



Announcement Summary

Entity name

HOT CHILI LIMITED

Announcement Type

New announcement

Date of this announcement

10/12/2021

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Unlisted option, C\$2.50 exercise price, 2 year expiry	9,677,500
HCH	ORDINARY FULLY PAID	19,355,000

Proposed +issue date

21/12/2021

Refer to next page for full details of the announcement

**Part 1 - Entity and announcement details**

1.1 Name of +Entity

HOT CHILI LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

91130955725

1.3 ASX issuer code

HCH

1.4 The announcement is☒ New announcement**1.5 Date of this announcement**

10/12/2021

1.6 The Proposed issue is:☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
Other (please specify in comment section)	14/12/2021	☒ Estimated	

Comments

TSXV approval

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	24/1/2022	☒ Estimated	No

Comments

Security holder approval for the issue of 9,677,500 free attaching options
Security holder approval for the issue of 232,714 shares to a related party

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes

Details of +securities proposed to be issued

ASX +security code and description

HCH : ORDINARY FULLY PAID



Number of +securities proposed to be issued

19,355,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

CAD - Canadian Dollar

What is the issue price per +security?

CAD 1.55000

AUD equivalent to issue price amount per +security

1.705500

FX rate (in format AUD 1.00 / primary currency rate):

AUD 1.00

FX rate (in format AUD rate/primary currency rate) Primary Currency rate

CAD 0.90880000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ No

**ASX +security code****+Security description****+Security type**

Options

Number of +securities proposed to be issued

9,677,500

Offer price details**Are the +securities proposed to be issued being issued for a cash consideration?**☒ No**Please describe the consideration being provided for the +securities****Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities****Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ YesOptions details

+Security currency

CAD - Canadian Dollar

Exercise price

CAD 2.5000

Expiry date

20/12/2023

Details of the type of +security that will be issued if the option is exercised

HCH : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**



Part 7C - Timetable

7C.1 Proposed +issue date

21/12/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

12,897,404

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

6,224,882

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

Listing on the TSXV

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?

☒ Yes



7E.2a Who are the underwriter(s)?

iA Private Wealth Inc. and Cormark Securities Inc

7E.2b What is the extent of the underwriting (ie the amount or proportion of the proposed issue that is underwritten)?

100% (50% each)

7E.2c What fee, commission or other consideration is payable to them for acting as underwriter(s)?

- (1) a cash commission equal to 6% of the gross proceeds realized by HCH in respect of the sale Shares to purchasers not on the President's List
- (2) a cash commission equal to 4% of the gross proceeds realized by HCH in respect of the sale of the shares to purchasers on the Presidents List and
- (3) options entitling the Underwriters to purchase a number of Ordinary Shares equal to 6% of the number of the Shares issued to purchasers not on the President's List, as well as options entitling the Underwriters to purchase a number of Ordinary Shares equal to 4% of the number of Shares issued to purchasers on the President's List

7E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated.

Please refer to Plan of Distribution Statement in the Preliminary Prospectus announced to the Market 4 November 2021

7E.3 Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed issue?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

To upgrade the Cortadera Resource, advance the Costa Fuego Hub PFS, and test high-priority regional exploration targets, which includes using the proceeds of the Offering as indicated in the prospectus under Use of Proceeds

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)