



Hot Chili Commences Port Negotiation



Hot Chili Limited (ASX: HCH) (TSXV:HCH) (OTCQB: HHLKF) (“Hot Chili” or “Company”) is pleased to announce the commencement of negotiations for the final critical infrastructure item required for the development of the Company Costa Fuego copper development hub in Chile.

The Company has executed a Letter of Intent with Puerto Las Losas SA (PLL) to negotiate a port access and port services agreement for PLL’s facilities located at Huasco, approximately 50km west of Costa Fuego’s proposed processing plant.

Under the terms of the Letter of Intent, PLL will finance a study for port services using the existing Puerto Las Losas dock for the shipment of copper concentrates and other materials related to the future construction and operation of Costa Fuego.

PLL have undertaken to present Hot Chili with a binding offer for port services, within the next 12 weeks or less.

Should a binding port services agreement be executed, PLL have committed to commence any required upgrade at Las Losas, and both parties will work together on a best endeavours basis to start operations during the last quarter of 2025.

Hot Chili’s Country Manager and Chief Legal Counsel – Jose Ignacio Silva stated:

“Securing port services will be a major step forward for Costa Fuego. Leveraging off existing port infrastructure will materially reduce Costa Fuego’s environmental footprint during construction and operations. As no new port or areas will be required for construction or subject to environmental permitting, we expect a positive impact to our construction capital requirements and overall permitting/construction timelines.”



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Hot Chili's Managing Director – Christian Easterday stated:

“Costa Fuego continues to benefit from its low altitude location and proximity to existing transport, power and port infrastructure, resulting in low capital intensity. Our Letter of Intent with PLL demonstrates our continued commitment to advancing Costa Fuego within an ESG framework that reduces the overall environmental impact and uses Chilean goods, services and businesses where possible.”

The Company looks forward to providing further updates from its various workstreams including drilling results (three rigs in operation), development studies and corporate actions in the lead up to a planned major resource upgrade for Costa Fuego later this quarter.

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

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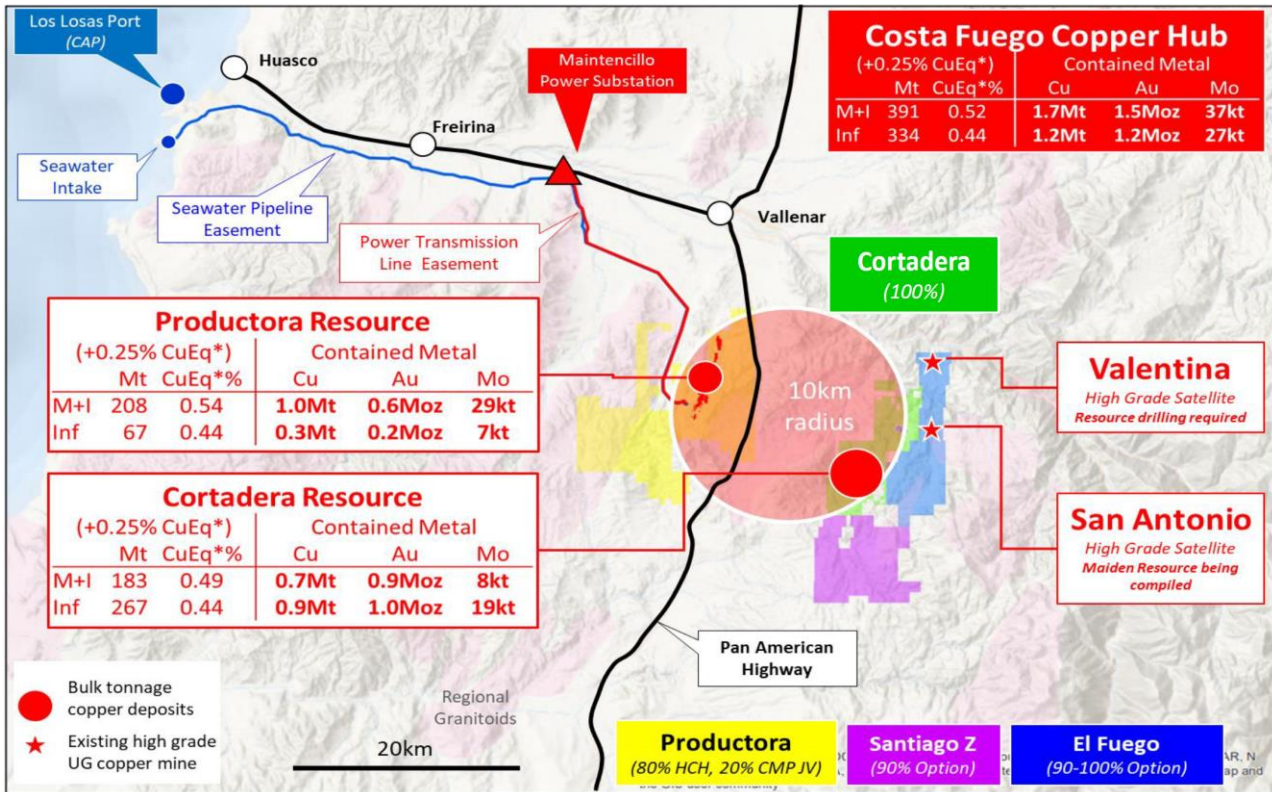


Figure 1 Location of Productora and the Cortadera discovery in relation to the coastal range infrastructure of Hot Chili’s combined Costa Fuego copper project, located 600km north of Santiago in Chile

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

The Mineral Resource summary for the Costa Fuego Project is presented in the following tables.

Productora Mineral Resource Summary - reported by classification (open pit, using +0.25% CuEq cut-off grade), 28 October 2021

Productora Total Resource		Grade				Contained Metal			
Classification	Tonnes	CuEQ	Cu	Au	Mo	Copper Eq	Copper	Gold	Molybdenum
(+0.25% CuEQ*)	(Mt)	(%)	(%)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(tonnes)
Measured	0	0	0	0	0	0	0	0	0
Indicated	208	0.54	0.46	0.10	140	1,122,000	960,000	643,000	29,200
M+I Total	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

Reported at or above 0.25% CuEq*. Figures in the above table are rounded, reported to appropriate significant figures, and reported in accordance with CIM and NI-101. 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 Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%

Cortadera Mineral Resource Summary – reported by classification (using +0.25% CuEq cut-off grade) and by open pit (top), underground (middle) and total (bottom), 28th October 2021

Cortadera OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEQ	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.25% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(tonnes)	(tonnes)
Measured	0	0	0	0	0	0	0	0	0	0	0
Indicated	135	0.47	0.38	0.15	0.66	32	635,000	513,000	650,000	2,865,000	4,300
M+I Total	135	0.47	0.38	0.15	0.66	32	635,000	513,000	650,000	2,865,000	4,300
Inferred	100	0.44	0.35	0.14	0.65	45	440,000	350,000	450,000	2,090,000	4,500

Cortadera UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEQ	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.25% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(tonnes)	(tonnes)
Measured	0	0	0	0	0	0	0	0	0	0	0
Indicated	48	0.55	0.44	0.15	0.87	73	264,000	211,000	232,000	1,343,000	3,500
M+I Total	48	0.55	0.44	0.15	0.87	73	264,000	211,000	232,000	1,343,000	3,500
Inferred	167	0.44	0.35	0.11	0.68	90	735,000	585,000	591,000	3,651,000	15,000

Cortadera Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEQ	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.25% CuEq*)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(tonnes)	(tonnes)
Measured	0	0	0	0	0	0	0	0	0	0	0
Indicated	183	0.49	0.4	0.15	0.7	43	905,000	728,000	889,000	4,227,000	7,900
M+I Total	183	0.49	0.4	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

Reported at or above 0.25% CuEq*. Figures in the above table 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.

Copper Equivalent (CuEq) reported for the drill holes 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. Average Metallurgical Recoveries used were: Cu=83%, Au=56%, Mo=82%, and Ag=37%

** Note: Silver (Ag) is only present within the Cortadera Mineral Resource estimate



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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 Ingvor 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. For further information on the Costa Fuego Project, refer to the technical report titled "Resource Report for the Costa Fuego Technical Report", dated December 13, 2021, which is available for review under Hot Chili's profile at www.sedar.com.

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

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