



Quarterly Report

Period Ending 31st March 2022

Highlights

Upgraded Mineral Resource Estimate

- Mineral resources at Hot Chili's Costa Fuego copper-gold hub in Chile have been materially upgraded:

Total Resource

- Indicated - 725Mt grading 0.47% CuEq for 2.8Mt Cu, 2.6Moz Au, 10.5Moz Ag & 67kt Mo
- Inferred - 202Mt grading **0.36% CuEq for 0.6Mt Cu, 0.4Moz Au, 2.0Moz Ag & 13kt Mo**

High Grade Resource (*Reported +0.6% CuEq*)

- Indicated - 156Mt grading 0.79% CuEq for 1.0Mt Cu, 0.85Moz Au, 2.9Moz Ag & 24kt Mo
- Inferred - 11Mt grading 0.93% CuEq for 0.1Mt Cu, 0.04Moz Au, 0.3Moz Ag & 1kt Mo

- Key features of the upgraded resource include:

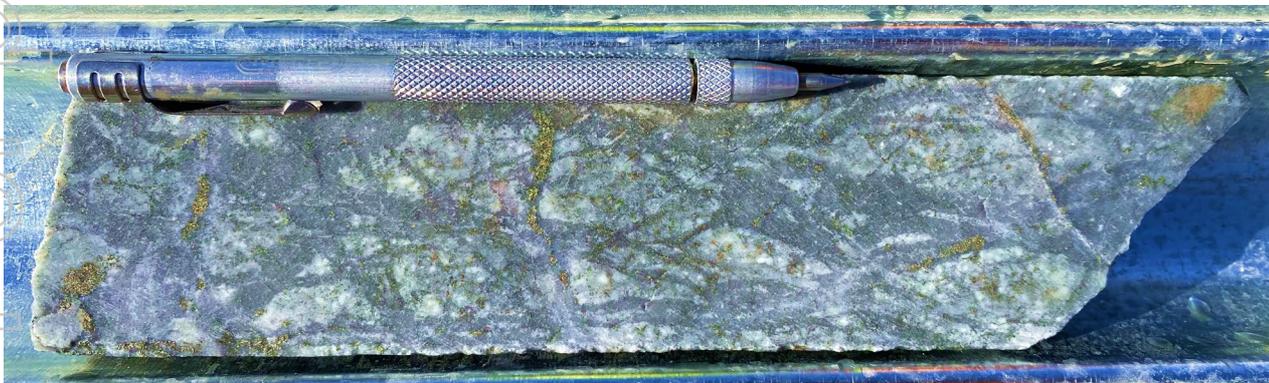
- High grade Indicated resources (+0.6%CuEq) now account for one third of contained copper and gold (previously 20%), an increase of 53%
- The total Indicated Resource has increased by 67%, and over 80% of Costa Fuego's global resource estimate is now classified as Indicated (previously 56%)

Appointment of New Chairman – Dr Nicole Adshead-Bell

Glencore Copper Offtake Partnership Executed for 60% of First 8 Years

Commencement of Negotiation to Secure Las Losas Port Agreement

Cortadera Delivers 876m at 0.5% CuEq including 206m at 0.9% CuEq from CORMET 006



CORMET006 (579m depth down-hole) – 1.1% copper, 0.6g/t gold, 4.0g/t silver and 81 ppm molybdenum. Early-stage porphyry, sericite-chlorite-biotite alteration with 5% A-B vein abundance



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SUMMARY OF OPERATIONAL ACTIVITIES

Hot Chili Delivers Next Level of Growth

The Company released a major resource upgrade for its Chilean coastal range Costa Fuego copper-gold project, comprising the Cortadera, Productora and San Antonio deposits.

The Cortadera MRE has delivered the majority of resource growth for Costa Fuego. Cortadera is defined by over 92,000m of drilling and contains an Indicated resource of 471Mt grading 0.46% CuEq (previously 183Mt grading 0.49% CuEq) and an Inferred resource of 108Mt grading 0.35% CuEq (previously 267Mt grading 0.44% CuEq).

Highlights from the Costa Fuego resource upgrade include:

- **Mineral resources at Hot Chili's Costa Fuego copper-gold hub in Chile have been materially upgraded with a 67% increase in the total Indicated Resource and a 53% increase in the high grade Indicated Resource:**

Total Resource^{1,2}

- Indicated - 725Mt grading 0.47% CuEq for 2.8Mt Cu, 2.6Moz Au, 10.5Moz Ag & 67kt Mo
- Inferred - 202Mt grading 0.36% CuEq for 0.6Mt Cu, 0.4Moz Au, 2.0Moz Ag & 13kt Mo

High Grade Resource^{1,2} (Reported +0.6% CuEq)

- Indicated - 156Mt grading 0.79% CuEq for 1.0Mt Cu, 0.85Moz Au, 2.9Moz Ag & 24kt Mo
- Inferred - 11Mt grading 0.93% CuEq for 0.1Mt Cu, 0.04Moz Au, 0.3Moz Ag & 1kt Mo

- **Resource upgrade cements Costa Fuego's position as a top-ten copper development project** (S&P 2022, based on criteria of active, PFS level or greater and low operating risk) with one of the shortest timeframes to potential first production amongst senior copper development projects globally
- **Over 80% of Costa Fuego's global resource estimate is now classified as Indicated (previously 56%),** providing a strong platform to deliver a combined Pre-feasibility Study with a large ore reserve in Q3 2022
- **High grade Indicated resources (+0.6%CuEq) account for one third of contained copper and gold (previously 20%)**
- The **Productora MRE has been re-estimated**, resulting in a **material increase in high grade Indicated resources** reported above 0.6% CuEq. High grade open pit resources from Productora are a key focus for the combined PFS and are expected to feature prominently in the early mine schedule for Costa Fuego.
- A **maiden San Antonio MRE has also been added to the Costa Fuego Hub**. The Company is encouraged by the initial Inferred resource of 4.2Mt grading 1.2% CuEq. The high grade, shallow nature of San Antonio provides an additional open pitable deposit for Costa Fuego's potential early mine schedule.

¹ Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground

² 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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%.

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Higher Grade Core Confirmed at Cortadera

Highlights from Cortadera resource drilling during the quarter include:

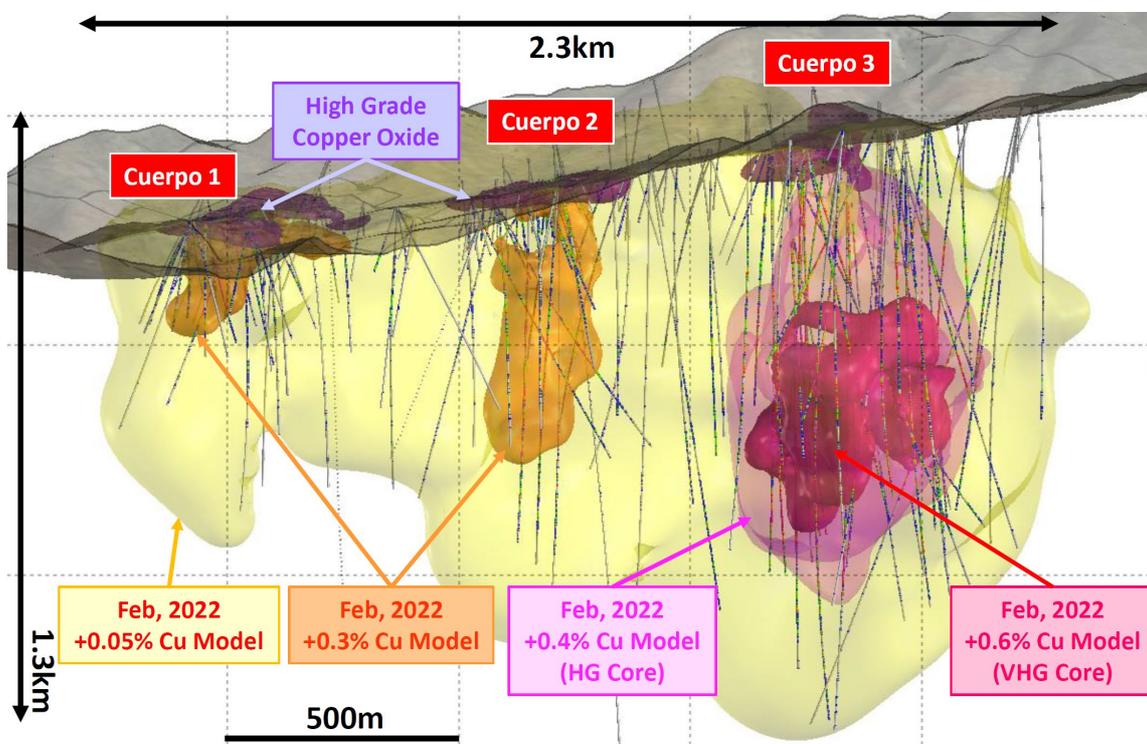
- Updated copper models confirm a new higher-grade core (+0.6% Cu) at Cuerpo 3 and material expansion of both high grade and bulk tonnage mineralisation at the Cortadera copper-gold porphyry discovery in Chile
- Final assays received from 2021 resource drilling, including several significant results from the margins of Cuerpo 2 and Cuerpo 3

CRP0155D - 202m grading 0.5% CuEq* (0.4% copper (Cu), 0.1g/t gold (Au)) from 492m depth including 42m grading 0.7% CuEq* (0.6% copper (Cu), 0.2g/t gold (Au)) from 596m depth

CRP0144D - 927m grading 0.3% CuEq* (0.2% copper (Cu), 0.1g/t gold (Au)) from 14m depth including 208m grading 0.4% CuEq* (0.3% copper (Cu), 0.1g/t gold (Au)) from 382m depth
And 32m grading 1.0% CuEq* (0.8% copper (Cu), 0.2g/t gold (Au)) from 682m depth

CRP0170D - 208m grading 0.5% CuEq* (0.4% copper (Cu), 0.1g/t gold (Au)) from 524m depth including 18m grading 0.6% CuEq* (0.5% copper (Cu), 0.1g/t gold (Au)) from 814m depth

- Additional 52,000 metres from 146 drill holes have been added to the Cortadera Mineral Resource (October 2020), resulting in a 129% increase in drill meters and linking of all three porphyries

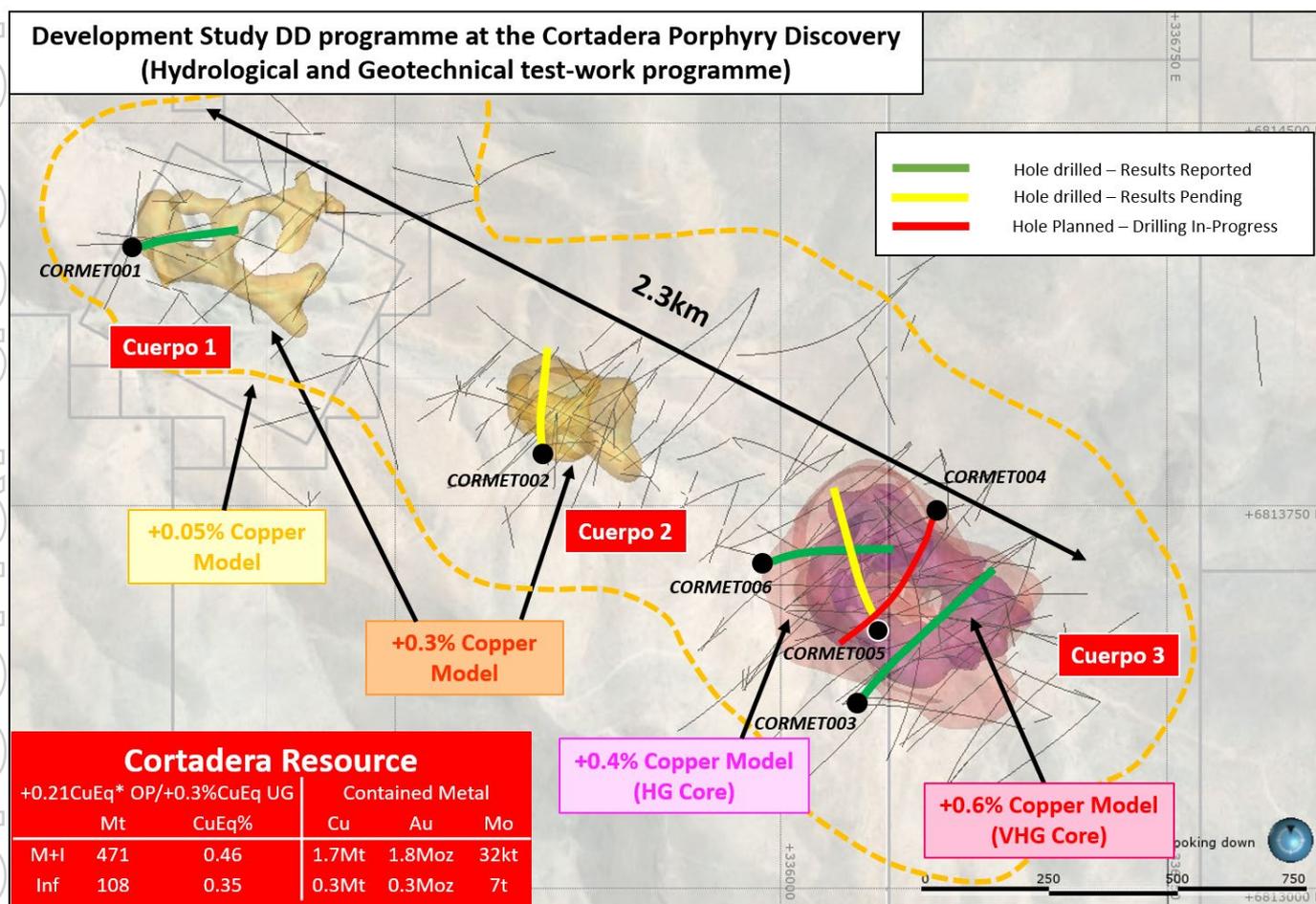


Revised Cortadera Copper Model, February 2022

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Development Study Drilling Begins

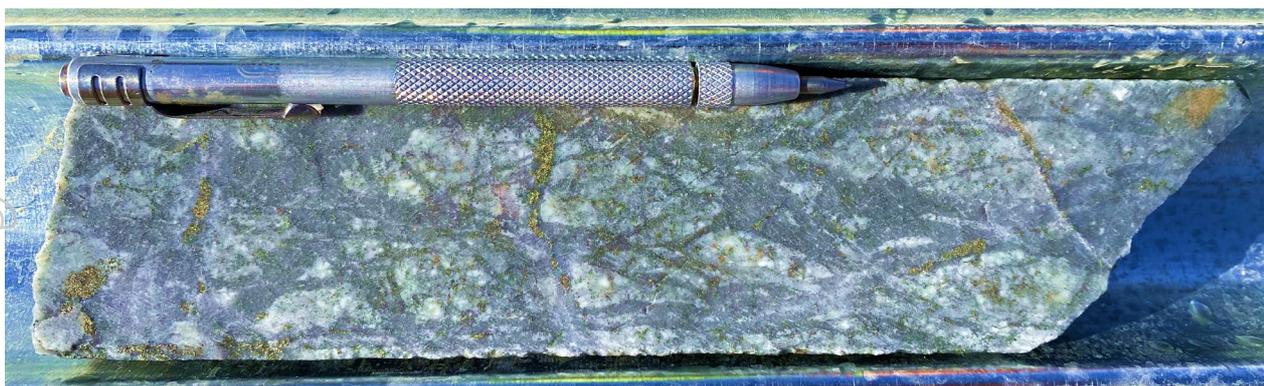
In January, Hot Chili commenced the programme of technical drilling – CORMET holes - to collect geotechnical, hydrogeological and metallurgical information for the Costa Fuego Pre-feasibility Study. Five CORMET holes for 3,190m were completed in the quarter with drilling coinciding with 12 successful packer tests in these holes to assess the permeability of the ground. Samples for laboratory assessment of rock strength and in situ ground stress have been collected and are undergoing testing to finalise the already impressive database of rock strength results assembled during 2021.



Location of development study diamond drill holes at Cortadera

The first development study drillhole at Cortadera result includes:

- An outstanding intersection of **876m¹ grading 0.5% CuEq** (0.4% copper (Cu), 0.1g/t gold (Au)) from 246m depth down-hole, **including 206m² grading 0.9% CuEq** (0.7% Cu, 0.3g/t Au) from 414m depth was returned from drillhole CORMET006 (¹excluding 18m unsampled and ²excluding 4m unsampled due to geotechnical test work)
- **New drill result demonstrates strong continuity of high-grade resources (+0.6% Cu)** at Cortadera ahead of the Costa Fuego Pre-Feasibility Study (PFS), forecast for release in Q3 2022



CORMET006 (579m depth down-hole) – 1.1% copper, 0.6g/t gold, 4.0g/t silver and 81 ppm molybdenum. Early-stage porphyry, sericite-chlorite-biotite alteration with 5% A-B vein abundance

Exploration Update - Drilling and Access Clearing Advancing

The Company's 2022 regional exploration drilling programme at Costa Fuego in Chile commenced with an RC drill rig completing a total of 14 drill holes for **4,312m** during the quarter. Highlights include:

- Assays returned for eleven Reverse Circulation (RC) holes drilled into the large-scale Productora Central target, with several intersections requiring follow-up Diamond Drill (DD) tails
- **Drilling to commence** across shallow high-grade resource growth opportunities at **Valentina and San Antonio** in the coming weeks **and first drill testing across the large-scale Santiago Z target** in the coming month



RC Drilling at the Productora Central exploration target, April 2022

Exploration drilling during the quarter focussed on targets proximal to the Productora resource, with hole-extension drilling to follow once a diamond drill rig becomes available.

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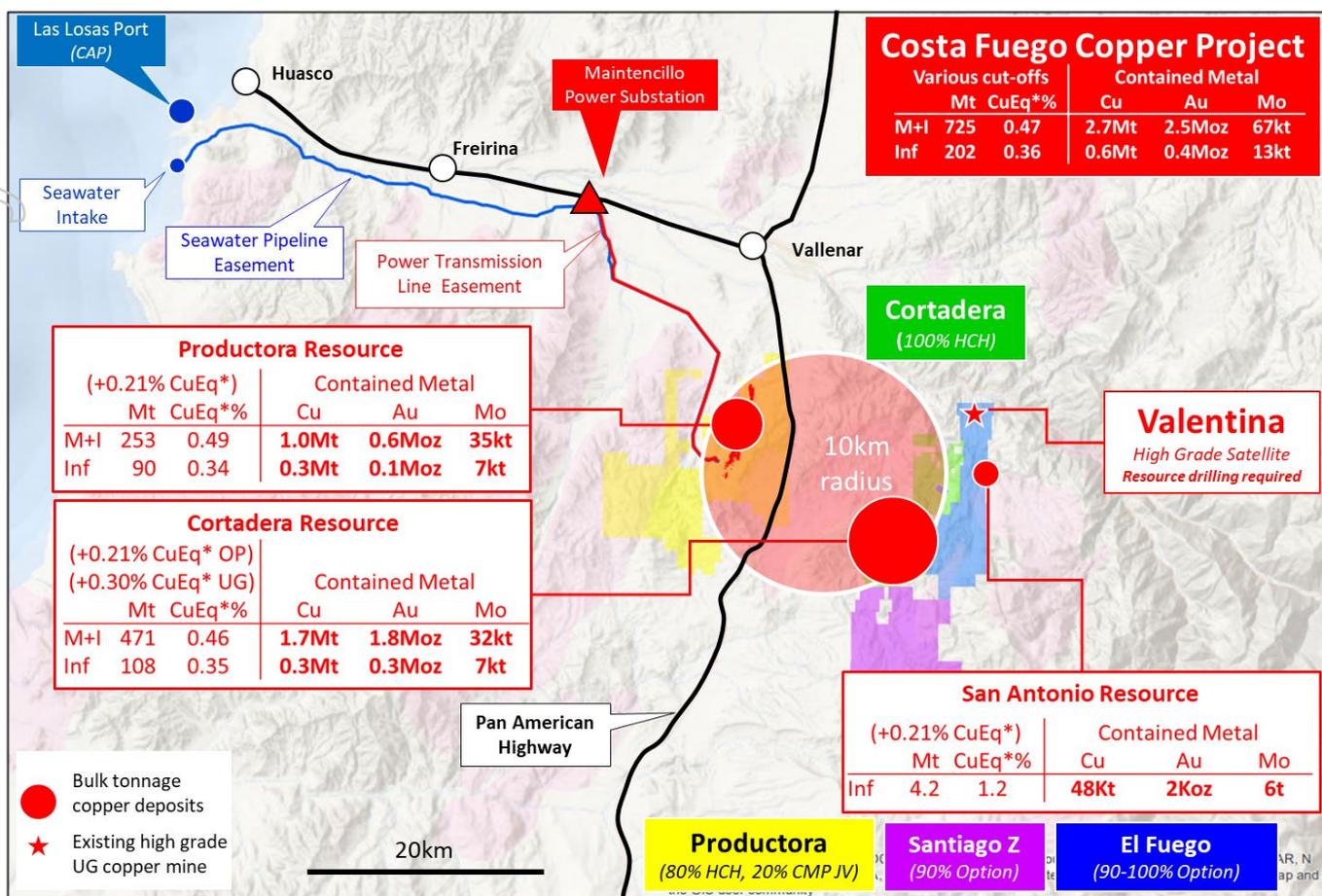


Figure 1 Location of Productora, Cortadera and San Antonio deposits in relation to the coastal range infrastructure of Hot Chili's combined Costa Fuego copper project, located 600km north of Santiago in Chile

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

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Table 1 Significant Drill Results Reported in Q1 2022

Hole_ID	Coordinates			Azim	Dip	Hole Depth (m)	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)	Cu Eq (% Cu Eq)
	North	East	RL				From	To						
CRP0111D	6813884	335905	999	105	-80	1039	412	456	44	0.2	0.1	0.4	27	0.3
	and						536	574	38	0.2	0.1	0.9	49	0.2
	and						612	670	58	0.2	0.0	0.6	42	0.2
	and						774	992	218	0.2	0.0	0.4	36	0.2
CRP0116D	6814035	335552	980	302	-80	717	254	280	26	0.2	0.0	0.6	36	0.2
	and						336	394	58	0.2	0.0	0.5	77	0.2
CRP0122	6813663	336037	1016	300	-70	270	72	106	34	0.2	0.1	0.3	53	0.2
CRP0136D	6813389	335926	1097	41	-74	982	360	428	68	0.3	0.1	0.5	10	0.4
	and						548	674	126	0.4	0.1	0.7	126	0.5
CRP0138D	6813204	336322	1092	26	-64	685	352	542	190	0.2	0.1	0.4	63	0.3
	including						368	462	94	0.3	0.1	0.5	70	0.3
	and						608	685	77	0.3	0.1	0.4	103	0.3
CRP0144D	6813453	336344	1043	51	-73	941	14	941.2	927	0.2	0.1	0.6	65	0.3
	including						382	590	208	0.3	0.1	0.5	142	0.4
	and including						682	714	32	0.8	0.2	1.5	287	1.0
	or including						682	728	46	0.6	0.1	1.1	224	0.8
	and including						854	872	18	0.6	0.1	1.9	48	0.6
CRP0146D	6813367	336126	1066	80.63	-79	1051	378	614	236	0.3	0.1	0.6	90	0.3
	including						532	596	64	0.4	0.1	0.8	148	0.5
	or including						540	552	12	0.6	0.2	1.4	95	0.7
CRP0155D	6813620	336273	1028	65.29	-76.49	1140	248	316	68	0.4	0.1	0.5	69	0.4
							492	694	202	0.4	0.1	0.8	108	0.5
	including						596	638	42	0.6	0.2	1.2	86	0.7
and including						664	692	28	0.5	0.1	1.1	126	0.6	
CRP0162	6813453	336343	1043	115.31	-80.25	115	18	163	145	0.2	0.0	0.5	20	0.2
CRP0163	6813455	336337	1043	262.03	-74.22	262	150	324	174	0.3	0.1	0.6	7	0.3
CRP0164D	6813535	336309	1035	69.51	-71.83	934	338	398	60	0.3	0.1	0.4	127	0.4
							504	642	138	0.3	0.1	0.4	143	0.3
including						540	592	52	0.4	0.1	0.4	259	0.5	

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.

Down-hole significant intercept widths are estimated to be at or around true-widths of mineralisation

* Copper Equivalent (CuEq) reported for the drill holes 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. Average Metallurgical Recoveries used were: Cu=83%, Au=56%, Mo=82%, and Ag=37%

Table 2 Details of all Drillholes Completed at Costa Fuego in Q1 2022

Quarter Drilled	Prospect	Hole_ID	North	East	RL	Depth	Azimuth	Dip	Results
Q1 2022	Productora Central	PRF002	6821857	323065	809	477	269	-71	Pending
Q1 2022	Productora Central	PRF003	6821398	322916	825	326	39	-60	Pending
Q1 2022	Productora Central	PRF004	6821398	322916	825	321	271	-61	Pending
Q1 2022	Productora Central	PRF005	6821989	323069	810	504	88	-79	Pending
Q1 2022	Productora Central	PRF006	6822161	323154	794	373	92	-59	Pending
Q1 2022	Productora Central	PRF007	6822167	322987	794	282	103	-58	Pending
Q1 2022	Productora Central	PRF008	6822349	323033	772	432	92	-59	Pending
Q1 2022	Productora Central	PRF009	6822600	323120	765	432	251	-59	Pending
Q1 2022	Productora Central	PRF010	6821965	322394	737	217	265	-59	Pending
Q1 2022	Productora Central	PRF011	6821542	322597	783	165	60	-60	Pending
Q1 2022	Francesca	PRF012	6827790	320780	523	300	180	-60	Pending
Q1 2022	Francesca	PRF013	6827707	320415	528	300	90	-60	Pending
Q1 2022	La Negrita	PRF014	6823077	321177	618	312	30	-60	Pending
Q1 2022	Cuerpo 1	CORMET-001	6814264	334738	970	350	74	-60	Pending
Q1 2022	Cuerpo 2	CORMET-002	6813863	335533	997	370	0	-60	Pending
Q1 2022	Cuerpo 3	CORMET-003	6813362	336128	1066	1023	59	-60	Pending
Q1 2022	Cuerpo 3	CORMET-005	6813534	336171	1053	372	352	-69	Pending
Q1 2022	Cuerpo 3	CORMET-006	6813643	335979	1025	1123	80	-75	Significant result returned Q2 2022
Q1 2022	Cuerpo 3	CRD0190	6814077	336148	1073	908	157	-78	Pending

Note 1: NSR – no significant intersection recorded



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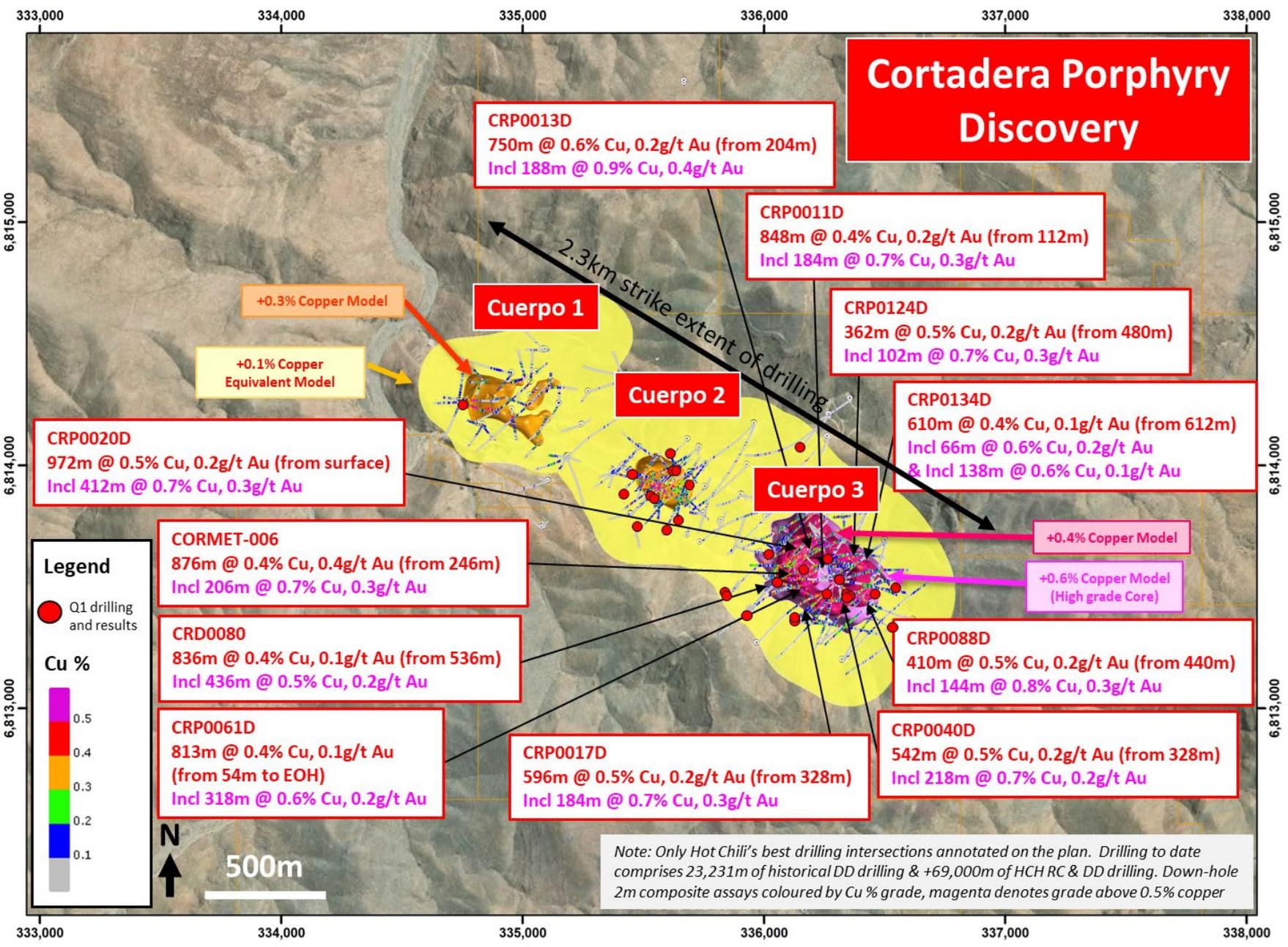


Figure 2. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 1, 2 and 3 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow+0.1% Cu, orange +0.3% Cu, pink +0.4% and magenta +0.6% Cu). Note the collar locations of HCH drilling (red) during the quarter

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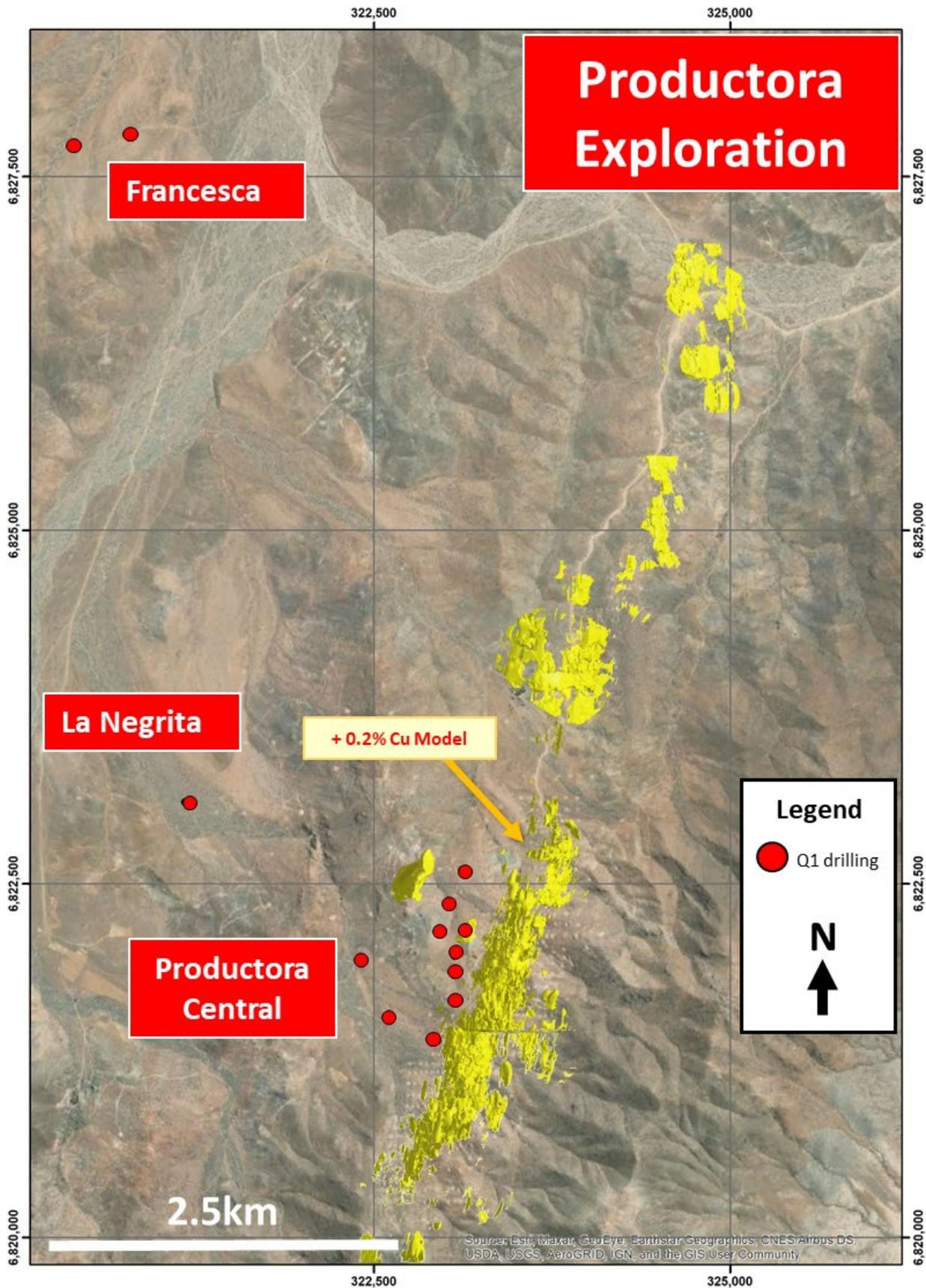


Figure 3 Plan view across the Productora tenements displaying the modelled 0.2% Cu model in yellow and the collar locations of exploration drilling during the quarter in red.

SUMMARY OF CORPORATE ACTIVITIES

Appointment of New Chairman – Adshead-Bell is the new Black

Non-Executive Founding Chairman Murray Black retired from the Board of Hot Chili effective 1st March 2022.

Dr Nicole Adshead-Bell – an experienced mining and global capital markets professional - has been appointed as the Company's Independent, Non-Executive Chairman, following her earlier election to the Board in January. Nicole's appointment and endorsement by Murray reflects the Company's next stage of growth as Hot Chili advances through final stages of development toward production.

Murray has contributed significantly during his time as Chairman since founding Hot Chili in 2008 and overseeing the Company's transformation into a leading global copper developer. His exceptional leadership has embedded a culture of excellence in Hot Chili. His willingness to support the Company financially as its second largest shareholder, and the provision of dedicated drill services has facilitated rapid resource growth and advancement of the Costa Fuego copper-gold project in Chile to the benefit of all stakeholders.

Change of Company Secretary and Chief Financial Officer

This Quarter saw Mr Lloyd Flint depart Hot Chili, with Penelope Beattie appointed as the new Chief Financial Officer and Company Secretary. Hot Chili are indebted to Mr Flint for his significant contribution to the Company and wishes him all the best for the future.

Commencement of Port Negotiation

The Company has executed a Letter of Intent with Puerto Las Losas SA (PLL) to negotiate a port access and port services agreement for PLL's facilities located at Huasco, approximately 50km west of Costa Fuego's proposed processing plant.

Under the terms of the Letter of Intent, PLL will finance a study for port services using the existing Puerto Las Losas dock for the shipment of copper concentrates and other materials related to the future construction and operation of Costa Fuego.





Hot Chili and Glencore in Copper Offtake Partnership for Costa Fuego

The executed Glencore offtake agreement covers 60% of copper concentrate from Costa Fuego for 8 years from start of commercial production and is on arms-length commercially competitive benchmark terms.

Glencore is Hot Chili's largest shareholder (9.96%) following their strategic investment in August 2021 (see ASX announcement dated 2nd August 2021) and subsequent participation in the Company's recent TSXV capital raising in December 2021.

Glencore has the right to Board representation (Mr Mark Jamieson) and participation in a technical steering committee. These rights remain subject to Glencore holding at least 7.5% of the share capital of Hot Chili.

Hot Chili Limited Commences Trading on US-Based OTCQX Market

Hot Chili's application to join the US-based OTCQX market has been accepted and the Company's shares commenced trading in the US on the OTCQX® Best Market under the ticker OTCQX: HHLKF on 7 April 2022. Hot Chili Ltd has upgraded to OTCQX from the OTCQB® Venture Market where it has been trading since 6 May 2021. The Company's shares will continue to trade on the Australian Securities Exchange and the TSX Venture Exchange under the symbol HCH.

The OTCQX Best Market is the highest tier of OTC Markets Group's market platforms, on which 12,000 US and international securities trade. The OTCQX Market is designed for established, investor-focused US and international companies. To qualify, companies must meet high financial standards, follow best practice corporate governance, and demonstrate compliance with applicable securities laws.

Listing of Warrants on TSXV

The TSX Venture Exchange (TSXV) has accepted for listing up to 10,900,000 ordinary share purchase warrants of the Company (the "Warrants") for trading on the TSXV.

The Warrants were issued on February 28, 2022 upon the conversion of warrant receipts of the Company that were issued in connection with the Company's initial public offering of units in Canada. Each Warrant entitles the holder thereof to purchase one ordinary share in the capital of the Company at a price of C\$2.50 per ordinary share until January 31, 2024.

The Warrants are expected to commence trading on the TSXV at the open of markets on March 4, 2022 under the trading symbol "HCH.WT".

Quarterly Interest Payment on Convertible Notes

For the quarter ended 31 March 2022, the Company has paid to the holders of convertible notes issued on 22 June 2017 and 8 September 2017, interest in the amount of A\$121,960.72 by the issue of 87,904 ordinary shares of the Company at a deemed issue price of A\$1.38695 per Ordinary Share.

In addition, Hot Chili issued 66,606 Ordinary Shares at a deemed value of A\$1.6665 per Ordinary Share to certain holders of the Convertible Notes, who elected to convert their Convertible Notes in accordance with the terms thereof. The Convertible Notes were issued by the Company on the terms set out in a trust deed dated May 25, 2017 and varied June 19, 2017.

The Ordinary Shares were issued to persons in offshore jurisdictions pursuant to Ontario Securities Commission Rule 72-503 – Distributions Outside Canada and such securities are not subject to a statutory hold period.

Additional ASX Disclosure Information

ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.3 - Schedule of Mineral Tenements as at 31 March 2022

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 \$5,076,492. This is comprised of directors' salaries of \$168,812 and payments to Blue Spec Sondajes, a company controlled by Mr Murray Black, up to the time of the resignation of Mr Murray Black for rents of \$4,302 and drilling services of \$4,903,378.

ASX Waivers. The Company applied for and was granted a waiver for the issue of up to 167,090 shares to unrelated parties and up to 14,996 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 14 December 2021-in respect to the quarters ending on 31 December 2021, 31 March 2022 and the period to 20 June 2022. Interest Shares issued during the quarter:

	Unrelated party interest shares	Related party interest shares.	Total interest shares
Approved at AGM	167,090	14,996	182,086
Issued pursuant to the 31 December 2021 quarter interest payable	77,468	4,575	82,043
Issued pursuant to the 31 March 2022 quarter interest payable	82,416	5,488	87,904
Remaining unissued as at 31 March 2022	7,206	4,933	12,139

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.

No safety incidents were recorded this quarter. Field operations during the period including geological reconnaissance activities, RC and diamond drilling, core-testing and logging, field mapping, and sampling exercises across the Cortadera, El Fuego and Productora landholdings. El Fuego field activities are run from the Cortadera operations centre and safety statistics are combined for reporting.

The Company's HSEQ quarterly performance is summarised below:

Table 4 HSEQ Quarter 1 2022 Performance and Statistics

Item	Productora	Cortadera
	January – March 2022	January – March 2022
LTI events	0	2
NLTI events	0	1
Days lost	0	7
LTIFR index	0	72
ISR index	0	252
IFR Index	0	108
Thousands of mh (1)	10.5	27.8
Incidents on materials and assets	0	0
Environmental incidents	0	0
Headcount (2)	25	80

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

During the Quarter, there were the following changes to the Company's tenement holdings during the quarter:

- Five new explorations mining rights were requested to protect rope conveyer path between Cortadera and Productora, plus one geological target.
- 11 exploration mining rights were included in the San Antonio Agreement: Porfiada A, Porfiada B, Porfiada C, Porfiada D, Porfiada E, Porfiada F, Porfiada G, Porfiada VII, Porfiada VIII, Porfiada IX and Porfiada X. Also included in the San Antonio Agreement are two exploitation mining rights in the La Verde area: Kreta 1 to 4 and Mary 1 to 12.
- The exploitation mining right Chapulin Colorado was added to Cortadera to gain a small area.
- The Company filed for an update of Cortadera 6, 1 to 60, in order to convert it from an exploration lease into an exploitation mining right (to protect Hot Chili against a claim from a third party).

Table 5. Current Tenement (Patente) Holdings in Chile as at 31 March 2022

Cortadera Landholding

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
MAGDALENITA 1/20	100% Frontera SpA		100	
ATACAMITA 1/82	100% Frontera SpA		82	
AMALIA 942 A 1/6	100% Frontera SpA		53	
PAULINA 10 B 1/16	100% Frontera SpA		136	
PAULINA 11 B 1/30	100% Frontera SpA		249	
PAULINA 12 B 1/30	100% Frontera SpA		294	
PAULINA 13 B 1/30	100% Frontera SpA		264	
PAULINA 14 B 1/30	100% Frontera SpA		265	
PAULINA 15 B 1/30	100% Frontera SpA		200	
PAULINA 22 A 1/30	100% Frontera SpA		300	
PAULINA 24 1/24	100% Frontera SpA		183	
PAULINA 25 A 1/19	100% Frontera SpA		156	
PAULINA 26 A 1/30	100% Frontera SpA		294	
PAULINA 27A 1/30	100% Frontera SpA		300	
CORTADERA 1 1/200	100% Frontera SpA		200	
CORTADERA 2 1/200	100% Frontera SpA		200	
CORTADERA 41	100% Frontera SpA		1	
CORTADERA 42	100% Frontera SpA		1	
LAS CANAS 16	100% Frontera SpA		1	
LAS CANAS 1/15	100% Frontera SpA		146	
CORTADERA 1/40	100% Frontera SpA		374	
LAS CANAS ESTE 2003 1/30	100% Frontera SpA		300	
CORROTEO 1 1/260	100% Frontera SpA		260	
CORROTEO 5 1/261	100% Frontera SpA		261	
ROMERO 1 al 31	100% Frontera SpA		31	

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
PURISIMA	100% Frontera SpA		20	

Productora Landholding

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
FRAN 1, 1-60	80% SMEA SpA		220	
FRAN 2, 1-20	80% SMEA SpA		100	
FRAN 3, 1-20	80% SMEA SpA		100	
FRAN 4, 1-20	80% SMEA SpA		100	
FRAN 5, 1-20	80% SMEA SpA		100	
FRAN 6, 1-26	80% SMEA SpA		130	
FRAN 7, 1-37	80% SMEA SpA		176	
FRAN 8, 1-30	80% SMEA SpA		120	
FRAN 12, 1-40	80% SMEA SpA		200	
FRAN 13, 1-40	80% SMEA SpA		200	
FRAN 14, 1-40	80% SMEA SpA		200	
FRAN 15, 1-60	80% SMEA SpA		300	
FRAN 18, 1-60	80% SMEA SpA		273	
FRAN 21, 1-46	80% SMEA SpA		226	
ALGA 7A, 1-32	80% SMEA SpA		89	
ALGA VI, 5-24	80% SMEA SpA		66	
MONTOSA 1-4	80% SMEA SpA		35	
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	

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
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	
URANIO, 1-70	0%	0%	350	25 year Lease Agreement
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	

El Fuego Landholding

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Type & %
Santiago 21 al 36		90% Frontera SpA	76	90% (HCH) Option Agreement USD 200,000 already paid.
Santiago 37 al 43		90% Frontera SpA	26	

Santiago A, 1 al 26		90% Frontera SpA	236	USD 300,000 to pay by November 7 th , 2022. USD 6,700,000 by November 7th, 2023.
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	
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	
CORTADERA 1	100% Frontera SpA		200	
CORTADERA 2	100% Frontera SpA		200	
CORTADERA 3	100% Frontera SpA		200	
CORTADERA 4	100% Frontera SpA		200	
CORTADERA 5	100% Frontera SpA		200	
CORTADERA 6	100% Frontera SpA		300	
CORTADERA 7, 1-20	100% Frontera SpA		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) Option Agreement USD 600,000 by January 22nd, 2024. NSR 1.5%
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	
SAN JUAN SUR 1/5		90% Frontera SpA	10	90% (HCH) Option Agreement USD 150,000 by June 1st, 2023. USD 4,000,000 by June 1st, 2024.
SAN JUAN SUR 6/23		90% Frontera SpA	90	
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		300	
SOLAR 1	100% Frontera SpA		300	
SOLAR 2	100% Frontera SpA		300	
SOLAR 3	100% Frontera SpA		300	
SOLAR 4	100% Frontera SpA		300	
SOLAR 5	100% Frontera SpA		300	
SOLAR 6	100% Frontera SpA		300	
SOLAR 7	100% Frontera SpA		300	
SOLAR 8	100% Frontera SpA		300	
SOLAR 9	100% Frontera SpA		300	
SOLAR 10	100% Frontera SpA		300	
SOLEDAD 1	100% Frontera SpA		300	
SOLEDAD 2	100% Frontera SpA		300	
SOLEDAD 3	100% Frontera SpA		300	
SOLEDAD 4	100% Frontera SpA		300	

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Qualifying Statements

The Mineral Resource summary for the Costa Fuego Project is presented in Table 5. Tables 6 to 8 present the individual deposits that combine to form the Costa Feugo Project.

Table 5. Costa Fuego Copper-Gold Project Mineral Resource Estimate, March 2022

Costa Fuego OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	576	0.46	0.37	0.10	0.37	91	2,658,000	2,145,000	1,929,000	6,808,000	52,200
M+I Total	576	0.46	0.37	0.10	0.37	91	2,658,000	2,145,000	1,929,000	6,808,000	52,200
Inferred	147	0.35	0.30	0.05	0.23	68	520,000	436,000	220,000	1,062,000	10,000

Costa Fuego UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.30% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
M+I Total	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
Inferred	56	0.38	0.30	0.08	0.54	61	211,000	170,000	139,000	971,000	3,400

Costa Fuego Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	725	0.47	0.38	0.11	0.45	93	3,408,000	2,755,000	2,564,000	10,489,000	67,400
M+I Total	725	0.47	0.38	0.11	0.45	93	3,408,000	2,755,000	2,564,000	10,489,000	67,400
Inferred	202	0.36	0.30	0.06	0.31	66	731,000	605,000	359,000	2,032,000	13,400

¹ Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground

² 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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 6. Productora Deposit Mineral Resource Estimate, March 2022

Productora Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	253	0.49	0.41	0.08		139	1,247,000	1,043,000	646,000		35,100
M+I Total	253	0.49	0.41	0.08		139	1,247,000	1,043,000	646,000		35,100
Inferred	90	0.34	0.29	0.03		75	305,000	259,000	91,000		6,800

¹ Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit.

² 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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 7. Cortadera Deposit Mineral Resource Estimate, March 2022

Cortadera OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	323	0.44	0.34	0.12	0.66	53	1,411,000	1,102,000	1,284,000	6,808,000	17,100
M+I Total	323	0.44	0.34	0.12	0.66	53	1,411,000	1,102,000	1,284,000	6,808,000	17,100
Inferred	53	0.32	0.25	0.08	0.46	62	168,000	132,000	135,000	778,000	3,300

Cortadera UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.30% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
M+I Total	148	0.51	0.39	0.12	0.78	102	750,000	578,000	559,000	3,702,000	15,000
Inferred	56	0.38	0.30	0.08	0.54	61	211,000	170,000	139,000	971,000	3,400

Cortadera Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	471	0.46	0.36	0.12	0.69	68	2,161,000	1,680,000	1,843,000	10,509,000	32,200
M+I Total	471	0.46	0.36	0.12	0.69	68	2,161,000	1,680,000	1,843,000	10,509,000	32,200
Inferred	108	0.35	0.28	0.08	0.50	62	379,000	301,000	274,000	1,749,000	6,700

¹ Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground

² 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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 8. San Antonio Deposit Mineral Resource Estimate, March 2022

San Antonio Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.21% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Inferred	4.2	1.2	1.1	0.01	2.1	1.5	48,100	47,400	2,000	287,400	6

¹ Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit

² 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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%.

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- Costa Fuego Mineral Resources

The information in this report that relates to Mineral Resources for Cortadera, Productora and San Antonio which constitute the combined Costa Fuego Project is based on information compiled by Ms 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. Ms Haren is a full-time employee of Haren Consulting Pty Ltd and an independent consultant to Hot Chili. Ms Haren has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears. For further information on the Costa Fuego Project, refer to the technical report titled "Resource Report for the Costa Fuego Technical Report", dated December 13, 2021, which is available for review under Hot Chili's profile at www.sedar.com.

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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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

Disclaimer

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	91
1.2 Payments for		
(a) exploration & evaluation	(7,324)	(18,318)
(b) development	-	-
(c) production	-	-
(d) staff costs	(574)	(1,550)
(e) administration and corporate costs	(1,394)	(2,977)
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)	-	-
1.9 Net cash from / (used in) operating activities	(9,292)	(22,754)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(115)	(22,476)
(c) property, plant and equipment	-	(43)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(115)	(22,519)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	402	76,814
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	241	708
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(38)	(5,046)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (CMP option)	-	(2,179)
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	605	70,297
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	37,106	3,476
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,292)	(22,754)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(22,519)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	605	70,297

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(17)	(213)
4.6	Cash and cash equivalents at end of period	28,287	28,287

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	28,199	37,018
5.2	Call deposits	88	88
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)	28,287	37,106

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	5,076
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(9,292)
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)	(9,292)
8.4	Cash and cash equivalents at quarter end (item 4.6)	28,287
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	28,287
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.04
<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: N/A		
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: N/A		
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: N/A		
<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: 29 April 2022

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.