



Quarterly Report

Period Ending June 30th 2021

Highlights

Cortadera On-Track for Resource Upgrade This Year

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

Costa Fuego PFS Commences

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

HCH Market Reach Expanding

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



RC and Diamond Drill Rigs operating at Cortadera, July 2021

SUMMARY OF OPERATIONAL ACTIVITIES

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

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

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

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

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



Field operations at Cortadera, July 2021

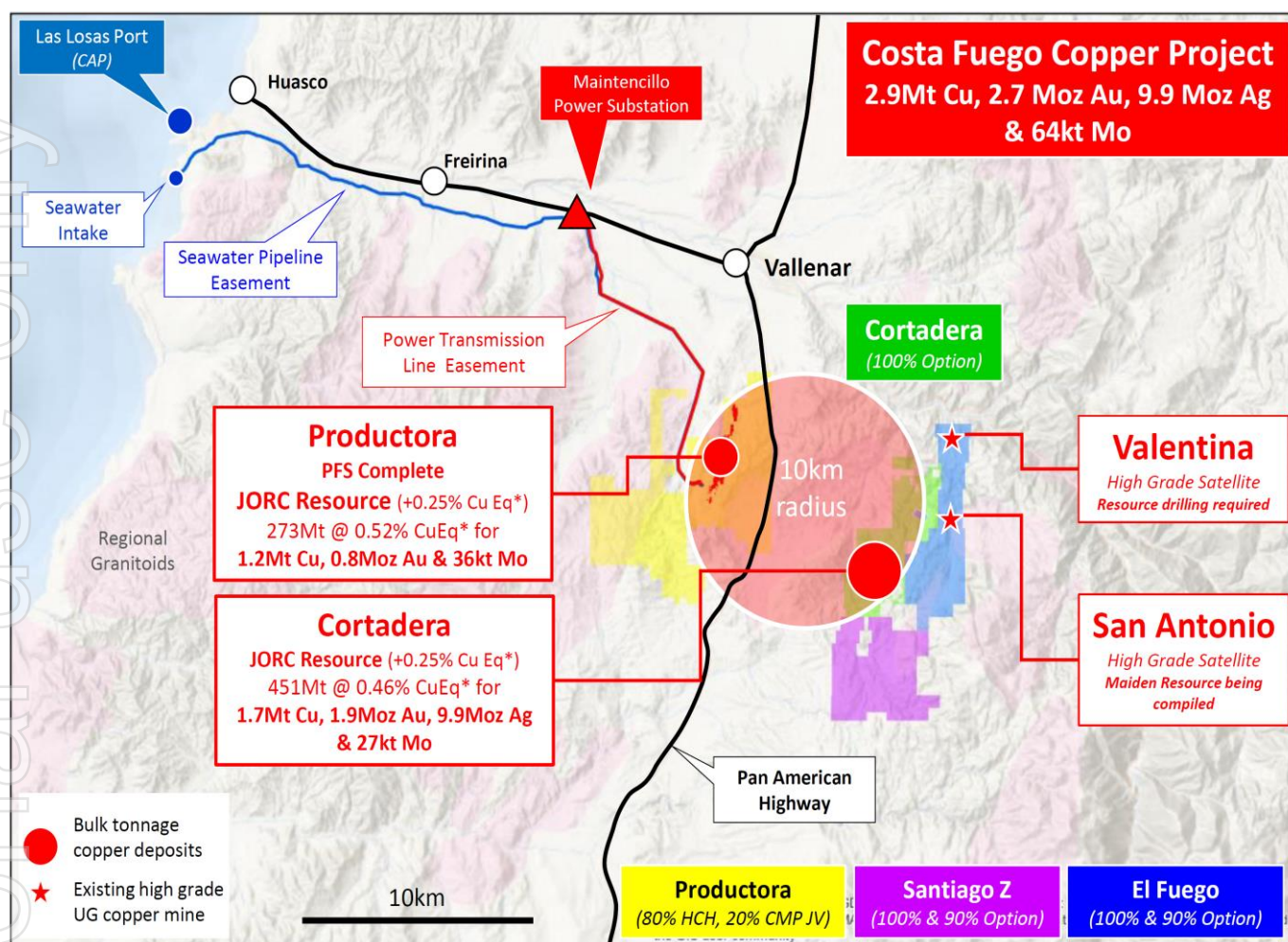


Figure 1 Location of Productora and the Cortadera discovery in relation to the coastal range infrastructure of Hot Chili's combined Costa Fuego copper project, located 600km north of Santiago in Chile

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

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

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

Step Out Drilling expands Cortadera Maiden Resource Envelope

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

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

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

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

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

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

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

Cuerpo 3 High Grade Core Returns Another Outstanding Result

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

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

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

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

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

Cortadera's most significant drill intersections to date:

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

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

- 750m grading 0.6% copper and 0.2g/t gold from 204m down-hole depth in CRP0013D

(including 188m grading 0.9% copper and 0.4g/t gold),

- 848m grading 0.4% copper and 0.2g/t gold from 112m down-hole depth in CRP0011D

(including 184m grading 0.7% copper and 0.3g/t gold),

- 836m grading 0.4% copper and 0.1g/t gold from 536m down-hole depth in CRD0080

(including 436m grading 0.5% copper and 0.2g/t gold) – NEW RESULT, Q2 2021

- 813m grading 0.4% copper and 0.1g/t gold from 54m down-hole depth in CRP0061D

(including 318m grading 0.6% copper and 0.2g/t gold),

- 649m grading 0.4% copper and 0.1g/t gold from 328m down-hole depth in CRP0029D

(including 440m grading 0.5% copper and 0.2g/t gold),

- 596m grading 0.5% copper and 0.2g/t gold from 328m down-hole depth in CRP0017D

(including 184m grading 0.7% copper and 0.3g/t gold), and

- 542m grading 0.5% copper and 0.2g/t gold from 422m down-hole depth in CRP0040D

(including 218m grading 0.7% copper and 0.2g/t gold)

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

Confirmation The Two Largest Porphyries Join at Depth

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

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

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

Cortadera and Cortadera North Exploration Drilling Update

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

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

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

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

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

Current Copper Prices see Productora's NPV increase 500%

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

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

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

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

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

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

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

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

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

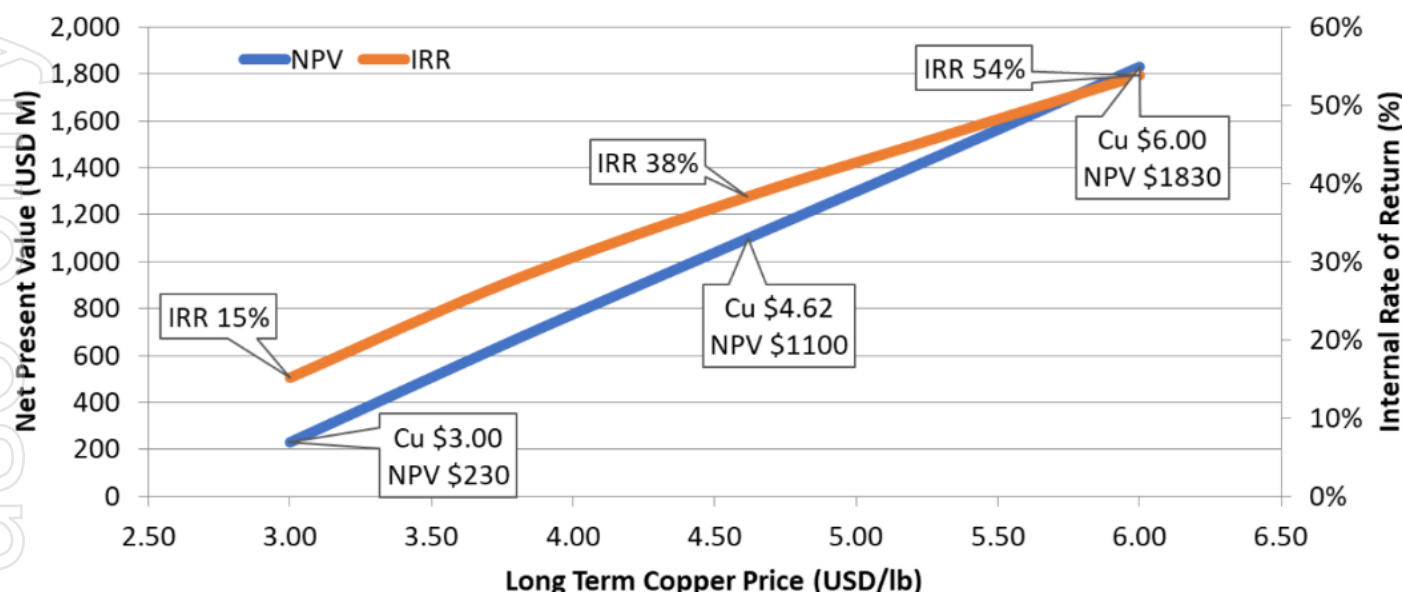


Figure 2. Productora 2016 PFS Results (NPV & IRR) Versus Copper Price (Wood, 2020)

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

Costa Fuego Copper-Gold PFS Underway

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

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

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

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

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

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

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



Hot Chili geologists at the Cortadera core farm, July 2021

Table 1 Significant Drill Results Reported in Q2 2021

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

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



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

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

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

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

Note 1: NSR – no significant intersection recorded

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



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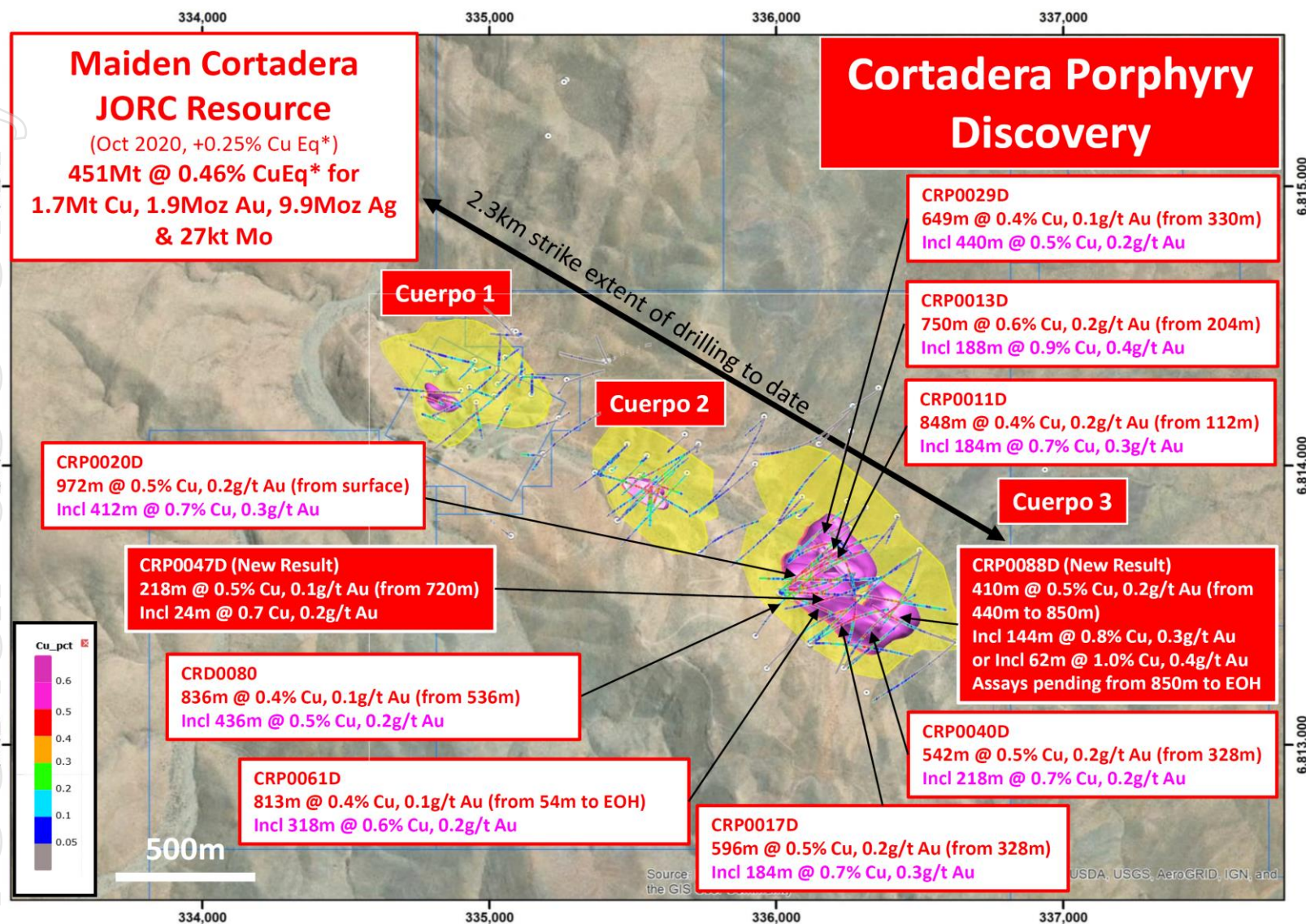


Figure 3. Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow-+0.1% Cu and magenta +0.4% Cu). Note the selected HCH drilling intersections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

Long Section Displaying Geology Model

(updated June 2021)

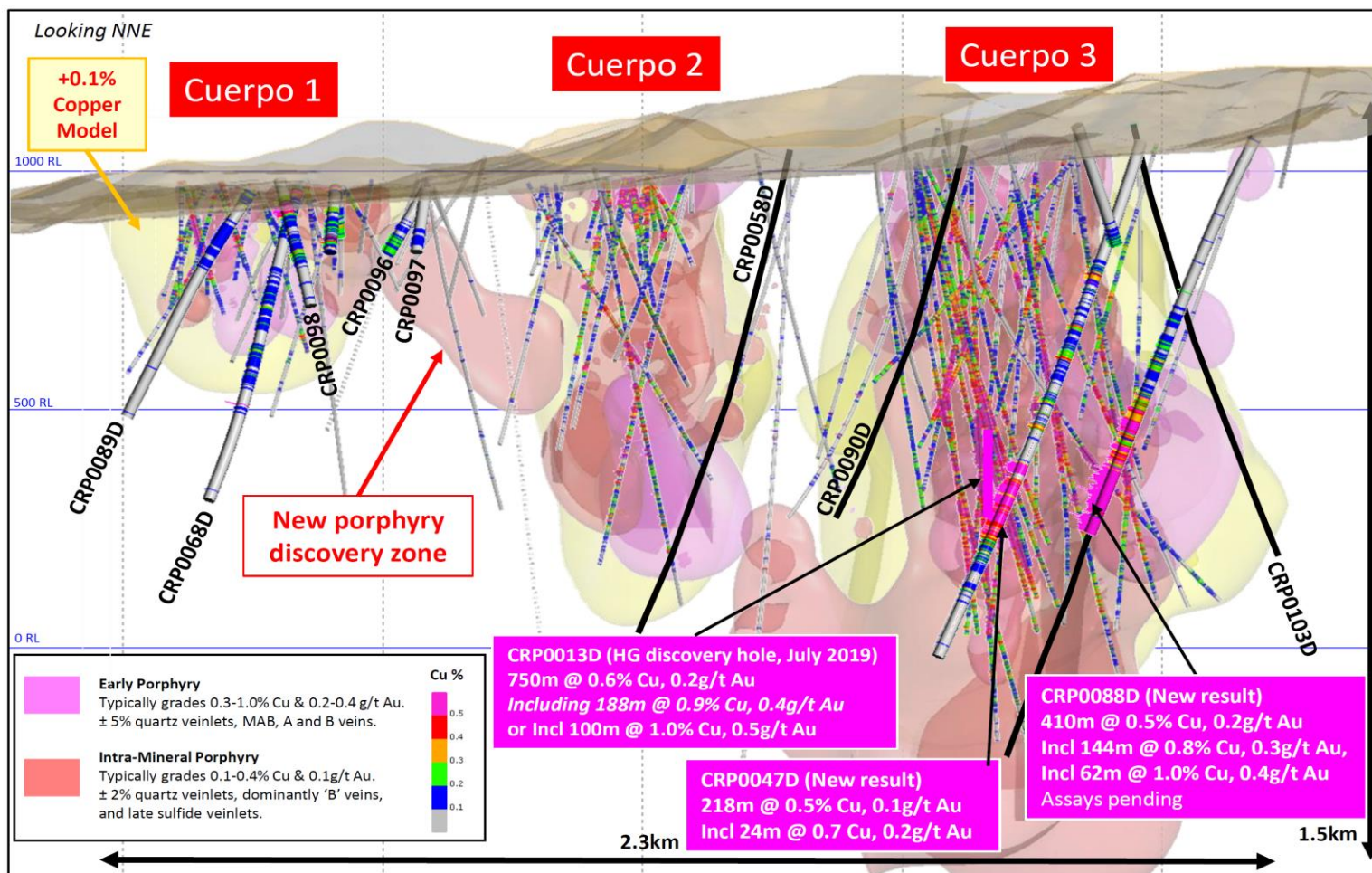


Figure 4. Long Section displaying the location of CRP0088D and CRP0047D in relation to the Cortadera copper-gold discovery window. A new shallow porphyry zone confirms that all of Cortadera's porphyries join across 2.3km strike length. Results are pending for CRP0090D, CRP00103D and CRP0058D. Diamond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

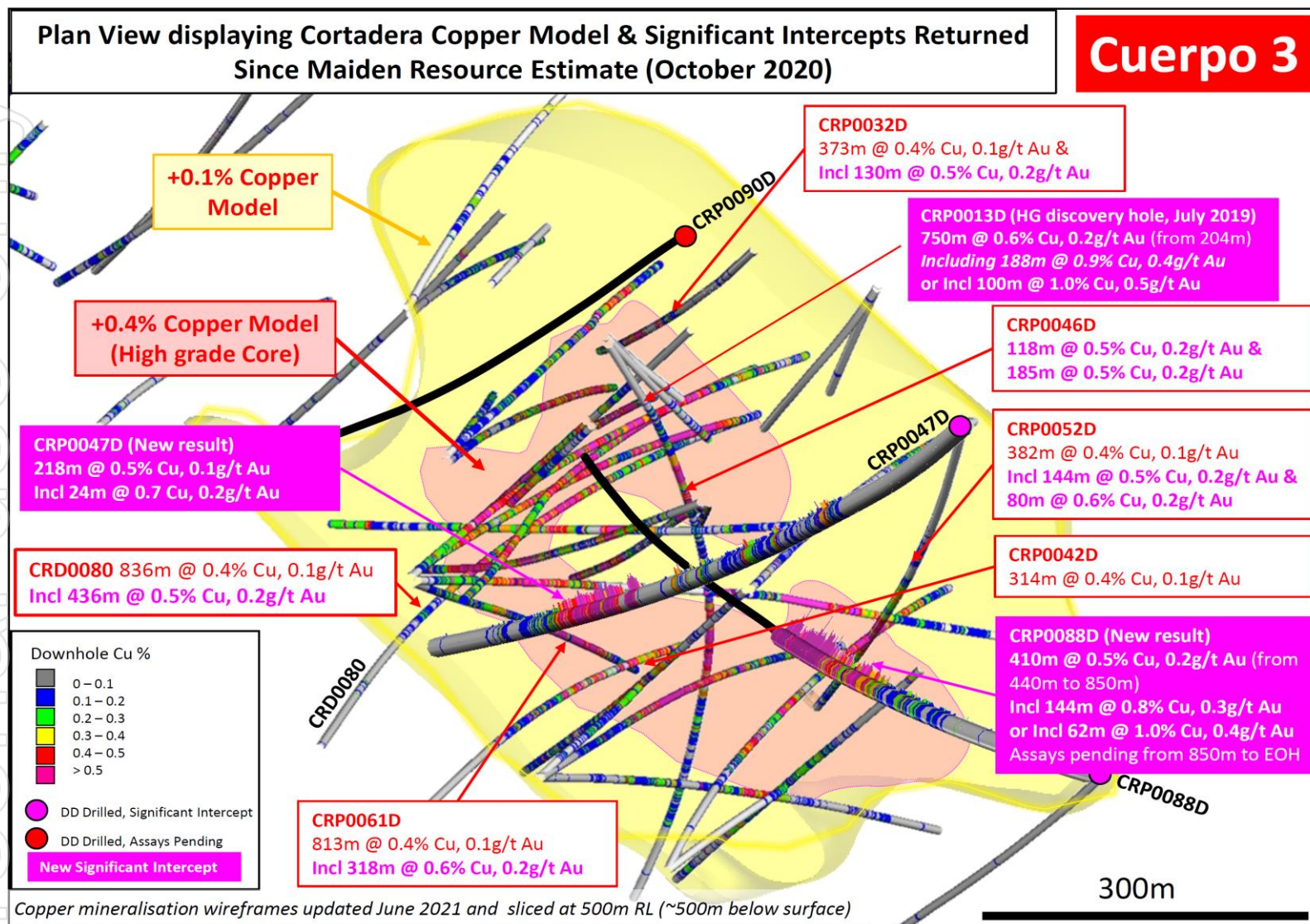


Figure 5. Plan view across the Cortadera discovery area displaying significant copper-gold DD intersections across Cuerpo 3 since the October 2020 resource estimate. The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow- +0.1% Cu). Note the new result reported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

Plan view displaying Geology Model

(updated June 2021)

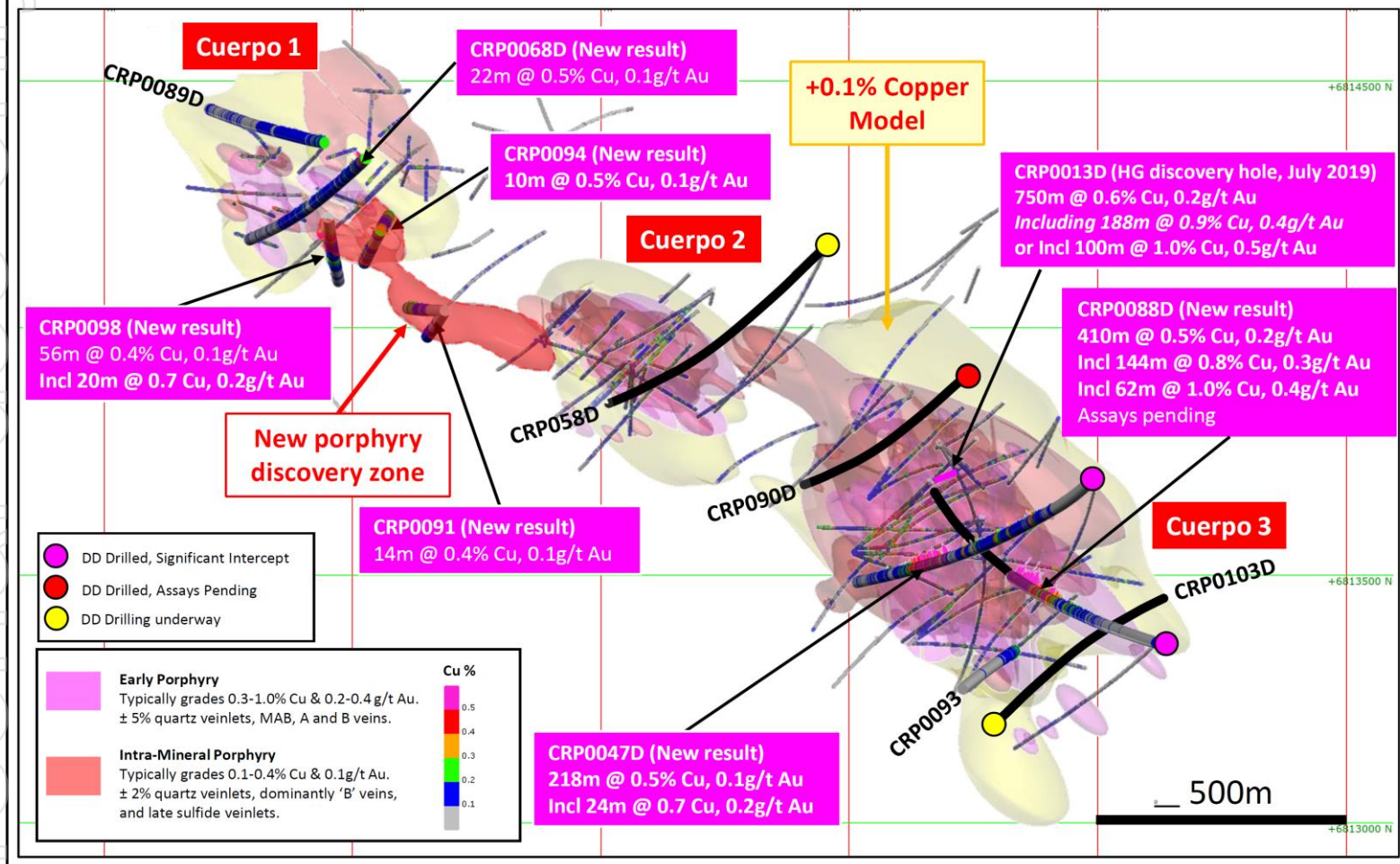


Figure 6. Plan view across the Cortadera discovery area displaying new significant copper-gold DD and RC drilling intersections (magenta). The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow- +0.1% Cu) and the extent of modelled porphyries. Note the location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

SUMMARY OF CORPORATE ACTIVITIES

Hot Chili Commences Trading on the OTCQB

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

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

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

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

Hot Chili Commences TSXV Dual Listing Process

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

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

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

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

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



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Additional ASX Disclosure Information

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

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

The schedule of Mineral Tenements and changes in interests is appended in Table 5 at the end of this activities report.

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

ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B totaled \$4,960,000. This is comprised of Directors' salaries and fees (excl. GST) and salaries of \$163,000 and payments to Blue Spec Sondajes, a company controlled by Mr Murray Black, for rents of \$6,000 and drilling services of \$4,791,000. The Company also received \$416,667 by way of exercise of options over shares held by Blue Spec Sondajes.

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

Table 3 Details of Interest Shares Issued During Q2 2021

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



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Health, Safety, Environment and Quality

Hot Chili's sustainability framework ensures an emphasis on business processes that target long-term economic, environmental and social value. The Company is dedicated to continual monitoring and improvement of health, safety and the environmental systems.

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

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

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

The Company's HSEQ quarterly performance is summarised below:

Table 4 HSEQ Quarter 2 2021 Performance and Statistics

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

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

Tenement Changes During the Quarter

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



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

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

Productora Project

| License ID | HCH % Held | HCH % Earning | Area (ha) | Exploration and Expenditure Commitment-Payments |
|--------------|--------------|---------------|-----------|-------------------------------------------------|
| FRAN 1, 1-60 | 80% SMEA SpA | | 220 | |
| FRAN 2, 1-20 | 80% SMEA SpA | | 100 | |
| FRAN 3, 1-20 | 80% SMEA SpA | | 100 | |
| FRAN 4, 1-20 | 80% SMEA SpA | | 100 | |
| FRAN 5, 1-20 | 80% SMEA SpA | | 100 | |



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| License ID | HCH % Held | HCH % Earning | Area (ha) | Exploration and Expenditure Commitment-Payments |
|----------------------|--------------|---------------|-----------|-------------------------------------------------|
| FRAN 6, 1-26 | 80% SMEA SpA | | 130 | |
| FRAN 7, 1-37 | 80% SMEA SpA | | 176 | |
| FRAN 8, 1-30 | 80% SMEA SpA | | 120 | |
| FRAN 12, 1-40 | 80% SMEA SpA | | 200 | |
| FRAN 13, 1-40 | 80% SMEA SpA | | 200 | |
| FRAN 14, 1-40 | 80% SMEA SpA | | 200 | |
| FRAN 15, 1-60 | 80% SMEA SpA | | 300 | |
| FRAN 18, 1-60 | 80% SMEA SpA | | 273 | |
| FRAN 21, 1-46 | 80% SMEA SpA | | 226 | |
| ALGA 7A, 1-32 | 80% SMEA SpA | | 89 | |
| ALGA VI, 5-24 | 80% SMEA SpA | | 66 | |
| MONTOSA 1-4 | 80% SMEA SpA | | 35 | NSR 3% |
| CHICA | 80% SMEA SpA | | 1 | |
| ESPERANZA 1-5 | 80% SMEA SpA | | 11 | |
| LEONA 2A 1-4 | 80% SMEA SpA | | 10 | |
| CARMEN I, 1-50 | 80% SMEA SpA | | 222 | |
| CARMEN II, 1-60 | 80% SMEA SpA | | 274 | |
| ZAPA 1, 1-10 | 80% SMEA SpA | | 100 | |
| ZAPA 3, 1-23 | 80% SMEA SpA | | 92 | |
| ZAPA 5A, 1-16 | 80% SMEA SpA | | 80 | |
| ZAPA 7, 1-24 | 80% SMEA SpA | | 120 | |
| CABRITO, CABRITO 1-9 | 80% SMEA SpA | | 50 | |
| CUENCA A, 1-51 | 80% SMEA SpA | | 255 | |
| CUENCA B, 1-28 | 80% SMEA SpA | | 139 | |
| CUENCA C, 1-51 | 80% SMEA SpA | | 255 | |
| CUENCA D | 80% SMEA SpA | | 3 | |
| CUENCA E | 80% SMEA SpA | | 1 | |
| CHOAPA 1-10 | 80% SMEA SpA | | 50 | |
| ELQUI 1-14 | 80% SMEA SpA | | 61 | |
| LIMARÍ 1-15 | 80% SMEA SpA | | 66 | |
| LOA 1-6 | 80% SMEA SpA | | 30 | |
| MAIPO 1-10 | 80% SMEA SpA | | 50 | |
| TOLTÉN 1-14 | 80% SMEA SpA | | 70 | |
| CACHIYUYITO 1, 1-20 | 80% SMEA SpA | | 100 | |
| CACHIYUYITO 2, 1-60 | 80% SMEA SpA | | 300 | |
| CACHIYUYITO 3, 1-60 | 80% SMEA SpA | | 300 | |
| LA PRODUCTORA 1-16 | 80% SMEA SpA | | 75 | |
| ORO INDIO 1A, 1-20 | 80% SMEA SpA | | 82 | |
| AURO HUASCO I, 1-8 | 80% SMEA SpA | | 35 | |



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| License ID | HCH % Held | HCH % Earning | Area (ha) | Exploration and Expenditure Commitment-Payments |
|------------------|--------------|---------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------|
| URANIO, 1-70 | NA | NA | 350 | 25 Year lease agreement: US\$250,000 per year (average for the 25 year term); plus 2% NSR all but gold; 4% NSR gold; 5% NSR non-metallic |
| JULI 9, 1-60 | 80% SMEA SpA | | 300 | |
| JULI 10, 1-60 | 80% SMEA SpA | | 300 | |
| JULI 11 1/60 | 80% SMEA SpA | | 300 | |
| JULI 12 1/42 | 80% SMEA SpA | | 210 | |
| JULI 13 1/20 | 80% SMEA SpA | | 100 | |
| JULI 14 1/50 | 80% SMEA SpA | | 250 | |
| JULI 15 1/55 | 80% SMEA SpA | | 275 | |
| JULI 16, 1-60 | 80% SMEA SpA | | 300 | |
| JULI 17, 1-20 | 80% SMEA SpA | | 100 | |
| JULI 19 | 80% SMEA SpA | | 300 | |
| JULI 20 | 80% SMEA SpA | | 300 | |
| JULI 21 1/60 | 80% SMEA SpA | | 300 | |
| JULI 22 | 80% SMEA SpA | | 300 | |
| JULI 23 1/60 | 80% SMEA SpA | | 300 | |
| JULI 24, 1-60 | 80% SMEA SpA | | 300 | |
| JULI 25 | 80% SMEA SpA | | 300 | |
| JULI 27 1/30 | 80% SMEA SpA | | 150 | |
| JULI 27 B 1/10 | 80% SMEA SpA | | 50 | |
| JULI 28 1/60 | 80% SMEA SpA | | 300 | |
| JULIETA 5 | 80% SMEA SpA | | 200 | |
| JULIETA 6 | 80% SMEA SpA | | 200 | |
| JULIETA 7 | 80% SMEA SpA | | 100 | |
| JULIETA 8 | 80% SMEA SpA | | 100 | |
| JULIETA 9 | 80% SMEA SpA | | 100 | |
| JULIETA 10 1/60 | 80% SMEA SpA | | 300 | |
| JULIETA 11 | 80% SMEA SpA | | 300 | |
| JULIETA 12 | 80% SMEA SpA | | 300 | |
| JULIETA 13, 1-60 | 80% SMEA SpA | | 298 | |
| JULIETA 14, 1-60 | 80% SMEA SpA | | 269 | |
| JULIETA 15, 1-40 | 80% SMEA SpA | | 200 | |
| JULIETA 16 | 80% SMEA SpA | | 200 | |
| JULIETA 17 | 80% SMEA SpA | | 200 | |
| JULIETA 18, 1-40 | 80% SMEA SpA | | 200 | |
| ARENA 1 1-6 | 80% SMEA SpA | | 40 | |
| ARENA 2 1-17 | 80% SMEA SpA | | 113 | |
| ZAPA 1 - 6 | 80% SMEA SpA | | 6 | NSR 1% |

El Fuego Project

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



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



Qualifying Statements

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

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

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

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

Competent Person's Statement- Exploration Results

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

Competent Person's Statement- Productora Mineral Resources

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

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

The information in this report that relates to Mineral Resources for the Cortadera and combined Costa Fuego Project is based on information compiled by Elizabeth Haren, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed as an associate Principal Geologist of Wood, who was engaged by Hot Chili Limited. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.



Reporting of Copper Equivalent

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

Forward Looking Statements

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

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



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Appendix 5B

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

Name of entity

Hot Chili Limited

ABN

91 130 955 725

Quarter ended ("current quarter")

30 June 2021

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

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (..12....months) \$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (13,958) |

| | | | |
|-----------|-----------------------------------------------------------------------------------------|------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 26,112 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 521 | 1,906 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (10) | (1,616) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 511 | 26,402 |

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

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

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances | 3,387 | 9,440 |
| 5.2 | Call deposits | 89 | 89 |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,476 | 9,529 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 4,960 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (6,564) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (6,564) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,476 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 3,476 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.53 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: Yes | | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: Yes. The company is raising funds in the capital market immediately. | | |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: Yes. The company has raised adequate funds to continue its operations and meet its business objectives. | | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | | |

Compliance statement

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

Date:30th July 2021.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is opera