



Half-Yearly Report

**Hot Chili Limited
and Controlled Entities**

ABN: 91 130 955 725

**Interim Financial Report for the
Half-Year Ended 31 December 2023**



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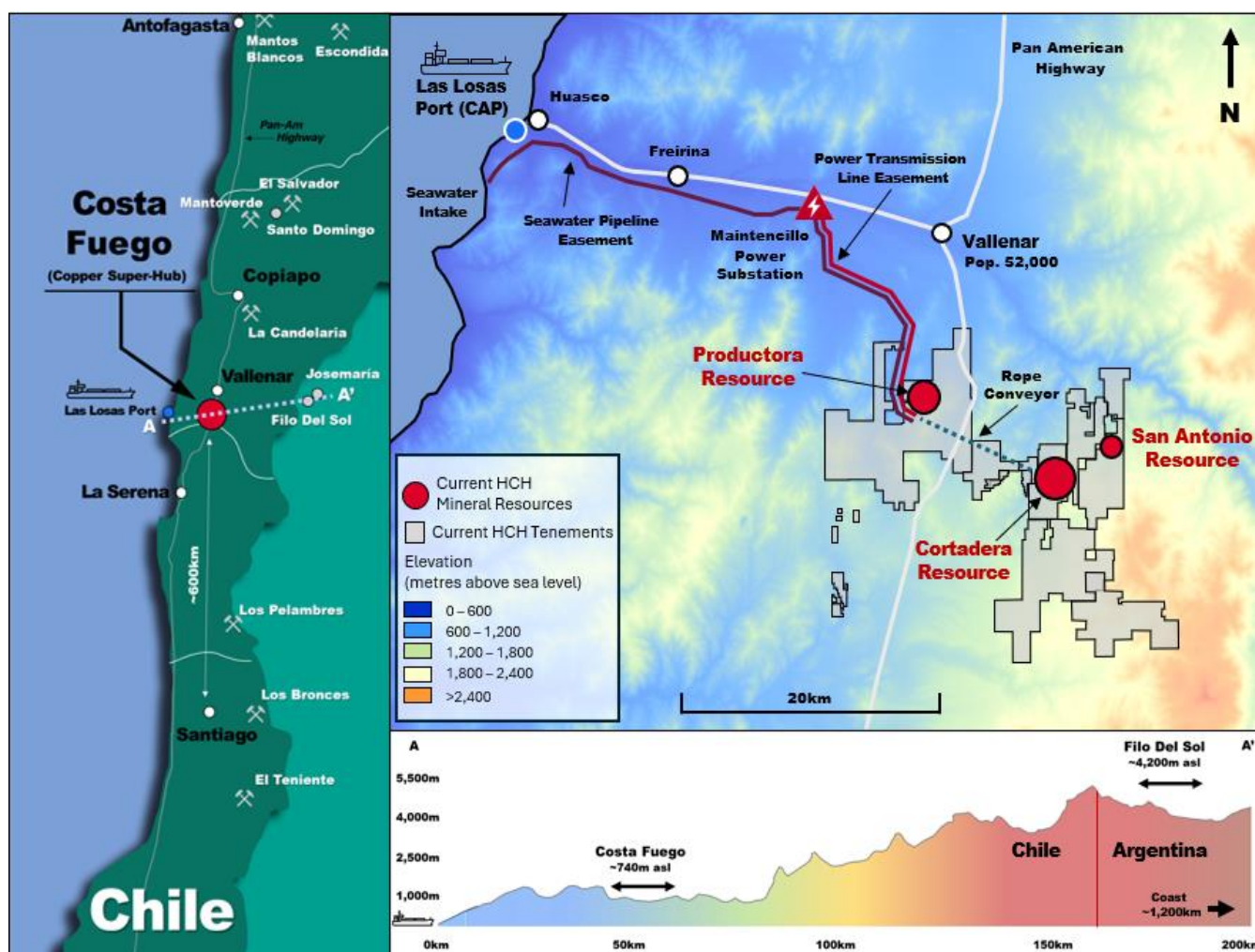
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1 Review of Operations

Highlights

Figure 1: Location of the Costa Fuego Project Regionally in Relation to Planned Key Infrastructure



- Hot Chili consolidates option agreements and reduces commitments in 2024 calendar year by US\$10 Million.
- Further regional consolidation expands the project footprint with signing of Marsellesa and Cordillera Option Agreements.
- Exploration drilling programme and Resource expansion drilling commenced.
- Exploration drill results returned on three new satellite targets.
- Closing of the USD15 Million Investment Agreement with Osisko Gold Royalties.

1 Review of Operations (Cont'd)

Highlights (Cont'd)

- Filing of NI 43-101 Technical Report for the Costa Fuego Copper-Gold Project.
- Maritime Concession work continues, including construction of a perimeter fence at the existing Maritime concession and initiation of a second Maritime Concession application for desalinated water supply.
- 31 December 2023 cash position A\$13.3 Million.
- Summary of subsequent events highlighted in Directors' Report.
 - Resource update delivered February 2024.
 - Water Supply Concept Study delivered and Phase Two commenced to develop a Business Case and engage with stakeholders.
 - Option Agreement signed with Bastion Minerals Limited for Cometa Project.

New El Fuego Option Agreement reduced 2024 cash commitments by US\$10 Million

In December 2023, the Company announced that three options due for exercise in 2024 had been terminated and replaced with one new option agreement agreements ("the El Fuego Option") to acquire privately-owned landholdings located along the eastern extent of the Costa Fuego Project. (refer Figure 2)

- Three Options due for exercise in 2024, over the San Antonio, Valentina and Santiago Z landholdings, were terminated and replaced with the El Fuego Option, exercisable in September 2026, that comprises all the mining rights included in the former "San Antonio", "Valentina" and "Santago Z" option agreements.
- The El Fuego Option materially reduces the Company's option payments due in 2024 from US\$11 million to US\$1 million, as well as increasing Hot Chili's project ownership from 90% to 100%, if exercised, and extending the option expiry from 2024 to 2026.
- The total purchase price for the El Fuego landholdings, if the El Fuego Option is exercised in 2026, is now US\$4,300,000. If the option is not abandoned, conditional additional payments of up to US\$4,000,000 in total may be payable (see details in announcement dated 7 December 2023).
- Continuation of existing lease mining agreements to third parties in respect to the San Antonio copper mine (limited to the mining rights San Antonio 1 al 5; Santiago 15 al 19; Santiago 1 al 14/20; San Juan Sur 1 al and San Juan Sur 6 al 23. The lease mining agreements are limited to 50,000 tonnes of material extracted per year and will expire 31st December 2025.

1 Review of Operations (Cont'd)

Further Regional Consolidation Expands Costa Fuego

In November 2023, Hot Chili further expanded the project area with the execution of Option Agreements to acquire a 100% interest in two historical copper mine areas; Marsellesa and Cordillera, located approximately 10km southwest of Costa Fuego's planned central processing hub (refer accompanying Figure 2).

Both mine areas have been privately held and historically exploited for shallow copper oxide and copper sulphide material but have never previously been drill tested. Drill results from first pass exploration drilling on both targets are included below in the summary of first pass exploration results.

These latest project additions, including the Cometa project (see Subsequent Events in the Director's Report), provide a pipeline of opportunities and additional optionality for the discovery of new mineral resources for the Company's Costa Fuego copper hub. Hot Chili continues to pursue further regional consolidation as the Company advances its growth strategy for Costa Fuego.

The material terms of the executed Marsellesa and Cordillera Option Agreement are as follows:

- Hot Chili's subsidiary Sociedad Minera La Frontera SpA ("Frontera") executed definitive option agreements with the holders of a 100% interest in each of the concessions comprising Marsellesa and Cordillera, for the grant to Frontera of an option to acquire a 100% interest in the concessions.
- Marsellesa Option Agreement:
 - Non-refundable cash payment of US\$100,000 upon grant of the Marsellesa Option.
 - Non-refundable cash payment of US\$100,000 within 12 months from the grant of the Marsellesa Option.
 - Non-refundable cash payment of US\$150,000 within 24 months from the grant of the Marsellesa Option.
 - Option may be exercised within 36 months of the date of grant of the Marsellesa Option for a final non-refundable cash payment of US\$1,000,000.
 - Seller will also be granted a 1% NSR royalty over the Marsellesa concession on exercise of the Marsellesa Option. Frontera will have a right of first refusal to buy-back the NSR royalty.
- Cordillera Option Agreement:
 - Non-refundable cash payment of US\$100,000 upon grant of the Cordillera Option.
 - Non-refundable cash payment of US\$200,000 within 24 months from the grant of the Cordillera Option.
 - Option may be exercised within 48 months of the date of grant of the Cordillera Option for a final non-refundable cash payment of US\$3,700,000.
 - Seller will also be granted a 1% NSR royalty over any material extracted from underground operations, and a 1.5% NSR royalty over any material extracted from open pit operations, on exercise of the Cordillera Option. Frontera will have a right of first refusal to buy-back the NSR royalties.

1 Review of Operations (Cont'd)

Further Regional Consolidation Expands Costa Fuego (Cont'd)

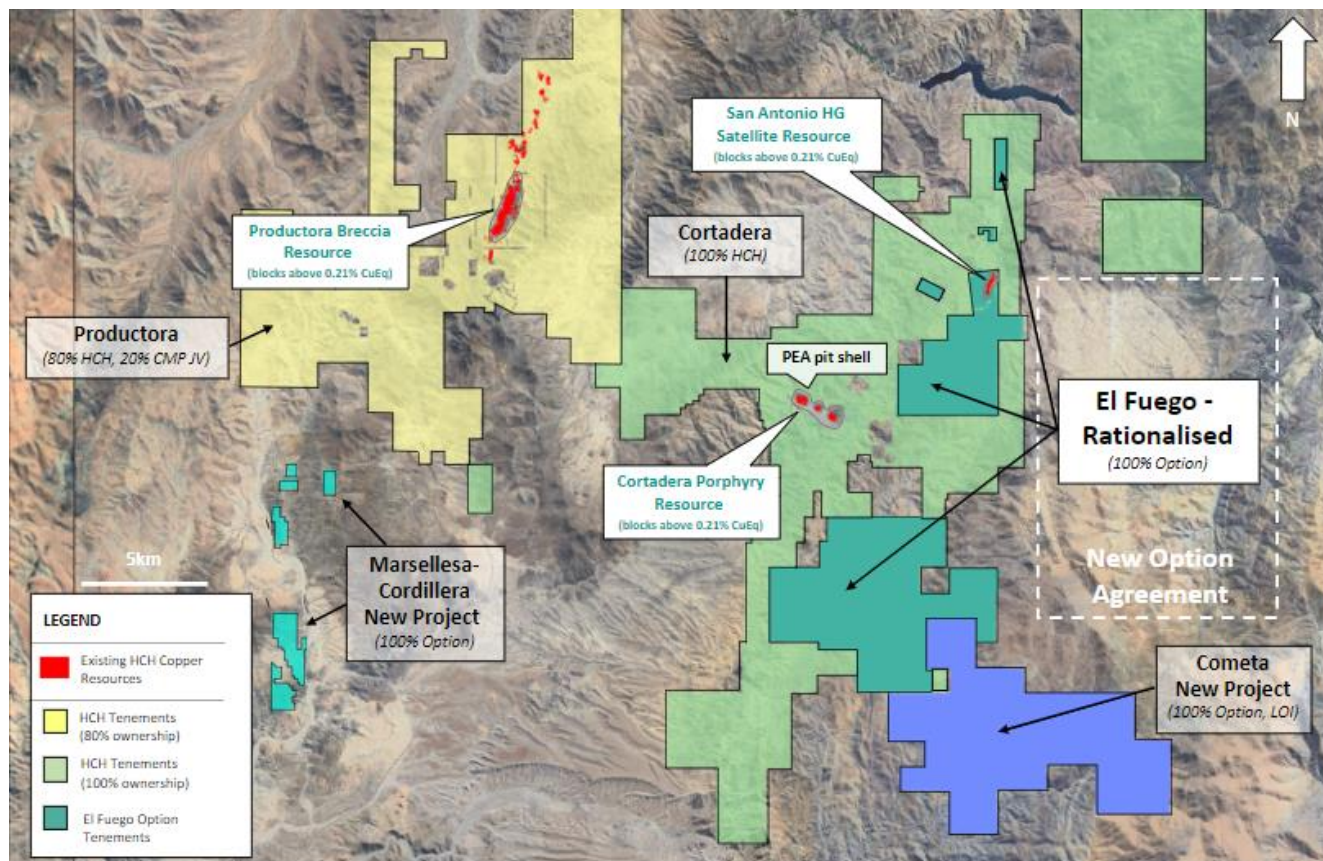


Figure 2: Location of the New El Fuego Option, Marsellesa and Cordillera Options and Cometa Option for Costa Fuego.

1 Review of Operations (Cont'd)

First-Pass Exploration Drill Results Returned

Assay results have been received for first-pass drilling undertaken in late 2023 across Marsellesa, Cordillera and Corroteo.

Marsellesa

The Marsellesa mine area is laterally extensive, measuring 400m in length and 200m in width, with historical open pit and underground mine workings exposing multiple zones of shallowly-dipping, strata-bound (manto-style), copper mineralisation.

A total of four Reverse Circulation (RC) drill holes for 1,244m were completed across the historical Marsellesa open pit copper mine footprint (refer to Figure 3).

Significant intersections were recorded in each of the four drill holes:

- **25m grading 0.4% Copper (Cu) from surface** including **10m grading 0.8% Cu from 7m depth**
- **16m grading 0.5% Cu** from 197m depth downhole including **6m grading 1.1% Cu** from 198m depth
- **19m grading 0.5% Cu** from 195m depth downhole including **2m grading 2.2% Cu** from 195m depth
- **8m grading 0.8% Cu from 1m** depth downhole including **4m grading 1.0% Cu from 4m depth**

Cordillera

Porphyry copper mineralisation, with well-developed stockwork and sheeted A and B style porphyry veining, is exposed in the Cordillera open pit mine workings, and porphyry outcrop has been mapped across an area measuring 300m in length and 200m in width.

A total of 6 RC drill holes for 1,450m were completed across the historical Cordillera copper mine footprint, located approximately 1km west of Marsellesa (refer to Figure 4).

Significant intersections recorded, include:

- **93m grading 0.3% Cu** from surface including **14m grading 0.4% Cu from surface**
- **53m grading 0.3% Cu** from 19m depth including **10m grading 0.4% Cu** from 44m depth
- **184m grading 0.2% Cu** from surface including **14m grading 0.3% Cu** from 42m depth

Wide RC drilling intersections returned at Cordillera relate to broad zones of oxide (Cu bearing limonite with very minor cuprite) and sulphide (chalcopyrite, molybdenite) porphyry copper mineralisation confirmed below and surrounding the small surface mine workings

1 Review of Operations (Cont'd)

First-Pass Exploration Drill Results Returned (Cont'd)

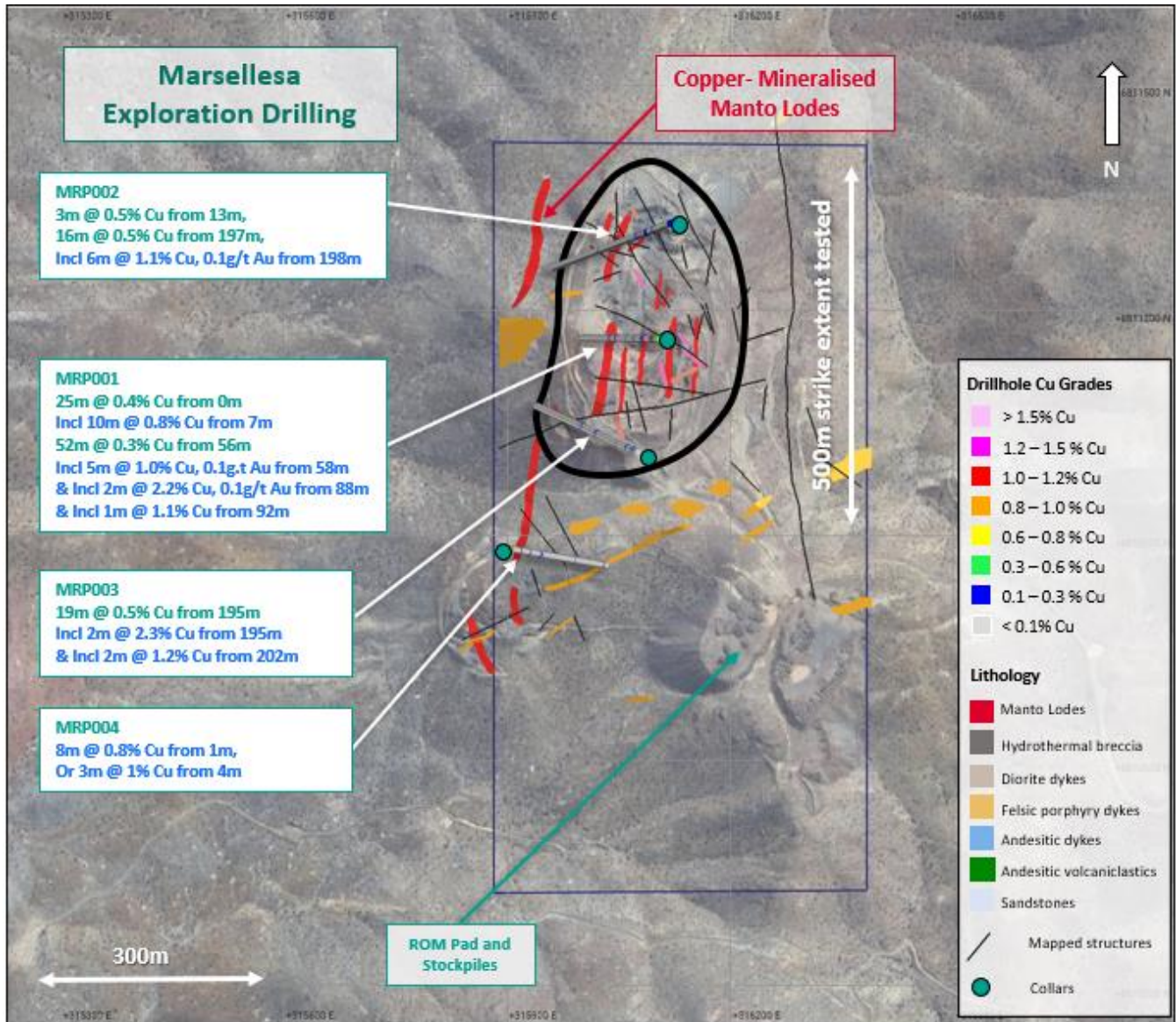


Figure 3: Aerial photo of surface and underground mine workings at Marsellesa overlain with mapped geology in relation to first-pass RC drilling significant intersections.

1 Review of Operations (Cont'd)

First-Pass Exploration Drill Results Returned (Cont'd)

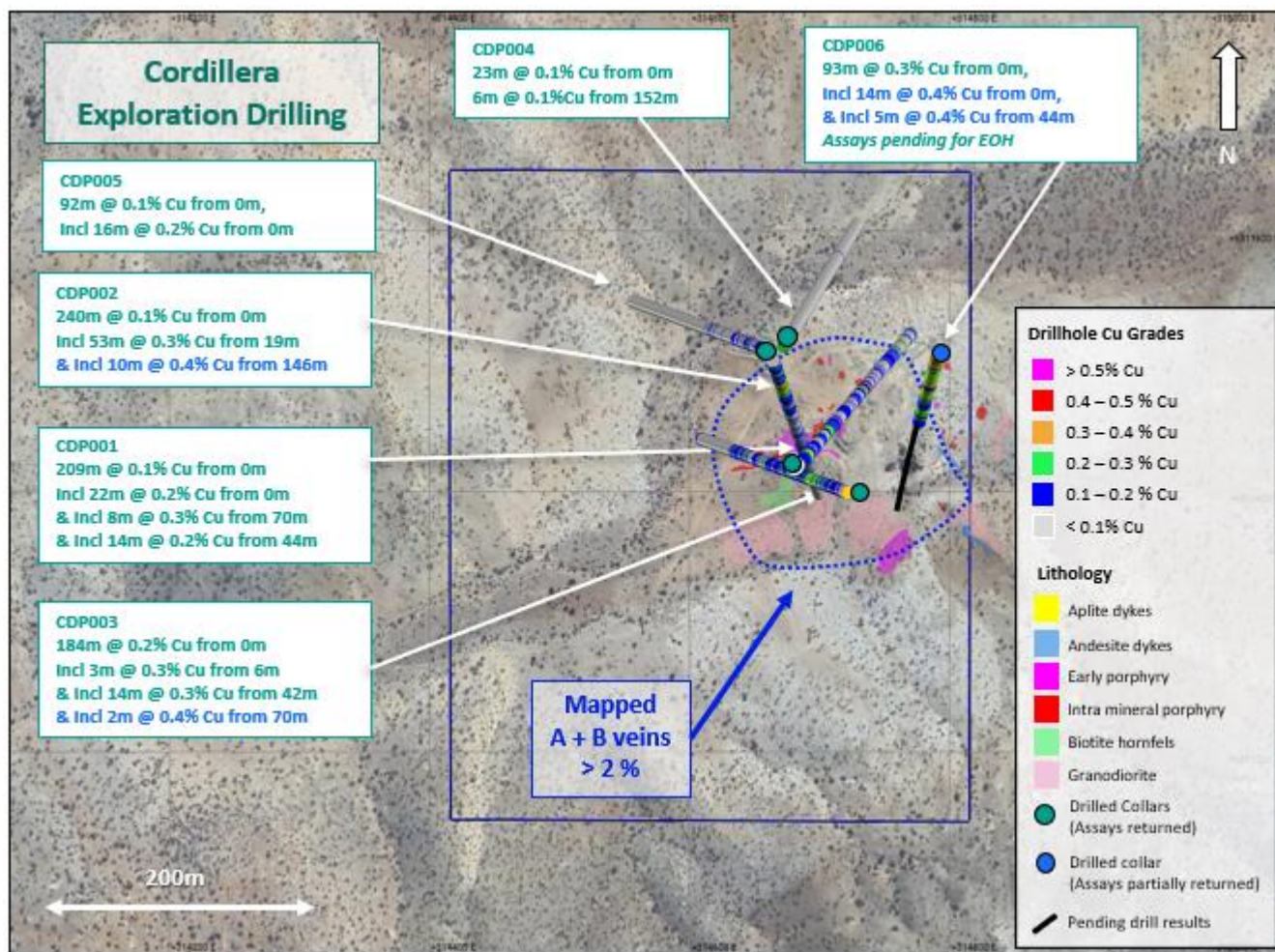


Figure 4: Aerial photo of surface and underground mine workings at Cordillera in relation to first-pass RC drilling significant intersections.

Corroteo

A total of eight RC drill holes for 2,324m were completed across the greenfield Corroteo exploration target located 5km southeast of Cortadera. No significant intersections were recorded.

Wide spaced RC drilling has tested approximately 1.8km strike extent of the large-scale Corroteo alteration footprint. Significant pyrite mineralisation was encountered in drilling toward the northern extent of the target area, extending under a wide alluvial gravel plain. Final drilling directed under this alluvial cover confirmed the presence of tonalitic porphyry.

Hot Chili's exploration team is currently assessing the new drill results on each of these satellite exploration targets in preparation for potential follow-up drilling and exploration work programmes.

1 Review of Operations (Cont'd)

Next Phase of Resource Expansion Drilling at Costa Fuego Commences

The first phase of drilling in H2 2023 involved 47 RC drill holes for 11,500m, focusing on resource extension potential at Cortadera and first-pass drilling across new satellite targets. In addition, several RC pre-collars were drilled in preparation for the second phase of diamond drill testing in 2024 adjacent to the Company's two principal mineral resources: Cortadera and Productora.

Hot Chili's second phase of resource expansion drilling aims to test multiple resource growth opportunities, which may allow an up-lift in the Pre-feasibility study scale for Costa Fuego.

The second phase of drilling commenced on 12th January with one diamond drill rig operating on a 24-hour basis (double-shift). A programme of 10 diamond (DD) drill holes for approximately 5,000m is initially planned. The initial diamond drill programme comprises:

- Five DD holes are planned to test four large-scale targets at Cortadera
- A further five DD holes are planned to test three large-scale targets adjacent to Productora

The Company looks forward to providing further updates as drilling advances across these targets over the coming months.

Development and Water Supply Concept Studies On-Track

The Company made several advances with its long-lead time Pre-Feasibility Study (PFS) workstreams during the period, including the completion of a hydrogeological drilling programme and continuation of low-grade sulphide leach metallurgical test work programme.

In addition, Hot Chili's existing water assets have provided an opportunity to investigate potential economic, social and environmental synergies associated with a single large water supplier for the Huasco valley. Hot Chili holds the only granted maritime water concession and necessary permits to provide critical water access to the Huasco valley, where multiple large-scale new mining projects are located and stranded without water access.

During the period, the Company advanced and has now completed an initial concept study for a potential water supply business to the Huasco valley of the Southern Atacama region.

The Company commenced preliminary engagement with potential customers and infrastructure partners. See further update in Directors Report.

The Company has advanced local community engagement near its Maritime Concession to extract seawater on the coast of Chile. The tender to construct a perimeter fence was awarded to a local company. The fence around the land, granted to Hot Chili in 2023 by the Chilean Navy, is required to safeguard the site and eventual planned works to construct the seawater intake.

In addition, the Company has initiated a second maritime concession application near Hot Chili's existing granted maritime concession. The new application relates to the provision of desalinated water supply.

1 Review of Operations (Cont'd)

Closing of US\$15 Million Investment Agreement with Osisko Gold Royalties

In late July 2023, Hot Chili closed its previously announced transaction with Osisko Gold Royalties Ltd ("Osisko"), pursuant to which Hot Chili received proceeds of US\$15 million in exchange for the sale of a 1.0% Net Smelter Return (NSR) royalty on copper and a 3% NSR royalty on gold (the "Investment") across the Company's Costa Fuego Copper-Gold Project.

The Investment by Osisko strengthened the Company's current cash position without the need for a dilutive equity capital raise and has demonstrated strong look-through value of the project's economics. It also provided another significant endorsement of Hot Chili's Costa Fuego Project from one of North America's leading royalty-streaming groups (see the Company's announcement dated 28th June 2023, entitled "Hot Chili Announces US\$15 Million Investment Agreement with Osisko Gold Royalties").

Hot Chili Files NI 43-101 Technical Report for the Costa Fuego Copper-Gold Project in Chile

The Company filed the report titled "Costa Fuego Copper Project NI 43-101 Technical Report Preliminary Economic Assessment" dated August 2023, with an effective date of June 28, 2023 (the "Technical Report"), prepared pursuant to CIM National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

1 Review of Operations (Cont'd)

Table 1: Significant Drill Results Reported in Half Year Ending 31 Dec 2023

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)	Cu Eq* (% Cu Eq)
	North	East	RL				From	To						
LCP0018	6815926	334600	863	270	-59	300	34	42	8	0.1	0.0	0.3	9	0.1
							86	88	2	0.1	0.6	0.3	5	0.4
							94	122	28	0.1	0.0	0.3	4	0.1
							172	192	20	0.1	0.0	0.3	3	0.1
CRP0204	6816271	334840	937	91	-60	300	214	242	28	0.1	0.0	0.4	4	0.1
CRP0213	6813277	336232	1082	214	-73	270	226	246	20	0.1	0.0	0.3	14	0.1
CRP0214	6814012	335925	1007	94	-60	252	150	210	60	0.1	0.0	0.2	7	0.1
CRP0215	6813518	336053	1040	191	-60	270	0	96	96	0.2	0.1	0.3	15	0.2
						<i>including</i>	18	30	12	0.2	0.2	0.3	12	0.3
CRP0216D	6813389	336312	1055	129	-70	546	6	78	72	0.2	0.0	0.3	15	0.2
							100	120	20	0.2	0.1	0.3	6	0.2
							130	190	60	0.2	0.0	0.3	13	0.2
							208	234	26	0.2	0.0	0.3	24	0.2
							304	458	154	0.2	0.1	0.3	99	0.2
CRP0217	6813454	336343	1060	79	-58	252	6	66	60	0.2	0.1	0.3	14	0.2
							230	236	6	0.2	0.0	0.4	33	0.2
CRP0218	6813718	336358	1047	91	-80	173.5	164	168	4	0.2	0.0	0.3	65	0.3
CRP0220	6813844	335665	1003	199	-72	261	0	190	190	0.2	0.1	0.4	16	0.2
						<i>including</i>	0	88	88	0.2	0.1	0.5	15	0.3
						<i>& including</i>	142	170	28	0.2	0.1	0.3	24	0.3
CRP0221	6813914	335758	992	11	-80	204	42	46	4	0.3	0.1	0.3	23	0.4
CRP0222	6813850	335666	1003	111	-71	210	2	70	68	0.2	0.1	0.4	14	0.3
LCP0020D	6815842	334867	927	245	-60	755	84	88	4	0.0	0.0	0.3	75	0.0
							272	294	22	0.0	0.0	0.3	43	0.0
							410	412	2	0.1	2.5	0.3	3	1.5
							456	462	6	0.2	0.0	0.4	2	0.2
							542	546	4	0.5	0.0	1.7	5	0.5
CDP001	6811425	314680	926	40	-60	264	0	209	209	0.1	0.0	0.3	13	
						<i>including</i>	0	22	22	0.2	0.0	0.3	7	
						<i>& including</i>	70	78	8	0.3	0.0	0.3	6	
						<i>& including</i>	146	160	14	0.2	0.0	0.3	37	
CDP002	6811502	314659	900	161	-60	300	0	240	240	0.1	0.0	0.2	11	
						<i>including</i>	19	72	53	0.3	0.0	0.3	4	
						<i>or including</i>	44	54	10	0.4	0.0	0.3	4	

1 Review of Operations (Cont'd)

Table 1: Significant Drill Results Reported in Half Year Ending 31 Dec 2023 (Cont'd)

Hole_ID	Coordinates			Azim.	Dip	Hole Depth	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Silver (ppm Ag)	Molybdenum (ppm Mo)	Cu Eq* (% Cu Eq)
	North	East	RL				From	To						
CDP003	6811402	314718	916	290	-60	222	0	184	184	0.2	0.0	0.2	5	
						including	6	9	3	0.3	0.1	0.3	1	
						& including	42	56	14	0.3	0.0	0.3	7	
						& including	70	72	2	0.4	0.1	0.3	2	
CDP004	6811516	314676	922	31	-60	210	0	23	23	0.1	0.0	0.3	2	
							152	158	6	0.1	0.0	0.3	87	
CDP005	6811514	314661	913	290	-60	204	0	92	92	0.1	0.0	0.3	7	
						including	0	16	16	0.2	0.0	0.3	6	
CDP006	6811510	314785	909	196	-59	250	0	93	93	0.3	0.0	0.3	10	
						including	0	14	14	0.4	0.0	0.3	5	
						& including	44	49	5	0.4	0.1	0.3	13	
Assays pending 93m - EOH														
MRP001	6811161	316113	1092	271	-70	312	0	25	25	0.4	0.0	0.5	13	
						including	7	17	10	0.8	0.0	0.5	19	
							56	108	52	0.3	0.0	0.3	9	
						including	58	63	5	1.0	0.1	0.3	21	
						& including	88	90	2	2.2	0.1	0.4	42	
						& including	92	93	1	1.1	0.0	0.3	18	
MRP002	6811318	316128	1057	250	-60	340	13	16	3	0.5	0.0	0.3	8	
							197	213	16	0.5	0.0	0.2	5	
						including	198	204	6	1.1	0.1	0.2	9	
MRP003	6811007	316083	1106	294	-59	300	195	214	19	0.5	0.0	0.3	3	
						including	195	197	2	2.2	0.0	0.5	5	
						& including	202	204	2	1.2	0.0	0.3	2	
MRP004	6810877	315903	1077	294	-59	270	1	9	8	0.8	0.0	0.3	6	
						including	4	8	4	1.0	0.0	0.3	7	

Significant intercepts are calculated above a nominal cut-off grade of 0.1% Cu. Where appropriate, significant intersections may contain up to 30m down-hole distance of internal dilution (less than 0.1% Cu). Significant intersections are separated where internal dilution is greater than 30m down-hole distance. The selection of 0.1% Cu for intersection cut-off grade above is selected on the basis of exploration significance and is not meant to represent potential 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 drillhole intersections were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu\ price\ 1\% \ per\ tonne \times Cu_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag_recovery)) / (Cu\ price\ 1\% \ per\ tonne \times Cu_recovery)$. 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. The entirety of the intersection is assumed as fresh with recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. The copper equivalent formula for Cortadera is $CuEq(\%) = Cu(\%) + 0.56 \times Au(g/t) + 0.00046 \times Mo(ppm) + 0.0043 \times Ag(g/t)$. It is the Company's opinion that all the elements included in the CuEq calculation have a reasonable potential to be recovered and sold.

2 Qualifying Statements

The Mineral Resource summary for the Costa Fuego Project is presented in Table 2.

Table 2: Costa Fuego Copper-Gold Project Mineral Resource Estimate, 26 Feb 2024

Costa Fuego OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq ¹)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	736	0.46	0.37	0.11	0.50	85	3,370,000	2,720,000	2,480,000	11,700,000	62,800
M+I Total	736	0.46	0.37	0.11	0.50	85	3,370,000	2,720,000	2,480,000	11,700,000	62,800
Inferred	170	0.30	0.25	0.06	0.36	65	520,000	420,000	340,000	1,900,000	11,000

Costa Fuego UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.27% CuEq ¹)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	62	0.39	0.31	0.08	0.55	85	250,000	190,000	160,000	1,100,000	5,300
M+I Total	62	0.39	0.31	0.08	0.55	85	250,000	190,000	160,000	1,100,000	5,300
Inferred	33	0.35	0.29	0.07	0.41	46	120,000	96,000	76,000	430,000	1,500

Costa Fuego Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq ¹ OP 0.27% CuEq ¹ UG)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	798	0.45	0.37	0.10	0.50	85	3,620,000	2,910,000	2,640,000	12,800,000	68,100
M+I Total	798	0.45	0.37	0.10	0.50	85	3,620,000	2,910,000	2,640,000	12,800,000	68,100
Inferred	203	0.31	0.25	0.06	0.36	61	640,000	516,000	416,000	2,330,000	12,500

Refer to ASX Announcement "Hot Chili Indicated Resource at Costa Fuego Copper-Gold Project Increases to 798 Mt" (26th February 2024) Appendix One for JORC Code Table 1 information related to the Costa Fuego Mineral Resource Estimate (MRE).

¹ Mineral Resources are reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora, Alice and San Antonio deposits. All figures are rounded, reported to appropriate significant figures and reported in accordance with the Joint Ore Reserves Committee Code (2012) and NI 43-101. Mineral Resource estimation practices are in accordance with CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (November 29, 2019) and CIM Environmental, Social and Governance Guidelines for Mineral Resources and Mineral Reserve Estimation (September 8, 2023) and reported in accordance CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014) that are incorporated by reference into NI 43-101.

² The Productora deposit is 100% owned by Chilean incorporated company Sociedad Minera El Aguila SpA (SMEA). SMEA is a joint venture (JV) company - 80% owned by Sociedad Minera El Corazón SpA, which (a 100% subsidiary of Hot Chili Limited), and 20% owned by Compañía Minera del Pacífico S.A (CMP).

³ The Cortadera deposit is controlled by a Chilean incorporated company Sociedad Minera La Frontera SpA (Frontera). Frontera is a subsidiary company - 100% owned by Sociedad Minera El Corazón SpA, which, which is a 100% subsidiary of Hot Chili Limited.

⁴ The San Antonio deposit is controlled through Frontera (100% owned by Sociedad Minera El Corazón SpA, which, which is a 100% subsidiary of Hot Chili Limited) and Frontera has an Option Agreement to earn a 100% interest.

⁵ The Mineral Resource Estimates in the tables above form coherent bodies of mineralisation that are considered amenable to a combination of open pit and underground extraction methods based on the following parameters: Base Case Metal Prices: Copper US\$ 3.00/lb, Gold US\$ 1,700/oz, Molybdenum US\$ 14/lb, and Silver US\$20/oz.

⁶ All Mineral Resource Estimates were assessed for Reasonable Prospects of Eventual Economic Extraction (RPEEE) using both Open Pit and Block Cave Extraction mining methods at Cortadera and Open Pit mining methods at Productora, Alice and San Antonio.

⁷ Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. Process recoveries:

Cortadera - Weighted recoveries of 82% Cu, 55% Au, 81% Mo and 36% Ag. $CuEq(\%) = Cu(\%) + 0.55 \times Au(g/t) + 0.00046 \times Mo(ppm) + 0.0043 \times Ag(g/t)$
 San Antonio - Weighted recoveries of 85% Cu, 66% Au, 80% Mo and 63% Ag. $CuEq(\%) = Cu(\%) + 0.64 \times Au(g/t) + 0.00044 \times Mo(ppm) + 0.0072 \times Ag(g/t)$
 Alice - Weighted recoveries of 81% Cu, 47% Au, 52% Mo and 37% Ag. $CuEq(\%) = Cu(\%) + 0.48 \times Au(g/t) + 0.00030 \times Mo(ppm) + 0.0044 \times Ag(g/t)$
 Productora - Weighted recoveries of 84% Cu, 47% Au, 48% Mo and 18% Ag. $CuEq(\%) = Cu(\%) + 0.46 \times Au(g/t) + 0.00026 \times Mo(ppm) + 0.0021 \times Ag(g/t)$
 Costa Fuego - Recoveries of 83% Cu, 53% Au, 71% Mo and 26% Ag. $CuEq(\%) = Cu(\%) + 0.53 \times Au(g/t) + 0.00040 \times Mo(ppm) + 0.0030 \times Ag(g/t)$

⁸ Copper Equivalent (CuEq) grades are calculated based on the formula: $CuEq = ((Cu \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne} \times Cu \text{ recovery})$. The base case cut-off grade for Mineral Resources considered amenable to open pit extraction methods at the Cortadera, Productora, Alice and San Antonio deposits is 0.20% CuEq, while the cut-off grade for Mineral Resources considered amenable to underground extraction methods at the Cortadera deposit is 0.27% CuEq. It is the Company's opinion that all the elements included in the CuEq calculation have a reasonable potential to be recovered and sold.

⁹ Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. These Mineral Resource estimates include Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as Mineral Reserves. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Measured or Indicated Mineral Resources with continued exploration.

¹⁰ The effective date of the estimate of Mineral Resources is 26th February 2024. Refer to JORC Code Table 1 information in this announcement related to the Costa Fuego Mineral Resource Estimate (MRE) by Competent Person Elizabeth Haren, who is also a qualified person (within the meaning of NI 43-101), constituting the MREs of Cortadera, Productora, Alice and San Antonio (which combine to form Costa Fuego). Hot Chili confirms it is not aware of any new information or data that materially affects the information included in the Resource Announcement and all material assumptions and technical parameters stated for the Mineral Resource Estimates in the Resource Announcement continue to apply and have not materially changed.

¹¹ Other than disclosed in the Technical Report dated 28th June 2023 and the Company's recent Annual Report for the year ended 30 June 2023 (both available on the Company's website), Hot Chili Limited is not aware of political, environmental or other risks that could materially affect the potential development of the Mineral Resources.

2 Qualifying Statements (Cont'd)

Qualified Persons – NI 43-101

The information pertaining to the Mineral Resource Estimates included in this news release has been reviewed and approved by Ms. Elizabeth Haren (FAUSIMM(CP) & MAIG) of Haren Consulting Pty Ltd. All other scientific and technical information in this news release, has been reviewed and approved by Mr Christian Easterday, MAIG, Hot Chili's Managing Director and Chief Executive Officer. Each of Ms. Haren and Mr. Easterday are a qualified person within the meaning of NI 43-101.

For further information on the Costa Fuego Project, refer to the technical report titled "NI 43-101 Technical Report Preliminary Economic Assessment", dated June 28, 2023, which is available for review under Hot Chili's profile at www.sedarplus.ca.

Competent Person's Statement - JORC

The information in this report that relates to Mineral Resources for Cortadera, Productora (including Alice) 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 Fellow 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.

Sampling, Analysis and Data Verification

For Reverse Circulation (RC) drilling, a fixed cone splitter was used to create two nominal 12.5% samples (Sample "A" and "B"), along with the large bulk reject sample. The "A" sample is always taken from the same sampling chute, and comprises the primary sample submitted to the laboratory. The "B" samples were retained for use as the field duplicate sample. The coarse residues were collected into large plastic bags and were retained on the ground near the drillhole collar, generally in rows of 50 bags.

For Marsellesa and Cordillera landholdings, all RC drillhole sampling was executed at one metre intervals. Within logged mineralisation zones, the one metre sample ("A" sample) was submitted. Outside the main mineralised zones (as determined by the logging geologist), four metre composites were created from scoops of one metre sample residues over this interval. The composited four metre samples were analysed first and, if required, the individual and original one metre "A" sample comprising this four-metre interval was sent for analysis. This ensured that no mineralisation was missed while minimising analytical costs. For the Cortadera and Corroteo Projects, the same procedure was applied, however sampling was executed at two metre intervals.

For Diamond drilling (DD) at Cortadera, half-core was sampled at two metre intervals. Half-core was chosen as the preferred sampling method to ensure a representative sample was submitted for analysis, while also retaining half-core for future review of lithology and mineralisation, and for further test work as required. Samples are also taken for density (approximately every 30 metres downhole).

2 Qualifying Statements (Cont'd)

Sampling, Analysis and Data Verification (Cont'd)

Once assigned a sample number, individual samples to be sent to ALS laboratories were sealed using a staple gun and accompanied by three identical sample tickets (one stapled to plastic bag to identify any tampering/breakage of seal prior to opening at the laboratory in preparation, one placed in the bag and the third retained by Hot Chili (HCH). Any broken staple seals on samples were to be notified by ALS to Hot Chili. No sealed bags were reported as being opened or broken by ALS.

For both RC and DD samples from the drilling at Corroteo, Marsellesa and Cordillera, sample bags were placed inside larger plastic bags and delivered by a dedicated truck to the ALS analytical laboratory in Copiapó (Chile) for sample preparation and routine analysis.

Following analysis at ALS, the RC and DD coarse rejects were returned to site and stored in sequence in plastic bags under shade cloth at HCH's nearby Productora core farm. The laboratory pulps were also returned to the Productora core farm where they are stored in organised, dry, and safe storage containers.

HCH has strict chain of custody security procedures for all samples sent to and from the analytical laboratories.

The ALS analytical laboratory in Coquimbo (Chile) completed all sample preparation and specific gravity test work, while ALS Santiago (Chile) completed all gold analysis, and ALS Lima (Peru) completed all other multielement analysis. HCH has implemented rigorous sample preparation and analytical procedures for RC samples, following consultation with ALS in Chile, to ensure that mineralised assays were reported with a high degree of confidence and a wide range of appropriate elements were assessed.

Samples have been analysed by certified laboratories in Chile and Lima, Peru by standard analytical techniques including:

- Copper, silver and molybdenum were analysed by 4-acid digestion (Hydrochloric-Nitric-Perchloric-Hydrofluoric) followed by evaluation using Inductively Coupled Plasma - Optical Emission Spectrometry ("ICP-OES") or Atomic Absorption Spectrometry ("AAS");
- Copper results > 10,000 ppm were analysed by "ore grade" method Cu-AA62 (upper limit 40% Cu);
- Samples within the oxide and transitional weathering domains (as determined by geologists' logging) were analysed for "soluble copper" (upper limit 10% Cu) to detect the leachability of copper oxide minerals within these domains; and
- Gold was analysed by 30 or 50 g lead-collection Fire Assay, followed by ICP-OES or AAS.

The verification of input data included the use of company QA/QC blanks and certified reference material (CRM), field and laboratory duplicates, umpire laboratory checks and independent umpire sample and assay verification.

The Qualified Person has assessed the drillhole database validation work and QA/QC undertaken by HCH and was satisfied the input data could be relied upon for the estimation of Indicated and Inferred Classified Mineral Resources.

All laboratories used are independent of HCH and the work is performed under a commercial arrangement.

2 Qualifying Statements (Cont'd)

Forward Looking Statements

This Report contains certain statements that are “forward-looking information” within the meaning of Canadian securities legislation and Australian securities legislation (each, a “forward-looking statement”). All statements other than statements of historical fact are forward-looking statements. The use of the words “believe” “expected,” “project,” “intended,” “anticipated,” “estimate” “delivered”, “demonstrated”, “continued”, “planned”, “potential”, “target”, “forecast”, “expand”, “extend”, “should”, “will”, “would” “aims”, “may”, variants of these words, and other similar expressions, are intended to identify forward looking statements.

The forward-looking statements within this Report are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of issue of this report. In addition, this report may contain forward-looking statements attributed to third-party industry sources, the accuracy of which has not been verified by the Company.

In this Report, forward-looking statements and forward-looking information include, but are not limited to, statements with respect to permitting and legal processes in relation to mining permitting and approvals;; the ability to obtain permits for operations; synergies; the realisation of mineral resource estimates (including the results of completed, and potential impact of planned, programs of sampling, including drilling in this report, the conversion of inferred mineral resources to indicated, extending mineral resources and identifying new deposits, and the Company's ability to convert mineral resources to mineral reserves. Assumptions and methodology employed within mineral resource estimation that have a material impact on the reported results include metal prices, forecast and modelled metal recoveries, mining, processing, and shipping methods and costs, and mineral resource estimation practices); the future price of minerals, including gold, copper, and silver; success of exploration activities and the specifications, targets, results, analyses, interpretations, benefits, costs and timing of them; currency exchange rate fluctuations; the ability of the Company to complete the PFS on the indicated timeline or at all, the Company's timing and ability to complete a Water Supply Concept Study; the execution of water off-take agreements including the approval of the TSXV (if required) and any other regulatory approvals; prospects, projections and success of the Company and its projects; the Company's ability to secure a suitable water infrastructure partner; the timing and outcomes of future planned economic studies; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of a multi-user desalination water business as contemplated in the Water Supply Concept Study

Forward-looking statements are based on the opinions and estimates of the Company at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

2 Qualifying Statements (Cont'd)

Forward Looking Statements (Cont'd)

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include variations in ore grade or recovery rates, changes in market conditions and general economic conditions, political and social risks, risks relating to the availability and timeliness of permitting and governmental approvals; changes to the regulatory framework within which the Company operates, environmental conditions including extreme weather conditions, recruitment and retention of personnel, risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes, the speculative nature of exploration and project development, the results of the current drill programs and their impact on current mineral resource estimates, whether or not identified exploration targets represent economic deposits, the Company's ability to convert some or all of the inferred mineral resources to higher classifications in the future, the timing and outcomes of the planned preliminary feasibility study, metallurgical studies, and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

The Company cautions that the foregoing list of important factors is not exhaustive. For further 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 in the Company's most recent Annual Report, which is available on www.asx.com.au under the code "HCH", on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile and on the Company's website www.hotchili.net.au.

The forward-looking statements contained in this Report are expressly qualified by the foregoing cautionary statements and are made as of the date of this Report. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Cautionary Note for U.S. Investors Concerning Mineral Resources

NI 43-101 is a rule of the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Technical disclosure contained in this news release has been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ from the requirements of the U.S. Securities and Exchange Commission ("SEC") and resource information contained in this news release may not be comparable to similar information disclosed by domestic United States companies subject to the SEC's reporting and disclosure requirements. All amounts in this news release are in U.S. dollars unless otherwise noted.

3 Directors' Report

The Directors of Hot Chili Limited present their report on the consolidated entity consisting of Hot Chili Limited ("the Company" or "Hot Chili") and the entities it controlled ("consolidated entity" or "the Group") at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons held office as directors of Hot Chili Limited at the date of this report or were directors at any time during the half-year ended 31 December 2023, unless otherwise stated:

Dr Nicole Adshead-Bell (Independent Non-Executive Chairman)
Christian Easterday (Managing Director)
Roberto de Andraca Adriasola (Non-Executive Director)
Mark Jamieson (Non-Executive Director)
Stephen Quin (Independent Non-Executive Director)

Principal Activities

The principal continuing activity of the consolidated entity is mineral exploration.

Significant Changes in the State of Affairs

During the half year under review, significant changes in the state of affairs of the consolidated entity were as follows:

In July 2023, the Company closed a US\$15 million investment by Osisko Gold Royalties Limited, pursuant to which Hot Chili received proceeds of US\$15 million in exchange for the sale of a 1% Net Smelter Return (NSR) royalty on copper and a 3% NSR royalty on gold across the Company's Costa Fuego Copper-Gold Project.

In December 2023, the Company announced materially improved option terms relating to option agreements to acquire landholdings as part of the Costa Fuego Copper Gold Project. The new El Fuego option replaced three option agreements for the San Antonio, Valentina and Santiago Z privately owned landholdings.

Results of Operations for the Half-Year Ended 31 December 2023

The results of the consolidated entity from continuing operations after providing for income tax and non-controlling interest for the half-year ended 31 December 2023 was a loss of \$4,131,534 (half-year ended 31 December 2022: loss of \$1,826,402).

Dividends

No dividends were paid or declared since the end of the previous year ending 30 June 2023. The Directors do not recommend the payment of a dividend.

3 Directors' Report (Cont'd)

Rounding Off of Amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, issued by the Australian Securities and Investments Commission. Therefore, the amounts contained in the Directors' Report and in the financial report have been rounded to the nearest dollar in accordance with that Corporations Instrument, unless otherwise stated.

Review of Operations and Qualifying Statements

Refer to the Review of Operations report in Section 1 and associated Qualifying Statements in Section 2.

Matters Subsequent to Reporting Date 31 December 2023

On 31 January 2024, 10,900,000 warrants exercisable at CAD 2.50, listed on the TSXV, lapsed without exercise.

On 21 February 2024, the Company announced the execution of an Option Agreement with Bastion Minerals Limited (ASX: BMO) for an initial option fee of USD 100,000. Refer to announcement dated 21 February for a breakdown of the commitments under the option agreement.

On 26 February 2024, the Company released an updated Mineral Resource Estimate for its Costa Fuego Copper-Gold Project.

On 26 February 2024, the Company released the results of its Water Supply Concept Study for the Huasco Valley region of Chile. See ASX Announcement "Hot Chili Advances Regional Water Supply Opportunity".

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of the Board of Directors made pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors by:

A handwritten signature in blue ink, appearing to read "Christian Easterday".

Christian Easterday
Managing Director

Dated this 11th day of March 2024
Perth, Western Australia



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hot Chili Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 11 March 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF HOT CHILI LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Hot Chili Limited, which comprises the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Hot Chili Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of Hot Chili Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hot Chili Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' responsibility for the interim financial report

The directors of Hot Chili Limited are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Perth, WA
Dated: 11 March 2024

The logo for RSM Australia Partners, featuring the letters 'RSM' in a stylized, handwritten font.
RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'AIK KONG TING'.
AIK KONG TING
Partner

6 Directors' Declaration

In the opinion of the Directors:

- a) the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the accounting standards (including Australian Accounting Standard AASB 134 *Interim Financial Reporting*), the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors by:

A handwritten signature in blue ink, appearing to read "Christian Easterday".

Christian Easterday
Managing Director

Dated this 11th day of March 2024
Perth, Western Australia

7 Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

	Consolidated Entity Half-Year Ended	
	Dec 2023 \$	Dec 2022 \$
Interest income	173,425	106,769
Total Income	173,425	106,769
Depreciation	(65,336)	(66,913)
Corporate fees	(221,257)	(194,598)
Legal and professional	(290,490)	(201,560)
Employee benefits expense	(961,504)	(1,086,037)
Administration expenses	(454,355)	(520,522)
Accounting fees	(17,033)	(11,119)
Marketing expenses	(607,061)	(355,347)
Travel costs	(100,003)	(225,520)
Foreign exchange loss	207,735	(6,824)
Share-based payments (expense)/reversal	(1,860,807)	678,892
Finance costs	(19,961)	(24,513)
Total Expenses	(4,390,072)	(2,014,061)
Loss before income tax	(4,216,647)	(1,907,292)
Income tax expense	-	-
Loss After Income Tax	(4,216,647)	(1,907,292)
Other comprehensive income	-	-
Total Comprehensive Loss	(4,216,647)	(1,907,292)
Loss Attributable To:		
Non-controlling interest	(85,113)	(80,890)
Owners of Hot Chili Limited	(4,131,534)	(1,826,402)
	(4,216,647)	(1,907,292)
Basic and diluted loss per share (cents) attributable to the owners of Hot Chili Limited	(3.46)	(1.53)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

8 Statement of Financial Position

As at 31 December 2023

	Note	Consolidated Entity	
		Dec 2023 \$	June 2023 \$
Current Assets			
Cash and cash equivalents		13,320,886	2,948,964
Other current assets		270,285	271,678
Total Current Assets		13,591,171	3,220,642
Non-Current Assets			
Plant and equipment		125,785	134,721
Exploration and evaluation expenditure	3	209,156,424	220,436,849
Right-of-use assets	4	217,200	277,591
Other non-current assets		347,568	362,688
Total Non-Current Assets		209,846,977	221,211,849
Total Assets		223,438,148	224,432,491
Current Liabilities			
Trade and other payables		2,594,202	1,202,362
Provisions		255,341	231,546
Lease liabilities	5	139,143	124,490
Total Current Liabilities		2,988,686	1,558,398
Non-Current Liabilities			
Provisions		20,423	16,218
Lease liabilities	5	136,122	209,118
Total Non-Current Liabilities		156,545	225,336
Total Liabilities		3,145,231	1,783,734
Net Assets		220,292,917	222,648,757
Equity			
Contributed equity	8	269,189,573	269,189,573
Share-based payments reserve		4,759,626	5,230,152
Foreign currency translation reserve		1,222	1,222
Accumulated losses		(72,882,054)	(71,081,853)
Capital and Reserves Attributable to Owners of Hot Chili Limited		201,068,367	203,339,094
Non-controlling interest		19,224,550	19,309,663
Total Equity		220,292,917	222,648,757

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

9 Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

Consolidated Entity	Contributed Equity \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non-Controlling Interest ("NCI") \$	Total Equity \$
Half-Year Ended Dec 2023						
Balance at 1 July 2023	269,189,573	5,230,152	1,222	(71,081,853)	19,309,663	222,648,757
Loss for the period	-	-	-	(4,131,534)	(85,113)	(4,216,647)
Total Comprehensive Loss	-	-	-	(4,131,534)	(85,113)	(4,216,647)
Performance rights lapsed	-	(2,331,333)	-	2,331,333	-	-
Share-based payments	-	1,860,807	-	-	-	1,860,807
Balance at 31 Dec 2023	269,189,573	4,759,626	1,222	(72,882,054)	19,224,550	220,292,917
Half-Year Ended Dec 2022						
Balance at 30 June 2022	269,189,573	5,517,849	1,222	(68,785,934)	18,848,770	224,771,480
Reclassification of historical allocation of NCI and accumulated losses	-	-	-	2,754,221	(2,754,221)	-
NCI contributions from previous periods ^{1 2}	-	-	-	(22,325)	1,477,934	1,455,609
Balance at 1 July 2022	269,189,573	5,517,849	1,222	(66,054,038)	17,572,483	226,227,089
Loss for the period	-	-	-	(1,826,402)	(80,890)	(1,907,292)
Total Comprehensive Loss	-	-	-	(1,826,402)	(80,890)	(1,907,292)
Options expired	-	(197,250)	-	197,250	-	-
Share-based payments reversal	-	(678,892)	-	-	-	(678,892)
NCI contribution ¹	-	-	-	-	507,645	507,645
Balance at 31 Dec 2022	269,189,573	4,641,707	1,222	(67,683,190)	17,999,238	224,148,550

¹ The above NCI contribution was made by Compañía Minera del Pacífico S.A. ("CMP") to maintain its interest of 20% in Sociedad Minera El Águila SpA

² Adjustments have been made to the figures disclosed for exploration and evaluation assets, opening retained earnings, and non-controlling interests. These were the result of reclassifications to gross-up NCI contributions previously offset against exploration and evaluation assets. The effect of these adjustments was to increase exploration and evaluation assets by \$1,455,609, increase the minority interest by \$1,477,934, and decrease retained earnings by \$22,325.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

10 Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	Note	Consolidated Entity Half-Year Ended	
		Dec 2023 \$	Dec 2022 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(2,802,824)	(2,275,599)
Interest received		118,364	64,962
Interest paid		(943)	(20)
Net Cash Used in Operating Activities		(2,685,403)	(2,210,657)
Cash Flows from Investing Activities			
Payments for plant and equipment		(4,484)	-
Payments for tenements	3	(1,353,279)	(903,365)
Payments for exploration and evaluation		(7,017,096)	(9,716,100)
Proceeds on sale of NSR, net of transaction costs	3	21,286,690	-
Net Cash Received from / (Used in) Investing Activities		12,911,831	(10,619,465)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(77,361)	(70,936)
Net Cash Used in Financing Activities		(77,361)	(70,936)
Net increase/(decrease) in cash held		10,149,067	(12,901,058)
Cash and cash equivalents at the beginning of the period		2,948,964	23,721,808
Foreign exchange differences on cash		222,855	(6,824)
Cash and Cash Equivalents at the End of the Period		13,320,886	10,813,926

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

11 Notes to the Financial Statements

For the Half-Year Ended 31 December 2023

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Hot Chili Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, unless otherwise stated. The accounting policies are consistent with Australian Accounting Standards and with IFRS Standards.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all new or amended accounting standards, interpretations and other accounting pronouncements issued by the Australian Accounting Standards Board ("AASB") that are effective for reporting periods beginning on or after 1 January 2023 and therefore mandatory for the current reporting period.

Any new or amended accounting standards, interpretations and other accounting pronouncements that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and determining the allocation of resources.

The consolidated entity operates as a single segment which is mineral exploration.

The consolidated entity is domiciled in Australia. Segment revenues are allocated based on the country in which the party is located.

All the assets relate to mineral exploration. Segment assets are allocated to segments based on the purpose for which they are used.

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

2. SEGMENT INFORMATION (CONT'D)

The following is an analysis of the consolidated entity's revenue and results by reportable operating segment for the half-years under review:

	Australia \$	Chile \$	Total \$
Half-Year Ended 31 Dec 2023			
Revenue (non-interest)	-	-	-
EBITDA	(3,386,390)	(918,385)	(4,304,775)
Depreciation expense			(65,336)
Interest income			173,425
Finance costs			(19,961)
Loss Before Income Tax Expense			(4,216,647)
Income tax expense			-
Loss After Income Tax Expense			(4,216,647)
Half-Year Ended 31 Dec 2022			
Revenue (non-interest)	-	-	-
EBITDA	(1,238,557)	(684,078)	(1,922,635)
Depreciation expense			(66,913)
Interest income			106,769
Finance costs			(24,513)
Loss Before Income Tax Expense			(1,907,292)
Income tax expense			-
Loss After Income Tax Expense			(1,907,292)

The following is an analysis of the consolidated entity's assets and liabilities by reportable operating segment:

	Australia \$	Chile \$	Total \$
As at 31 Dec 2023			
Segment Assets	13,668,543	209,769,605	223,438,148
Segment Liabilities	(888,407)	(2,256,824)	(3,145,231)
As at 30 June 2023			
Segment Assets	2,615,989	221,816,502	224,432,491
Segment Liabilities	(978,517)	(805,217)	(1,783,734)

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

3. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Entity	
	Half-Year Ended 31 Dec 2023 \$	Year Ended 30 June 2023 \$
Carrying amount at the beginning of the period	220,436,849	207,436,542
Partial disposal of underlying mineral resource and property rights, net of transaction costs ¹	(21,286,690)	-
Consideration given for mineral exploration acquisition	1,353,279	1,536,835
Capitalised mineral exploration and evaluation ²	8,652,986	11,463,472
Carrying Amount at the End of the Period ³	209,156,424	220,436,849

¹ In July 2023, the Company closed a US\$15 million investment by Osisko Gold Royalties Limited, pursuant to which Hot Chili received proceeds of US\$15 million in exchange for the sale of a 1% NSR royalty on copper and a 3% NSR royalty on gold across the Company's Costa Fuego Copper-Gold Project.

² Capitalised mineral exploration and evaluation is net of reimbursements of VAT recovered following approval for VAT refunds from the Chilean Tax Authorities.

³ Management have determined that the capitalised expenditure relating to the projects in Chile are still in the exploration phase and are to be classified as exploration and evaluation expenditure. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, management have assessed whether there are any indicators of impairment on the capitalised expenditure as at balance date. In making this assessment management have considered whether sufficient data exists to conclude that the exploration and evaluation assets are unlikely to be recovered in full from successful development or sale. Based on this assessment, management are satisfied that there are no impairment indicators as at balance date.

The future realisation of these non-current assets is dependent on further exploration and funding necessary to commercialise the resources or realisation through sale.

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

4. RIGHT-OF-USE ASSETS

	Consolidated Entity	
	Dec 2023 \$	June 2023 \$
Right-of-use assets at cost	474,660	474,660
Less: Accumulated amortisation	(257,460)	(197,069)
	217,200	277,591

	Half-Year Ended 31 Dec 2023 \$	Year Ended 30 June 2023 \$
Reconciliation of Right-of-Use Assets		
Opening balance	277,591	292,274
Additions	-	102,675
Amortisation	(60,391)	(117,358)
Closing balance ¹	217,200	277,591

¹ The Chilean entities leases their office premises under operating leases. The operating leases are on a month-to-month basis and are not material to the consolidated entity, and therefore have been expensed as incurred and not capitalised as right-of-use assets. Refer to Note 6(c) for details of commitments for minimum lease payments in relation to these operating leases at period end.

5. LEASE LIABILITIES

	Consolidated Entity	
	Dec 2023 \$	June 2023 \$
Current	139,143	124,490
Non-current	136,122	209,118
	275,265	333,608

	Half-Year Ended 31 Dec 2023 \$	Year Ended 30 June 2023 \$
Reconciliation of Lease Liabilities		
Opening balance	333,608	330,848
Additions	-	102,675
Repayments	(77,361)	(146,847)
Interest	19,018	46,932
Closing balance	275,265	333,608

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

6. COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the consolidated entity has the following discretionary exploration expenditure requirements up until the expiry of leases. These obligations are not provided for in the financial statements and are payable as follows:

	Consolidated Entity	
	31 Dec 2023	30 Jun 2023
	\$	\$
Within one year	721,387	2,312,030
Later than one year but not later than five years	5,388,679	2,668,572
More than five years	4,751,462	5,279,035
	10,861,528	10,259,637

(b) Option Payment Commitments

The mining rights (which vary between 90% to 100%) of the various projects undertaken by Hot Chili will be transferred upon satisfaction of the option payments committed as at 31 December 2023, as tabled below:

	Consolidated Entity	
	31 Dec 2023	30 Jun 2023
	\$	\$
Within one year	3,801,170	7,088,989
Later than one year but not later than five years	11,769,006	12,217,195
More than five years	-	-
	15,570,176	19,306,184

(c) Operating Leases

The below reflects the Group's commitments for minimum lease payments in relation to operating leases at period end. Operating leases are not material to the consolidated entity and are not accounted for as right-of-use assets under AASB 16 *Leases*. Refer to Notes 4 and 5 for further details of the Group's leases accounted for under AASB 16 *Leases*.

	Consolidated Entity	
	31 Dec 2023	30 Jun 2023
	\$	\$
Within one year	158,055	100,992
Later than one year but not later than five years	429,452	488,267
More than five years	-	-
	587,507	589,259

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

7. CONTINGENT LIABILITIES

a) VAT

As at 31 December 2023, Hot Chili Limited had accumulated:

- VAT refund payments of \$15,079,797 (30 June 2023: \$16,890,566) with respect to VAT recovered as at 31 December 2023 by Sociedad Minera El Águila SpA (refer to the table below); and
- VAT refund payments of \$9,277,821 (30 June 2023: \$9,604,604) with respect to VAT recovered as at 31 December 2023 by Sociedad Minera Frontera SpA (refer to the table below).

	Consolidated Entity	
	Dec 2023 \$	June 2023 \$
VAT recovered by Sociedad Minera El Águila SpA (CLP 9,124,175,572; 30 June 2023: CLP 8,988,767,896)	15,079,797	16,890,566
VAT recovered by Sociedad Minera Frontera SpA (CLP 5,613,634,352; 30 June 2023: CLP 5,111,348,028)	9,277,821	9,604,604
Total VAT Recovered by Chilean Subsidiaries (CLP 14,737,809,924; 30 June 2023: CLP 14,100,115,924)	24,357,618	26,495,170

Under the current terms of the VAT refund payment, the consolidated entity has until the 30 June 2026 to commercialise production from Productora and meet certain export targets. Hot Chili also had the right to extend this term. An agreement with Sociedad Minera Frontera SpA provides an extension to 31 December 2026 for exports related to the Cortadera deposit.

In the event that the term is not extended further and the Company does not meet certain export targets, the Company will be required to repay the VAT refund payments to the Chilean Tax Authority subject to certain terms and conditions. However, if Hot Chili achieves the export targets within that timeframe or its renewal, if required, VAT refund payments will not be required to be repaid.

b) Future Royalty Payments

In July 2023, the Company closed an Investment Agreement with Osisko Gold Royalties Ltd ("Osisko"). Under the terms of the Investment Agreement Osisko purchased a net smelter return royalty comprising 1% of payable copper production and 3% of gold payable production. Hot Chili retains a buyback right if a change of control event occurs prior to the 4th anniversary of closing under the terms and conditions of the announcement dated 28 June 2023.

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY

	Consolidated Entity			
	31 Dec 2023		30 June 2023	
a) Share Capital	No. Shares	\$	No. Shares	\$
Ordinary shares – fully paid	119,445,206	269,189,573	119,445,206	269,189,573

b) Listed Ordinary Share Purchase Warrants ('Warrants') Over Ordinary Share Capital

Issue Date	Expiry Date	Balance at 1 July 2023 No.	Issued During the Period No.	Expiry / Exercise No.	Balance at 31 Dec 2023 No.	Exercisable at 31 Dec 2023 No.
28 Feb 2022	31 Jan 2024	10,900,000	-	-	10,900,000	10,900,000
		10,900,000	-	-	10,900,000	10,900,000

The Warrants were listed on the Canadian TSX Venture Exchange ("TSXV") and expired after half-year end, on 31st January 2024.

c) Unlisted Options Over Ordinary Share Capital

Grant Date	Expiry Date	Balance at 1 July 2023 No.	Issued During the Period No.	Expiry / Exercise No.	Balance at 31 Dec 2023 No.	Exercisable at 31 Dec 2023 No.
15 Sep 2021	30 Sep 2024	1,850,001	-	-	1,850,001	1,850,001
31 Jan 2022	28 Jan 2025	1,259,789	-	-	1,259,789	1,259,789
		3,109,790	-	-	3,109,790	3,109,790

The weighted average exercise price of options on issue is \$2.19 (30 June 2023: \$2.19). The weighted average remaining contractual life of options outstanding at the end of the period was 0.88 years (30 June 2023: 1.39 years)

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

d) Service Rights

Grant Date	Last Vesting Day	Expiry Date ¹	Balance at 1 July 2023 No.	Issued During the Period ² No.	Expiry / Exercise No.	Balance at 31 Dec 2023 No.	Exercisable at 31 Dec 2023 ³ No.
10 May 2023	31 Dec 2023	12 May 2028	938,953	-	-	938,953	938,953
10 May 2023	31 Dec 2024	12 May 2028	938,955	-	-	938,955	-
10 May 2023	31 Dec 2025	12 May 2028	938,956	-	-	938,956	-
21 Aug 2023	31 Dec 2023	22 Aug 2028	-	115,006	-	115,006	115,006
21 Aug 2023	31 Dec 2024	22 Aug 2028	-	115,006	-	115,006	-
21 Aug 2023	31 Dec 2025	22 Aug 2028	-	114,988	-	114,988	-
			2,816,864	345,000	-	3,161,864	1,053,959

¹ Later expiry dates apply if service rights have vested on or before the last vesting day.

² During the period, 345,000 service rights were issued to the Company's Chilean employees and certain other consultants. Refer to Note 8(f) for details of the fair value of the service rights granted.

³ Denotes service rights exercisable as a result of vesting conditions being met during the period.

⁴ During the period, \$1,378,404 (half-year ending 31 Dec 2022: \$nil) was expensed in relation to the vesting of service rights.

e) Performance Rights

Grant Date	Last Vesting Day	Expiry Date ¹	Balance at 1 July 2023 No.	Issued During the Period ² No.	Expiry / Exercise ³ No.	Balance at 31 Dec 2023 No.	Exercisable at 31 Dec 2023 ⁴ No.
12 Aug 2020	31 Jul 2023	31 Jul 2023	400,002	-	(400,002)	-	-
1 Sep 2020	31 Jul 2023	31 Jul 2023	700,002	-	(700,002)	-	-
3 Nov 2020	31 Jul 2023	31 Jul 2023	100,002	-	(100,002)	-	-
2 Sep 2021	31 Jul 2023	31 Jul 2023	300,000	-	(300,000)	-	-
20 Sep 2021	31 Jul 2023	31 Jul 2023	400,002	-	(400,002)	-	-
10 May 2023	31 Dec 2023	12 May 2028	290,480	-	-	290,480	290,480
10 May 2023	31 Dec 2024	12 May 2028	290,485	-	-	290,485	-
10 May 2023	31 Dec 2025	12 May 2028	1,286,433	-	-	1,286,433	-
10 May 2023	10 May 2026	12 May 2028	622,466	-	-	622,466	-
21 Aug 2023	31 Dec 2023	22 Aug 2028	-	40,250	-	40,250	40,250
21 Aug 2023	31 Dec 2024	22 Aug 2028	-	40,250	-	40,250	-
21 Aug 2023	31 Dec 2025	22 Aug 2028	-	178,250	-	178,250	-
21 Aug 2023	21 Aug 2026	22 Aug 2028	-	86,250	-	86,250	-
			4,389,872	345,000	(1,900,008)	2,834,864	330,730

¹ Later expiry dates apply if service rights have vested on or before the last vesting day.

² During the period, 345,000 performance rights were issued to the Company's Chilean employees and certain other consultants. Refer to Note 8(g) for details of the fair value of the performance rights granted.

³ On 31 July 2023, 1,900,008 performance rights lapsed due to vesting conditions not being met by that date.

⁴ Denotes performance rights exercisable as a result of vesting conditions being met during the period.

⁵ During the period, \$482,403 was expensed (half-year ending 31 Dec 2022: \$678,892 reversed) in relation to the vesting of performance rights.

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

f) Fair Value of Service Rights Granted During the Period

During the period, 345,000 service rights were issued to the Company's Chilean employees and certain other consultants. The key terms and conditions of the service rights issued were as follows:

Service Rights Tranche	Quantity Granted 21 Aug 2023	Vesting Determination Date	Vesting Conditions
Tranche 1	115,006 issued	31 Dec 2023	Continued employment during the 2023 calendar year.
Tranche 2	115,006 issued	31 Dec 2024	Continued employment during the 2024 calendar year.
Tranche 3	114,988 issued	31 Dec 2025	Continued employment during the 2025 calendar year.
Total	345,000 Issued		

The fair values for the service rights were determined using the Black Scholes option pricing model. The inputs for the fair value model for the service rights issued during the period were as follows:

For Service Rights	Tranche 1	Tranche 2	Tranche 3
Number	115,006	115,006	114,988
Issue date	22 Aug 2023	22 Aug 2023	22 Aug 2023
Valuation date	21 Aug 2023	21 Aug 2023	21 Aug 2023
Spot price at grant date	\$1.3200	\$1.3200	\$1.3200
Exercise price	Nil	Nil	Nil
Vesting date	31 Dec 2023	31 Dec 2024	31 Dec 2025
Expiry date	21 Aug 2028	21 Aug 2028	21 Aug 2028
Expected price volatility of the Company's shares	70%	70%	70%
Risk-free interest rate	3.950%	3.950%	3.950%
Dividend yield	Nil	Nil	Nil
Fair value of per service right	\$1.3200	\$1.3200	\$1.3200
Total Value of Service Rights Granted	\$151,808	\$151,808	\$151,784

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

g) Fair Value of Performance Rights Granted During the Period

During the period, 345,000 performance rights were issued to the Company's Chilean employees and certain other consultants. The key terms and conditions of the performance rights issued were as follows:

Class A Tranche	Quantity Granted 21 Aug 2023	Vesting Determination Date	Vesting Conditions
Tranche 1	11,497 issued	31 Dec 2023	Lost Time Injury Frequency Rate ("LTIFR") of less than 27 and zero fatalities during the 2023 calendar year.
Tranche 2	11,497 issued	31 Dec 2024	LTIFR of less than 27 and zero fatalities during the 2024 calendar year.
Tranche 3	11,506 issued	31 Dec 2025	LTIFR of less than 27 and zero fatalities during the 2025 calendar year.
Total Class A	34,500 Issued		

Class B Tranche	Quantity Granted 21 Aug 2023	Vesting Determination Date	Vesting Conditions
Tranche 1	28,747 issued	31 Dec 2023	The Company's relative shareholder return ("SR") performance during the 2023 calendar year ranked against a "Peer Group" of comparable companies. Company's ranking must be above 50th percentile for any rights in tranche to vest. Ranking must be above 75 th percentile for all rights in tranche to vest.
Tranche 2	28,747 issued	31 Dec 2024	Criteria as per above applied as relevant to the 2024 calendar year.
Tranche 3	28,756 issued	31 Dec 2025	Criteria as per above applied as relevant to the 2025 calendar year.
Total Class B	86,250 Issued		

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

g) Fair Value of Performance Rights Granted During the Period (Cont'd)

Class C Tranche	Quantity Granted 21 Aug 2023	Vesting Determination Date	Vesting Conditions
Tranche 1	43,129 issued	As conditions vest	Increase in the Company's 20-day VWAP to \$1.69 per share on or before 10 May 2026.
Tranche 2	43,121 issued	As conditions vest	Increase in the Company's 20-day VWAP to \$2.72 per share on or before 10 May 2026.
Total Class C	86,250 Issued		

Class D Tranche	Quantity Granted 21 Aug 2023	Vesting Determination Date	Vesting Conditions
Tranche 1	69,000 issued	As conditions vest	Total resources growth to 1.2 billion tonnes on or before 31 December 2025
Tranche 2	69,000 issued	As conditions vest	Total resources growth to between 1.2 billion tonnes and 1.4 billion tonnes on or before 31 December 2025, vesting on a pro-rata basis.
Total Class D	138,000 Issued		
Total	345,000 Issued		

The fair values for the Class A and Class D performance rights were determined using Black Scholes option pricing model. The fair values for the Class B performance rights were determined using a hybrid employee share option pricing model, and the fair values for the Class C performance rights were determined using a barrier up-and-in trinomial pricing model with a Parisian barrier adjustment.

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

g) Fair Value of Performance Rights Granted During the Period (Cont'd)

The inputs for the fair value models for the performance rights issued during the period were as follows:

For Class A Performance Rights	Tranche 1	Tranche 2	Tranche 3
Number	11,497	11,497	11,506
Issue date	22 Aug 2023	22 Aug 2023	22 Aug 2023
Valuation date	21 Aug 2023	21 Aug 2023	21 Aug 2023
Spot price at grant date	\$1.3200	\$1.3200	\$1.3200
Exercise price	Nil	Nil	Nil
Vesting date	31 Dec 2023	31 Dec 2024	31 Dec 2025
Expiry date	21 Aug 2028	21 Aug 2028	21 Aug 2028
Expected price volatility of the Company's shares	70%	70%	70%
Risk-free interest rate	3.950%	3.950%	3.950%
Dividend yield	Nil	Nil	Nil
Fair value of per service right	\$1.3200	\$1.3200	\$1.3200
Total Value of Performance Rights Granted	\$15,176	\$15,176	\$15,188

For Class B Performance Rights	Tranche 1	Tranche 2	Tranche 3
Number	28,747	28,747	28,756
Issue date	22 Aug 2023	22 Aug 2023	22 Aug 2023
Valuation date	21 Aug 2023	21 Aug 2023	21 Aug 2023
Spot price at grant date	\$1.3200	\$1.3200	\$1.3200
Exercise price	Nil	Nil	Nil
Vesting date	31 Dec 2023	31 Dec 2024	31 Dec 2025
Expiry date	21 Aug 2028	21 Aug 2028	21 Aug 2028
Expected price volatility of the Company's shares	70%	70%	70%
Risk-free interest rate	3.950%	3.950%	3.950%
Dividend yield	Nil	Nil	Nil
Fair value of per service right	\$1.3090	\$0.8950	\$0.8960
Total Value of Performance Rights Granted	\$37,630	\$25,729	\$25,765

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

8. CONTRIBUTED EQUITY (CONT'D)

g) Fair Value of Performance Rights Granted During the Period (Cont'd)

For Class C Performance Rights	Tranche 1	Tranche 2
Number	43,129	43,121
Issue date	22 Aug 2023	22 Aug 2023
Valuation date	21 Aug 2023	21 Aug 2023
Spot price at grant date	\$1.3200	\$1.3200
Exercise price	Nil	Nil
VWAP barrier price	\$1.6900	\$2.7200
Last vesting date	21 Aug 2026	21 Aug 2026
Expiry date	21 Aug 2028	21 Aug 2028
Expected price volatility of the Company's shares	70%	70%
Risk-free interest rate	3.895%	3.895%
Dividend yield	Nil	Nil
Fair value of per service right	\$1.0090	\$1.0090
Total Value of Performance Rights Granted	\$43,517	\$43,509

For Class D Performance Rights	Tranche 1	Tranche 2
Number	69,000	69,000
Issue date	22 Aug 2023	22 Aug 2023
Valuation date	21 Aug 2023	21 Aug 2023
Spot price at grant date	\$1.3200	\$1.3200
Exercise price	Nil	Nil
Last vesting date	31 Dec 2025	31 Dec 2025
Expiry date	21 Aug 2028	21 Aug 2028
Expected price volatility of the Company's shares	70%	70%
Risk-free interest rate	3.950%	3.950%
Dividend yield	Nil	Nil
Fair value of per service right	\$1.3200	\$1.3200
Total Value of Performance Rights Granted	\$91,080	\$91,080

11 Notes to the Financial Statements (Cont'd)

For the Half-Year Ended 31 December 2023

9. RELATED PARTY TRANSACTIONS

Remuneration, share-based payments and other arrangements of key management personnel are disclosed in the annual financial report for the year ended 30 June 2023. These arrangements with related parties continued to be in place during the period. No further related party arrangements were made, nor were there further related party transactions during the half-year period to 31 December 2023.

10. EVENTS OCCURRING AFTER REPORTING DATE

On 31 January 2024, 10,900,000 warrants exercisable at CAD 2.50, listed on the TSXV, lapsed without exercise.

On 21 February 2024, the Company announced the execution of an Option Agreement with Bastion Minerals Limited (ASX: BMO) for an initial option fee of USD 100,000. Refer to announcement dated 21 February for a breakdown of the commitments under the option agreement.

On 26 February 2024, the Company released an updated Mineral Resource Estimate for its Costa Fuego Copper-Gold Project.

On 26 February 2024, the company released the results of its Water Supply Concept Study for the Huasco Valley region of Chile. See ASX Announcement "Hot Chili Advances Regional Water Supply Opportunity".

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

11. DIVIDENDS

No dividends were paid or declared for the period.

12 Tenement Schedule

Table 3: Current Tenement (Patente) Holdings in Chile as at 31 Dec 2023

Cortadera Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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 11/260	100% Frontera SpA		260	
CORROTEO 5 1/261	100% Frontera SpA		261	
PURISIMA	100% Frontera SpA		20	NSR 1.5%

Productora Project

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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	NSR 3%
CHICA	80% SMEA SpA		1	
ESPERANZA 1-5	80% SMEA SpA		11	
LEONA 2A 1-4	80% SMEA SpA		10	
CARMEN I, 1-50	80% SMEA SpA		222	

12 Tenement Schedule (Cont'd)

Table 3: Current Tenement (Patente) Holdings in Chile as at 31 Dec 2023 (Cont'd)

Productora Project (Cont'd)

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
CARMEN II, 1-60	80% SMEA SpA		274	
ZAPA 1, 1-10	80% SMEA SpA		100	
ZAPA 3, 1-23	80% SMEA SpA		92	
ZAPA 5A, 1-16	80% SMEA SpA		80	
ZAPA 7, 1-24	80% SMEA SpA		120	
CABRITO, CABRITO 1-9	80% SMEA SpA		50	
CUENCA A, 1-51	80% SMEA SpA		255	
CUENCA B, 1-28	80% SMEA SpA		139	
CUENCA C, 1-51	80% SMEA SpA		255	
CUENCA D	80% SMEA SpA		3	
CUENCA E	80% SMEA SpA		1	
CHOAPA 1-10	80% SMEA SpA		50	
ELQUI 1-14	80% SMEA SpA		61	
LIMARÍ 1-15	80% SMEA SpA		66	
LOA 1-6	80% SMEA SpA		30	
MAIPO 1-10	80% SMEA SpA		50	
TOLTÉN 1-14	80% SMEA SpA		70	
CACHIYUYITO 1, 1-20	80% SMEA SpA		100	
CACHIYUYITO 2, 1-60	80% SMEA SpA		300	
CACHIYUYITO 3, 1-60	80% SMEA SpA		300	
LA PRODUCTORA 1-16	80% SMEA SpA		75	
ORO INDIO 1A, 1-20	80% SMEA SpA		82	
AURO HUASCO I, 1-8	80% SMEA SpA		35	
URANIO, 1-70	0%	0%	350	25-year Lease Agreement US\$250,000 per year plus 2% NSR all but gold; 4% NSR gold; 5% NSR non-metallic.
JULI 9, 1-60	80% SMEA SpA		300	
JULI 10, 1-60	80% SMEA SpA		300	
JULI 11 1/60	80% SMEA SpA		300	
JULI 12 1/42	80% SMEA SpA		210	
JULI 13 1/20	80% SMEA SpA		100	
JULI 14 1/50	80% SMEA SpA		250	
JULI 15 1/55	80% SMEA SpA		275	
JULI 16, 1-60	80% SMEA SpA		300	
JULI 17, 1-20	80% SMEA SpA		100	
JULI 19	80% SMEA SpA		300	
JULI 20	80% SMEA SpA		300	
JULI 21 1/60	80% SMEA SpA		300	
JULI 22	80% SMEA SpA		300	
JULI 23 1/60	80% SMEA SpA		300	
JULI 24, 1-60	80% SMEA SpA		300	
JULI 25	80% SMEA SpA		300	
JULI 27 1/30	80% SMEA SpA		146	
JULI 27 B 1/10	80% SMEA SpA		48	
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	

12 Tenement Schedule (Cont'd)

Table 3: Current Tenement (Patente) Holdings in Chile as at 31 Dec 2023 (Cont'd)

Productora Project (Cont'd)

License ID	HCH % Held	HCH % Earning	Area (ha)	Agreement Details
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 11-6	80% SMEA SpA		40	
ARENA 21-17	80% SMEA SpA		113	
ZAPA 1 – 6	80% SMEA SpA		6	GSR 1%
JULIETA 1-4	80% SMEA SpA		4	

El Fuego Project

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment – Payments
SANTIAGO 21 al 36		100% Frontera SpA	76	100% HCH Purchase Option Agreement USD 300,000 already paid. USD 1,000,000 payable 30 September 2024 USD 1,000,000 payable 30 September 2025 USD 2,000,000 payable by 30 September 2026 to exercise the El Fuego Option. (2 further conditional payments of USD 2,000,000 each to be paid by 31 December 2030. Refer to ASX Announcement "Hot Chili Materially Improves Option Terms For Costa Fuego" (7 th December 2023))
SANTIAGO 37 al 43		100% Frontera SpA	26	
SANTIAGO A, 1 al 26		100% Frontera SpA	236	
SANTIAGO B, 1 al 20		100% Frontera SpA	200	
SANTIAGO C, 1 al 30		100% Frontera SpA	300	
SANTIAGO D, 1 al 30		100% Frontera SpA	300	
SANTIAGO E, 1 al 30		100% Frontera SpA	300	
PRIMA UNO		100% Frontera SpA	1	
PRIMA DOS		100% Frontera SpA	2	
SANTIAGO 15 al 19		100% Frontera SpA	25	
SAN ANTONIO 1 al 5		100% Frontera SpA	25	
SANTIAGO 1 AL 14 Y 20		100% Frontera SpA	75	
ROMERO 1 AL 31		100% Frontera SpA	31	
MERCEDES 1 al 3		100% Frontera SpA	50	
KRETA 1 al 4		100% Frontera SpA	16	
MARI 1 al 12		100% Frontera SpA	64	
PORFIADA VII 1 al 60		100% Frontera SpA	300	
PORFIADA VIII 1 al 60		100% Frontera SpA	300	
SANTIAGO Z 1/30		100% Frontera SpA	300	
PORFIADA IX 1 al 60		100% Frontera SpA	300	
PORFIADA A 1 al 40		100% Frontera SpA	200	
PORFIADA C 1 al 60		100% Frontera SpA	300	
PORFIADA E 1 al 20		100% Frontera SpA	100	
PORFIADA F 1 al 60		100% Frontera SpA	300	
SAN JUAN SUR 1/5		100% Frontera SpA	10	
SAN JUAN SUR 6/23		100% Frontera SpA	90	
PORFIADA G	100% Frontera SpA		200	
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		93	

12 Tenement Schedule (Cont'd)

Table 3: Current Tenement (Patente) Holdings in Chile as at 31 Dec 2023 (Cont'd)

El Fuego Project (Cont'd)

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment – Payments
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	
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 X	100% Frontera SpA		200	
PORFIADA VI	100% Frontera SpA		100	
PORFIADA B	100% Frontera SpA		200	
PORFIADA D	100% Frontera SpA		300	
CHILIS 1	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 1 al 40	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	

12 Tenement Schedule (Cont'd)

Table 3: Current Tenement (Patente) Holdings in Chile as at 31 Dec 2023 (Cont'd)

El Fuego Project (Cont'd)

Licence ID	HCH % Held	HCH % Earning	Area (ha)	Exploration and Expenditure Commitment – Payments
CF 1	100% Frontera SpA		300	
CF 2	100% Frontera SpA		300	
CF 3	100% Frontera SpA		300	
CF 4	100% Frontera SpA		300	
CF 5	100% Frontera SpA		200	
CHAPULIN COLORADO 1/3	100% Frontera SpA		3	
PEGGY SUE 1/10	100% Frontera SpA		100	
DONA FELIPA 1 a/10	100% Frontera SpA		50	
ELEANOR RIGBY 1/10	100% Frontera SpA		100	
CF 6	100% Frontera SpA		200	
CF 7	100% Frontera SpA		100	
CF 8	100% Frontera SpA		200	
CF 9	100% Frontera SpA		100	
MARI 1	100% Frontera SpA		300	
MARI 6	100% Frontera SpA		300	
MARI 8	100% Frontera SpA		300	
FALLA MAIPO 2 1/10	100% Frontera SpA		99	
FALLA MAIPO 3 1/8	100% Frontera SpA		72	
FALLA MAIPO 4 1/26	100% Frontera SpA		26	
ARBOLEDA 7 ½	Option AMSA	100% Frontera SpA	234	100% HCH Purchase Option Agreement USD 1,500,000 to be paid by 15 November 2024
NAVARRO 1 41/60	Option AMSA	100% Frontera SpA	81	
NAVARRO 2 21/37	Option AMSA	100% Frontera SpA	78	
MONICA 21/40	Option AMSA	100% Frontera SpA	85	
MONICA 41/52	Option AMSA	100% Frontera SpA	39	
CORDILLERA 1/5		100% Frontera SpA	20	100% HCH Purchase Option Agreement USD 100,000 already paid USD 200,000 payable by 14 November 2025 USD 3,700,000 payable by 14 November 2027 NSR 1% for underground mining and 1.5% for open-pit mining
QUEBRADA 1/10		100% Frontera SpA	28	
ALBORADA III 1/35		100% Frontera SpA	162	
ALBORADA IV 1/20		100% Frontera SpA	54	
ALBORADA VII 1/25		100% Frontera SpA	95	
CAT IX 1/30		100% Frontera SpA	150	
CATITA IX 1/20		100% Frontera SpA	100	
CATITA XII 1/13		100% Frontera SpA	61	
MINA HERREROS III 1/6		100% Frontera SpA	18	
MINA HERREROS IV 1/10		100% Frontera SpA	23	
HERREROS 1/14		100% Frontera SpA	28	100% HCH Purchase Option Agreement USD 100,000 paid at signature (already satisfied) USD 100,000 payable by 14 November 2024 USD 150,000 payable by 14 November 2025 USD 1,000,000 by 14 November 2027 (NSR 1%)
VETA 1/28		100% Frontera SpA	17	
PORSIACA 1/20		100% Frontera SpA	20	
MARSELESA 1/5		100% Frontera SpA	50	

13 Corporate Directory

Directors

Dr Nicole Adshead-Bell

(Independent Non-Executive Chairman)

Christian Easterday

(Managing Director)

Roberto de Andraca Adriasola

(Non-Executive Director)

Mark Jamieson

(Non-Executive Director)

Stephen Quin

(Independent Non-Executive Director)

CFO & Company Secretary

Penelope Beattie

Executive Management

Jose Ignacio Silva

(Executive Vice President)

Grant King

(Chief Operating Officer)

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