



Hot Chili Limited
ACN 130 955 725

**Notice of General Meeting,
Explanatory Statement and Proxy Form**

General Meeting to be held at

**First Floor
768 Canning Highway
Applecross, Western Australia**

On Tuesday, 19 March 2019 at 11.00am (WST)

Important notice

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Important Information

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Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	11.00am (WST) on Sunday, 17 March 2019
Snapshot date for eligibility to vote	11.00am (WST) on Sunday, 17 March 2019
General Meeting	11:00am (WST) on Tuesday, 19 March 2019

Defined terms

Capitalised terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of General Meeting

Notice is hereby given that a General Meeting of Hot Chili Limited ACN 130 955 725 (**Company**) will be held at **First Floor, 768 Canning Highway, Applecross, Western Australia** on **Tuesday, 19 March 2019 at 11:00am (WST)** for the purpose of transacting the business referred to in this Notice of General Meeting.

The Explanatory Statement that accompanies and forms part of this Notice describes the various matters to be considered.

AGENDA

Resolution 1: Ratification of issue of Tranche 1 Placement Shares to Placement Participants

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 44,047,674 Tranche 1 Placement Shares, issued at a price of \$0.01 each, in the manner and on the terms and conditions set out in the Explanatory Statement."

Resolution 2: Approval to issue Tranche 2 Placement Shares to a Related Party – Blue Spec Drilling Pty Ltd

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of 50,952,326 Tranche 2 Placement Shares at an issue price of \$0.01 each, to Blue Spec Drilling Pty Ltd (ACN 601 943 364), a Related Party of the Company, under the Tranche 2 Placement, in the manner and on the terms and conditions set out in the Explanatory Statement."

Resolution 3: Approval to issue Tranche 2 Placement Shares to a Related Party – Roberto de Andraca Adriasola

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of 5,000,000 Tranche 2 Placement Shares at an issue price of \$0.01 each, to Roberto de Andraca Adriasola, a Related Party of the Company, under the Tranche 2 Placement, in the manner and on the terms and conditions set out in the Explanatory Statement."

By order of the Board

Mr Lloyd Flint
Company Secretary

12 February 2019

Voting Exclusions

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following parties.

Resolution	Excluded Parties
Resolution 1	The Tranche 1 Placement Participants, being the persons to whom Tranche 1 Placement Shares were issued, and their Associates.
Resolution 2	Blue Spec and its Associates.
Resolution 3	Roberto de Andraca Adriasola and his Associates.

The Company need not disregard a vote on a Resolution if it is cast by:

- the person as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Proxy Appointment and Voting Instructions

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address below by **11:00am (WST) on Sunday, 17 March 2019**. A Proxy Form received after that time will not be valid.

By post: Company Secretary, Hot Chili Limited, PO Box 1725, Applecross, Western Australia

By hand: First Floor, 768 Canning Highway, Applecross, Western Australia

By fax: +61 8 9315 5004

By email: admin@hotchili.net.au

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairperson as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Company on +61 8 9315 9009.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or

number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairperson voting undirected proxies

If the Chairperson is your proxy, the Chairperson will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairperson to vote your undirected proxies at his/her discretion.

As at the date of this Notice of Meeting, the Chairperson intends to vote undirected proxies **FOR** each of the Resolutions. In exceptional cases the Chairperson's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **11.00am (WST) on Sunday, 17 March 2019**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

At the Meeting, the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company may be submitted by no later than **5.00pm (WST) on Tuesday, 12 March 2019** in the same manner as outlined above for lodgement of Proxy Forms.

Copies of written questions will be available at the Meeting.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. Background to the Resolutions

1.1 Placement

On 4 February 2019, the Company announced that it had successfully arranged a \$1,000,000 (before costs) private placement of fully paid ordinary shares in the Company (**Placement Shares**) to various sophisticated and professional investors in Australia, and to investors in other jurisdictions, at an issue price of \$0.01 per Placement Share.

The Placement is to be conducted in two tranches as follows:

- (a) **Tranche 1 Placement:** a placement of 44,047,674 Shares to Tranche 1 Placement Participants (all of whom are non-Related Parties of the Company) at an issue price of \$0.01 each, raising approximately \$440,476.74 (before costs); and
- (b) **Tranche 2 Placement:** a placement of 55,952,326 Shares to Tranche 2 Placement Participants (who are Related Parties of the Company) at an issue price of \$0.01 each, to raise approximately \$559,523.26 (before costs).

The Tranche 1 Placement Shares under the Tranche 1 Placement were issued by the Company on 13 February 2019 using its issuing capacity under Listing Rules 7.1. Subsequent ratification of this issue by Shareholders is sought under Resolution 1.

The issue of the Tranche 2 Placement Shares under the Tranche 2 Placement is subject to Shareholder approval, as these Shares will be issued to Related Parties of the Company. Approval for the issue of the Tranche 2 Placement Shares, pursuant to Listing Rule 10.11, is sought under Resolutions 2 and 3.

1.2 Rights Issue and Offer Document

In addition to the Placement, the Company has announced a non-renounceable pro rata issue of 2 (two) fully paid ordinary shares in the Company (**New Shares**) for every 7 (seven) fully paid ordinary shares in the Company (**Shares**) held at 5:00pm Monday, 11 February 2019 (**Record Date**) at an offer price of \$0.01 per New Share, to raise up to \$2,216,979 (before costs) (**Rights Issue**).

The offer of New Shares to Eligible Shareholders under the Rights Issue is made pursuant to the Company's offer document dated 6 February 2019 (**Offer Document**).

The Placement does not form part of the Rights Issue under the Offer Document.

The purpose of the Offer Document is to inform Eligible Shareholders of their Rights under the Rights Issue and to ensure that the New Shares are issued with disclosure to facilitate the secondary trading of the New Shares.

The Offer Document has been sent to Eligible Shareholders and is available on the Company's website (<http://www.hotchili.net.au/investors/>) and the ASX announcements

platform (<https://www.asx.com.au/asx/statistics/announcements.do>) using the Company's ASX code 'HCH'.

The Offer Document includes information about the effect of the Placement and the Rights Issue.

2. Resolution 1: Ratification of issue of Tranche 1 Shares to Placement Participants

2.1 Background

The Company has issued a total of 44,047,674 Shares under the Tranche 1 Placement as follows:

- (a) Exploration Capital Partners 2014, LP (an affiliate of Sprott Inc.) – 18,566,872 Tranche 1 Placement Shares;
- (b) Realm Resources Limited (a company controlled by Taurus Funds Management Pty Ltd) – 13,659,675 Tranche 1 Placement Shares; and
- (c) other private investors – 11,821,127 Tranche 1 Placement Shares.

Resolution 1 is an ordinary resolution seeking ratification and approval by Shareholders of the prior issue of the Tranche 1 Placement Shares pursuant to the Tranche 1 Placement.

The Company issued 44,047,674 Tranche 1 Placement Shares without Shareholder approval using its issuing capacity under Listing Rule 7.1.

None of the Tranche 1 Placement Participants are Related Parties of the Company.

If Resolution 1 is approved, the Company's issuing capacities under Listing Rule 7.1 will be refreshed, allowing the Company to issue, without Shareholder approval, further Equity Securities representing up to an aggregate of 15% of the Company's issued capital in the next 12 months.

2.2 Applicable Listing Rules

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's shareholders subsequently approve it.

2.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) The number of securities issued

Under the Tranche 1 Placement, the Company issued 44,047,674 Tranche 1 Placement Shares.

(b) The price at which the securities were issued

The Tranche 1 Placement Shares were issued at \$0.01 each to raise approximately \$440,476.74 (before costs).

(c) **The terms of the securities**

The Tranche 1 Placement Shares are fully paid ordinary shares that rank equally with all existing Shares on issue.

(d) **Persons to whom the securities were issued**

Tranche 1 Placement Shares have been issued to Tranche 1 Placement Participants as identified in Section 2.1, being various private investors identified by the Company and which are not Related Parties of the Company.

Each Tranche 1 Placement Participant is a sophisticated or professional investor for the purposes of the Corporations Act, being an investor to whom securities may be issued without a prospectus or other disclosure document.

(e) **The use or intended use of the funds raised**

The Company intends to use the funds raised from the Placement for working capital purposes, including to continue exploration activities at the high-grade copper opportunities within the El Fuego copper project, which are located within trucking distance of the Company's flagship Productora Project.

2.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 as it will refresh the Company's issuing capacities under Listing Rule 7.1 and give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities, if and as required.

3. Resolutions 2 and 3: Approval to issue Tranche 2 Placement Shares to Related Parties – Blue Spec Drilling Pty Ltd and Roberto de Andracas Adriasola

3.1 Background

The Company has entered into subscription agreements with each of Blue Spec and Mr Roberto de Andracas Adriasola (**Tranche 2 Placement Participants**) pursuant to which the Tranche 2 Placement Participants agree to subscribe for Placement Shares, subject to Shareholder approval under the Placement as follows:

- (a) Blue Spec – 50,952,326 Tranche 2 Placement Shares; and
- (b) Mr Roberto de Andracas Adriasola – 5,000,000 Tranche 2 Placement Shares.

The material terms of the subscription agreements are set out in section 7.3(b) of the Company's Offer Document.

Resolution 2 is an ordinary resolution seeking Shareholder approval for the issue of Tranche 2 Placement Shares to Blue Spec Drilling Pty Ltd (**Blue Spec**) pursuant to the Tranche 2 Placement. Blue Spec is a Related Party of the Company as it is controlled by the Company's Non-Executive Chairman, Mr Murray Black. Mr Black is a director of Blue Spec and controls 25% of the shares in Blue Spec. He is therefore deemed to control Blue Spec under section 50AA of the Corporations Act.

Mr Black presently has a relevant interest in 72,883,491 Shares (8.88% of total Shares on issue following completion of the Tranche 1 Placement) as follows:

- (a) Blue Spec Sondajes Chile SpA (24,246,210 Shares) – Mr Black is a sole administrator and controller of 20% of this entity's shares. Mr Black controls this entity within the meaning of section 50AA of the Corporations Act.

- (b) Kalgoorlie Auto Service Pty Ltd (16,750,000 Shares held on trust for Mr Black) - Mr Black is the sole director and controlling shareholder of this entity.
- (c) Blue Spec Drilling Pty Ltd (31,887,281 Shares) - Mr Black is a director and controller of 25% of the shares in this entity. Mr Black controls this entity within the meaning of section 50AA of the Corporations Act.

If Resolution 2 is approved, Mr Black and the entities which he controls that hold Shares on his behalf will hold a total of 123,835,817 Shares, representing a relevant interest in 11.28% of the total Shares on issue, assuming all Shares offered under the Rights Issue are issued, and all Tranche 2 Placement Shares are issued.

Further details of Murray Black's potential relevant interest in Shares on completion of the Rights Issue and the Placement are contained in the Offer Document.

Resolution 3 is an ordinary resolution seeking Shareholder approval for the issue of Tranche 2 Placement Shares to Roberto de Andraca Adriasola pursuant to the Tranche 2 Placement. Mr de Andraca Adriasola is a Related Party of the Company as he is a Non-Executive Director of the Company.

Mr de Andraca Adriasola presently holds 1,000,000 Shares in the Company.

3.2 Corporations Act requirements

(a) Related party financial benefit restrictions

For a public company to give a financial benefit to a Related Party of the public company, either:

- the public company must first obtain the approval of its shareholders in the manner set out in sections 217 to 227 of the Corporations Act, and give the benefit within 15 months following such approval; or
- the giving of the financial benefit must fall within a prescribed exception set out in sections 210 to 216 of the Corporations Act.

(b) Arm's length exception

Section 210 of the Corporations Act provides that shareholder approval is not required to give a financial benefit on terms that:

- would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- are less favourable to the related party than arm's length terms.

The Directors (other than Messrs Black and de Andraca Adriasola) consider that the subscription agreements with Blue Spec and Mr Roberto de Andraca Adriasola both reflect arm's length terms as the agreements are both substantially the same as the subscription agreements the Company entered into with the Tranche 1 Placement Participants. Accordingly, the proposed issues reflect arm's length terms.

The Directors (other than Messrs Black and de Andraca Adriasola) have therefore resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exception under section 210 of the Corporations Act applies.

3.3 Listing Rule information requirements

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities (e.g. Tranche 2 Placement Shares), to a Related Party without shareholder approval.

If Resolution 2 is not passed, the Company will be unable to issue the Tranche 2 Placement Shares to Blue Spec, and will therefore be unable to raise the relevant funds from the issue of these Shares.

If Resolution 3 is not passed, the Company will be unable to issue the Tranche 2 Placement Shares to Roberto de Andraca Adriasola, and will therefore be unable to raise the relevant funds from the issue of these Shares.

In accordance with the disclosure requirements of Listing Rule 10.13, the following information is provided in relation to Resolutions 2 and 3:

(a) The name of the related party

In the case of Resolution 2, Blue Spec.

In the case of Resolution 3, Mr Roberto de Andraca Adriasola.

(b) The maximum number of securities to be issued

The maximum number of securities to be issued to Blue Spec is 50,952,326 Tranche 2 Placement Shares.

The maximum number of securities to be issued to Mr Roberto de Andraca Adriasola is 5,000,000 Tranche 2 Placement Shares.

(c) The date by which securities will be issued

If the relevant Resolutions are approved, the Tranche 2 Placement Shares are proposed to be issued on or about 21 March 2019 and, in any event, within 1 (one) month after the date of the Meeting (or such later date as permitted by the Listing Rules).

It is intended that the issue of all Tranche 2 Placement Shares will occur on one date.

(d) The relationship requiring shareholder approval

Blue Spec is deemed to be controlled by the Company's Non-Executive Chairman, Mr Murray Black and is therefore a Related Party of the Company.

Roberto de Andraca Adriasola is a Non-Executive Director of the Company and is therefore a Related Party of the Company.

(e) The issue price of the securities and a statement of the terms of the issue

Tranche 2 Placement Shares will be issued at \$0.01 each to raise a total of \$559,523.26 (before costs), and will be fully paid ordinary shares that rank equally with all existing Shares then on issue.

The terms of Tranche 2 Placement Shares reflect the same terms applicable to Tranche 1 Placement Shares issued to the Tranche 1 Placement Participants.

(f) The use or intended use of the funds raised

The Company intends to use the funds raised for the purposes set out in Section 2.3(e) above.

3.4 Directors' recommendation – Resolution 2

The Directors (other than Mr Black) recommend that Shareholders vote in favour of Resolution 2 to permit the Company to fulfil its obligations under the subscription agreement with Blue Spec to issue Tranche 2 Placement Shares to Blue Spec.

Mr Black has a material personal interest in the outcome of Resolution 2 and therefore declines to make any recommendation as to how Shareholders should vote on that Resolution.

3.5 Directors' recommendation – Resolution 3

The Directors (other than Mr de Andraca Adriasola) recommend that Shareholders vote in favour of Resolution 3 to permit the Company to fulfil its obligations under the subscription agreement with Roberto de Andraca Adriasola to issue Tranche 2 Placement Shares to Mr de Andraca Adriasola.

Mr de Andraca Adriasola has a material personal interest in the outcome of Resolution 3 and therefore declines to make any recommendation as to how Shareholders should vote on that Resolution.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.
Blue Spec	Blue Spec Drilling Pty Ltd (ACN 601 943 364).
Board	The Board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
Chairperson	The chair of the General Meeting.
Company	Hot Chili Limited (ACN 130 955 725).
Constitution	Means the Company's constitution.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A Shareholder who is eligible to participate in the Rights Issue as set out in Section 1.8 of the Offer Document.
Equity Securities	Has the meaning given to that term in the Listing Rules.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
General Meeting or Meeting	The general meeting of Shareholders or any adjournment thereof, convened by the Notice.
Listing Rules	The listing rules of ASX, as amended from time to time.
New Shares	A Share offered pursuant to the Offer Document.
Notice or Notice of General Meeting	The notice of general meeting which accompanies this Explanatory Statement.
Offer Document	The Company's offer document dated 6 February 2019 for the Rights Issue and lodged with ASX on that date.
Productora Project	The Productora copper project owned by Sociedad Minera El Águila SpA (taxpayer identification number 76.032.211-3), a corporation organised and operated by the Company, existing under the laws of Chile and located near Vallenar, Chile.
Placement	The Tranche 1 Placement and the Tranche 2 Placement, pursuant to which the Company seeks to issue a total of 100,000,000 Shares to raise \$1,000,000 (before costs).
Placement Participant	A participant in the Placement.
Placement Share	A Share to be issued to a Placement Participant under the Placement.
Proxy Form	The proxy form accompanying the Notice.
Record Date	5:00pm (WST) Monday, 11 February 2019.
Related Party	Has the meaning given to that term in the Listing Rules.
Resolution	A resolution set out in the Notice.

Rights Issue	A non-renounceable rights issue of 2 fully paid ordinary shares in the Company for every 7 fully paid ordinary shares in the Company held on the Record Date at an offer price of \$0.01 per New Share, to raise up to \$2,216,979 (before costs).
Section	A section of the Explanatory Statement.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share in the Company.
Tranche 1 Placement	The placement by the Company of 44,047,674 Placement Shares issued at an issue price of \$0.01 each, to non-related sophisticated and professional investors, raising approximately \$440,476.74 (before costs), as described in Section 2.1.
Tranche 1 Placement Participants	The persons identified in Section 2.1 of the Explanatory Statement to whom Tranche 1 Placement Shares were issued.
Tranche 1 Placement Shares	The Placement Shares to be issued under the Tranche 1 Placement.
Tranche 2 Placement	The placement by the Company of 55,952,326 Placement Shares at an issue price of \$0.01 each, to Related Parties of the Company to raise approximately \$559,523.26 (before costs), subject to Shareholder approval, as described in Section 3.1.
Tranche 2 Placement Participants	Blue Spec and Roberto de Andraca Adriasola
Tranche 2 Placement Shares	The Placement Shares to be issued to the Tranche 2 Placement Participants.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

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HOT CHILI LIMITED

ACN: 130 955 725

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

REGISTERED OFFICE:
FIRST FLOOR
768 CANNING HIGHWAY
APPLECROSS WA 6153

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: HCH

Holder Number: «HOLDER_NUM

«EFT_REFERENCE_NUMBER»

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am WST on Tuesday 19 March 2019 at First Floor, 768 Canning Highway, Applecross, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain
1. Ratification of issue of Tranche 1 Placement Shares to Placement Participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval to issue Tranche 2 Placement Shares to a Related Party - Blue Spec Drilling PL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval to issue Tranche 2 Placement Shares to a Related Party - R de Andraca Adriasola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Hot Chili Limited no later than 11:00am WST on Sunday 17 March 2019.

Name:

()

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Postal Address Company Secretary
Hot Chili Limited
PO Box 1725
Applecross WA 6953 AUSTRALIA

Street Address First Floor
768 Canning Highway
Applecross WA 6153 AUSTRALIA

Facsimile +61 8 9315 5004

Email admin@hotchili.net.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.