



Hot Chili Gets Electric



Hot Chili Limited (ASX: HCH) (TSXV:HCH) (OTCQX: HHLKF) (“Hot Chili” or “Company”) is pleased to announce that Chile’s Central Authority Electrical Regulator has approved the Company’s application for connection to the Maitencillo sub-electrical power station, located 17 km from the centre of its Costa Fuego senior copper development in Chile.

Connection to Maitencillo is a key step forward for the development of Costa Fuego, providing access to Chile’s national energy grid and its multiple renewable energy providers.

As part of the Company’s Pre-feasibility Studies (PFS) for Costa Fuego, Hot Chili have engaged with several electrical market providers and advisors. Several non-binding long-term power quotes have been received and Hot Chili expects to start a binding process to select one or more electrical providers for the Costa Fuego copper hub in Q4 2022.

Outside of being the lowest-altitude senior copper development in the America’s, Costa Fuego benefits significantly from a low energy intensity development approach (raw sea water processing without the requirement for a desalination plant).

Hot Chili will be able to operate Costa Fuego on a 100% renewable power mix (certified by I-Recs) - nearby solar generators, wind turbines and hydroelectric power, adding significantly to the projects’ environmental credentials.

Costa Fuego is fast approaching infrastructure readiness, with port access and services discussions currently advancing toward agreement and all other necessary critical infrastructure accesses in place. Exploration and resource growth drilling is continuing and a resource upgrade is planned for late 2022.

Hot Chili is on-track to deliver its PFS on Costa Fuego in Q1 2023, which will establish the project as one of few new material copper mines in the world set for production in the near-term.

Further announcements across multiple work streams are expected.



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

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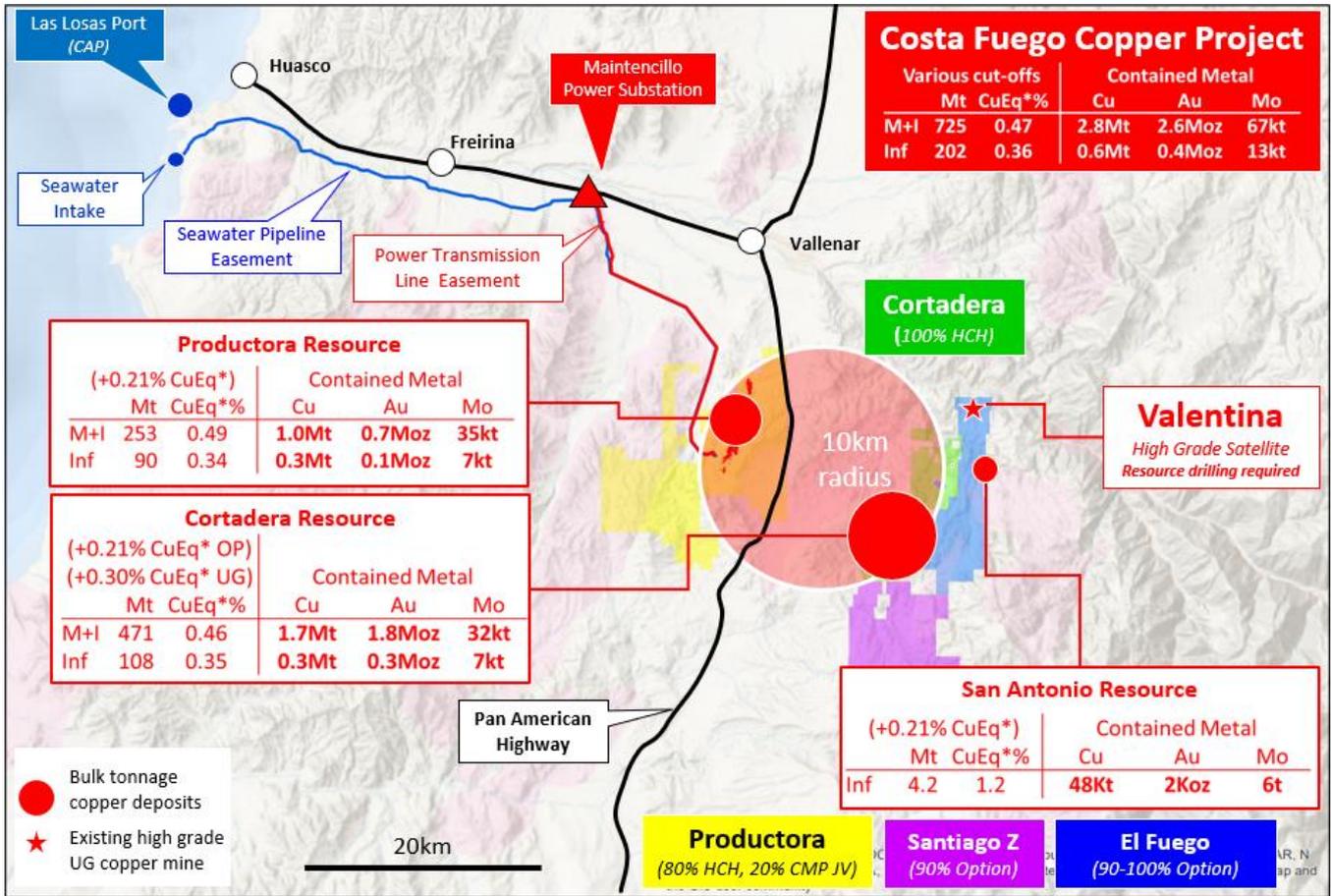
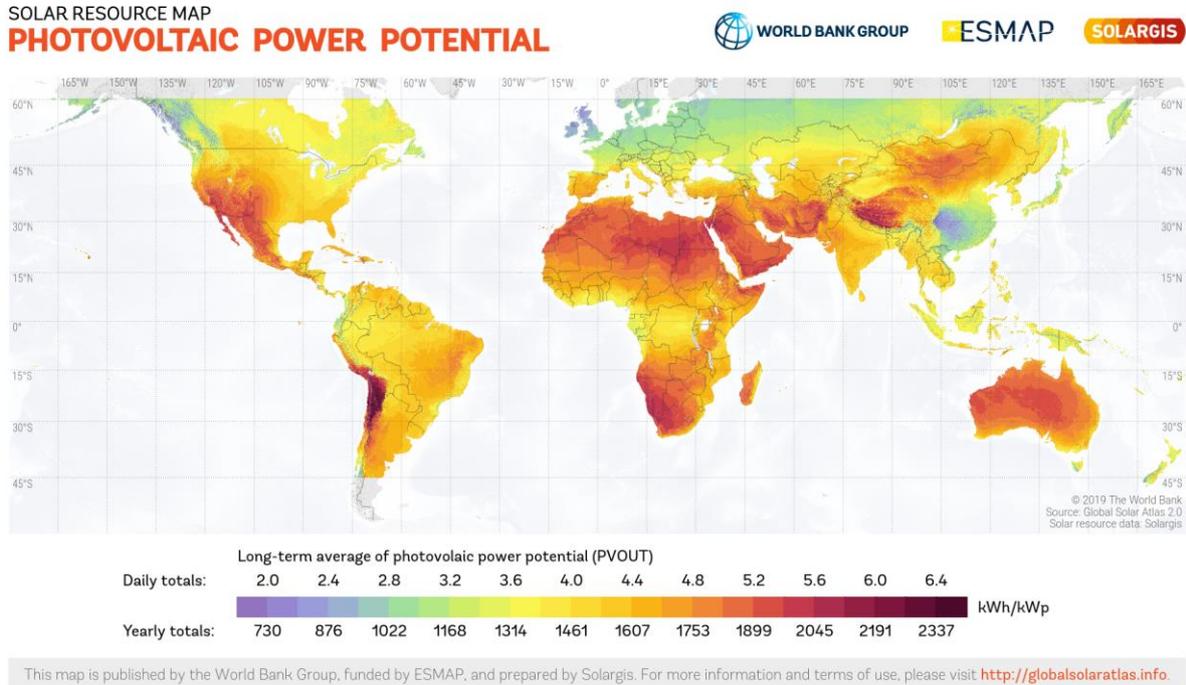


Figure 1 Location of Cortadera, Productora, San Antonio and Valentina in relation to coastal range infrastructure of Hot Chili’s combined Costa Fuego copper-gold project, located 600km north of Santiago in Chile

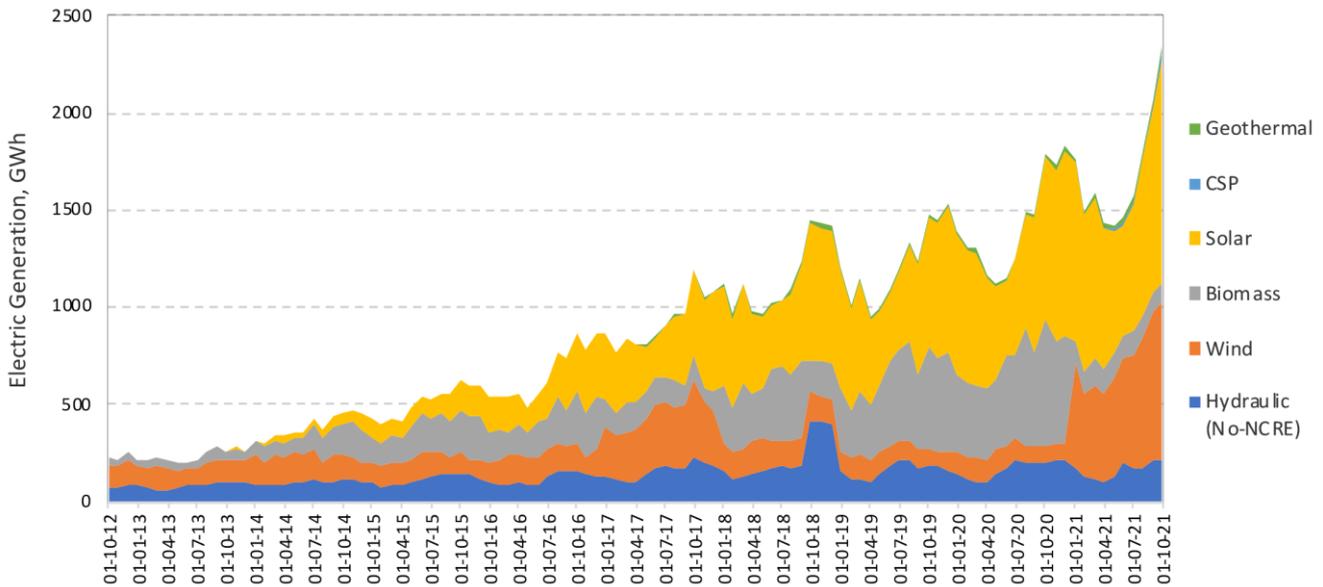
Reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred. Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground. Refer to Announcement “Hot Chili Delivers Next Level of Growth” (31st March 2022) for JORC Table 1 information related to the Costa Fuego Mineral Resource estimates.

* 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=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. For Cortadera and San Antonio (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%.

Chile enjoys some of the best conditions for solar electricity generation in the world (refer Figure 2 below). This has led to a major investment in solar power generation in the Atacama desert, which Hot Chili intends to take advantage of when formulating the mix of power generation that will be contracted for Costa Fuego.



The opportunity exists to source electricity for Costa Fuego from 100% renewable sources. Growth in Non-conventional Renewable Energy (NCRE) production since 2012 is shown in Figure 3 below, and demonstrates the rapid injection of technologies in Chile this decade.



Qualifying Statements

Forward Looking Statements

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