cuerpo 3	CRP0127D	6813533	336310	1,035	637	98	-67	Significant result
Q3 2021	Cuerpo 3	CRP0131D	6813815	336421	1,088	874	250	-80	NSR
Q3 2021	Cuerpo 3	CRP0132D	6813861	336310	1,057	766	170	-76	Significant result
Q3 2021	Cuerpo 2	CRP0133	6813977	335692	985	108	150	-60	Significant result
Q3 2021	Cuerpo 3	CRP0134D	6813615	336269	1,028	1,025	96	-76	Significant result
Q3 2021	Cuerpo 3	CRP0135	6813389	335930	1,097	282	10	-80	NSR
Q3 2021	Cuerpo 3	CRP0136D	6813389	335926	1,097	982	41	-74	Pending
Q3 2021	Cuerpo 3	CRP0137	6813393	335925	1,097	78	4	-60	NSR
Q3 2021	Cuerpo 3	CRP0138D	6813204	336322	1,092	685	26	-64	NSR
Q3 2021	Cuerpo 2	CRP0139	6813981	335446	969	222	115	-61	Significant result
Q3 2021	Cuerpo 2	CRP0140	6813975	335695	985	92	25	-70	Significant result
Q3 2021	Cuerpo 2-3 Gap Zone	CRP0141	6813882	335901	999	78	227	-83	NSR
Q3 2021	Cuerpo 3	CRP0142	6813876	336253	1,060	84	227	-78	NSR
Q3 2021	Cuerpo 3	CRP0143	6813871	336256	1,060	240	221	-75	NSR
Q3 2021	Cuerpo 3	CRP0144D	6813453	336344	1,043	941	51	-73	Pending
Q3 2021	Cuerpo 3	CRP0145	6813728	336355	1,042	192	147	-82	NSR





Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Q3 2021	Cuerpo 3	CRP0146D	6813367	336126	1,066	273	81	-79	Pending
Q3 2021	Cuerpo 3	CRP0147	6813465	335845	1,082	210	35	-65	NSR
Q3 2021	Cuerpo 2	CRP0148	6813870	335545	993	252	84	-61	Pending
Q3 2021	Cuerpo 2	CRP0149	6813791	335636	1,009	266	10	-58	Pending
Q3 2021	Cuerpo 2	CRP0150D	6813982	335427	968	699	109	-54	Significant result for precollar, DD tail results pending
Q3 2021	Cuerpo 2	CRP0151	6813865	335540	992	162	169	-75	Significant result
Q3 2021	Cuerpo 2	CRP0152	6813938	335679	982	162	177	-59	Pending
Q3 2021	Cuerpo 2	CRP0153	6813959	335619	977	102	31	-60	Pending
Q3 2021	Cuerpo 2	CRP0154	6813959	335619	977	168	321	-60	Pending
Q3 2021	Cuerpo 3	CRP0155D	6813616	336274	1,028	575	65	-76	Pending
Q3 2021	Cuerpo 3	CRP0156	6813323	336526	1,086	132	249	-74	Pending
Q3 2021	Cuerpo 2	CRP0157	6813903	335749	988	95	21	-60	Pending
Q3 2021	Cuerpo 2	CRP0158	6813926	335491	977	150	199	-60	Pending
Q3 2021	Cuerpo 2	CRP0159	6813903	335749	988	78	219	-73	Pending
Q3 2021	Cuerpo 2	CRP0160	6814014	335763	996	90	211	-65	Pending
Q3 2021	Cuerpo 2	CRP0161	6813716	335580	1,007	186	21	-59	Pending
Q3 2021	Cuerpo 3	CRP0162	6813453	336344	1,043	163	115	-80	Pending
Q3 2021	Cuerpo 3	CRP0163	6813453	336344	1,043	324	262	-74	Pending

Note 1: NSR – no significant intersection recorded



**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](http://www.hotchili.net.au)

**Contact**  
**Mr Christian Easterday**  
 Managing Director  
 E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

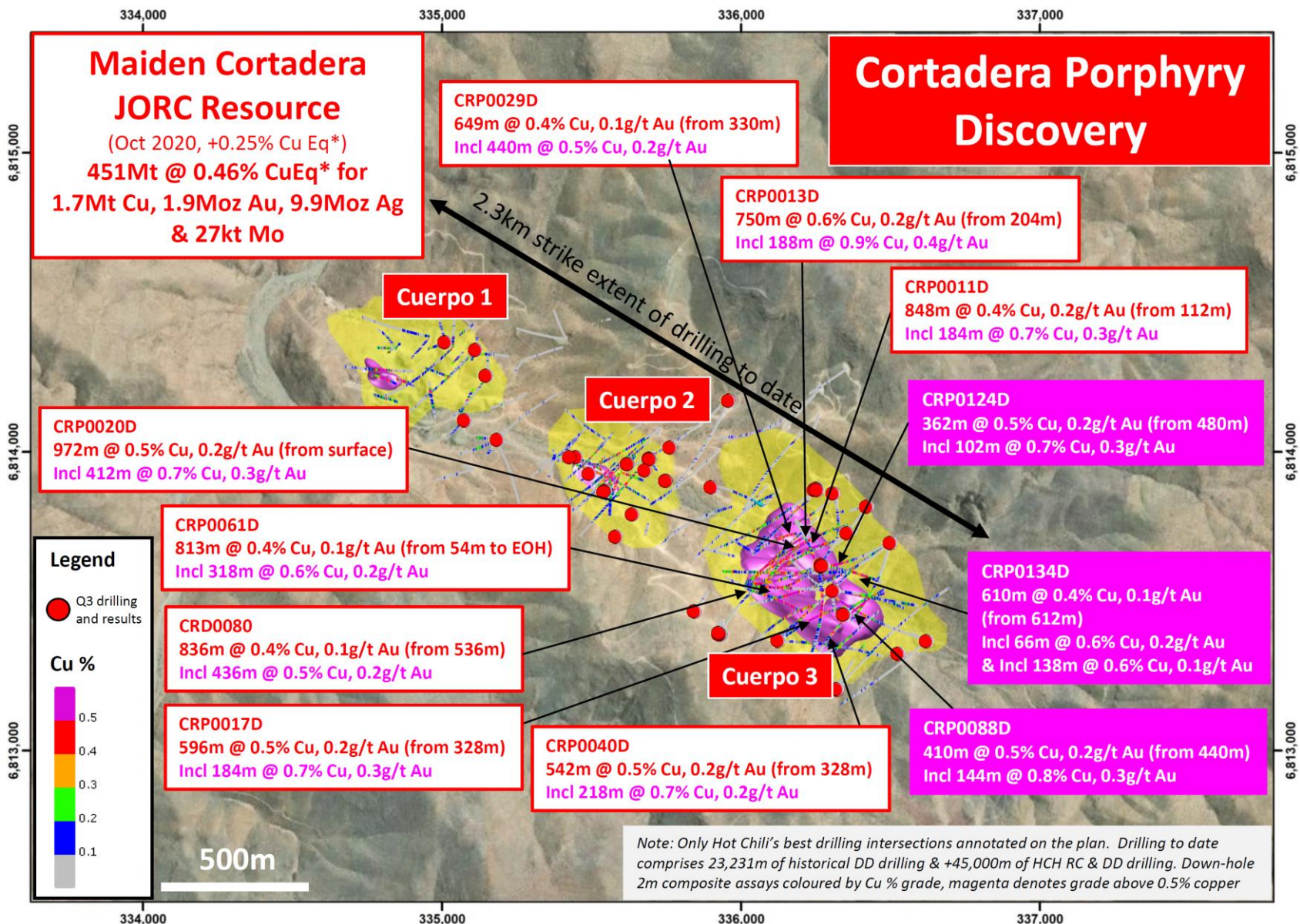


Figure 2. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow +0.1% Cu and magenta +0.4% Cu). Note the selected HCH drilling intersections (White) and the new result reported from CRP0088D, CRP00124D and CRP00134D (Magenta collar)

Note: Only Hot Chili's best drilling intersections annotated on the plan. Drilling to date comprises 23,231m of historical DD drilling & +45,000m of HCH RC & DD drilling. Down-hole 2m composite assays coloured by Cu % grade, magenta denotes grade above 0.5% copper

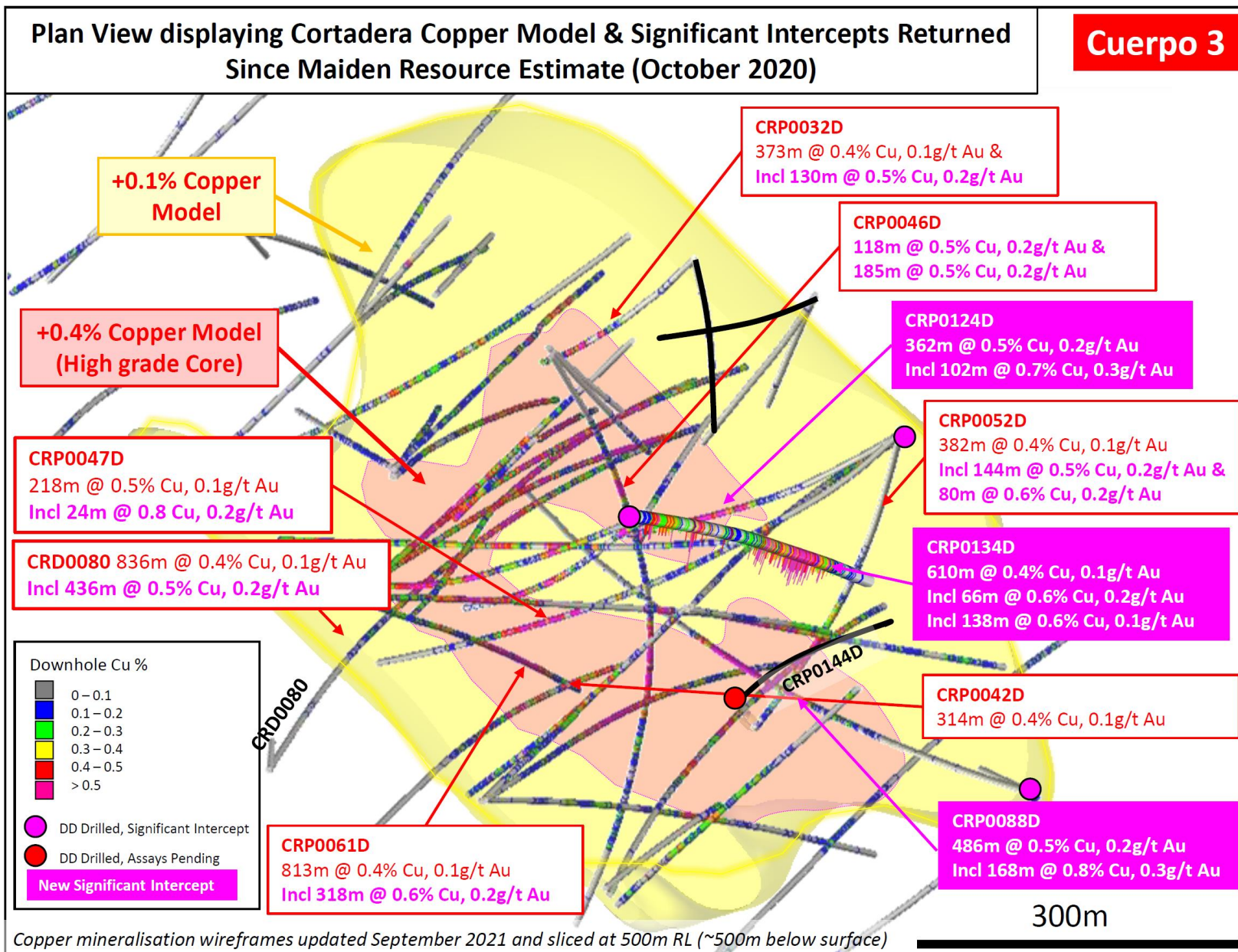


Figure 3. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 3 since the October 2020 resource estimate. The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow- +0.1% Cu). Note the new result reported from CRP0088D, CRP00124D and CRP00134D (Magenta collar)

## SUMMARY OF CORPORATE ACTIVITIES

### Corporate Funding and Planned Dual Listing in Canada

Hot Chili completed a successful \$40 million capital raising during quarter, which provided a positive endorsement of the Company and its Costa Fuego copper-gold development. In addition, the Company is progressing well with its application to dual list on the Canadian TSX Venture Exchange (TSXV).

**Key Corporate Highlights** during the quarter included:

#### **\$40M Funding, Strategic Investor & Ownership of Cortadera**

- **Completion of a fully underwritten A\$5M share purchase plan, and A\$35M private placement cornerstoned by mining major Glencore** and underpinned by several domestic and overseas institutional investors, as well as some of Hot Chili's largest shareholders
- **Glencore welcomed as Hot Chili's largest shareholder with a 9.99% interest**
- **Experienced Mining Engineer and Glencore representative Mr Mark Jamieson joins the Board of Hot Chili**
- **Final acquisition instalment of US\$15M fully paid** for 100% ownership of the Cortadera copper-gold discovery
- **Repayment of the US\$1.5M CMP Option fee** – final requirement to remove Compañía Minera del Pacífico S.A. (CMP) Option to purchase an additional interest in the Company's Productora copper-gold project

#### **Application and Preparation to Dual List in Canada this Year**

- **Preparations to dual-list the Company in Canada are advancing through final stages**
- **A fifty to one share consolidation is proposed for shareholder approval to provide a more efficient and appropriate share price** for a wider range of investors, particularly North American institutional investors
- **The proposed consolidation will align Hot Chili's share price within a range of its Canadian peers including Filo Mining** (TSX: FIL, Share Price: CAN\$9.00, Mkt Cap: CAN\$1.019B), **Josemaria Resources** (TSX: JOSMF, Share Price: CAN\$0.911, Mkt Cap: CAN\$346M), **Oroco Resources** (TSXV: OCO, Share Price: CAN\$2.40, Mkt Cap: CAN\$460.3M) and **Solaris Resources** (TSX: SLS, Share Price: CAN\$13.13, Mkt Cap: CAN\$1.42B) as of 12th October 2021.

### 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.

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

The schedule of Mineral Tenements and changes in interests is appended at the end of this activities report.

**ASX Listing Rule 5.3.4:** Reporting under a use of funds statement in a Prospectus does not apply to the Company currently.

**ASX Listing Rule 5.3.5:** Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B totaled \$4,065,000. This is comprised of Directors' salaries and fees (excl.



**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](http://www.hotchili.net.au)

#### **Contact**

**Mr Christian Easterday**

Managing Director

E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

GST) and salaries of \$166,000 and payments to Blue Spec Sondajes, a company controlled by Mr Murray Black, for rents of \$6,000 and drilling services of \$3,893,000. The Company also received \$3,000,000 by way of participation in a placement by Blue Spec Sondajes being 93,750,000 shares applied for at \$0.032 per share.

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 Q3 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
Issued pursuant to the 30 September 2021 quarter interest payable	3,461,981	204,388	3,666,369
Remaining unissued as at 30 September 2021	16,385,988	745,864	17,131,852



## 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 one safety incident 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 3 2021 Performance and Statistics**

	<b>PRODUCTORA</b>	<b>CORTADERA</b>
<b>Item</b>	<b>JULY – SEPT 2021</b>	<b>JULY – SEPT 2021</b>
LTI events	1	0
NLTI events	0	0
Days lost	32	0
LTIFR index	28,6	0
ISR index	915,1	0
IFR INDEX	28,6	0
Thousands of mh (1)	34,968	12,381
Incident on material and assets	0	0
Environmental incidents	0	0
Headcount (2)	71	5

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



**Incident:** Drilling contractor injured in the right eye by a high-pressure water pump discharge.

**Immediate actions:** Employee was taken to the emergency department of the local hospital and all drilling activities at the specific drill platform were temporarily ceased while a thorough site investigation was undertaken.

**Corrective measures:**

1. Replacement of the high-pressure water pump equipment for a safer one.
2. Change in the high-pressure water pump operational protocol.

**Employee's health:** The employee is currently recovering from the incident with no loss of vision in his injured eye. Recovery is expected to take a couple of weeks.

## Tenement Changes During the Quarter

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



**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%
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 <sup>th</sup> 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	



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 First Floor, 768 Canning Highway, Applecross, Western Australia 6153  
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[www.hotchili.net.au](http://www.hotchili.net.au)

**Contact**  
**Mr Christian Easterday**  
 Managing Director  
 E: [admin@hotchili.net.au](mailto: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	



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[www.hotchili.net.au](http://www.hotchili.net.au)

**Contact**

**Mr Christian Easterday**

Managing Director

E: [admin@hotchili.net.au](mailto: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%



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[www.hotchili.net.au](http://www.hotchili.net.au)

**Contact**

**Mr Christian Easterday**

Managing Director

E: [admin@hotchili.net.au](mailto: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 <sup>th</sup> 2022 USD 6,700,000 as a final exercise payment November 7 <sup>th</sup> 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	
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	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 II		100% Frontera SpA	300	
PORFIADA III		100% Frontera SpA	300	
PORFIADA IV		100% Frontera SpA	300	
PORFIADA V		100% Frontera SpA	200	
PORFIADA VI		100% Frontera SpA	100	
SAN JUAN SUR 1/5	90% Frontera SpA		10	90% (HCH)-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 6/23	90% Frontera SpA		90	



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[www.hotchili.net.au](http://www.hotchili.net.au)

### Contact

**Mr Christian Easterday**

Managing Director

E: [admin@hotchili.net.au](mailto: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 12<sup>th</sup> 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
	<b>Sub Total</b>	<b>451</b>	<b>0.46</b>	<b>0.37</b>	<b>0.13</b>	<b>0.7</b>	<b>61</b>	<b>2,086,000</b>	<b>1,663,000</b>	<b>1,911,000</b>	<b>9,860,000</b>	<b>27,300</b>
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
	<b>Sub Total</b>	<b>273</b>	<b>0.52</b>	<b>0.44</b>	<b>0.09</b>		<b>133</b>	<b>1,417,000</b>	<b>1,215,000</b>	<b>810,000</b>	<b>-</b>	<b>36,400</b>
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
	<b>Total</b>	<b>724</b>	<b>0.48</b>	<b>0.40</b>	<b>0.12</b>	<b>0.7**</b>	<b>88</b>	<b>3,503,000</b>	<b>2,879,000</b>	<b>2,722,000</b>	<b>9,860,000</b>	<b>63,700</b>

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.



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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](http://www.hotchili.net.au)

#### Contact

**Mr Christian Easterday**

Managing Director

E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

### Reporting of Copper Equivalent

Copper Equivalent (CuEq) reported for the resource were calculated using the following formula:  $CuEq\% = ((Cu\% \times Cu\ price\ 1\% \text{ per tonne} \times Cu\_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo\_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au\_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag\_recovery)) / (Cu\ price\ 1\% \text{ per tonne})$ . 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



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[www.hotchili.net.au](http://www.hotchili.net.au)

### Contact

**Mr Christian Easterday**

Managing Director

**E:** [admin@hotchili.net.au](mailto: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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..3....months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(4,845)	(4,845)
(b) development	-	-
(c) production	-	-
(d) staff costs	(652)	(652)
(e) administration and corporate costs	(729)	(729)
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	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(6,226)</b>	<b>(6,226)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(20,576)	(20,576)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (..3....months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(20,576)</b>	<b>(20,576)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	40,003	40,003
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	182	182
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,617)	(2,617)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (CMP option)	(2,179)	(2,179)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>35,389</b>	<b>35,389</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,476	3,476
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,226)	(6,226)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20,576)	(20,576)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	35,389	35,389



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (..3....months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>12,063</b>	<b>12,063</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	11,974	3,387
5.2	Call deposits	89	89
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,063</b>	<b>3,476</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	4,065
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.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(6,226)
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)	(6,226)
8.4 Cash and cash equivalents at quarter end (item 4.6)	12,063
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	12,063
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.94
<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 progressing towards a listing on the TSXV and it is anticipated that this will include a capital raising..	

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 immediate adequate funds to continue its operations and meet its business objectives. A raising pursuant to a dual listing will provide longer term capital requirements and enable the company to meet its objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 October 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 operating effectively.