ASX: HCH
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An Estimation Workflow: The Parker Challenge Winning Formula

Katie Collins, Chris McKie, Kirsty Sheerin, Madeline Wallace

Disclaimer & Forward-Looking Statements

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For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made herein, please refer to the public disclosure record of the Company, including the Company's most recent Annual Report, which is available on SEDAR (www.sedar.com) under the Company’s issuer profile. New factors emerge from time to time, and it is not possible for management to predict all those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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Parker Challenge

Overview

Organised by the AusIMM and using a data set from the Hugo Dummett South project at Rio Tinto's Oyu Tolgoi operations in Mongolia, the Parker Challenge sought to quantify the variance between resource estimations by different practitioners using the same data set.

The Challenge was named for Dr Harry Parker, a widely known and respected authority in the field of resource modelling and geostatistics.

The Challenge was created as part of the inaugural Mineral Resource Estimation conference, held in Perth in May 2023. It was judged by the Parker Challenge Panel, an experienced group of Resource professionals with both industry and consulting backgrounds.

The brief was to provide a classified Mineral Resource, including seven variables (Copper, Gold, Molybdenum, Silver, Arsenic, Sulphur, and Iron).

Documentation was also required explaining how the model was estimated and justifying the decision process.

The following was provided to entrants:

- Brief description of geological context
- Various templates for reporting
- Drill data in seven files (collar, survey, assay, lithology, alteration, mineralisation, and density)

RioTinto

MINERAL RESOURCE ESTIMATION CONFERENCE 2023

AusIMM

Parker Challenge

The Hot Chili Ltd. Team

- Kirsty Sheerin (Resource Development Manager) – 16 years experience
- Chris McKie (Senior Resource Geologist) – 14 years experience
- Madeline Wallace (Senior Project Geologist) – 8 years experience
- Katie Collins (Senior Database Geologist) – 20 years experience

Time Spent

- 179 hours on the project (~22 days)
- 60% outside of normal working hours.
- The decision to enter was three weeks before the closing date
- Encouraged and supported by the Hot Chili Management

Team Experience (cumulative)

- Resource Geology – 20 years
- Geological interpretation – 34 years
- Data QAQC – 34 years
- Geochemistry – 9 years
- Consulting – 8 years
- Production Geology – 28 years
- Exploration Geology – 15 years

Project Approach

- Given the $55,000 prize, the team thought ~200 hours would be appropriate for completion, applying average consulting rates and knowledge of MRE construction
- This guided the inferred scope of work and kept the team on track
- A day was spent mapping out the approach, timing and responsibilities
- An email chain was used between the team to quickly gain feedback
- All iterations were documented in the Model Workbook
- This documented every decision taken by the team and made final reporting easier

Background Experience

Why was the team suited to the Challenge?

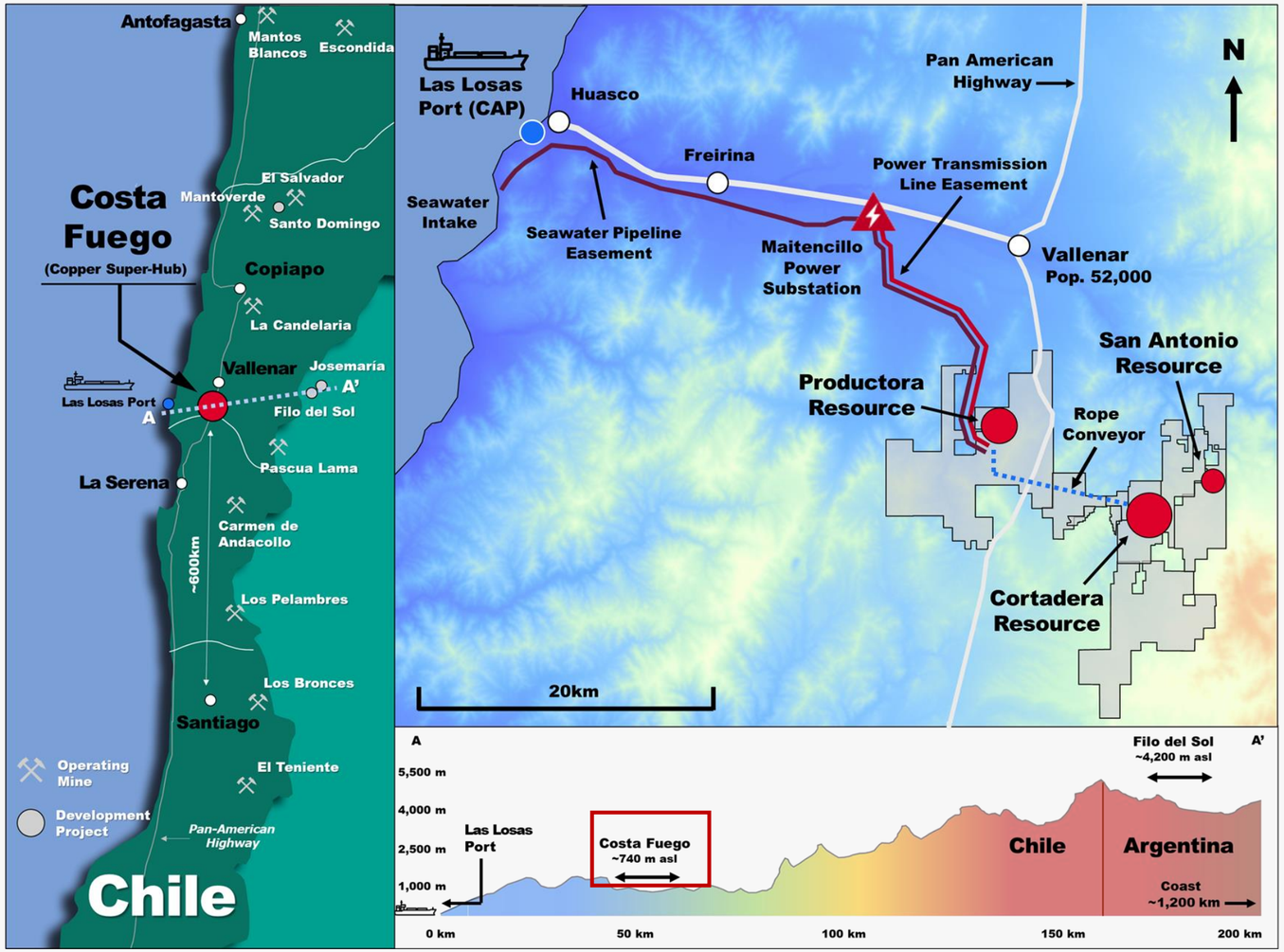
Hot Chili is currently developing its Costa Fuego Project in Chile, which includes the structurally complex IOCG breccia deposit Productora, high-grade structurally controlled copper deposit San Antonio and Cu-Au-Mo porphyry deposit Cortadera.

The team is experienced at validating, interpreting and estimating complicated deposits with huge datasets, and completed the second MRE for the Cortadera Porphyry in 2022 for the Company's 2023 PEA.

When Hot Chili's Resource Development Manager realized the Parker Challenge was on the Hugo Dummett South Porphyry deposit in Mongolia, it was thought the teams experience in this mineralisation style gave a distinct advantage.

As part of a small company working towards a PFS, exploring greenfields/brownfields/reviewing multiple M&A opportunities, the Resource Development team is experienced at tight deadlines, high-pressure situations and having to pivot onto new priorities with limited information.

Hot Chili's COO encouraged the team to complete the Challenge, as a great team building exercise and technical opportunity.



Top 10 Undeveloped Copper Resource (S&P 2022)

Costa Fuego Indicated Resource of 725 Mt @ 0.47% CuEq, Inferred Resource of 202 Mt @ 0.36% CuEq

Activity Breakdown

~1/3 – Geology
~1/3 – Estimation
~1/3 – Validation/Reporting

Data Validation:

- Gap analysis of supplied data
- **Determine regional context, local geology and interpretation, structural influences**

Build Geology Model:

- **Create 3D lithology and fault models,** review late intrusions, use vein modelling tool to interpolate
- Review available weathering information, Create 3D weathering model

Build Estimation Domains:

- Review cut off grades and subsequent domain statistics considering deposit type and mineralisation style
- **Review correlations between economic variables and/or logged parameters**
- Contact analysis to determine if constraint of domain within/outside lithology and/or fault model is required`

Exploratory Data Analysis:

- **Of raw data within estimation domains in Supervisor software**
- Determine top cuts for composites as required within domains in Supervisor software, review impact on metal content and check visually
- Complete variography of top-capped composites in Supervisor software

Running Estimation:

- Create volume model using supplied extents and QKNA to determine block size
- **Write macro for estimation using COKRIG in Datamine software taking into consideration boundary conditions**

Validation of Estimate:

- **Validation of estimations by domain visually in Datamine software and Supervisor software** via comparison with top capped, declustered input composites (statistics, histograms, swath plots)

Classification of Estimate:

- **Create resource classification wireframes manually in Datamine using all available data**

Reporting:

- **Run TONGRAD command in Datamine software to determine tonnes and grade within resource classifications at various cutoffs. Determine appropriate cutoff grade for reporting**
- Complete documentation in report, workflow, and draft announcement format

Macro-Driven Estimation

A Standardised Approach – With Room For Flexibility

01. Create Database	a. Create Database	b. Clean Database	c. Flag Database
02. Create Model	a. Build Prototypes	b. Build Volume Model	
03. Composite and Top Cap	a. Composite Data	b. Top Cap Data	
04. Run Estimation	a. Estimate Elements	b. Estimate Density	
05. Reporting	a. Combine Models	b. Apply Classification	c. Report GT

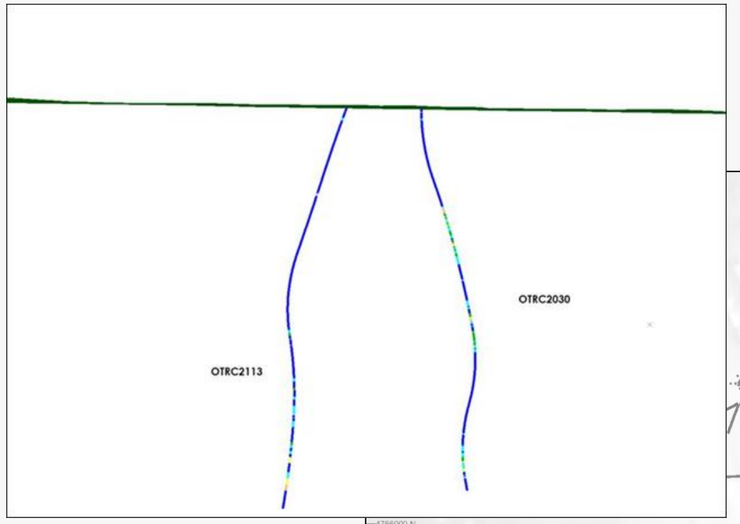
Data Validation – Part 1

Literature Review

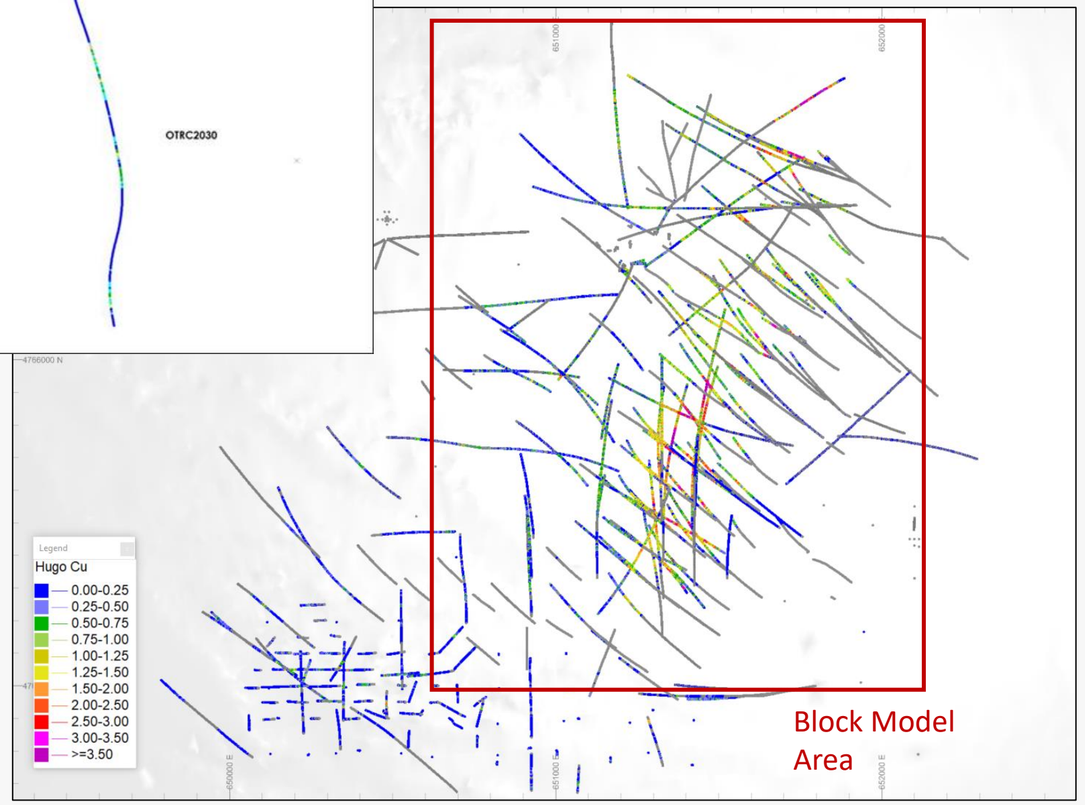
- Establish regional and local context
- Utilise all available sources (not just the data provided)

Data Validation

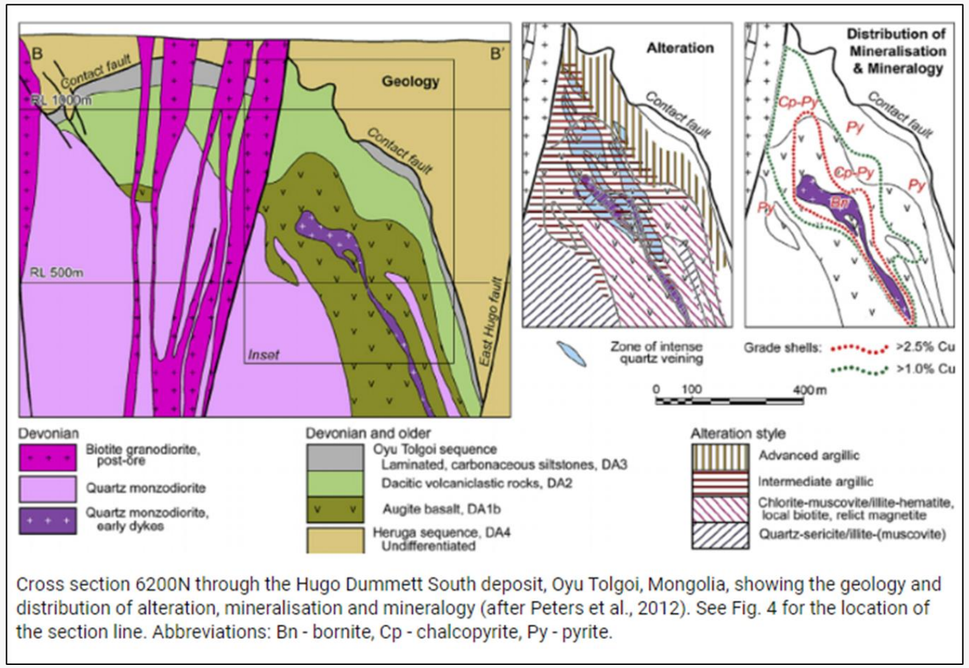
- Don’t take data quality for granted
- Establish 3D context
- Standard set of exclusion criteria



Example of data issue rectified before commencing estimate



Data set validated in 3D with respect to topography and model area



Cross section 6200N through the Hugo Dummett South deposit, Oyu Tolgoi, Mongolia, showing the geology and distribution of alteration, mineralisation and mineralogy (after Peters et al., 2012). See Fig. 4 for the location of the section line. Abbreviations: Bn - bornite, Cp - chalcopyrite, Py - pyrite.

Literature review helped establish regional and local geology

Data Validation – Part 2

Detection Limit Issues

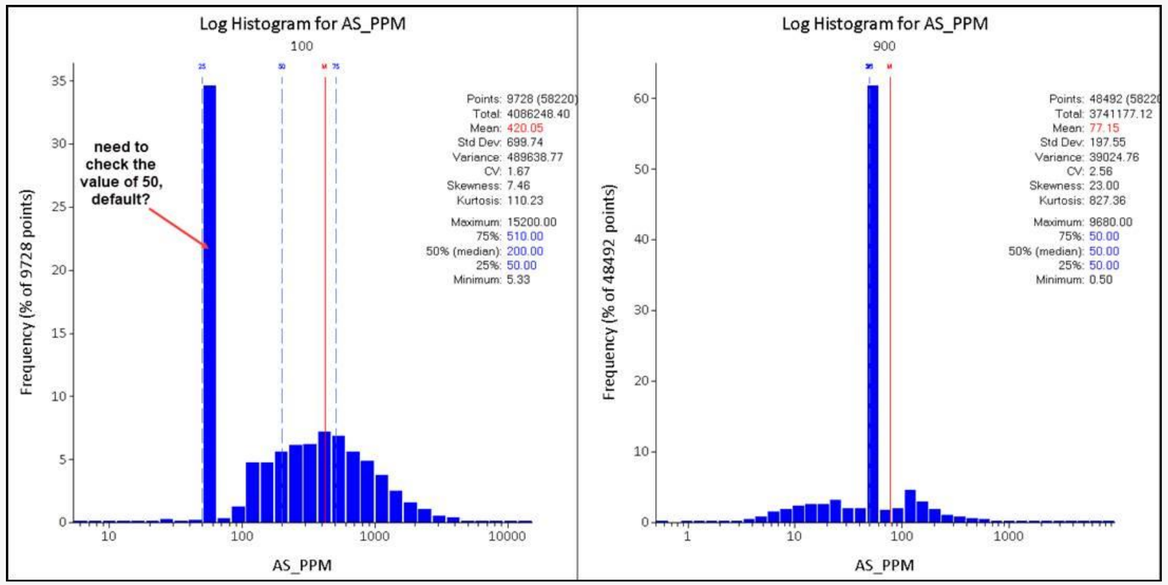
- Issues with detection limits noted for As and Mo
- Researched likely assay technique to ensure no other issues would be present in data set
- Assays at lower-detection value set to half detection limit and noted potential risk in report and Table 1

Intermediate Level Four Acid Digestion

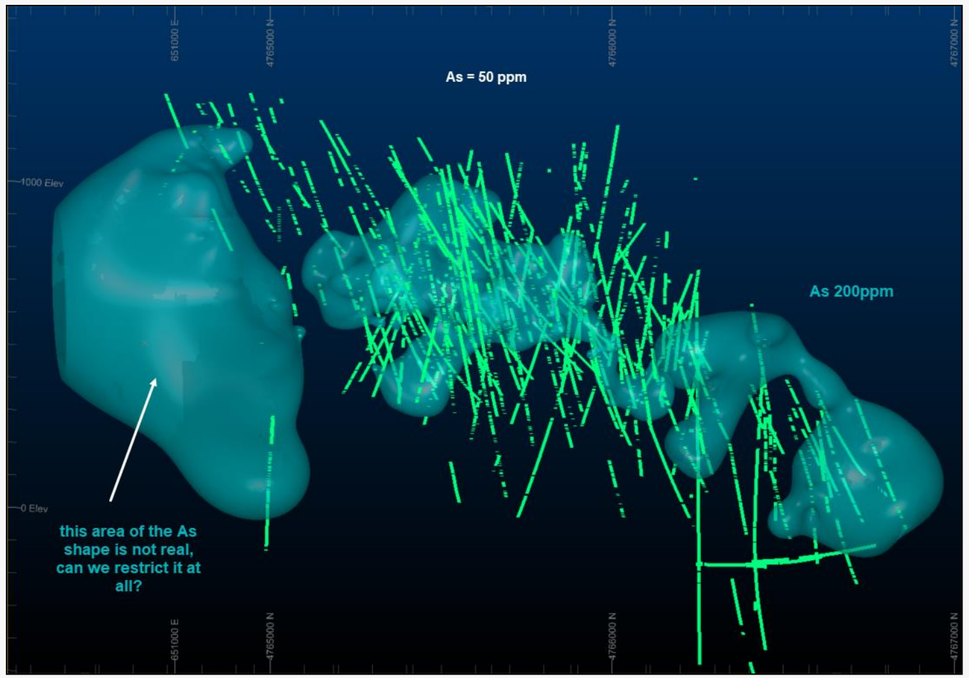
These packages can be used as an economical alternative to analysing low grade ore or samples with known mineralisation. Four acid digestions are able to dissolve most minerals, but not all elements are quantitatively extracted in some samples.

CODE	ANALYTES & RANGES (ppm)								PRICE PER SAMPLE
ME-ICP61a **0.4g sample**	Ag	1-200	Cr	5-100000	Na	0.05-30%	Ti	0.05-30%	**$40.20** full package or *$23.50* + *$3.60* /element
	Al	0.05-30%	Cu	5-100000	Ni	5-100000	Tl	50-50000	
	As	50-100000	Fe	0.05-50%	P	50-100000	U	50-50000	
	Ba	50-50000	Ga	50-50000	Pb	10-100000	V	5-100000	
	Be	5-10000	K	0.05-30%	S	0.05-10%	W	50-50000	
	Bi	10-50000	La	50-50000	Sb	10-50000	Zn	10-100000	
	Ca	0.05-50%	Mg	0.05-50%	Sc	5-50000			
	Cd	5-10000	Mn	10-100000	Sr	5-100000			
	Co	5-50000	Mo	5-50000	Th	50-50000			

Assumed assay methodology, based on detection limits evidenced in data set



As values in As>200 ppm and As<200ppm subdomains



Spatial check of As data set to 50 ppm

Building the Geology Model – Part 1

Structural Model

- Review orientations, movements, timing relationships, and significance of structures within the model area

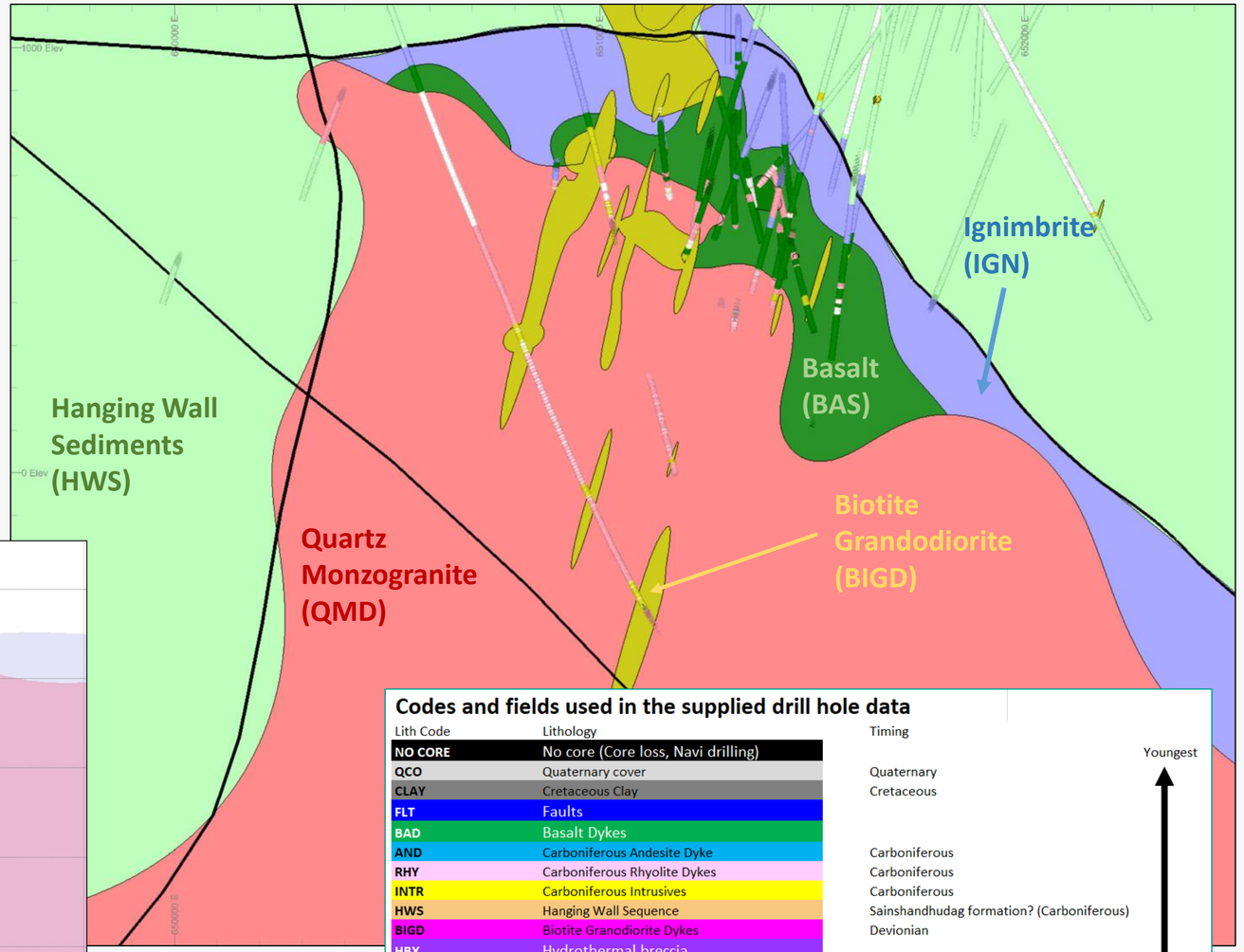
Lithology Model

- Review lithology logging and create stratigraphic column to determine timing relationships

Weathering Model

- No weathering table was included
- Created using clay logging, Cu:S ratio, copper mineralogy, and density measurements

Cross-section view of geology and lithology models



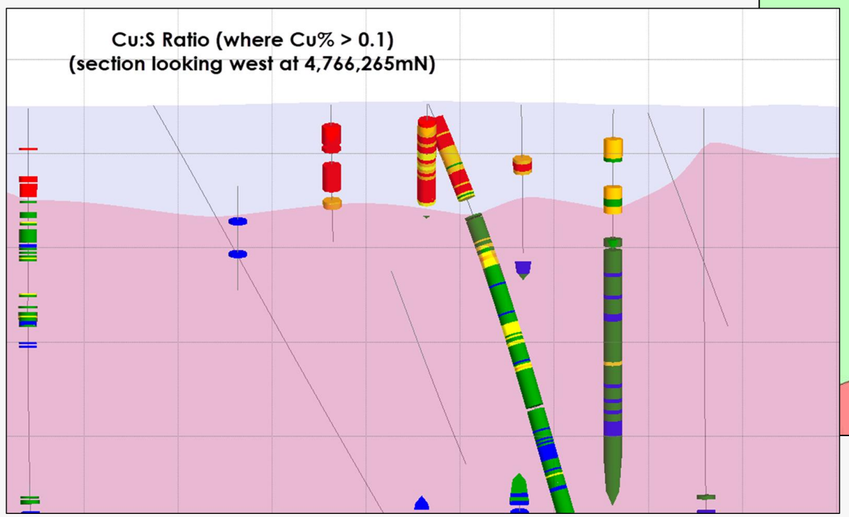
Codes and fields used in the supplied drill hole data

Lith Code	Lithology	Timing
NO CORE	No core (Core loss, Navi drilling)	
QCO	Quaternary cover	Quaternary
CLAY	Cretaceous Clay	Cretaceous
FLT	Faults	
BAD	Basalt Dykes	
AND	Carboniferous Andesite Dyke	Carboniferous
RHY	Carboniferous Rhyolite Dykes	Carboniferous
INTR	Carboniferous Intrusives	Carboniferous
HWS	Hanging Wall Sequence	Sainshandhudag formation? (Carboniferous)
BIGD	Biotite Granodiorite Dykes	Devionian
HBX	Hydrothermal breccia	
QMD	Quartz Monzodiorite	Devionian
IGN	Ignimbrite	Devionian DA2
VA	Augite basalt	Devionian DA1

Youngest

Oldest

Stratigraphic column created to inform timing relationships

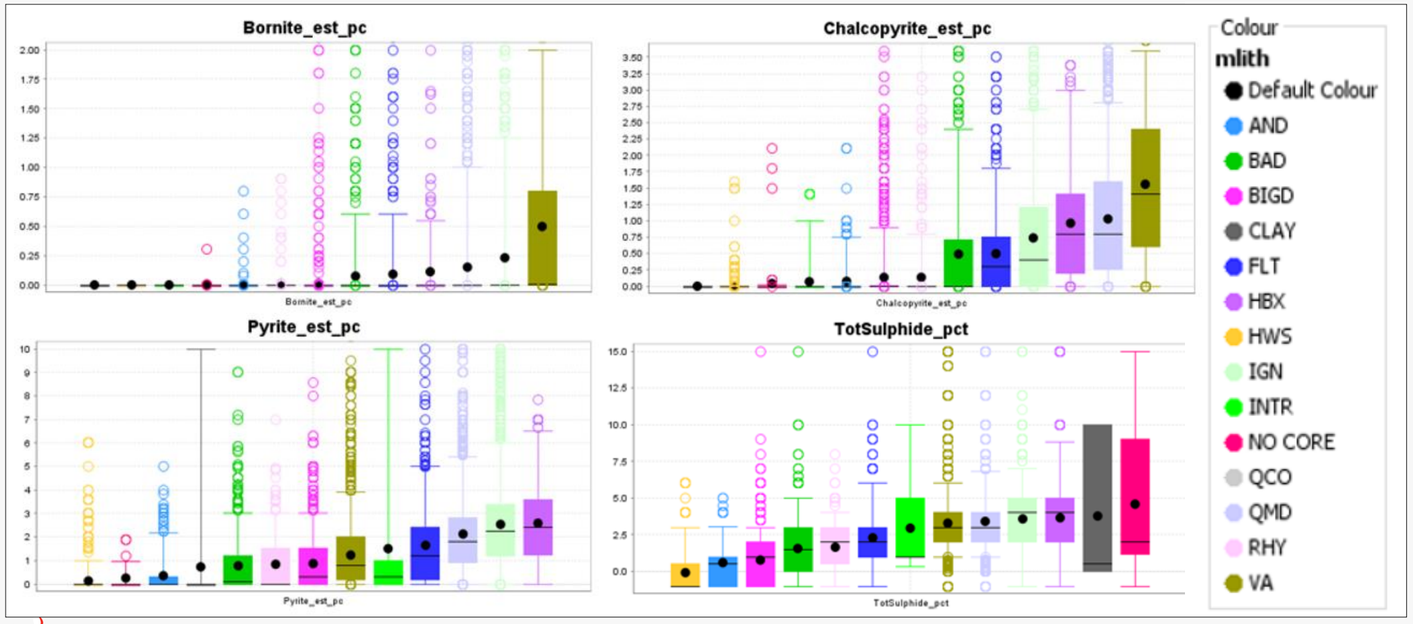


Cu:S used in construction of weathering model

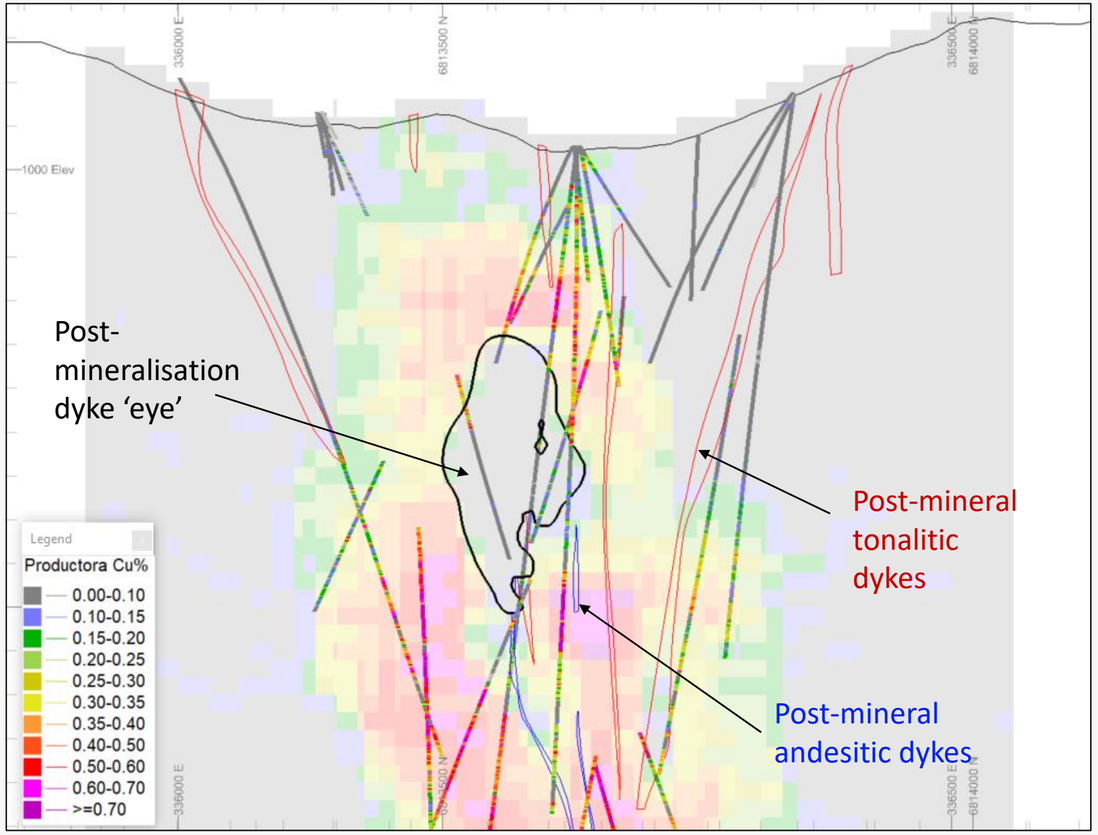
Building the Geology Model – Part 2

Geochemistry

- Analysed Cu grade and sulphide abundance by lithology
- Bornite identified in augite basalt
- Correlation recognised between arsenic and logged enargite
- Confirmed BIGD has stoped out mineralisation; similar to Cuerpo 3 at the Cortadera Project



Analysis of sulphide speciation by lithology

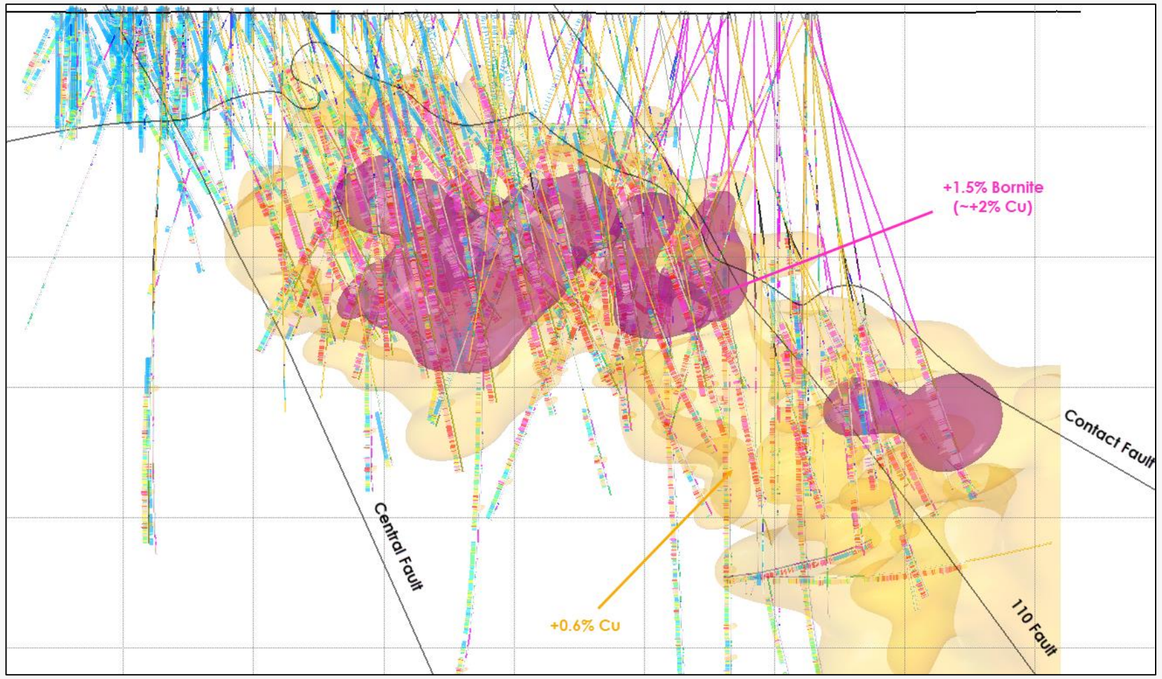


Cross-section view of the Cuerpo 3 lode at the Cortadera Project, showing post-mineral intrusions stoping out mineralisation

Building the Estimation Domains – Part 1

Iterative Process Essential

- Back and forth between Supervisor (exploratory data analysis) and Datamine (visual checks)
- Once the geology model was finalised, a geostatistical approach was used to determine suitable cut-off grades for subdomaining of each estimated element



Long-section view of copper estimation domains with reference to structural model

RE: Parker Challenge

Reply | Reply All | Forward

KS Kirsty Sheerin
To Madeline Wallace; Chris McKie; Katie Collins
Cc Grant King
Fri 24/03/2023 10:00 PM

Start your reply all with: Thank you! | I am ready! | Yes, indeed! | Feedback

Chris, if you want to check these validations at all, they are on the Merged table Evaluation model

Merged_Table_Evaluation_model
- Cu > 0.4, Geology mode = BIGD
- Cu_pct < 0.1 AND mlith = 'BAD' OR 'AND' OR 'BIGD' OR 'INTR' OR 'RHY')
- Cu_pct > 0.1 AND mlith = 'BAD' OR 'AND' OR 'BIGD' OR 'INTR' OR 'RHY'
- Cu_pct > 0.4 AND mlith = 'BAD' OR 'AND' OR 'BIGD' OR 'INTR' OR 'RHY'

The breccias sometimes carry grade due to pre-dating the BIGD intrusive phase so I think not worth separating out.

- Mineralisation domains
  Exported to C:\HCH Dropbox\HCH\08 Resource Development\The Parker Challenge Information Pack\5.0 ParkerChallengeData\0. Estimation\4. Wireframes\3. Min
  - Cu : 0.05% Cu, 0.6% Cu,
  - Au: 0.1g/t Au (note it is all pretty low grade for Au)
  - Mo: 70ppm
  - As: 200ppm
  - Pyrite: 1%
  - to use 0.05% Cu domain for LG Mo and Ag as well. Both these also cover almost the whole data set, other option would be to have a higher grade domain for these?
  - Chris is going to make a ~2% bornite shape to constrain the very high grade zone we see sitting along the contact of the Augite basalt and ignimbrite
- Fault Model
  Exported to C:\HCH Dropbox\HCH\08 Resource Development\The Parker Challenge Information Pack\5.0 ParkerChallengeData\0. Estimation\4. Wireframes\1. Faults
  - Contact fault
  - Central fault
  - West fault (or west bat fault)
  - Rhyolite fault
  - 110 fault (Chris, in the If project you will see the original 110 fault, but the version I have exported is cut by the Rhyolite fault (as is shown in some of the literature).

Haven't done anything with the alteration, Chris and I reviewed today and nothing jumped out as a clear boundary around high grade but could be worth using as a validation check. Also one cheeky thing is that there are some areas with assays or min abundances even where the log is NO CORE. So be sure to ignore these!

Let me know if I have left out anything, I am just publishing the project now.
Maddie

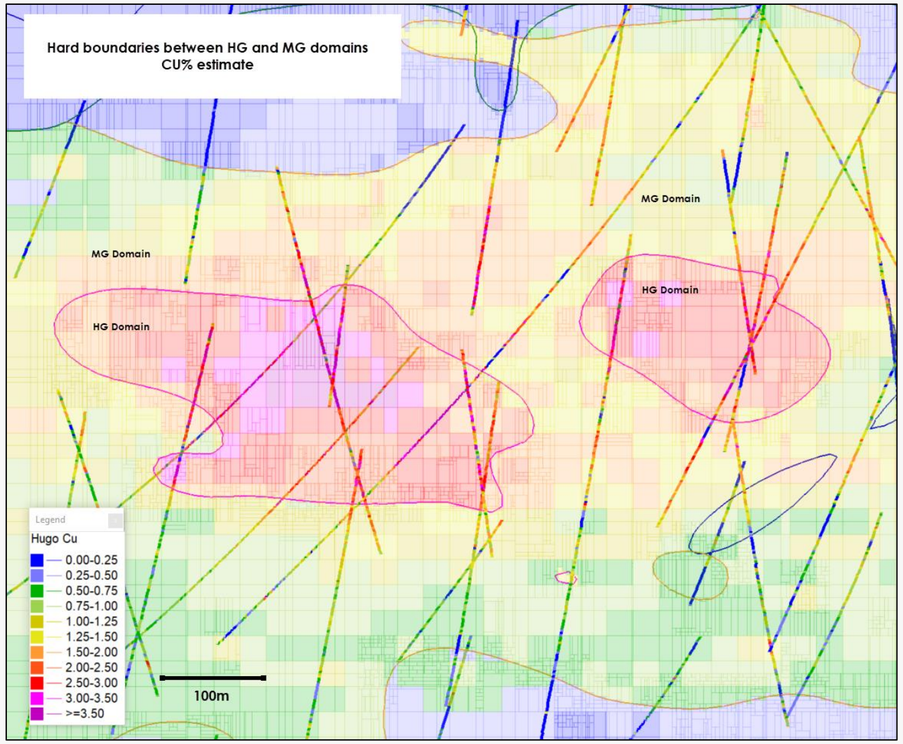
E-mail string between team members with peer-review, progress updates and general comments

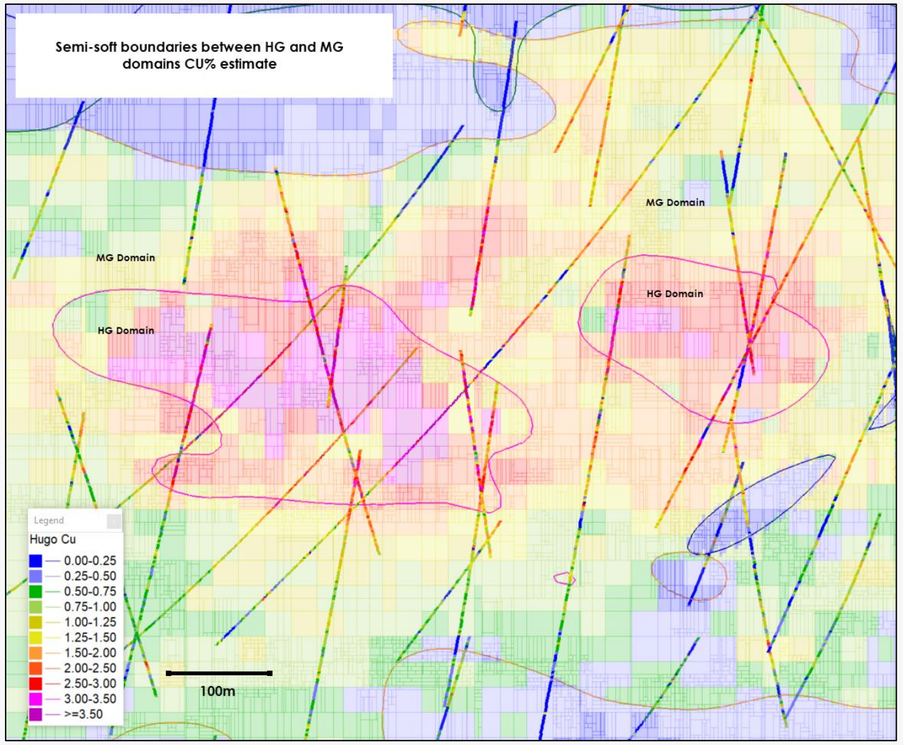
- Correlations between economic elements reviewed to assist with domaining and to fill in data gaps
- Contact analysis between domains
- Manual adjustments were required to honour the geology and mineralisation due to null values in data set

Building the Estimation Domains – Part 2

Geological Context is Key

- Continuity of grade was initiated by the emplacement of the mineralised quartz-monzonite into the easterly dipping host basalt unit
- However, the *geology does not necessarily constrain mineralisation*
- A higher-grade ‘core’ exists within the mineralised quartz-monzonite which contains bornite > 1.5% logged
- Structural control is critical, key structures form hard boundaries to mineralisation – confirmed through contact analysis
- The late-stage biotite-granodiorite (BIGD) unit stopes out mineralisation



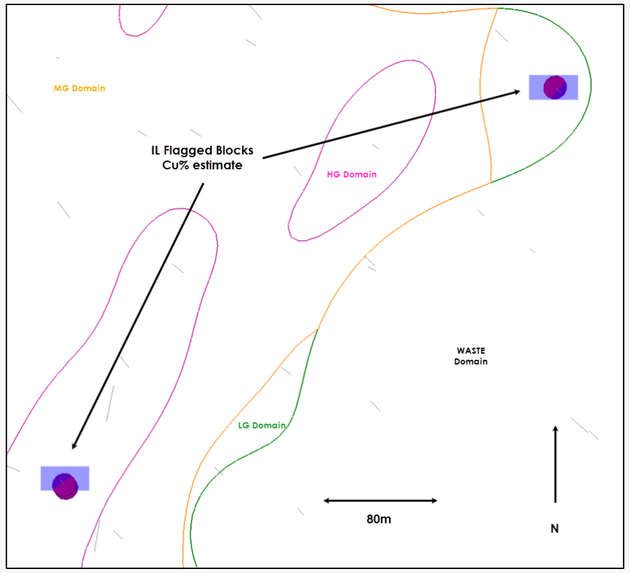


Long-section view comparing hard boundary (left) and semi-soft boundary (right) between high-grade (+1.5% Cu) and medium grade (+0.6% Cu) domains. Semi-soft boundary model corresponds better to input data, looks more realistic and matches understanding of this style of mineralisation.

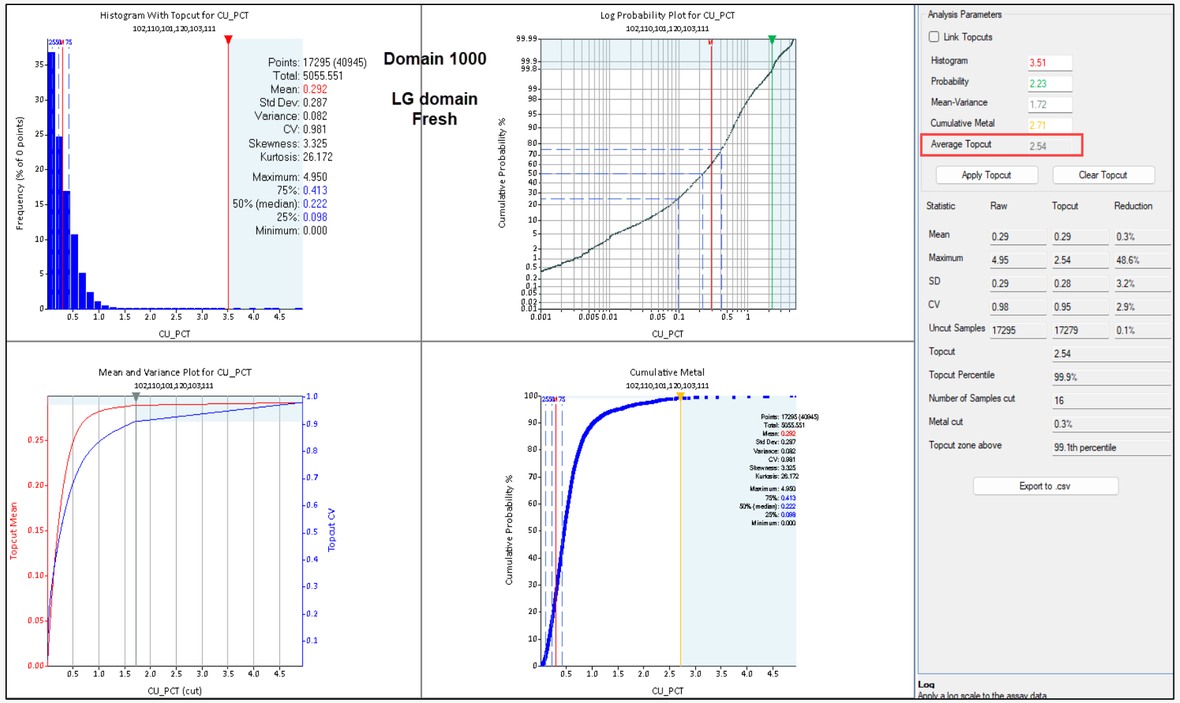
Top Capping

Domain and Deposit Type Specific

- Hard top caps applied where genuine outliers exist
- Where histogram tail under-sampled “influence limitation” (IL) top capping applied
- IL top caps are applied where apparent outliers exist, likely belonging to the grade population but appearing as outliers due to under sampling of the tail (reasonably common in positively skewed grade populations, where orders of magnitude more lower grades exist than higher grades)



Plan view showing IL flagged blocks to be estimated using uncapped composites



Top cap analysis 0.2% > Cu < 0.4% (LG) domain. CV below 1.2 and no large points of inflection in the log probability plot. Long upper tail suggests values >2.5% should have a restricted influence on the estimation.

Contact Analysis

Defining and Refining Domains

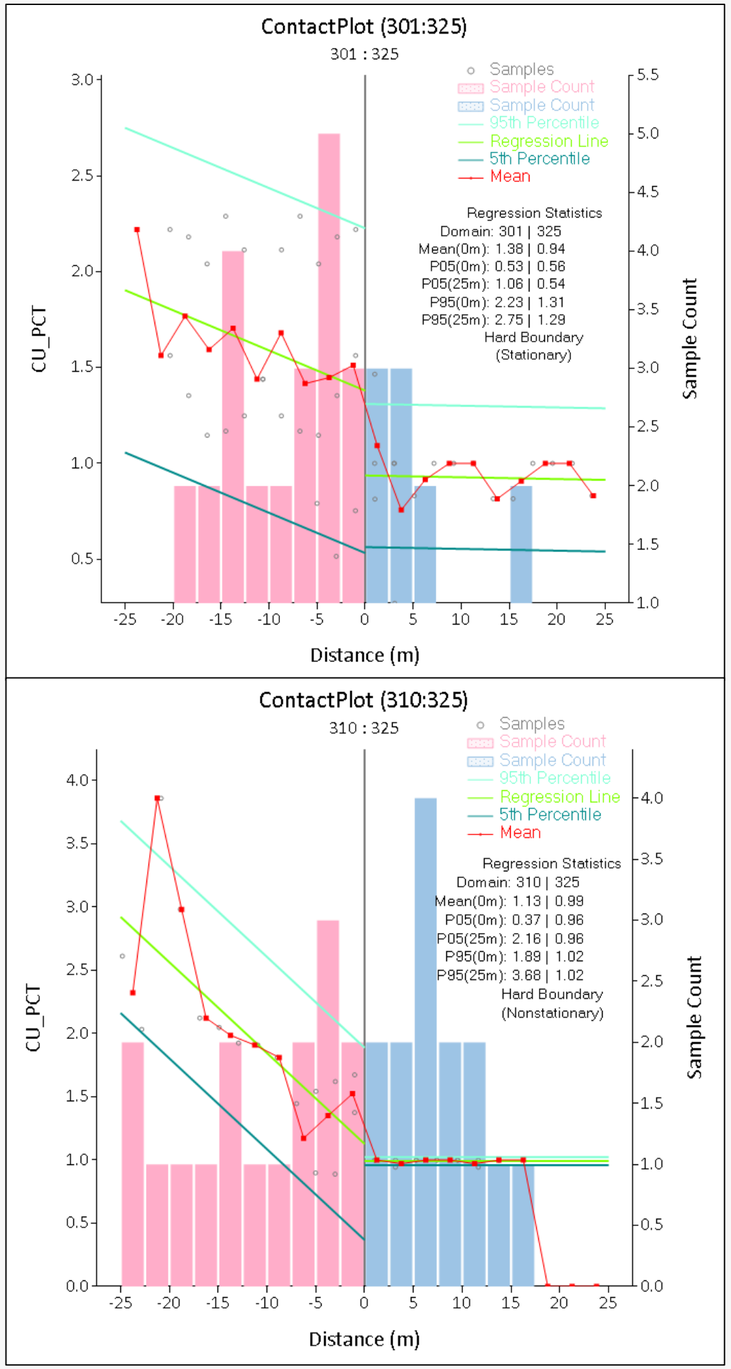
- Geology and timing relationship-driven
- Datamine macros allow a new code to be created by using a concatenation of the estimation domain code, lithology code, fault code and weathering code
- Previously employed at Productora, due to the complexity of mineralisation domains
- This combined code was used to determine whether hard boundaries or mixed populations still existed within the estimation domain (using Supervisor Contact Analysis)
- Most elements had multiple boundary types tested, with models compared statistically and visually

```
COMPFLD1 = SIND + COIND1*10 + COIND2*100 + MOIND*1000 + CAPIND*10000 +
           CUSIND*100000 + CUSIND2*1000000 + KALIND*10000000

COMPFLD2 = KSIND + ALSIND*10 + VEINPCTIND1*100 + VEINPCTIND2*1000 +
           FESIND*10000

COMPFLD3 = CUIND05 + CUIND1*10 + CUIND3*100 + CUIND4*1000 + CUIND5*10000 +
           WEATH*100 + WEATHZONE*1000000
```

Example of data field concatenation for running contact analysis – from Productora estimate

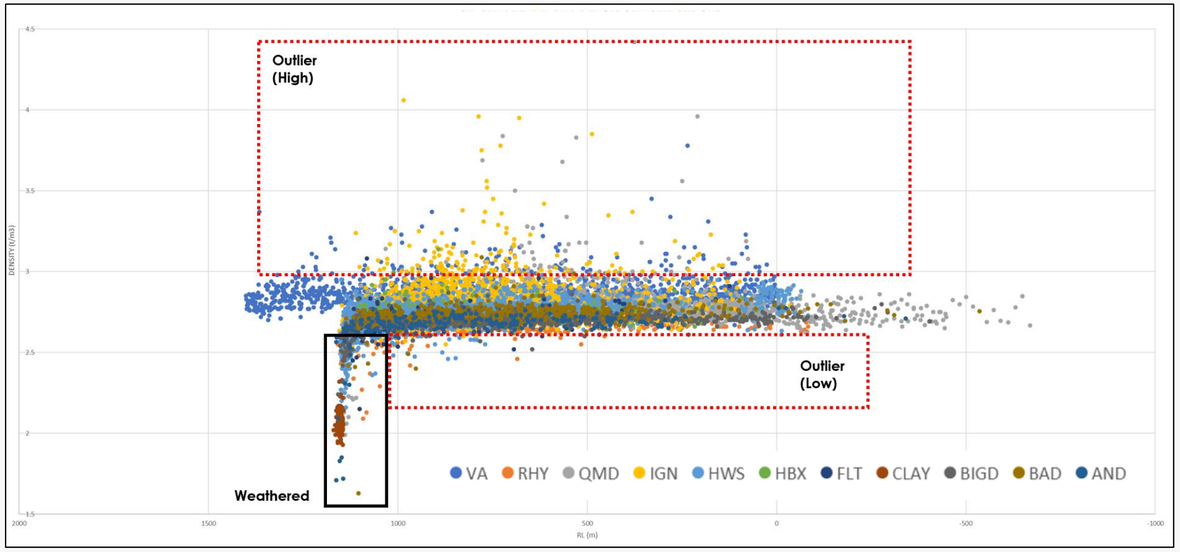


Example of contact plots which indicate a hard boundary with the BIGD flagged material

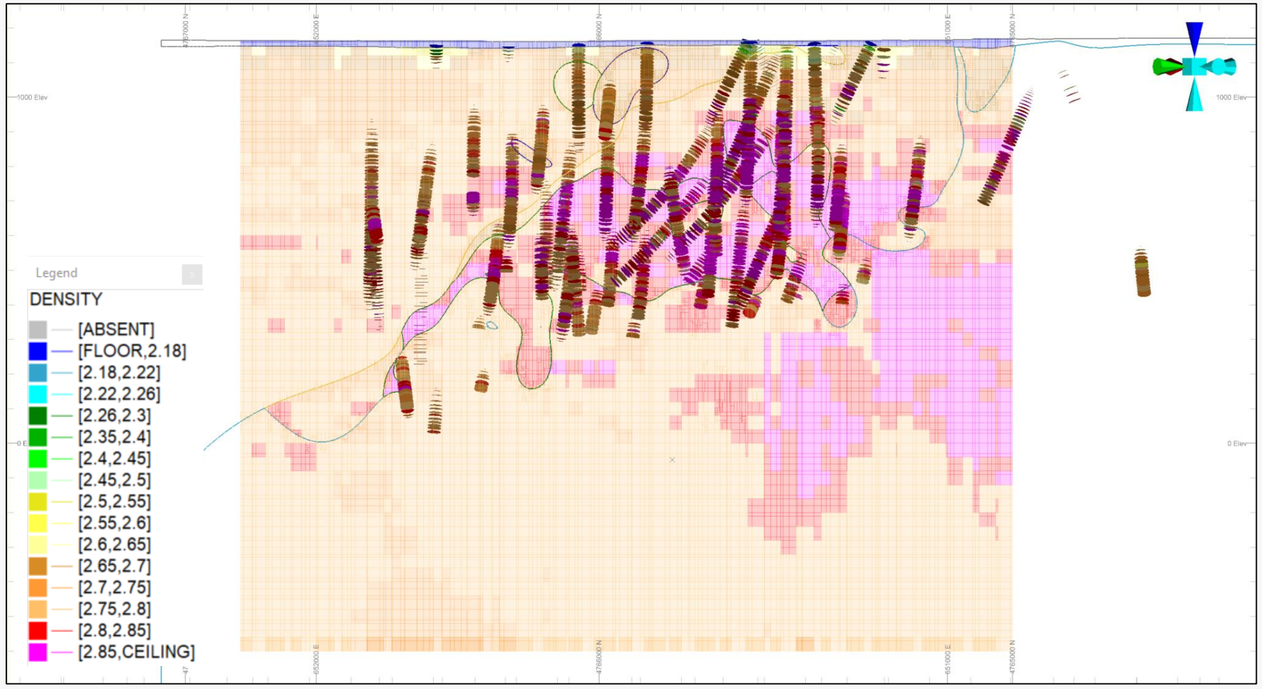
Bulk Density

A Critical Consideration, Often Overlooked

- 11,040 bulk density measurements were included in the data set
- Data set flagged with lithologies geology model; outliers excluded
- Density estimated by lithology using ‘constructed’ variogram
- Estimate validated visually and statistically



Density measurements (Y axis) vs RL (X axis) coloured by lithology type. Outliers have been defined within the red boxes. Bulk densities within the weathered domain are identified by the black box

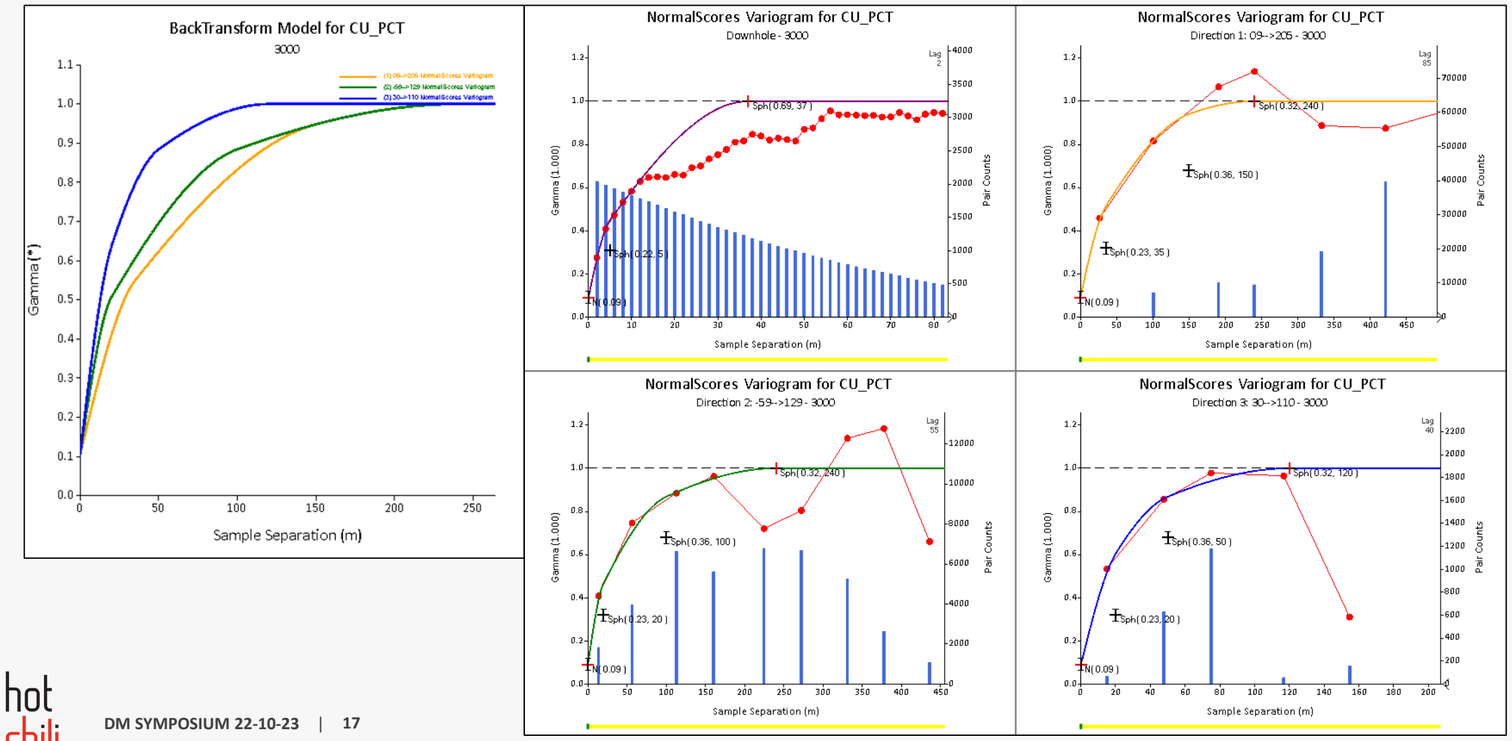


Kriged density estimate with hard boundaries between lithology domains

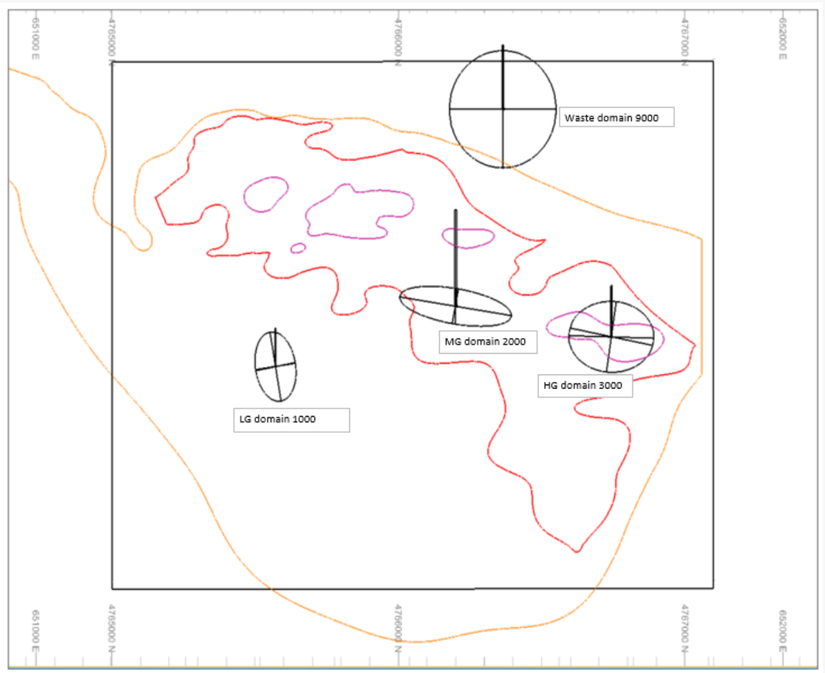
Variography

Completed in Supervisor, Validated in Datamine

- Variography and a Kriging Neighbourhood Analysis were completed in Snowden Supervisor on the top-capped data set for each estimation domain
- Construction of detailed litho-structural model meant variograms for the ore domains were coherent and suitable for porphyry mineralisation
- Each grade subdomain had its own variogram which was exported for easy coding into the estimation macro



Normal-scores variograms for the HG (0.6>Cu%>2.0%) Cu% Domain

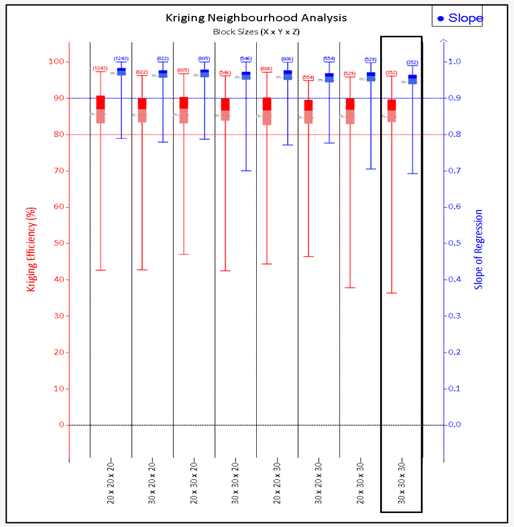


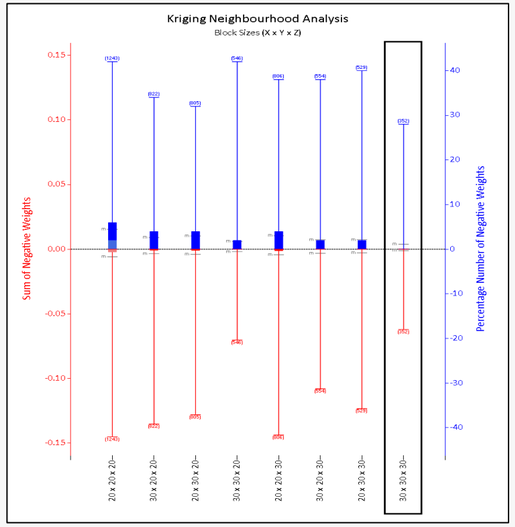
Search ellipses (first pass) for Cu% estimate showing differences between subdomains

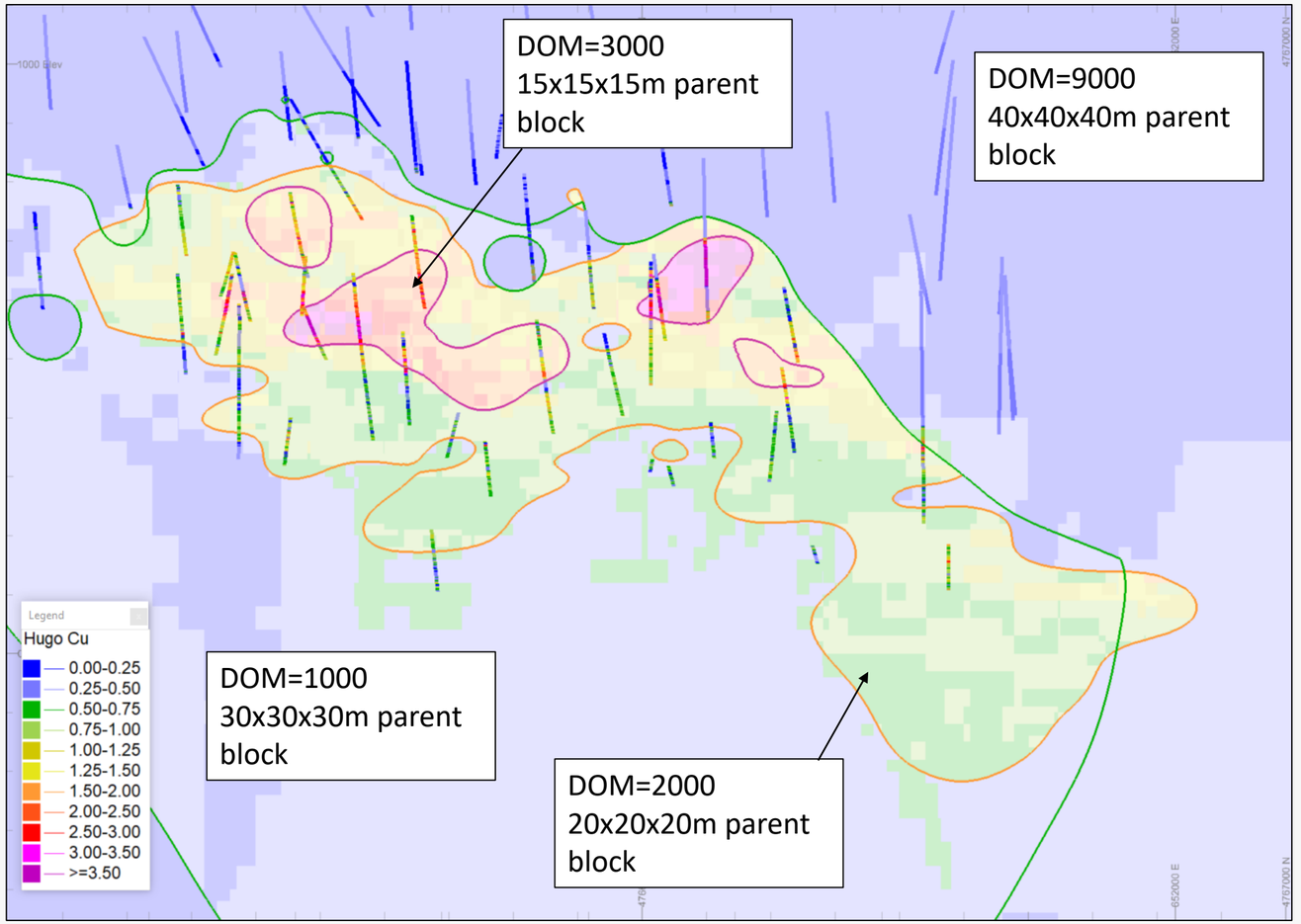
QKNA

Just Min = 7 samples, Max = 12, right?

- Four different parent block sizes have been used
- Multiple block sizes are possible in Datamine and were driven by QKNA completed on each of the estimation domain data sets
- Sub-blocking completed to honour the volume and geometry of the wireframes, particularly the narrow BIGD dyke system
- Datamine MAXKEY function utilised for downhole declustering and semi-soft boundary







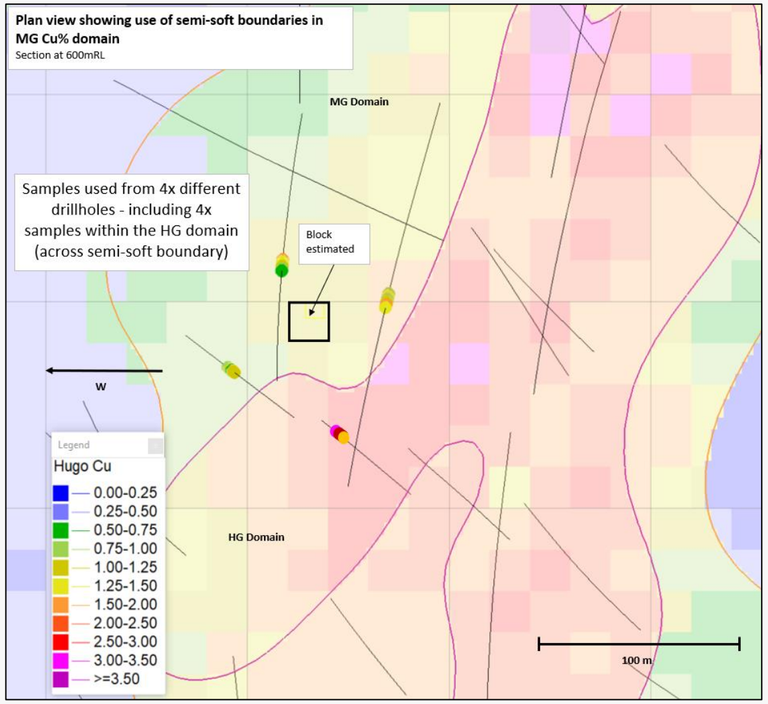
Four Cu% domains with varying block sizes annotated

Suitability of MG Cu% domain for estimation using 20m x 20m x 20m parent block size

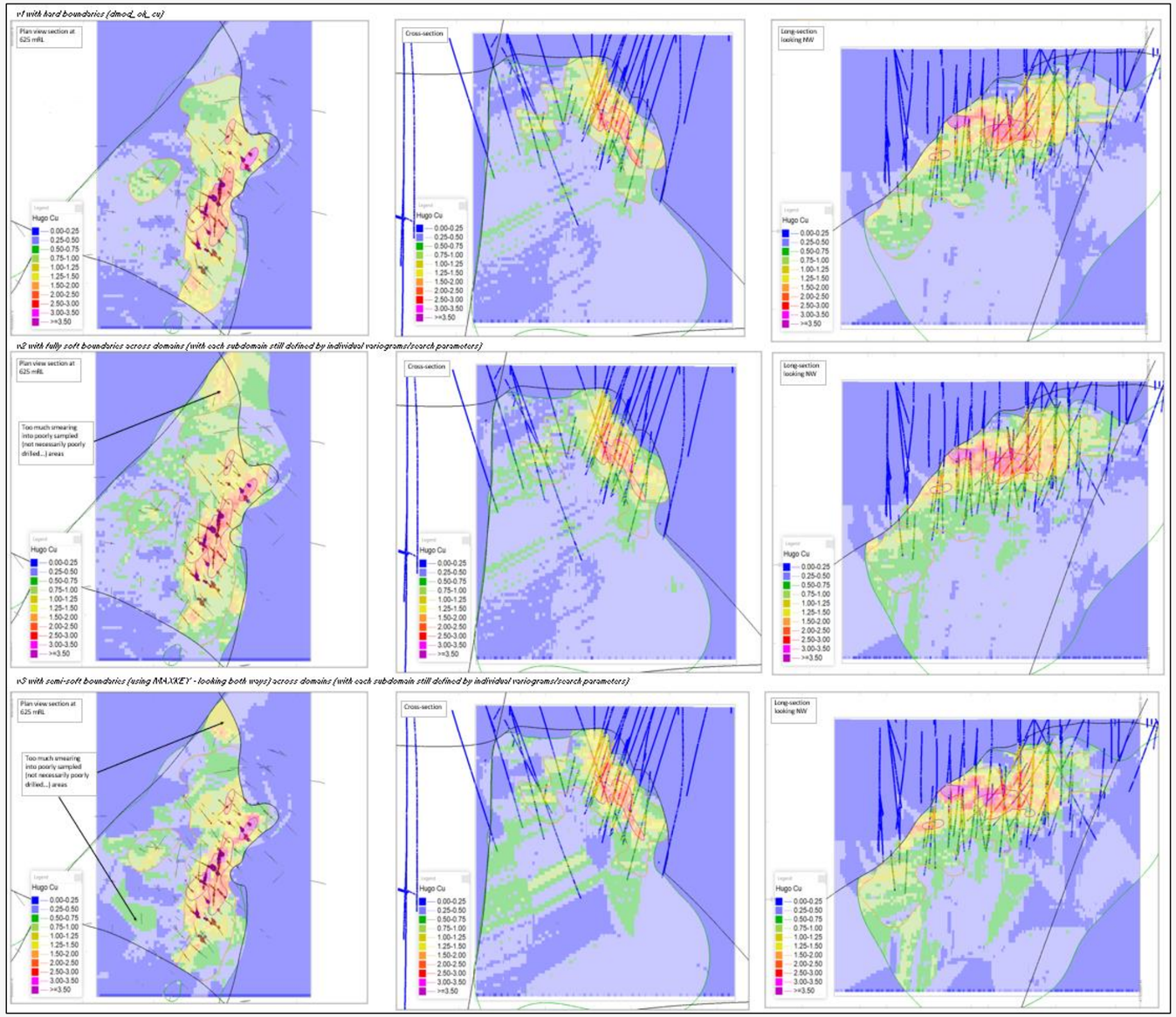
Block Model Validation – Part 1

Validation at Each Step

- All estimates validated statistically and visually
- Use of SAMPOUT file to confirm boundary conditions
- Where estimation doesn't accurately represent input data, return to domaining and raw data analysis
- Peer Reviews and 'sanity checks' at each step



Check of a block within the Cu% MG model to ensure correct boundary conditions have been used in the estimate. In this case, six HG samples have been used across the semi-soft boundary

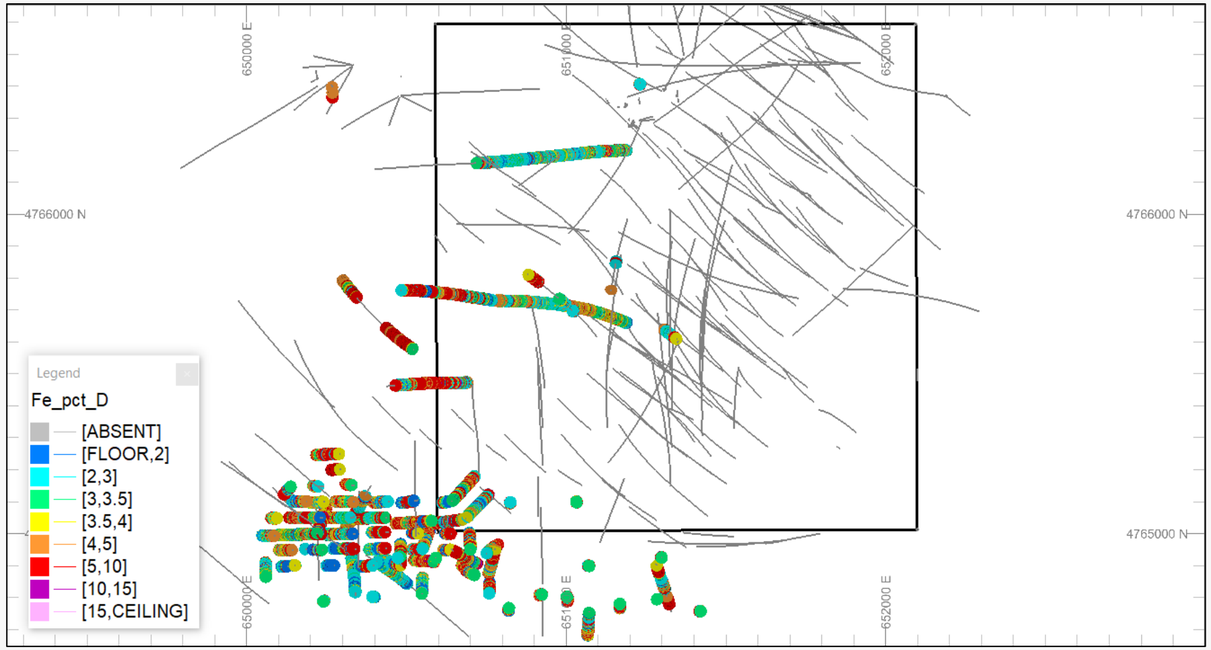


Visual validation of Cu% estimate in plan/long/cross section with different boundary conditions used (hard - top, soft - middle, semi-soft - bottom)

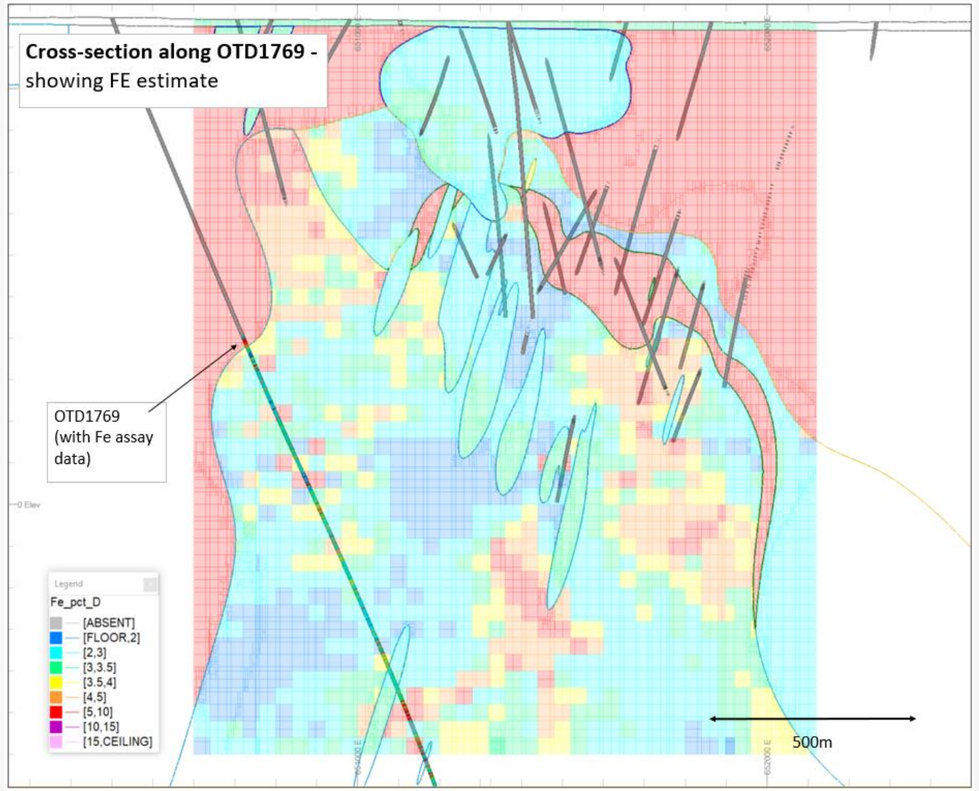
Block Model Validation – Part 2

Estimation of Fe and S

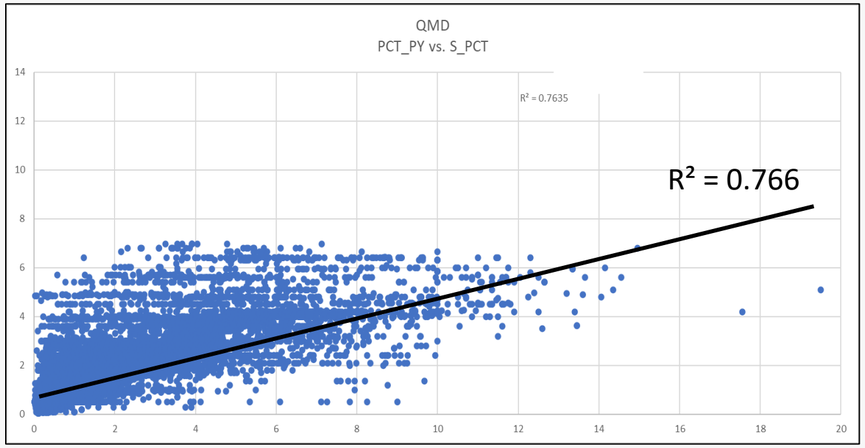
- Only two drillholes within the model area had Fe and S assays (although many to the south of the model area had assays)
- Used logged pyrite as a proxy for Fe and S values, regression curve by lithology for pyrite logged vs. S%/Fe%
- Data set coded with regression values, blocks kriged
- Validation completed by comparing against the two drillholes with assays



Location of assayed Fe% intervals in relation to model area



Cross section along OTD1769, showing actual Fe assays against estimate informed by regression derived values for Fe

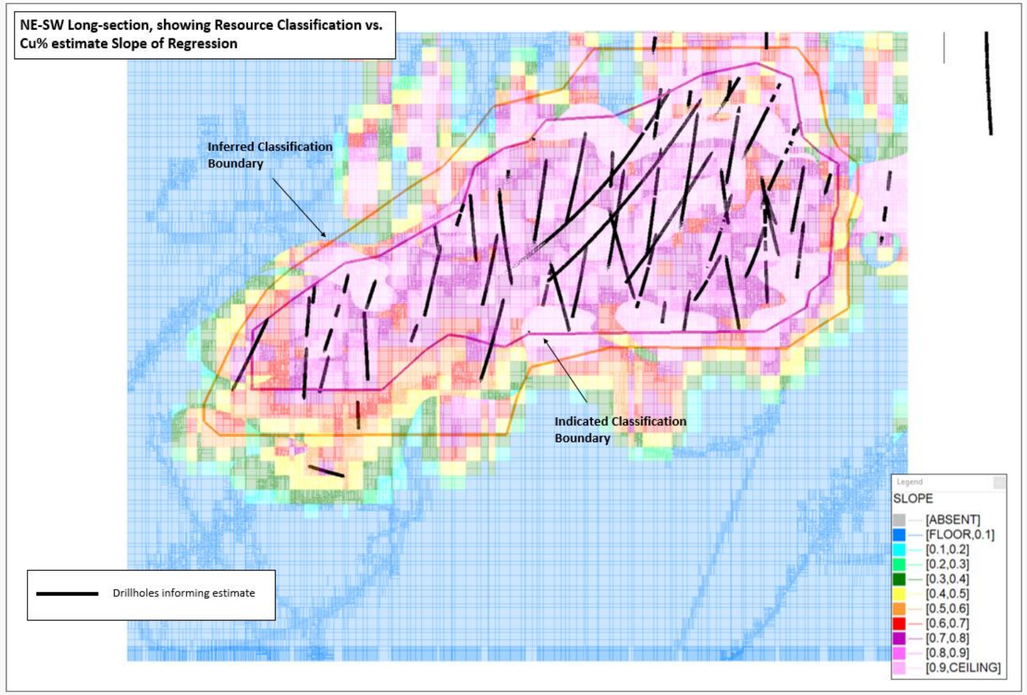


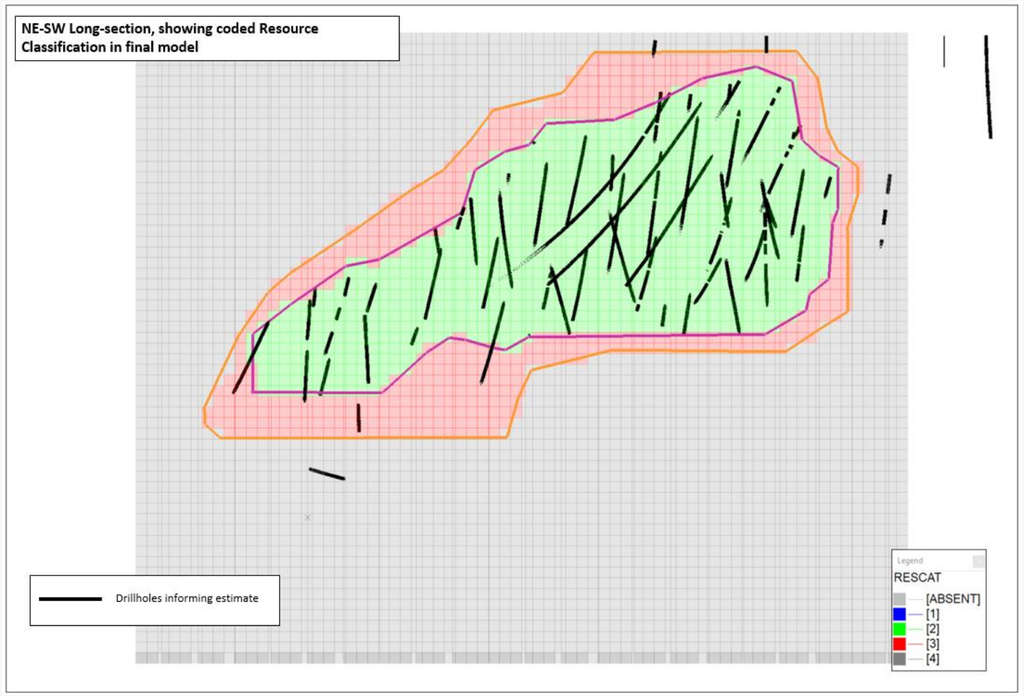
Regression of logged pyrite% vs. S% for the QMD lithology domain

Classification

Experience and Deposit-Specific Knowledge

- Need to define your known unknowns – missing data is just as important as available data
- Understand the estimate; domaining, boundary conditions, etc.
- Not just reliant on data density, use all variables available
- Solids were manually created using strings on 40 m sections (in the XY plane) and then validated in both the XZ and YZ planes to ensure smooth and reasonable transitions between sections
- With the current drill spacing, omitted vein and structural data, assumed lack of metallurgical data, and lack of RPEEE criteria provided, Measured classification was not considered
- Previous experience key, team utilised peer reviews and benchmarked against similar projects





Long-section view of slope of regression for Cu% estimate against Indicated and Inferred classification boundaries (above) and (below) final model coded resource classifications.

Reporting

Detail and Transparency

- No RPEEE constraint provided for resource reporting, a reasonable cut-off grade had to be assumed
- GT curve used to assist in resource cut-off grade selection, as well as experience in porphyry mineralisation MREs
- 80-page report completed, which included work-flow, draft press release, and JORC Code 2012 Table 1
- Reporting made significantly more straightforward due to the documentation completed during the estimation process

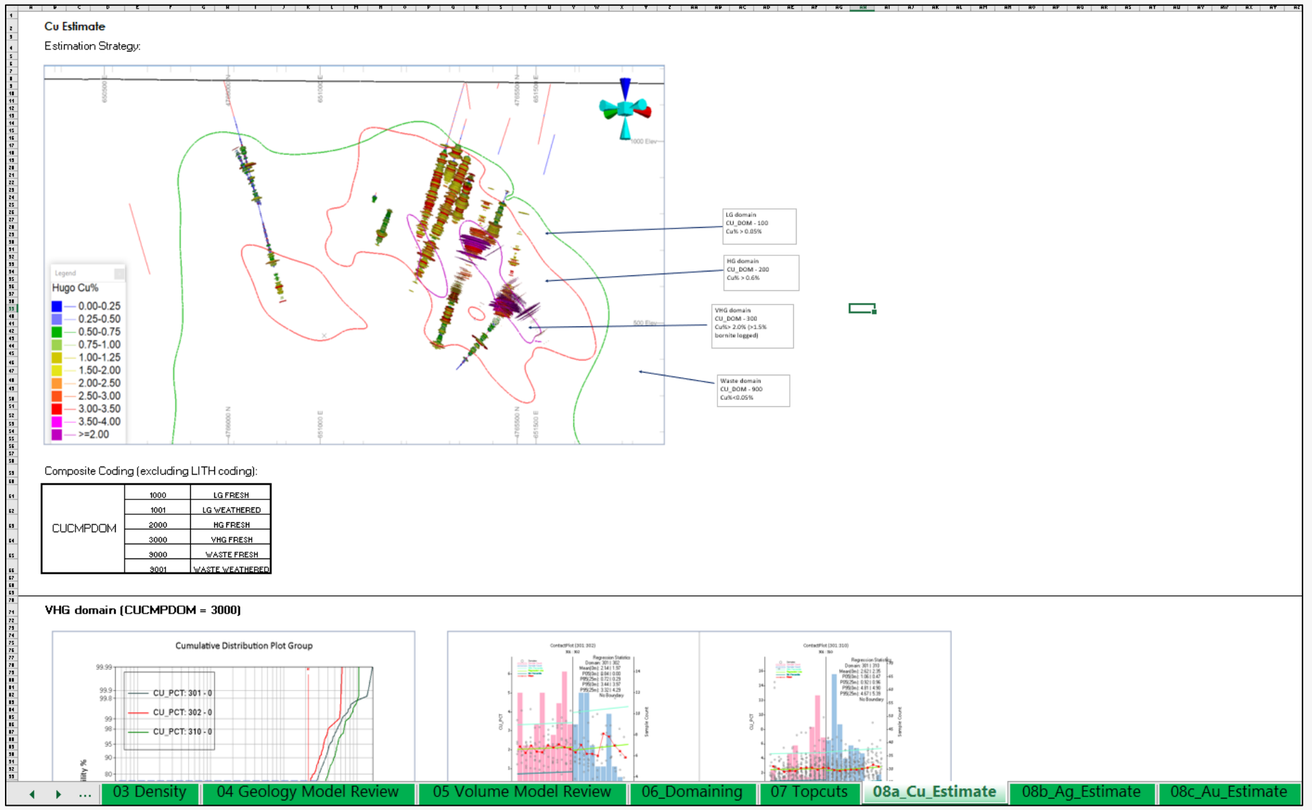
Announcement

31st March 2023

Rio Tinto Updates Oyu Tolgoi District

Deposit Hugo Dummett South MRE

Title of draft press release completed as part of the documentation



Example of Model Process Workbook, used to document model test work and assist in peer reviews and report writing

Key Points

How/Why do we think we won?

- Established geological context early – this became the engine which drove the entire resource estimate
- Kept thorough and detailed documentation throughout, helped with reporting and made it easier to pick up errors
- Breadth of experience was key – collaboration and peer review throughout helped produce a model determined to have no fatal flaws
- We set aside enough time for an iterative approach (geology model and estimation approach) - this allowed for improved understanding of variability and helped inform Classification
- Went the extra mile in reporting, including writing a Table 1

- **And perhaps most importantly…… serendipity. The deposit style was familiar to the team given our current projects, the timing of the competition was workload manageable, and we had the full support of Hot Chili Executive Management to participate in the challenge**

Thanks

- To our families, who deal with way too many late nights in the office
- To the Hot Chili Executive Management for their encouragement to enter the Challenge
- To the Parker Challenge Committee for making this fantastic idea come to life
- To Rio Tinto for providing the data set for the challenge
- To the AusIMM for their support of the challenge
- To Datamine for the opportunity to present our story

Qualifying Statements

National Instrument 43-101 (Canadian Reporting Standard)

This PEA is preliminary in nature, includes inferred resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty the preliminary economic assessment will be realized. With the completion of the PEA, the company has determined that the Costa Fuego project is a material mineral project for purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and expects to file a technical report prepared in accordance with NI 43-101 to support the disclosure in our June 28, 2023, news release within 45 days of its release. The new technical report will be the current technical report in respect of all the mineral properties that form part of the Costa Fuego project.

Financial Risk Management

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information are described under the heading “Risk Factors” in the Company’s long form prospectus dated December 20, 2021, filed on SEDAR, under Financial Risk Management in the Company’s most recent Annual Report available on SEDAR and under the heading “Forward-Looking Statements” in our news release dated 4 April 2023. Should one or more risk, uncertainty, contingency or other factor materialise or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward looking information. Hot Chili does not assume any obligation to update or revise any forward -looking information after the date of this Presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

Qualified Person - NI 43 101

The mineral resource and scientific and technical information contained in this Presentation has been approved by Ms Elizabeth Haren, a full-time employee of Haren Consulting Pty Ltd and an independent consultant to Hot Chili. Ms Haren is a qualified person within the meaning of NI 43-101.

The metallurgical information contained in this Presentation has been approved by Mr Dean David, a full-time employee of Wood Pty Ltd and an independent consultant to Hot Chili. Mr David is a qualified person within the meaning of NI 43-101.

The Market Studies and Contracts, Economic Analysis contained in this Presentation has been approved by Mr Piers Wendlandt, a full-time employee of Wood Pty Ltd and an independent consultant to Hot Chili. Mr Wendlandt is a qualified person within the meaning of NI 43-101.

The Cost Estimation contained in this Presentation has been approved by Mr Farzard Kossari, a full-time employee of Wood Pty Ltd and an independent consultant to Hot Chili. Mr Kossari is a qualified person within the meaning of NI 43-101.

The Mine Planning and Scheduling information contained in this Presentation has been approved by Mr Anton von Wielligh, a full-time employee of ABGM Consulting Pty Ltd and an independent consultant to Hot Chili. Mr von Wielligh is a qualified person within the meaning of NI 43-101.

Disclosure regarding mine planning and infrastructure in this Presentation has been reviewed and approved by Mr Grant King, FAUSIMM, Hot Chili’s Chief Operations Officer and a qualified person within the meaning of NI 43-101.

A technical report containing the full details with respect to the PEA will be filed with the applicable Canadian securities regulators on SEDAR (www.sedar.com) within 45 days of June 30, 2023.

Joint Ore Reserves Committee Code (JORC) 2012 (Reporting Standard ASX)

The PEA referred to in this announcement has been undertaken to confirm the potential of the Costa Fuego project to proceed to the intended PFS. It is a preliminary technical and economic study of the potential viability of Costa Fuego. It is based on technical and economic assessments that are insufficient to support the estimation of ore reserves. Further resource delineation and appropriate studies are required before the Company will be in a position to estimate ore reserves or provide any assurance of an economic development case.

The PEA is based on the material assumptions outlined below. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA will be achieved.

To achieve the range of outcomes indicated in the PEA, including reaching Definitive Feasibility Study (“DFS”) stage, funding of in the order of $1.10 Billion will likely be required. Investors should note that there is no certainty the Company will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

It is also possible that the Company could pursue other ‘value realisation’ strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PEA.

Financial Management

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward looking information are described under the heading headings “Forward Looking Statements “ and “Risk Factors” in the Company’s Final long form prospectus filed on SEDAR and under Financial Risk Management in the Company’s most recent Annual Report available on SEDAR and under the heading “Forward Looking Statements” in our news release dated 4 April 2023 Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward looking information Accordingly, you should not place undue reliance on forward looking information. Hot Chili does not assume any obligation to update or revise any forward-looking information after the date of this Presentation or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

Competent Person’s Statement - JORC

The information in this Presentation that relates to Mineral Resources for the Costa Fuego Project is based on information compiled by Ms Elizabeth Haren, Mr Dean David, Mr Piers Wendlandt, Mr Farzard Kossari and Mr Anton von Wielligh. Ms Haren is a full-time employee of Haren Consulting Pty Ltd and a Member and Chartered Professional of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr David is a full-time employee of Wood Pty Ltd and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Wendlandt is a full-time employee of Wood Pty Ltd and a Registered Professional Engineer in the State of Colorado. Mr Kossari is a full-time employee of Wood Pty Ltd and a Registered Professional Engineer in the State of British Columbia. Mr von Wielligh is a full-time employee of ABGM Consulting Pty Ltd and a Fellow of the The Australasian Institute of Mining and Metallurgy.

Ms Haren, Mr David, Mr Wendlandt and Mr von Wielligh have 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’.

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