



Proposed Share Consolidation Ahead of TSXV Dual Listing in Canada

Hot Chili Limited (ASX: HCH) (OTCQB: HHLKF) (“Hot Chili” or the “Company”) is pleased to announce that preparations to dual-list the Company in Canada are advancing through final stages and are on-track for Q4 this year.

A General Meeting is scheduled for Monday 15th of November to seek shareholder approval to undertake a consolidation of the number of Shares on issue on the basis that every fifty (50) Shares held be consolidated into one (1) Share (Consolidation), with a corresponding Consolidation of all other securities on issue and fractional entitlements to be rounded to the nearest whole number.

The Consolidation is being undertaken to reduce the number of Shares currently on issue from 4,370,972,524 Shares to approximately 87,419,450 Shares and effectively increase the value of the Company’s assets per Share by a factor of fifty. The Consolidation will have no effect on the percentage shareholding interest of each individual shareholder.

This is anticipated to provide a more effective capital structure of the Company and a more appropriate share price for a wider range of investors, particularly institutional investors, as the Company progresses its application for listing on the TSX Venture Exchange (TSXV) (as announced to ASX on 9th July 2021 “Hot Chili Commences TSXV Dual Listing Process”).

The proposed Consolidation will align Hot Chili’s share price within a range of its Canadian peers including Filo Mining (TSX: FIL, Share Price: CAN\$9.00, Mkt Cap: CAN\$1.019B), Josemaria Resources (TSX: JOSMF, Share Price: CAN\$0.911, Mkt Cap: CAN\$346M), Oroco Resources (TSXV: OCO, Share Price: CAN\$2.40, Mkt Cap: CAN\$460.3M) and Solaris Resources (TSX: SLS, Share Price: CAN\$13.13, Mkt Cap: CAN\$1.42B) as of 12th October 2021.

Hot Chili’s Cost Fuego resource (724Mt grading 0.48%CuEq) compares favourably to these leading copper-gold developers who are advancing copper-gold resources in the America’s ranging in scale between 571Mt and 1.0Bt at grades of between 0.32% CuEq to 0.64% CuEq (as announced to ASX on 12th October 2020 “Costa Fuego Becomes a Leading Global Copper Project”).

A Notice of General Meeting has been released concurrently with this announcement which outlines the background and details of the proposed Consolidation.

The Directors consider the Consolidation will strengthen the Company’s ability to drive a significant re-rate in the Company’s valuation, and support future funding of the Company’s Costa Fuego copper-gold development in Chile.



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

Contact

Mr Christian Easterday
Managing Director
E: admin@hotchili.net.au

The indicative timetable if the Consolidation is approved by shareholders is as follows:

Event	Date
Company announces Consolidation	14 October 2021
General meeting to approve Consolidation	15 November 2021
Effective date of the Consolidation	15 November 2021
Last day of trading in pre-Consolidation basis	16 November 2021
ASX trading on a post-Consolidation basis starts on a deferred settlement basis	17 November 2021
Record date for Consolidation Last day for Company to register transfers of Shares on a pre-consolidation basis.	18 November 2021
First day for despatch of notice to each Security Holder informing them of the changes to their holdings	19 November 2021
Last day of despatch of notice to security holders informing them of the changes to their holdings. Last day for securities to be entered into the registers of security holdings to reflect the effect of the Consolidation. Deferred settlement market ends.	25 November 2021
Normal trading of post-Consolidation Securities commences	26 November 2021

The proposed Consolidation will apply to all unlisted options at the time of the consolidation. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the Shares with the existing exercise price amended in inverse proportion to the consolidation ratio. The expiry dates of the options will not change. The proposed Consolidation will also apply to all convertible notes and performance rights on issue in accordance with ASX Listing Rule 7.21.

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

For more information please contact:

Christian Easterday Tel: +61 8 9315 9009
 Managing Director Email: christian@hotchili.net.au

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



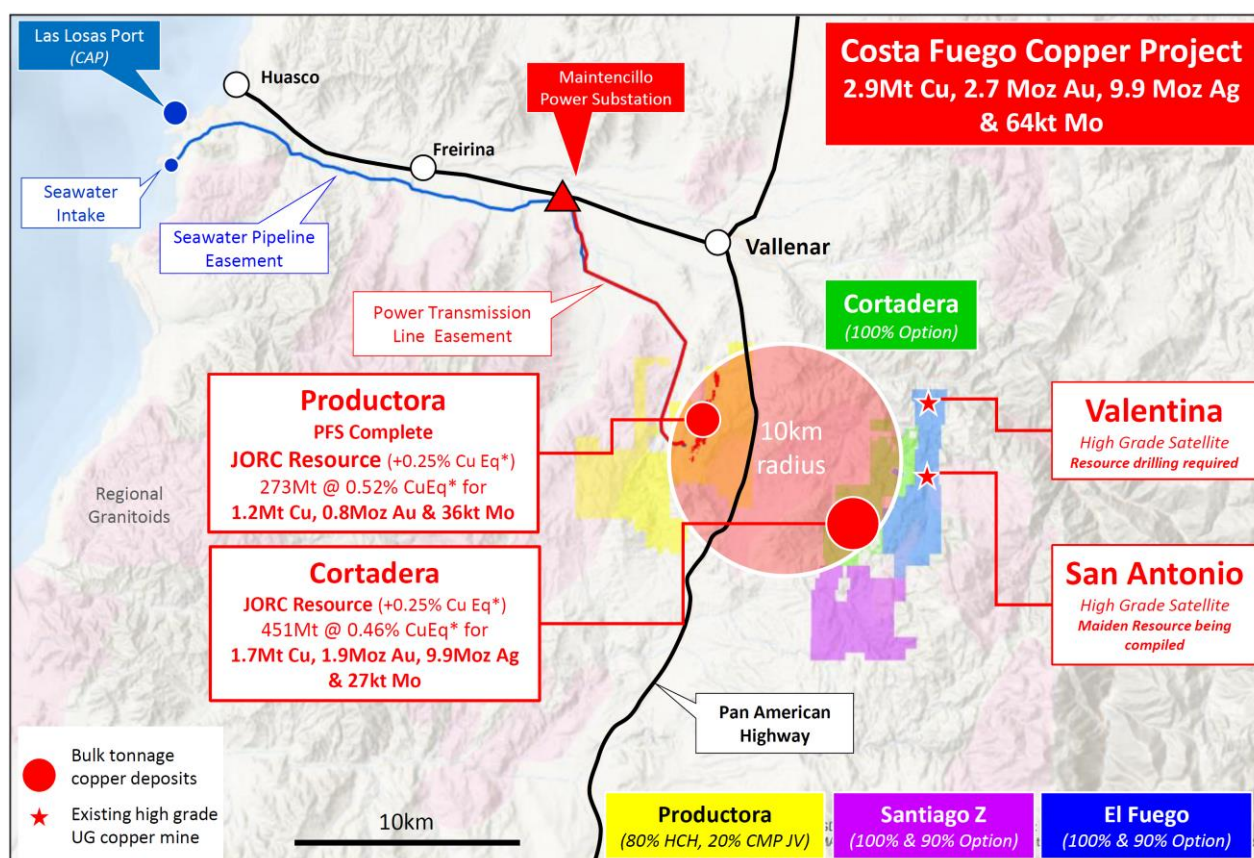


Figure 1 Location of Productora and the Cortadera discovery in relation to the coastal range infrastructure of Hot Chili’s combined Costa Fuego copper project, located 600km north of Santiago in Chile.

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: $CuEq = ((Cu\% \times Cu\ price\ 1\% \text{ per tonne} \times Cu_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag_recovery)) / (Cu\ price\ 1\% \text{ per tonne})$. 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

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	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
			(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(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: $CuEq\% = ((Cu\% \times Cu\ price\ 1\% \text{ per tonne} \times Cu_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag_recovery)) / (Cu\ price\ 1\% \text{ per tonne})$. 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.



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



Contact

Mr Christian Easterday

Managing Director

E: admin@hotchili.net.au

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



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

Contact

Mr Christian Easterday
Managing Director

E: admin@hotchili.net.au