



ASX: HCH  
TSXV: HCH  
OTCQX: HHLKF

# Costa Fuego

Size, Growth & Development  
Optionality at Low Elevation in Chile

# Disclaimer & Forward-Looking Statements

## Disclaimer

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"Total Cash Cost", "All-in Sustaining Cost", "All-in cost LOM", "C1" and "Free Cashflow" are not performance measures reported in accordance with International Financial Reporting Standards ("IFRS"). These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess how the Costa Fuego project compares against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

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## Forward-Looking Statements

This Document contains certain statements that are "forward-looking information" within the meaning of Canadian securities legislation and Australian securities legislation (each, a "forward-looking statement"). Forward-looking statements reflect the Company's current expectations, forecasts, and projections with respect to future events, many of which are beyond the Company's control, and are based on certain assumptions. No assurance can be given that these expectations, forecasts, or projections will prove to be correct, and such forward-looking statements included in this Presentation should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "believe", "could", "estimate", "expect", "may", "plan", "potential", "project", "should", "will", "would" and similar expressions are intended to identify forward-looking statements.

The forward-looking statements within this Document are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this Document. In addition, this Document may contain forward-looking statements attributed to third-party industry sources, the accuracy of which has not been verified by the Company.

In this Document, forward-looking statements relate, among other things, to: prospects, projections and success of the Company and its projects; expected cash inflows; whether or not it will enter into any royalty or streaming transactions and the terms thereof; the ability of the Company to expand mineral resources beyond current mineral resource estimates; the results and impacts of current and planned drilling to convert inferred mineral resources to indicated, to extend mineral resources and to identify new deposits; the Company's ability to convert mineral resources to mineral reserves; opportunities for growth of existing mineral projects and/or acquisition of new projects; the ability of the Company to secure necessary infrastructure; the terms and conditions related to use of existing port and electrical infrastructure, including the ability to access renewable energy sources; the timing and outcomes of this current and future planned economic studies; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of the Costa Fuego Project as contemplated in this and future planned economic studies; whether or not the Company will make a development decision and the timing thereof; the ability of the Company to consolidate additional landholdings around its project; estimates of cost; and estimates of planned exploration.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this Document, including, but not limited to, the following material factors: operational risks; risks related to the cost estimates of exploration; sovereign risks associated with the Company's operations in Chile; changes in estimates of mineral resources of properties where the Company holds interests; recruiting qualified personnel and retaining key personnel; future financial needs and availability of adequate financing; fluctuations in mineral prices; market volatility; exchange rate fluctuations; ability to exploit successful discoveries; the production at or performance of properties where the Company holds interests; ability to retain title to mining concessions; environmental risks; financial failure or default of joint venture partners, contractors or service providers; competition risks; economic and market conditions; and other risks and uncertainties described elsewhere in this Presentation and elsewhere in the Company's public disclosure record.

Although the forward-looking statements contained in this Document are based upon assumptions which the Company believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this Document, the Company has made assumptions regarding: future commodity prices and demand; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing; and assumptions underlying estimates related to adjusted funds from operations. The Company has included the above summary of assumptions and risks related to forward-looking information provided in this Document to provide investors with a more complete perspective on the Company's future operations, and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom.

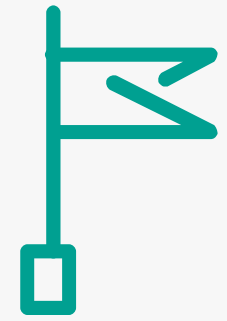
For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made herein, please refer to the public disclosure record of the Company, including the Company's most recent Annual Report, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company's issuer profile. New factors emerge from time to time, and it is not possible for management to predict all those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this Document are expressly qualified by the foregoing cautionary statements and are made as of the date of this Document. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Document or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Investors should read this entire Document and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of an investment in the Company.

The preliminary economic assessment (the "PEA") relating to the disclosure in this Document has been posted on the Company's website at [www.hotchili.net.au](http://www.hotchili.net.au) and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company's issuer profile. For readers to fully understand the information in this Presentation, they should read the PEA in its entirety, including all qualifications, assumptions, limitations and exclusions that relate to the information set out in this Presentation that qualifies the technical information contained in the PEA. The PEA is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in this Presentation is subject to the assumptions and qualifications contained in the PEA.



# Costa Fuego Copper-Gold Project, Chile



*One of the largest scale, lowest elevation copper resources in the world (not controlled by a major miner)*

## Top 10 Undeveloped Copper Resource (S&P 2022)

- Indicated Resource of 725 Mt grading 0.47% CuEq<sup>1</sup> & Inferred Resource of 202 Mt grading 0.36% CuEq<sup>1</sup> containing:
  - 2.8 Mt Copper (Cu) Indicated, 0.6 Mt Copper Inferred
  - 2.6 Moz Gold (Au) Indicated, 0.4 Moz Gold Inferred
  - 67.4 kt Molybdenum (Mo) Indicated, 13.4 kt Molybdenum Inferred
  - 10.5 Moz Silver (Ag) Indicated, 2.0 Moz Silver Inferred
- Extremely leveraged to looming structural shortage in copper supply

## PEA – Strong Economics & Leverage

- Post-tax NPV<sub>8%</sub> of US\$1.10 B
- Pre-tax NPV<sub>8%</sub> of US\$1.54 B
- Low start-up capital, fast payback
- 16-year mine life for open pit and underground operations
- 112 ktpa CuEq<sup>2</sup> average production: 95 kt Cu & 49 koz Au for first 14 years
- 97% of PEA inventory is Indicated Resource
- Post-tax NPV<sub>8%</sub> increases by US\$100 M for every US\$0.10/lb increase in copper price above US\$3.85/lb

## Low Risk – Elevation, Infrastructure & Permitting

- Low elevation (<1,000 m), 50 km from port and located along the Pan American Highway, 600 km north of Santiago
- Maritime water concession, power connection, easements and surface rights secured
- Environmental Impact Assessment significantly advanced
- No requirement for large-scale desalination plant or expensive high altitude water pipeline

## Next Growth Phase & Up-Scale Strategy

- Targeting a potential increase in study scale toward 150 ktpa copper project for +20 years
- Resource upgrade planned for second-half (H2) 2023 and PFS for second-half (H2) 2024
- Single, large open pit scenario at Cortadera (no block cave) being studied in H2 2023
- 30,000 m drill program set to commence
- Further consolidation opportunities being pursued

*The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves (NI 43-101) or Ore Reserves (JORC 2012), and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves or Ore Reserves do not have demonstrated economic viability. References to “Mineral Reserves” in this Presentation include Ore Reserves (JORC 2012). See Slides 2 and 34 for additional cautionary language.*

*For further information on this PEA, refer to Table 1 Section 4 in the Appendices of the Hot Chili Limited Announcement dated 28 June 2023.*

<sup>1</sup> The resource copper-equivalent (CuEq) considers assumed commodity prices and average metallurgical recoveries for the Mineral Resource from testwork. See slide 33 for complete Mineral Resource disclosure of Costa Fuego.

<sup>2</sup> The copper-equivalent (CuEq) annual production rate was based on the combined processing feed (across all sources) and used long-term commodity prices of: Copper US\$ 3.85/lb, Gold US\$ 1,750/oz, Molybdenum US\$ 17/lb, and Silver US\$21/oz; and estimated metallurgical recoveries for the production feed to the following processes: Concentrator (87% Cu, 56% Au, 37% Ag, 58% Mo), Oxide Leach (55% Cu only), & Low-grade Sulphide Leach (40% Cu only).



# Copper

## THE Critical Commodity



Copper inventories at critical levels with deficit projected to continue



Fiscal & geopolitical uncertainty



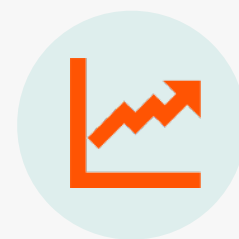
Declining copper production grades & lack of major new discoveries



Material delays in permitting NEW & LARGE copper projects



Committed NEW copper capacity lacking



Increasing copper demand from NET ZERO mandates

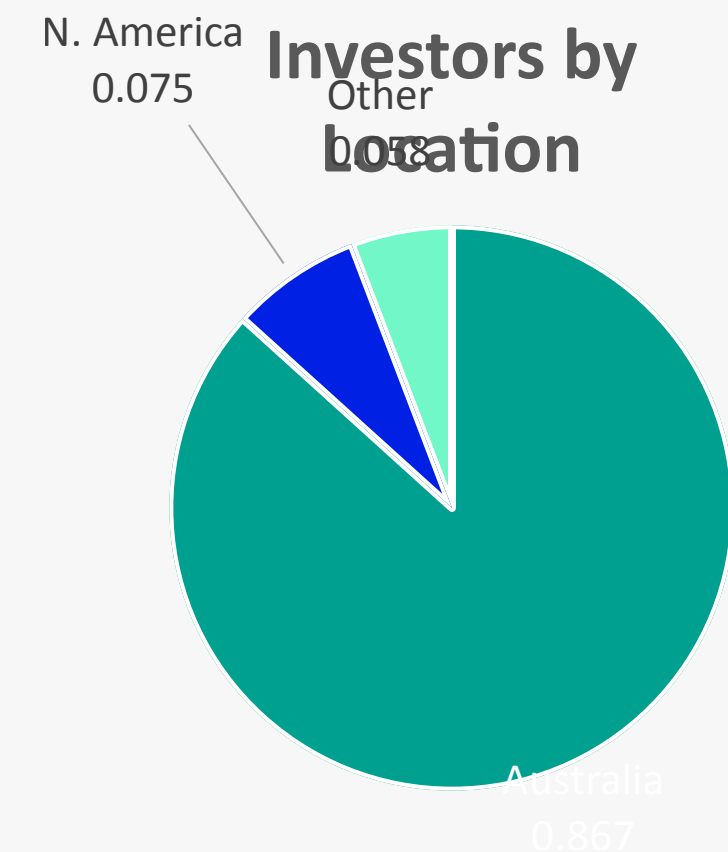
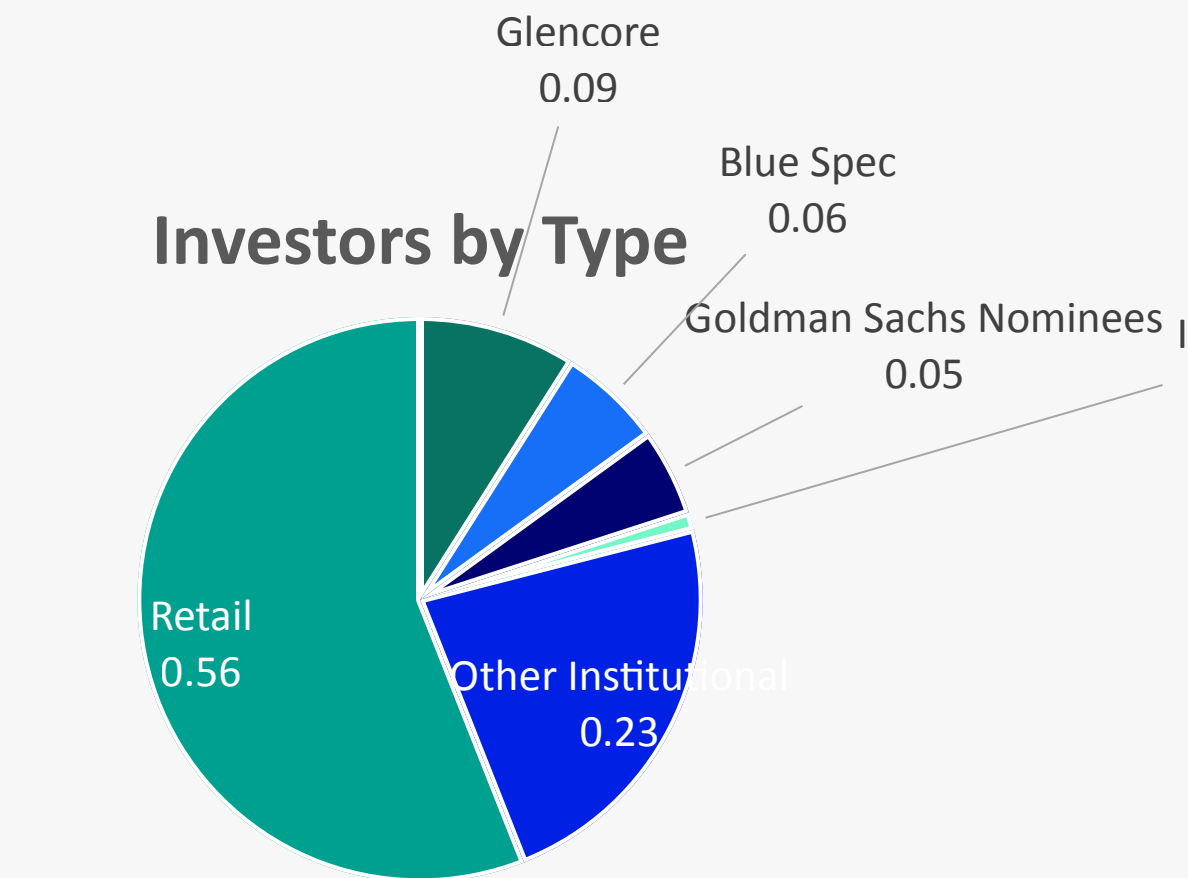
# Corporate Overview

*Osisko Investment Agreement for US\$15 M expected to fully fund until Q3 – Q4 2024*

*Investigating funding optionality from a potential water business*

Capital Structure	
Exchange	ASX/TSXV: HCH OTCQX: HHLKF
Shares Outstanding	119.4 M
Options & Performance Rights	20 M
Cash	<b>AU\$21.8 M</b> (as of 30 <sup>th</sup> September 2023)
Market Capitalisation <sup>1</sup>	US\$83 M (31 <sup>st</sup> October 2023)

Analyst Coverage	
Veritas Securities	Piers Reynolds
Hannam & Partners	Roger Bell
Cormark Securities	Stefan Ioannou
Beacon Securities	Michael Curran



<sup>1</sup>AUD:USD exchange rate 0.64, HCH (ASX) share price of AU\$1.08 as of 31<sup>st</sup> October 2023

# 1 Water Risk Removed

- ✓ Granted maritime concession with land access
- ✓ All water required for operations secured

# 2 Power Line Risk Removed

- ✓ Secured electrical connection to grid
- ✓ Opportunity to be 100% renewable

# 3 Permitting Timelines Reduced

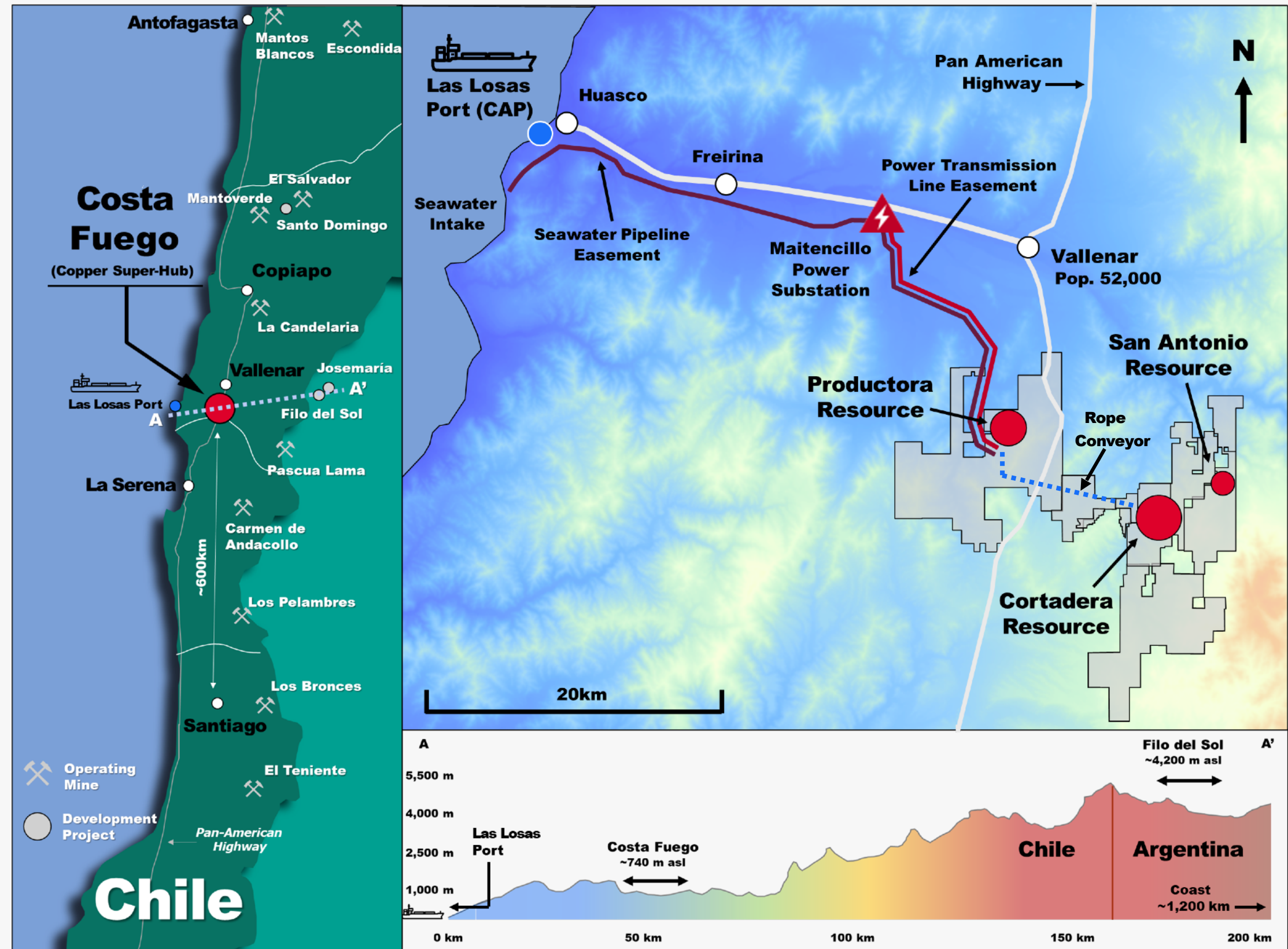
- ✓ Secured easement corridors for power and water pipelines
- ✓ Secured many of proposed mining infrastructure surface rights

# 4 Access to Existing Infrastructure

- ✓ Reduces future capital expenditure
- ✓ Improves environment, social and governance metrics

# 5 Offtake Not Fully Committed

- ✓ Glencore can purchase up to 60% of concentrate for first 8 years life of mine – at benchmark terms but must maintain >7.5% ownership in Company



# Costa Fuego PEA Highlights

Strong financial results using 8% discount rate & long-term US\$3.85/lb copper price and US\$1,750/oz gold price

<p>Post-Tax NPV<sub>8%</sub></p> <p><b>US\$1.10 B</b></p> <p>Post-Tax IRR</p> <p><b>21%</b></p>	<p>Pre-Tax NPV<sub>8%</sub></p> <p><b>US\$1.54 B</b></p> <p>Pre-Tax IRR</p> <p><b>24%</b></p>	<p>Primary Annual Production Rate (First 14 Years)</p> <p><b>112 kt CuEq<sup>1</sup></b> (or 248 Mlbs CuEq)</p> <p>Equal to</p> <p><b>95 kt Cu &amp; 49 koz Au</b> (or 210 Mlbs Cu &amp; 49 koz Au)</p>
<p>Low Start-Up Capital</p> <p><b>US\$1.05 B</b></p> <p>First Quartile Capital Intensity</p> <p><b>US\$10,110</b></p> <p>per tonne of CuEq* produced annually</p>	<p>Post-Tax, Life of Mine Free Cashflow</p> <p><b>US\$3.28 B</b></p> <p>Payback Period</p> <p><b>3.5 Years</b></p>	<p>C1 Cash Cost<sup>2</sup> (Net of By-Product Credits)</p> <p><b>US\$1.33/lb Cu</b></p> <p>Open Pit Strip Ratio</p> <p><b>1.8</b></p>



*The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. See Slides 2 and 34 for additional cautionary language.*

<sup>1</sup> The copper-equivalent (CuEq) annual production rate was based on the combined processing feed (across all sources) and used long-term commodity prices of: Copper US\$ 3.85/lb, Gold US\$ 1,750/oz, Molybdenum US\$ 17/lb, and Silver US\$21/oz; and estimated metallurgical recoveries for the production feed to the following processes: Concentrator (87% Cu, 56% Au, 37% Ag, 58% Mo), Oxide Leach (55% Cu only), & Low-grade Sulphide Leach (40% Cu only).

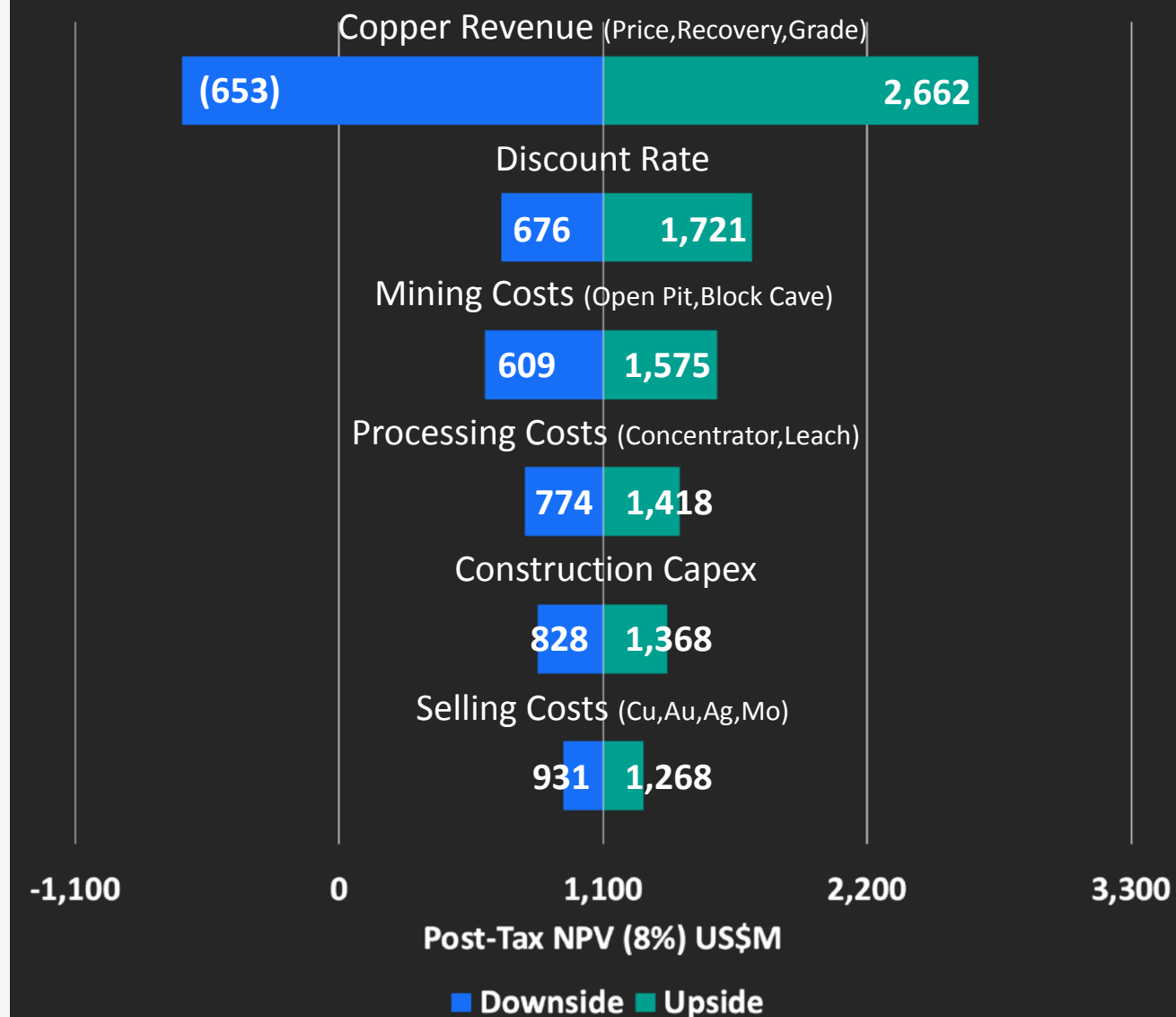
<sup>2</sup> See Slides 2 and 34 for discussion of non-IFRS measures.

NPV = Net Present Value, IRR = Internal Rate of Return.



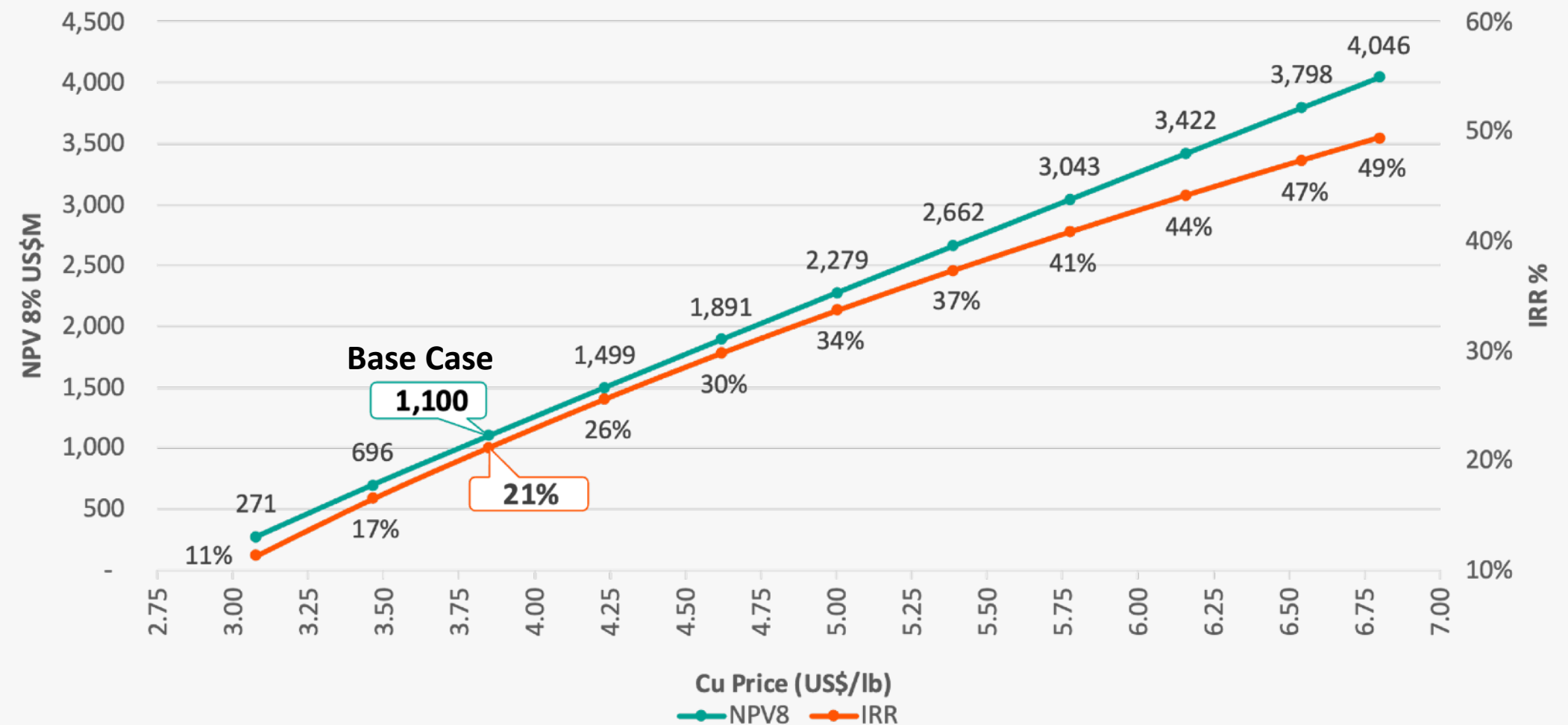
# Sensitivity Analysis

(Post-Tax NPV<sub>8%</sub> - ±40% Sensitivity Ranges)



# Sensitivity to Copper Price

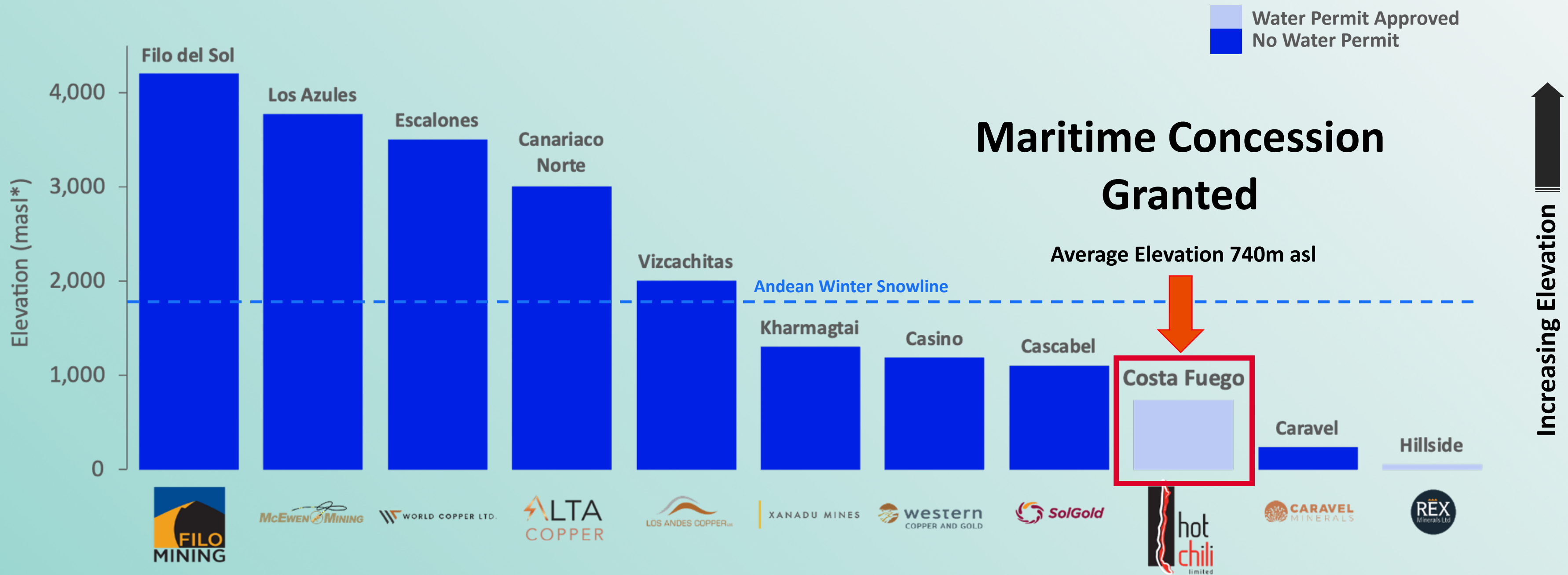
(Post-Tax NPV<sub>8%</sub> & IRR)



Copper price range has been selected from minimum (US\$3.0/lb) and maximum (US\$6.8/lb) values from 27-bank forecast of copper price out to 2027. See slide 24 for more information.







# Maritime Concession Granted

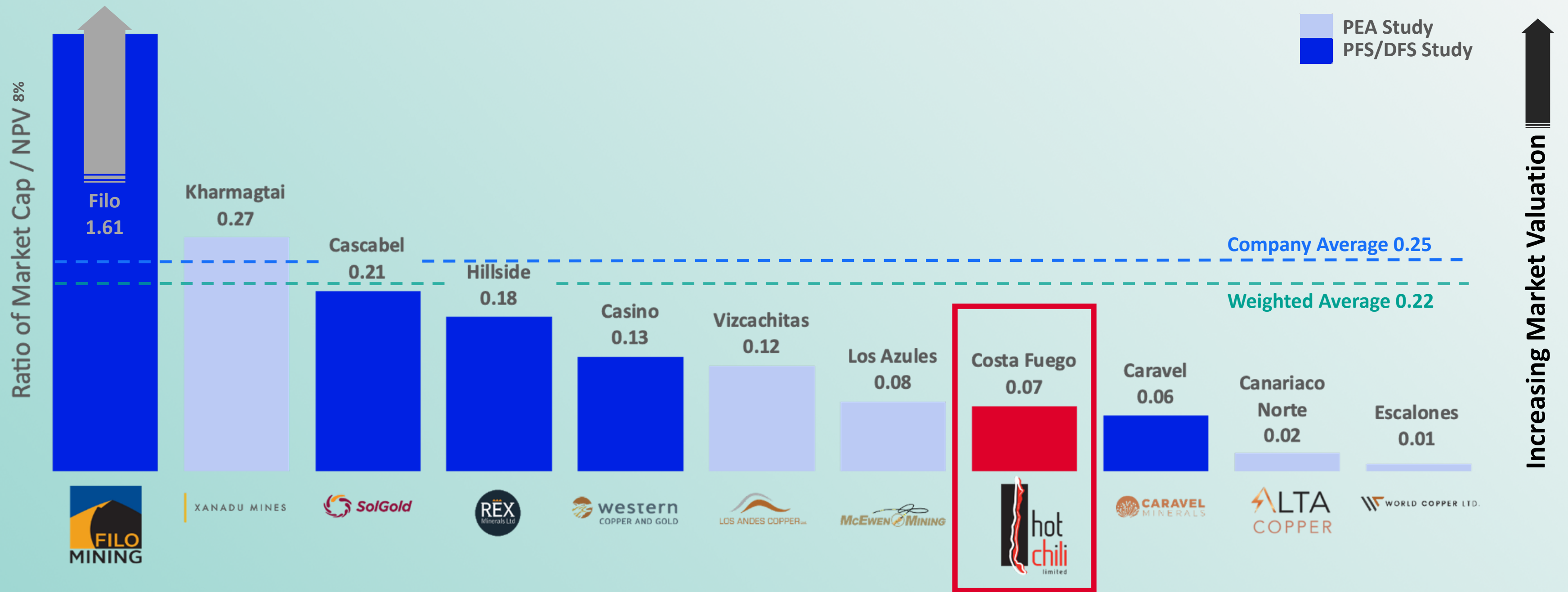
Average Elevation 740m asl

Andean Winter Snowline

Increasing Elevation ↑

The Global Market Developer Peer Group of market-listed companies were selected on the following basis: Global copper development companies (not controlled by a major miner), with by-product metals where applicable, reporting development studies of average annual life-of-mine copper production of greater than 40 kt, which have been published within the last 4 years. Companies with older studies were considered to have their development project on hold. Companies with significant projects such as Pebble and King-king were excluded by Hot Chili due to high perceived geopolitical risk, limiting the probability of development. Mining companies already in production but part of the Global Developer Peer Group were excluded (Lundin - Josemaría, Capstone Mining - Santa Domingo, Mantos Blanco and Mantoverde).  
 Source: Published Company reports on studies undertaken on projects that were not in production at the time of the studies.  
 The PEA is preliminary in nature and includes 3% of production feed from Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. See Slides 2 and 34 for additional cautionary language.  
 asl = above sea level





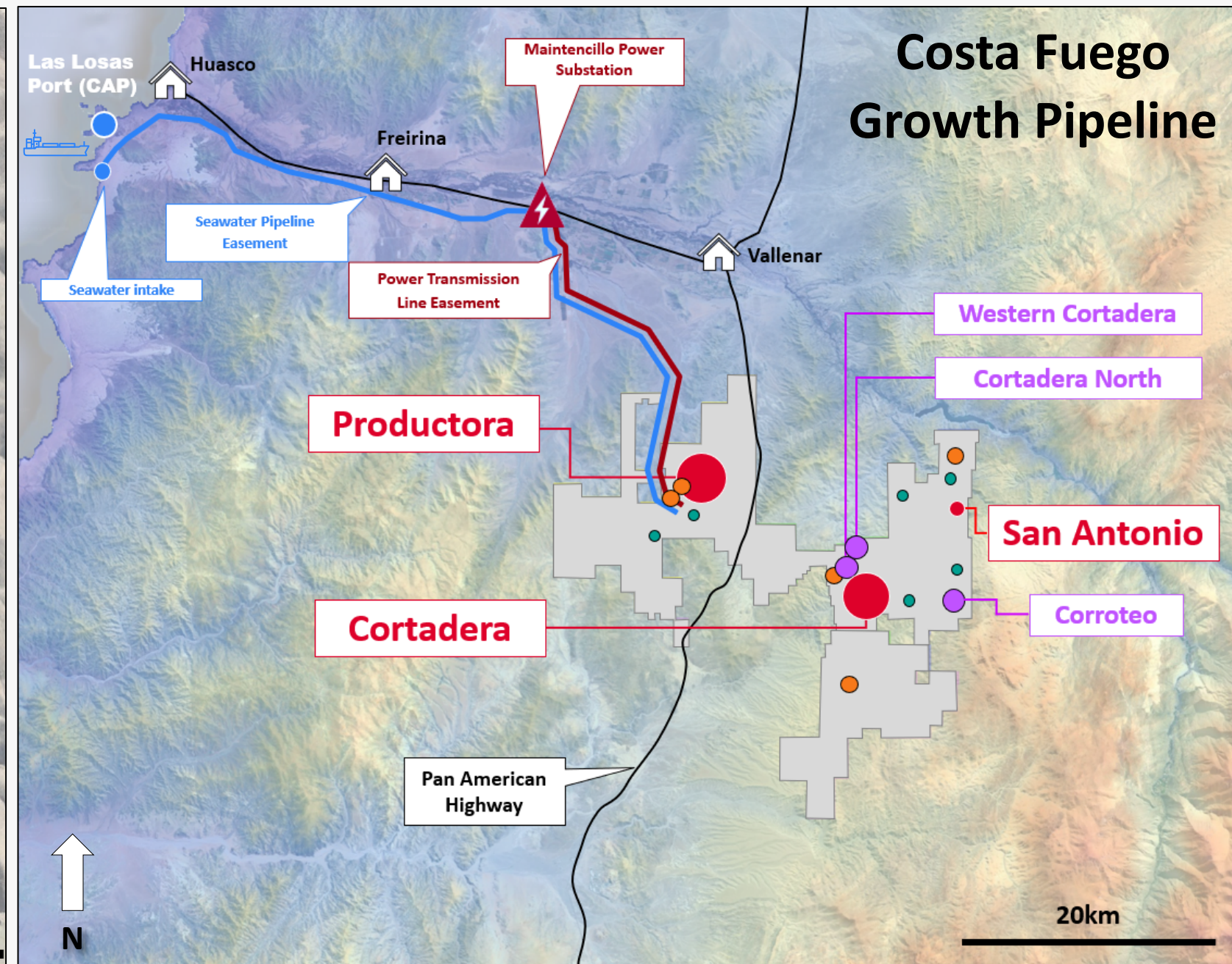
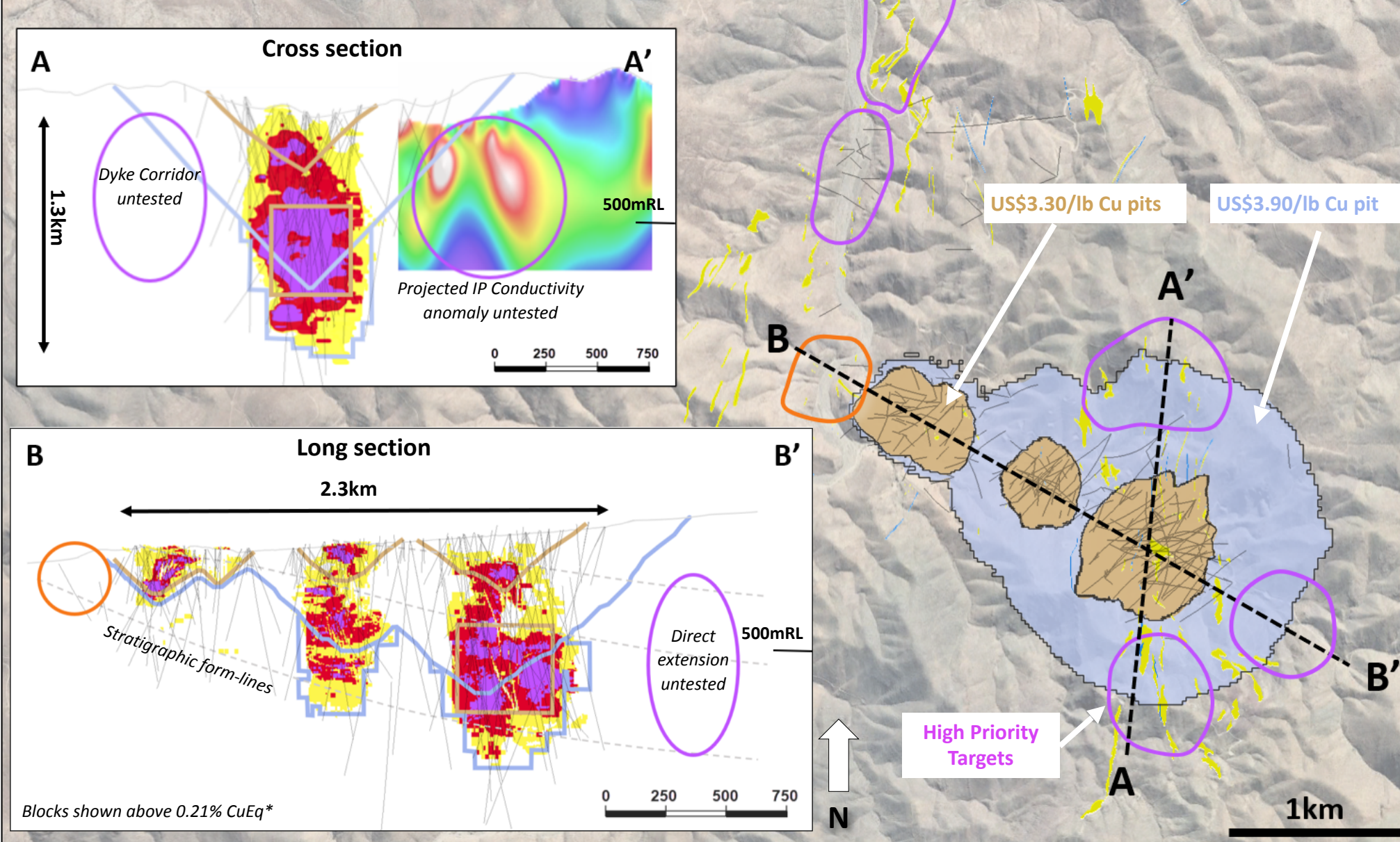
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Source: Published Company reports on studies undertaken on projects that were not in production at the time of the studies. Net Present Value from projects has been sourced from publicly available data that has been provided under differing economic assumptions. Public information for projects has been adjusted to provide a standardised data set under a US\$ 3.85/lb Cu price. Published sensitivity data provided results that bracketed an US\$ 3.85/lb Cu price, which was then calculated. Details of the adjustment are provided in the reference table on Benchmarking Data in the appendix (see slides 31 & 32). The projects that were not studied at an 8% discount rate were Hillside (5%) and Caravel (7%). Weighted average of Ratio of Market Capitalisation / Post-Tax NPV<sub>8%</sub> reduces impact of outliers by weighting for Post-Tax NPV<sub>8%</sub>.

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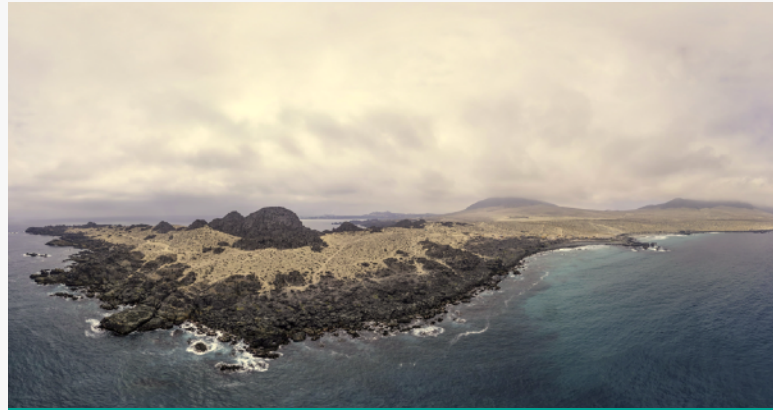
# Cortadera Porphyry Expansion Targets



• Drilling operations planned to commence in July

Resource Estimate Grades	Cortadera Expansion Target Priority	Regional Exploration Target Priority	Elevation (metres above sea level)
<span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 0.21% - 0.40% CuEq*	<span style="border: 2px solid purple; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> High	<span style="background-color: purple; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> High	<span style="background-color: blue; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 0 - 600
<span style="background-color: red; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 0.40% - 0.60% CuEq*	<span style="border: 2px solid orange; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> Moderate	<span style="background-color: orange; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> Moderate	<span style="background-color: lightblue; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 600 - 1,200
<span style="background-color: purple; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> +0.60% CuEq*	<span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Post mineralisation dykes	<span style="background-color: teal; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> Low	<span style="background-color: lightgreen; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 1,200 - 1,800
		<span style="background-color: gray; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> Hot Chili Tenements	<span style="background-color: yellow; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> 1,800 - 2,400
		<span style="background-color: red; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></span> Current Mineral Resources	<span style="background-color: orange; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span> >2,400

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 \*Resource CuEq considers assumed commodity prices and average metallurgical recoveries for the Mineral Resource from testwork. See slide 33 for complete Mineral Resource disclosure of Costa Fuego.  
 Refer to announcement dated 28th August 2019 for further information regarding Induced Polarisation (IP/MT- MIMDAS) Survey.



## 1 Environment Water & Land

- Minimising environmental footprint by leveraging off existing infrastructure (port, power & roads)
- Maritime concession and land access granted to supply raw seawater for processing
- Seawater processing preserves limited regional groundwater resources

## 2 Environment Energy

- Connection to Chilean national grid at Maitencillo substation
- Able to use up to 100% renewable energy sources in future power supply
- Expected low energy intensive project (no desalination)



## 3 Social

- Funding of orphanages in Vallenar and Freirina
- Providing sociological and psychiatric support programs
- Chilean goods and services focused; local employer
- Provide fresh water to local families for irrigation



## 4 Governance

- Broad view of diversity throughout company
- Chilean nationals across Board and Management
- Independent Chairman and majority Non-Executive Directors
- Extensive exploration, operating and capital market expertise

# Investment Highlights

*Copper leverage + growth + disciplined development = pathway to relative value re-rate*



## Copper Optionality

- One of 10 largest undeveloped Cu deposits
- Highly leveraged to looming shortfall in Cu



## Copper Growth

- Track record of consolidation & exploration success
- 30,000m drill program underway



**Deep Value**

## Leadership

- Chilean expertise
- Copper cycle expertise
- Fit for purpose board & management



## Timing is Everything

- Disciplined capital allocation
- Development de-risked due to location, existing infrastructure and permitting activities



# A new copper supplier is coming

