

# Next Phase of Copper-Gold Growth Begins



NEWS RELEASE BY HOT CHILI LIMITED

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Drilling Underway Across Major Extension to Cortadera

**Hot Chili Limited (ASX: HCH) (TSXV:HCH) (OTCQX: HHLKF) (“Hot Chili” or “Company”) is pleased to announce that drilling has commenced across the recently secured western extension to the Cortadera copper-gold discovery, the centrepiece of the Company’s low-altitude, Costa Fuego senior copper development in Chile.**

One diamond drill rig (operating on a double-shift basis) and one reverse circulation drill rig (operating on a single-shift basis) are in operation, testing the potential for Cortadera to host a much larger copper porphyry cluster than currently defined.

The initial programme, comprising approximately 10,000m of drilling, will test four porphyry targets (including three targets on the recently optioned AMSA landholding) added to Cortadera through successful consolidation efforts announced in late November 2022.

Importantly, Hot Chili has more than doubled the prospective strike length of the discovery from 2.3km to 5.2km (as outlined in figure 3), increasing the near term, material resource growth potential for Hot Chili.

Cortadera's current Indicated resource of 471Mt grading 0.46% CuEq for 1.7Mt copper and 1.8Moz gold and Inferred resource of 108Mt grading 0.35% CuEq for an additional 0.3Mt copper and 0.3Moz gold (ASX announcement dated 31st March 2022) is contained within three porphyry centres.

Both drill rigs are currently drilling Cortadera's potential fourth porphyry (Cuerpo 4), where previous historical drilling had intersected encouraging shallow copper-gold porphyry mineralisation, including COR-03 which recorded 128m grading 0.5% CuEq (0.4% Cu & 0.1g/t Au) from 28m downhole depth, including 16m grading 1.3% CuEq (1% Cu & 0.5g/t Au) from 28m (as announced to ASX and TSXV on 28th November 2022).

The Company is well funded to complete its planned drilling and deliver its next set of key growth and development milestones for Costa Fuego this year, including: a Preliminary Economic Assessment (PEA) in H1; and a resource upgrade in H2.

This next growth phase provides an opportunity to optimise and potentially up-scale Costa Fuego's future annual metal production rates, currently being studied at up to 100kt Cu and up to 70koz Au for a +20-year life of mine.

The Company plans to deliver Costa Fuego's Pre-feasibility Study (PFS) in H1 2024 and remains on-track as one of only a few near-term production projects in the world capable of producing +100 ktpa Cu in the next five years, while also boasting low capital intensity and strong ESG credentials.

The Directors look forward to an exciting period of news flow and results from drilling activities at Cortadera this year.

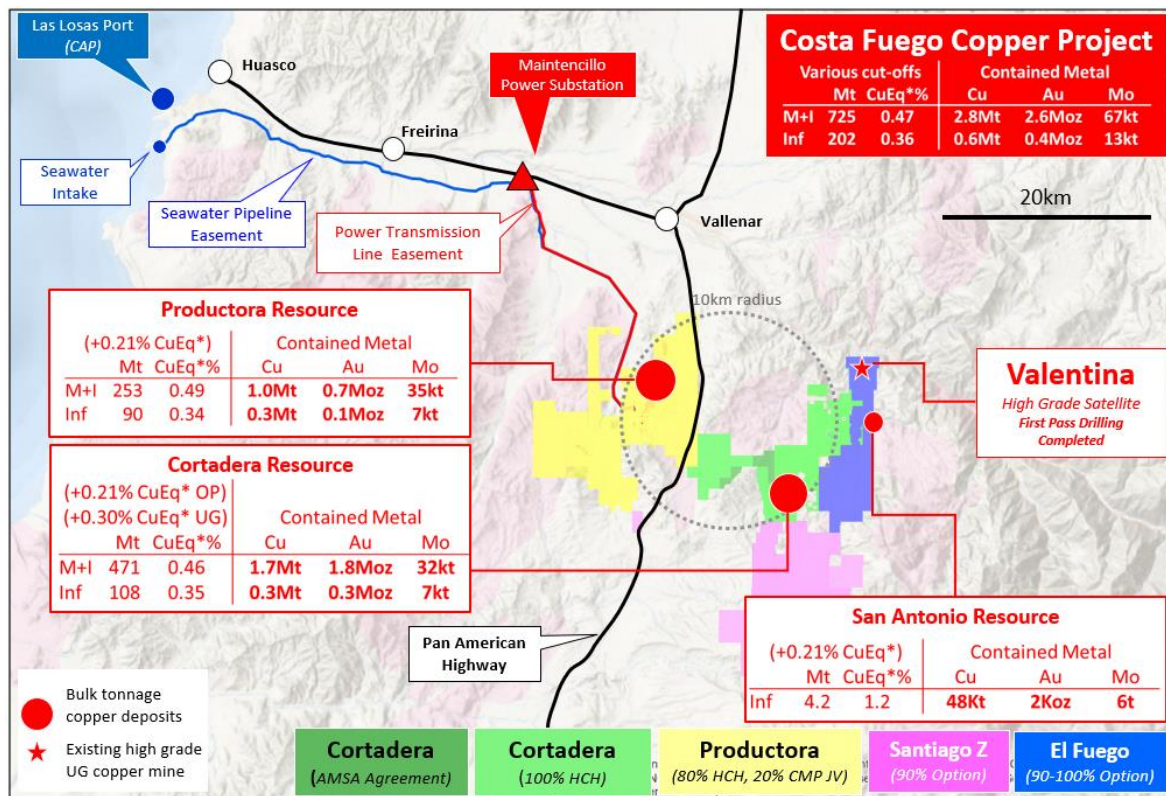


Figure 1. Location of Cortadera, Productora, San Antonio, Valentina and nearby coastal range infrastructure of Hot Chili's combined Costa Fuego copper-gold project, located 600km north of Santiago in Chile.

\* Copper Equivalent (CuEq) reported for the resource were calculated using the following formula:  $CuEq = ((Cu\% \times Cu\ price\ 1\% \ per\ tonne \times Cu\_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo\_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au\_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag\_recovery)) / (Cu\ price\ 1\% \ per\ tonne \times Cu\_recovery)$ .

The Metal Prices applied in the CuEq calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. The recovery and copper equivalent formula for each deposit is:

Cortadera and San Antonio - Weighted recoveries of 82% Cu, 55% Au, 82% Mo and 37% Ag.

$$CuEq(\%) = Cu(\%) + 0.56 \times Au(g/t) + 0.00046 \times Mo(ppm) + 0.0043 \times Ag(g/t)$$

Productora - Weighted recoveries of 84% Cu, 47% Au, 47% Mo and 0% Ag (not reported)

$$CuEq(\%) = Cu(\%) + 0.46 \times Au(g/t) + 0.00026 \times Mo(ppm)$$

Costa Fuego - Weighted recoveries of 83% Cu, 53% Au, 69% Mo and 23% Ag

$$CuEq(\%) = Cu(\%) + 0.52 \times Au(g/t) + 0.00039 \times Mo(ppm) + 0.0027 \times Ag(g/t)$$



\*\* Reported on a 100% Basis - combining Mineral Resource Estimates for the Cortadera, Productora and San Antonio deposits. Figures are rounded, reported to appropriate significant figures, and reported in accordance with the JORC Code, CIM and NI 43-101. Metal rounded to nearest thousand, or if less, to the nearest hundred.

Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground.

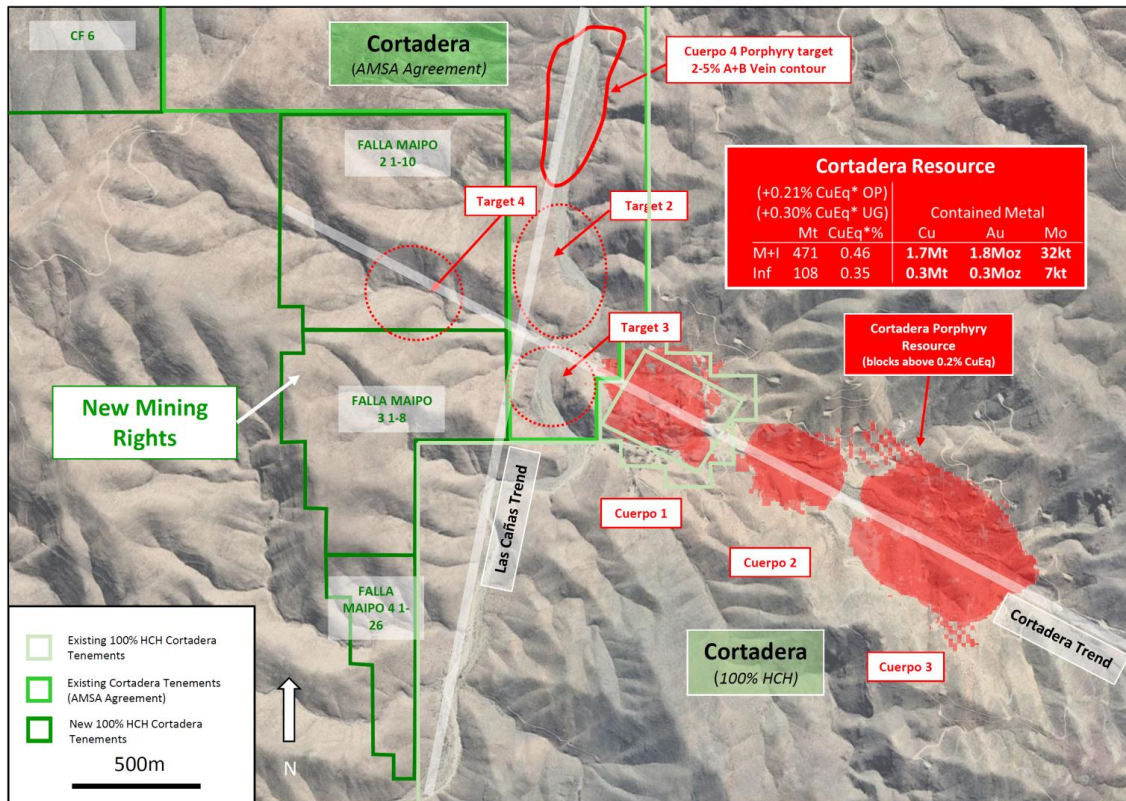


Figure 2. Location of Cuerpo 4 and other immediate porphyry targets within the AMSA landholding and new landholding acquired through public auction, lying immediately west of the Cortadera resource. A 10,000m drill programme is underway targeting all four targets, including Cuerpo 4. See announcement “Further Consolidation of Cortadera” dated 30th Nov 2022 for Table 1 details relating to this figure.

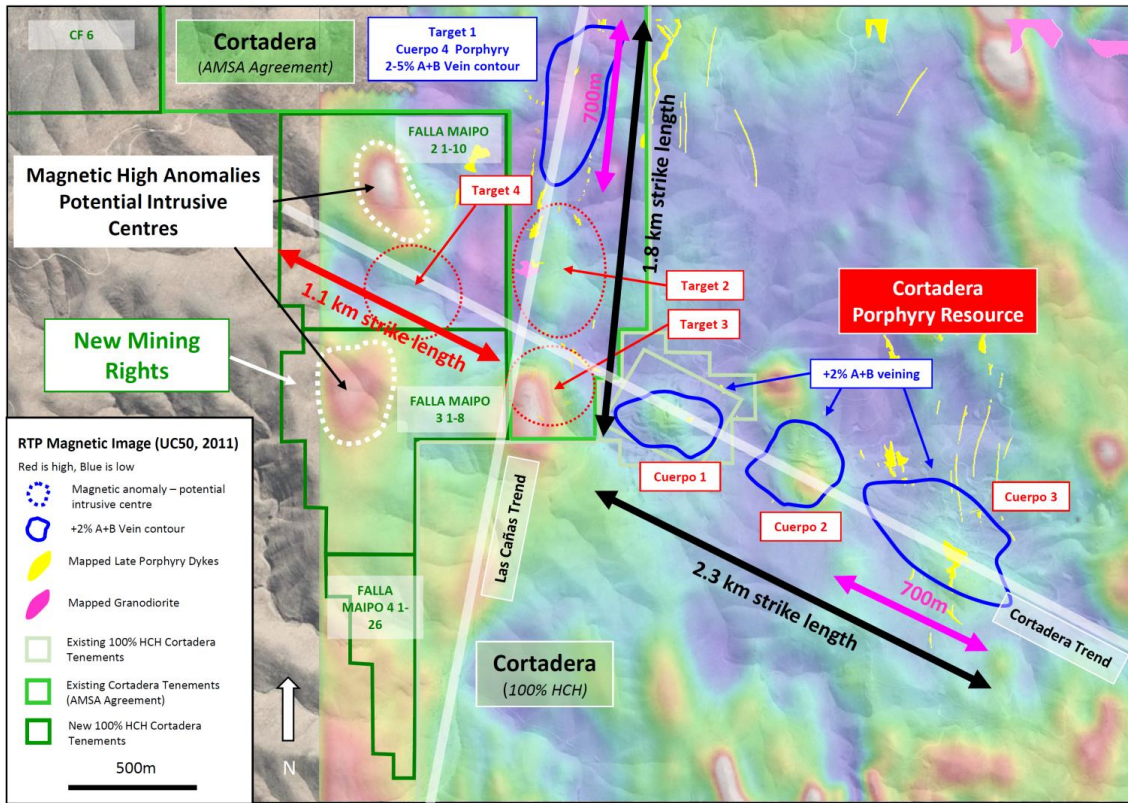


Figure 3. Location of Cuerpo 4 and other immediate porphyry targets within the AMSA landholding and new landholding acquired through public auction, lying immediately west of the Cortadera resource. Note magnetic (RTP magnetics image - blue is low, red is high) signature of the Cortadera deposit window in relation to A+B vein contours and late stage porphyry dykes. Subtle de-magnetised anomalies along the main mineralising trends (Las Canas and Cortadera) are of particular interest given the magnetic signatures of Cortadera's three porphyry centres. See announcement "Further Consolidation of Cortadera" dated 30th Nov 2022 for Table 1 details relating to this figure.



Refer to ASX Announcement “Hot Chili Delivers Next Level of Growth” (31st March 2022) for JORC Code Table 1 information related to the Costa Fuego JORC-compliant Mineral Resource Estimate (MRE) by Competent Person Elizabeth Haren, constituting the MREs of Cortadera, Productora and San Antonio (which combine to form Costa Fuego).

\* Copper Equivalent (CuEq) reported for the resource were calculated using the following formula:  $CuEq\% = ((Cu\% \times Cu\ price\ 1\% \text{ per tonne} \times Cu\_recovery) + (Mo\ ppm \times Mo\ price\ per\ g/t \times Mo\_recovery) + (Au\ ppm \times Au\ price\ per\ g/t \times Au\_recovery) + (Ag\ ppm \times Ag\ price\ per\ g/t \times Ag\_recovery)) / (Cu\ price\ 1\% \text{ per tonne} \times Cu\_recovery)$ .

The Metal Prices applied in the CuEq calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. The recovery and copper equivalent formula for each deposit is:

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Total Resource reported at +0.21% CuEq for open pit and +0.30% CuEq for underground.

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

### **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- Costa Fuego Mineral Resources**

The information in this report that relates to Mineral Resources for Cortadera, Productora and San Antonio which constitute the combined Costa Fuego Project is based on information compiled by Ms 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. Ms Haren is a full-time employee of Haren Consulting Pty Ltd and an independent consultant to Hot Chili. Ms Haren has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms 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](http://www.sedar.com).

### **Reporting of Copper Equivalent**

Copper Equivalent (CuEq) reported for the resource were calculated using the following formula:  $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu\_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo\_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au\_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag\_recovery)) / (Cu \text{ price } 1\% \text{ per tonne} \times Cu\_recovery)$ . The Metal Prices applied in the CuEq calculation were: Cu=3.00 USD/lb, Au=1,700 USD/oz, Mo=14 USD/lb, and Ag=20 USD/oz. Metallurgical recovery averages for each deposit consider Indicated +

Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. The recovery and copper equivalent formula for each deposit is:

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## **About Hot Chili**

Hot Chili Limited is a mineral exploration company with assets in Chile. The Company's flagship project, Costa Fuego, is the consolidation into a hub of the Cortadera porphyry copper-gold discovery and the Productora copper-gold deposit, set 14 km apart in an excellent location – low altitude, coastal range of Chile, infrastructure rich, low capital intensity. The Costa Fuego landholdings, contains an Indicated Resource of 725Mt grading 0.47% CuEq (copper equivalent), containing 2.8 Mt Cu, 2.6 Moz Au, 10.4 Moz Ag, and 67 kt Mo and an Inferred Resource of 202 Mt grading 0.36% CuEq containing 0.6Mt Cu, 0.4 Moz Au, 2.0 Moz Ag and 13 kt Mo, at a cut-off grade of +0.21% CuEq for open pit and +0.30% CuEq for underground. (Refer to ASX Announcement "Hot Chili Delivers Next Level of Growth" (31st March 2022) and Technical Report NI 43-101 titled "Resource Report for the Costa Fuego Copper Project Located in Atacama, Chile", dated 13 May 2022). The Company is working to advance its Costa Fuego Project through a preliminary feasibility study (followed by a full FS and DTM), and test several high-priority exploration targets.

Certain statements contained in this news release, including information as to the future financial or operating performance of Hot Chili and its projects may include statements that are "forward-looking statements" which may include, amongst other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, and capital expenditures and are or may be based on



assumptions and estimates related to future technical, economic, market, political, social and other conditions. These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Hot Chili, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Hot Chili disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after the date of this news release or to reflect the occurrence of unanticipated events, other than as may be required by law. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward-looking statements made in this news release are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not a guarantee of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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