



## ASX Announcement

Wednesday 24<sup>th</sup> June 2020

# \$3.9 Million Entitlements Offer Closure and Arrangement of Shortfall

Hot Chili Limited (ASX code HCH) ("Hot Chili" or "Company") is pleased to advise the successful completion of the \$3.9 million Entitlement Offer ("Offer") announced on 18 May 2020.

The 3 for 20 non-renounceable Offer closed on 19 June 2020, raising a total of \$1,481,344. A total of 98,756,215 shares ("New Shares") were applied for by shareholders, representing a 37% take-up of the Offer. **ASX CODE**  
HCH

In accordance with the timetable it is anticipated that the New Shares and the free attaching options will be issued on Friday 26 June 2020 with the quotation of the New Shares on Monday 29 June 2020. One option will be issued for every two New Shares applied for. The free attaching options will not be quoted. **Contact**  
Mr Christian Easterday  
Managing Director

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The Company is also pleased to announce that the Lead Manager of the Rights Issue, Veritas Securities Limited has arranged for the entire shortfall of approximately \$2.4 million to be placed to sophisticated and professional investors in Australia and overseas following strong demand. [www.hotchili.net.au](http://www.hotchili.net.au)

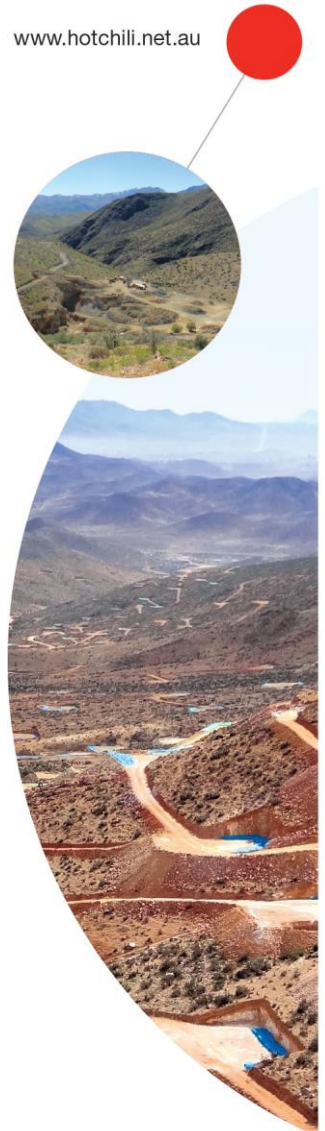
A total of 162,023,840 shares ("Shortfall Shares") and one free attaching option for every two Shortfall Shares are expected to be issued at the same time as the New Shares on Friday 26 June 2020 with quotation of the Shortfall Shares on Monday 29 June 2020. The free options attaching to the Shortfall Shares will not be quoted.

The Company is now well-funded to deliver an exciting period of growth and transformation centred around its rapidly emerging Cortadera copper-gold discovery in Chile, with key catalysts over the coming six months to include:

- First resource estimates for Cortadera and then San Antonio
- Completion of metallurgical testwork across Cortadera and San Antonio
- Completion of internal scoping studies into a large combined development scenario
- Commencement of first production from the Company's Productora copper project in partnership with the Chilean government agency ENAMI

Funds raised will also be used to continue the Company's diamond drilling programme aimed at expanding Cortadera beyond the limits of the discovery which remains open in most directions.

Drilling at Cortadera re-commenced two weeks ago and the Company plans to focus initial drilling toward expanding the high grade core to the main porphyry.





## Performance Rights Plan for Management Team

The Board of Hot Chili have approved a Performance Rights plan for the Company's executive and management team, which seeks to align management incentives with Company performance and shareholder return. A total of 60 million performance rights are proposed to be granted to management, vesting within a three year term.

Three classes of performance rights will exist which will entitle the holder of a performance right to be issued with one fully paid ordinary share on the satisfaction of one or more of the following conditions (each a "Vesting Condition"). Key Vesting Conditions for each class of Performance Right include:

Class	Vesting Condition	Entitlement
Class Performance Rights A	The price of Shares traded on ASX is greater than \$0.06 per Share for 15 consecutive trading days or more before 31 July 2023.	33% of total granted Performance Rights
Class Performance Rights B	The price of Shares traded on ASX is greater than \$0.08 per Share for 15 consecutive trading days or more before 31 July 2023.	33% of total granted Performance Rights
Class Performance Rights C	The Company announcing to ASX global independently estimated JORC compliant resources at the Cortadera Project and surrounding satellite projects, excluding currently reported resources at Productora, of 750 Mt at 0.5% Cu equivalent or greater (within 0.2% CuEq grade envelope or higher as deemed appropriate in the independent resource estimate) before 31 July 2023.	33% of total granted Performance Rights

For the purposes of Listing Rule 10.14, granting of performance rights to Hot Chili's Managing Director Christian Easterday and Hot Chili's General Manager of Technical Services (alternate Director) Melanie Leighton shall be subject to shareholder approval. The Company expects to hold a general meeting on or around Friday 31 July to approve the granting of such performance rights. Full details of the performance rights will be included in the notice of general meeting.

**The Company looks forward to providing further updates on its diamond drilling activities and various resource workstreams over the coming weeks.**

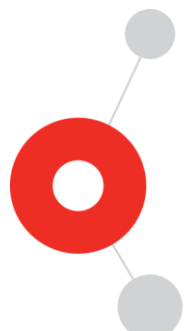
**This announcement is authorised by the Board of Directors for release to ASX.**

**For more information please contact:**

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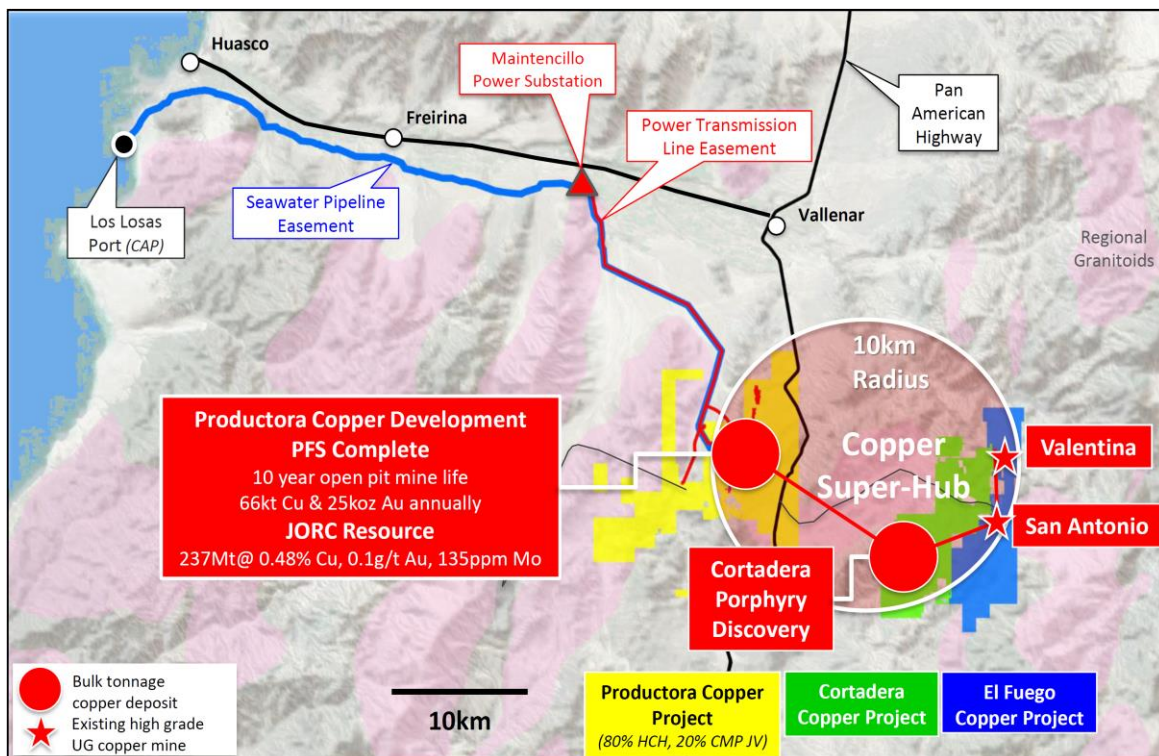
or visit Hot Chili's website at [www.hotchili.net.au](http://www.hotchili.net.au)



## About Cortadera

Cortadera is a privately-owned, major copper-gold porphyry discovery located 600km north of Santiago along the Chilean coastal range, where historical world-class discovery drill results were only publicly released by Hot Chili in February 2019.

Importantly, Cortadera lies 14km from the Company's large-scale Productora copper development and adjacent to the high grade El Fuego satellite copper projects, as displayed in Figure 1 below.



**Figure 3 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure**

On 22 February 2019, Hot Chili announced the execution of a formal Option Agreement to acquire a 100% interest in Cortadera. In early April, the Company commenced a confirmation drilling programme comprising 17 holes.

The drilling has confirmed and extended areas of surface enrichment and wide, higher-grade, copper-gold sulphide mineralisation at depth, which had not previously been closed off by 23,000m of historical diamond drilling.

Hot Chili's recent drill holes at Cuerpo 3 (the largest of the four porphyries discovered to date) include some of the world's stand-out copper-gold porphyry drill results reported in recent time. The Cuerpo 3 porphyry remains open to the north, south and at depth. Significant intersections include:

- 972m grading 0.5% copper and 0.2g/t gold from surface  
**(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  
**(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 (including 184m grading 0.7% copper and 0.3g/t gold)
- 864m grading 0.4% copper and 0.1g/t gold from 62m down-hole depth (including 348m grading 0.6% copper and 0.2g/t gold),
- 649m grading 0.4% copper and 0.1g/t gold from 328m down-hole depth (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 (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, (including 218m grading 0.7% copper and 0.2g/t gold)

Note: Please refer to ASX announcement "Another Record Step-Out Drill Result at Cortadera" 20th March 2020 for Table 1 information relating to the reporting of exploration results, data and sampling techniques

**Table 1 SNL List of Best 25 Cu-Au Drill Intercepts Since January 2018  
(Ordered by Width of Drill Intersection)**

Project Name	Company	Country	Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au%
Altar	Aldebaran Resources Inc	Argentina	ALD-18-209	482	1,537	1,055	0.5	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-067	886	1,914	1,028	0.7	0.9
Cascabel	SolGold Plc	Ecuador	CSD-18-043	600	1,574	974	0.5	0.4
Cortadera	Hot Chili Limited	Chile	CRP0020D	surface	972	972	0.5	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-041-D1-D2	926	1,779	853	0.5	0.6
Cascabel	SolGold Plc	Ecuador	CSD-18-069	740	1,592	852	0.8	0.6
Timok	Zijin Mining Group Company Limited	Serbia	TC170187	1,354	2,202	848	0.8	0.2
Cortadera	Hot Chili Limited	Chile	CRP0011D	112	960	848	0.4	0.2
Cascabel	SolGold Plc	Ecuador	CSD-18-042	278	1,124	846	0.7	0.5
Cascabel	SolGold Plc	Ecuador	33-D1	736	1,560	824	0.5	0.4
AntaKori	Regulus Resources Inc	Peru	AK-19-034	165	985	820	0.5	0.2
Winu	Rio Tinto	Australia	WINU0006	46	809	763	0.4	0.7
Cortadera	Hot Chili Limited	Chile	CRP0013D	204	954	750	0.6	0.2
Winu	Rio Tinto	Australia	WINU0006	68	809	741	0.5	0.5
AntaKori	Regulus Resources Inc	Peru	AK-18-014	5	719	714	0.7	0.4
Cascabel	SolGold Plc	Ecuador	CSD-18-068	1,004	1,668	664	0.9	1.0
Cortadera	Hot Chili Limited	Chile	CRP0029D	330	979	649	0.4	0.1
AntaKori	Regulus Resources Inc	Peru	AK-18-021	127	746	619	0.7	0.4
AntaKori	Regulus Resources Inc	Peru	AK-19-031	4	614	610	0.8	1.0
Cortadera	Hot Chili Limited	Chile	CRP0017D	328	924	596	0.5	0.2
Timok	Zijin Mining Group Company Limited	Serbia	TC170177	1,310	1,867	557	1.0	0.2
Cortadera	Hot Chili Limited	Chile	CRP0040D	422	964	542	0.5	0.2
Kwanika	Kwanika Copper Corporation	Canada	K-180	33	547	514	0.6	0.8
Cascabel	SolGold Plc	Ecuador	CSD-18-042	620	1,124	504	0.9	0.6
Kwanika	Kwanika Copper Corporation	Canada	K-182	25	525	500	0.7	0.8

Source- Regulus Resources (TSXV. REG) November 2019 Corporate Presentation (slide 10) as per SNL financial, SNL search criteria include: >450 m interval, primarily copper interval & reported after Jan 1, 2018. Only longest reported interval considered. Results ordered by down-hole width of drill intersection and addition of CRP0029D and CRP0040D result.

Cortadera is shaping up as a globally significant standalone copper-gold project which can utilise the Productora project resources, and leverage from a central processing and combined infrastructure approach along the coastline of Chile.

The Company's recent discovery and definition of a higher grade bulk tonnage underground development opportunity in combination with shallow, high grade bulk tonnage open pit sources - places Cortadera in a unique position amongst potential large-scale global copper-gold developments.

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## Qualifying Statements

### **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.

### **Forward Looking Statements**

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