

Hot Chili Limited

ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009

F: +61 8 9315 5004

www.hotchili.net.au



ASX Announcement

Monday 30th April 2018

Hot Chili Closes \$4 Million Placement Ahead of High Grade Copper Drilling

ASX CODE

HCH

Contact

Mr Christian Easterday
Managing Director

E: admin@hotchili.net.au

www.hotchili.net.au



Hot Chili Limited (ASX Code: HCH) (“Hot Chili” or the “Company”) is pleased to announce that it has successfully arranged a placement to sophisticated and institutional investors through the issue of New Shares at 3 cents per share (the “Placement”).

One Option will be granted for every two shares issued, with an exercise price of 10 cents and a two year expiry (31st May 2020).

The Placement, which originally targeted A\$2.5 million, has been heavily oversubscribed and the Company has agreed to accept over-subscriptions up to a maximum A\$4.0 million.

The issue price represents a discount of 11.23% to Hot Chili’s 15 day VWAP of 3.338 cents.

Funds from the Placement will be used for general working capital requirements and to initiate exploration and drilling activities across several outstanding high-grade copper opportunities within the El Fuego copper project, which are located within trucking distance to the Company’s flagship Productora project.

The Placement saw strong demand from professional and sophisticated investors in Australia and was cornerstoned by existing major shareholders (Exploration Capital Partners (affil Sprott), Taurus Funds Management and Blue Spec Drilling, an associate of Hot Chili’s chairman Murray Black).

EverBlu Capital acted as Lead Manager to the Placement.

Christian Easterday, Managing Director of Hot Chili, said the strong response to the Placement was a vote of confidence in the Company’s consolidation strategy which has secured several outstanding high grade drilling opportunities.

“Our shareholders have much to look forward to in the weeks and months ahead” Mr Easterday said.



Hot Chili Limited
ACN 130 955 725

First Floor, 768 Canning Highway, Applecross, Western Australia 6153

PO Box 1725, Applecross, Western Australia 6953

P: +61 8 9315 9009

F: +61 8 9315 5004

www.hotchili.net.au



“Shortly we aim to be drilling the San Antonio and Valentina copper mine areas as a priority. Both mine areas have demonstrated clear potential for large, high grade copper-gold resources to be defined from shallow depths given successful drill results.

“In addition, we intend to continue to pursue further consolidation opportunities that add critical mass to our ambitions of establishing Hot Chili as the leading copper developer listed on the Australian Securities Exchange.

“The next 6 to 12 months ahead promises to be very exciting with strong news flow expected”.

Details of the Placement

The Placement will be undertaken in two tranches:

- The first tranche of 98,378,610 New Shares and 49,189,305 Options, comprising all new investors, will not be subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A as follows:
 - LR 7.1 – 59,027,166 New Shares and 29,513,582 Option, and
 - LR7.1A – 39,351,444 New Shares and 19,675,722 Options
- The second tranche of 34,954,723 New Shares and 17,477,362 Options conditional upon shareholder approval, and amongst others will apply to shares subscribed by Taurus Funds Management, Blue Spec Drilling Pty Ltd (an entity associated with Hot Chili's chairman Murray Black) and Hot Chili's Managing Director Christian Easterday.

Each New Share will be issued at a price of 3 cents and one free attaching Option will be granted for every two shares subscribed. Options shall be unlisted and will have an exercise price of 10 cents and a two-year expiry (31st May 2020).

Settlement and allotment of New Shares under Tranche 1 of the placement is expected to occur on or before Friday 4th May 2018.

Hot Chili will convene an Extraordinary General Meeting to approve the Conditional Placement as soon as possible, in any event the Extraordinary General meeting is expected to take place on or around 15th June 2018. Settlement of the Conditional Placement will take place shortly after the Extraordinary General Meeting.

For more information please contact:

Christian Easterday
Managing Director

+61 8 9315 9009
Email: christian@hotchili.net.au

or visit Hot Chili's website at www.hotchili.net.au

