



Announcement Summary

Entity name

HOT CHILI LIMITED

Announcement Type

New announcement

Date of this announcement

Monday May 18, 2020

The Proposed issue is:

- ☒ A standard pro rata issue (including non-renounceable or renounceable)
- ☒ A placement or other type of issue

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
n/a	An option exercisable at \$0.025 each on or before 20 May 2022	130,389,983
HCH	ORDINARY FULLY PAID	260,779,967

Ex date

Wednesday May 20, 2020

+Record date

Thursday May 21, 2020

Offer closing date

Wednesday June 10, 2020

Issue date

Wednesday June 17, 2020

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
n/a	An option exercisable at \$0.025 each on or before 20 May 2022	166,666,667



HCH

ORDINARY FULLY PAID

333,333,334

Proposed +issue date

Monday May 25, 2020

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.

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

Monday May 18, 2020

1.6 The Proposed issue is:

- ☒ A standard +pro rata issue (non-renounceable or renounceable)
- ☒ A placement or other type of issue

1.6a The proposed standard +pro rata issue is:

☒ + Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

HCH : ORDINARY FULLY PAID

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

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

HCH : ORDINARY FULLY PAID

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

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

3

For a given quantity of +securities held

20

**What will be done with fractional entitlements?**

Fractions rounded down to the nearest whole number or fractions disregarded

Maximum Number of +securities proposed to be issued

260,779,967

Purpose of the issue

To be used in the US\$2.0m option extension payment for the Carola Option Agreement on the Cortadera Project, Diamond drilling at the Cortadera Cu-Au Project in Chile, Metallurgical testwork at the Cortadera and San Antonio projects and preliminary economic assessment for a combined development; delineation of maiden Cu-Au resources at the Cortadera and San Antonio Projects, the costs of the Offer and working capital.

Offer price details for retail security holders**Issue Currency**

AUD - Australian Dollar

Offer Price per +security

AUD 0.01500

Estimated or Actual?

☒ Actual

Oversubscription & Scale back details**Are +security holders allowed to oversubscribe?**

☒ No

May a scale back be applied to this event?

☒ No

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)?

☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +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?**

☒ Yes

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

☒ No

**ASX +Security Code**

New class-code to be confirmed

+Security Description

An option exercisable at \$0.025 each on or before 20 May 2022

+Security Type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)**The quantity of attaching +securities to be issued**

1

For a given quantity of the new +securities issued

2

What will be done with fractional entitlements?

Fractions rounded down to the nearest whole number or fractions disregarded

Maximum Number of +securities proposed to be issued

130,389,983

Offer price details for retail security holders**Issue Currency**

AUD - Australian Dollar

Offer Price per +security

AUD 0.00000

Estimated or Actual?☒ Actual**Oversubscription & Scale back details****Are +security holders allowed to oversubscribe?**☒ No**May a scale back be applied to this event?**☒ No**Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ Yes

Options details

+Security Currency

AUD - Australian Dollar

Exercise Price

AUD 0.0250

Expiry date

Friday May 20, 2022



Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

HCH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Part 3C - Timetable

3C.1 +Record date

Thursday May 21, 2020

3C.2 Ex date

Wednesday May 20, 2020

3C.4 Record date

Thursday May 21, 2020

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Monday May 25, 2020

3C.6 Offer closing date

Wednesday June 10, 2020

3C.7 Last day to extend the offer closing date

Thursday June 4, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Thursday June 11, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Monday June 15, 2020

3C.11 Issue date

Wednesday June 17, 2020

3C.12 Date trading starts on a normal T+2 basis

Thursday June 18, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Monday June 22, 2020



Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ Yes

3E.1a Who is the lead manager/broker?

Veritas Securities Limited

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

2% of the gross proceeds of the Entitlement Offer; and

4% of the of the any Shortfall placed

50,000,000 New Options, subject to Shareholder approval on completion of successful Capital Raising

3E.2 Is the proposed offer to be underwritten?

☒ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

Please refer to offer details under Purpose of Offer

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No

3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

All countries other than Australia, New Zealand, Chile, Hong Kong, Singapore or the United Kingdom

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ Yes



3F.5a Please provide further details

<https://www.hotchili.net.au/investors/>

3F.6 URL on the entity's website where investors can download information about the proposed issue

<https://www.hotchili.net.au/investors/>

3F.7 Any other information the entity wishes to provide about the proposed issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

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

Maximum Number of +securities proposed to be issued

333,333,334

Purpose of the issue

To be used in US\$2.0m option extension payment for the Carola Option Agreement on the Cortadera Project; Diamond drilling at the Cortadera Cu-Au Project in Chile; Metallurgical testwork at the Cortadera and San Antonio projects and preliminary economic assessment for a combined development; delineation of maiden Cu-Au resources at the Cortadera and San Antonio Projects; costs of the Offer and working capital.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.01500



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

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

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)?

☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +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

New class-code to be confirmed

+Security Description

An option exercisable at \$0.025 each on or before 20 May 2022

+Security Type

Options

Maximum Number of +securities proposed to be issued

166,666,667

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes



Options details

+Security Currency

AUD - Australian Dollar

Exercise Price

AUD 0.0250

Expiry date

Friday May 20, 2022

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

HCH : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Part 7C - Timetable

7C.1 Proposed +issue date

Monday May 25, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the 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?

260,779,967

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?

72,553,367



7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

☒ No

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?

☒ Yes

7E.1a Who is the lead manager/broker?

Veritas Securities Limited

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

- (a) a management fee of 2% of the gross proceeds of the Capital Raising; and
- (b) a selling fee of 4% of the gross proceeds of the Placement and any Shortfall placed by the Lead Manager.
50,000,000 New Options, subject to Shareholder approval, on completion of Capital Raising

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

☒ 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.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

A prospectus in relation to an associated Entitlement Offer has been lodged which contains details of the Placement Offer.