



ASX Announcement

30 September 2019
Company Announcements Office
Australian Securities Exchange

NOTICE UNDER ASX LISTING RULE 3.10.5A

Hot Chili Limited ("Hot Chili" or the "Company") has issued a total of 325,000,000 ordinary fully paid shares at \$0.036 each (the **Placement**). The Placement was announced to the market on 23 September 2019 and completed on 30 September 2019. Of the 325,000,000 fully paid ordinary shares issued, 131,159,966 were issued under ASX Listing Rule 7.1A available capacity and the balance of 193,840,034 shares were issued under ASX Listing Rule 7.1. Pursuant to ASX Listing Rule 3.10.5A, the Company provides the following information in relation to the Placement made under ASX Listing Rule 7.1A.

a) The dilutive effect of the Placement on existing shareholders of the Company is as follows:

	Shares	Dilution
Shares on issue pre-Placement	1,311,599,660	
Shares issued under LR 7.1 capacity	193,840,034	11.84%
Shares issued under LR 7.1A capacity	131,159,966	8.01%
Total Shares on issue post Placement	1,636,599,660	
Total dilution effect		19.86%

Details of the Company's issued capital following the completion of the Placement held by pre-Placement and new shareholders are as follows:

	Shares	Percentage
Pre-Placement shareholders who did not participate in the Placement	1,311,599,660	65.06%
Pre-Placement shareholders who did participate in the Placement	424,669,032	25.95%
New shareholders who participated in the Placement	147,061,708	8.99%

- b) The equity securities were issued for cash consideration. The placement was undertaken to satisfy the remaining US\$3 million part-payment for the first instalment of the Carola Option Agreement, completion of a 15,000m Reverse Circulation and Diamond drilling programme at Cortadera, and general working capital. It was the most efficient mechanism for raising funds at the time and a Rights Issue had been undertaken in the first half of 2019.
- c) There was no underwriting for this Placement.
- d) The Company will pay estimated cash costs of \$700,000 for the capital raising which will include management and selling fees paid to advisors and will also include placement administration costs being legal expenses, share registry and share quotation fees.

Yours faithfully,

Christian Easterday
Managing Director
Hot Chili Limited