Hot Chili Limited
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5 April 2023

Dear Shareholder

GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of Hot Chili Limited (the **Company**) advises that it will be holding a general meeting at First Floor, 768 Canning Highway, Applecross, Western Australia on Wednesday 10 May 2023 at 1.00pm (AWST).

Notice of Meeting

In accordance with the relevant legislation, the Company will not be dispatching physical copies of the notice of the general meeting (**Notice**), unless a shareholder has requested a hard copy. The Notice is made available to shareholders electronically and can be viewed and downloaded online from the Company's website at the following link: https://www.hotchili.net.au/.
A personalised proxy form is attached to this letter.

Voting

All resolutions at the general meeting will be decided on a poll.
The poll will be conducted based on votes submitted by proxy and those cast at the general meeting by shareholders who attend in-person.

To vote by proxy, please use one of the following methods:

Online	At https://www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Your proxy instructions must be received not later than 48 hours before the commencement of the general meeting, being 1.00pm (AWST) on 8 May 2023. Proxy Forms received later than this time will be invalid. Shareholders who wish to participate and vote at the general meeting are strongly encouraged to complete and submit their proxies as early as possible.
The Chairperson intends to vote all open proxies **in favour** of all resolutions, where permitted.

Questions

Shareholders can submit questions in advance of the general meeting to the Company by email to admin@hotchili.net.au or in writing to the Company's office by 5.00pm (WST) on Monday 8 May 2023.

Approved for release by the Board of Directors

Sincerely
Penelope Beattie
Company Secretary

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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

1.00pm (WST) on Wednesday, 10 May 2023

IMPORTANT NOTE

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.

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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	1.00pm (WST) on Monday, 8 May 2023
Snapshot date for eligibility to vote	5.00pm (WST) on Monday, 8 May 2023
General Meeting	1.00pm (WST) on Wednesday, 10 May 2023

Voting

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 1.00pm (WST) on Monday, 8 May 2023.

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.

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Notice of General Meeting

Notice is hereby given that the General Meeting of Hot Chili Limited (ACN 130 955 725) (**Hot Chili** or **Company**) will be held at **First Floor, 768 Canning Highway, Applecross, Perth, Western Australia** at **1.00pm (WST)** on **Wednesday, 10 May 2023**.

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

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

Resolution 1 to 3: Grant of Service Rights to Dr Nicole Adshead Bell, a Non-Executive Director, under the Employee Incentive Plan

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

> *"That under and for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of 153,000, Service Rights, proposed to be issued to Dr Nicole Adshead Bell, or her nominee, a Director and Related Party of the Company, under the Company's Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement."*

Resolution 2: Grant of Service Rights to Mr Stephen Quin, a proposed Non-Executive Director, under the Employee Incentive Plan

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

> *"That under and for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of 87,000 Service Rights, proposed to be issued to Mr Stephen Quin, or his nominee, a proposed Director and Related Party of the Company, under the Company's Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement."*

Resolution 3: Grants of Service Rights to Mr Roberto de Andraca Adriasola, a Non-Executive Director, under the Employee Incentive Plan

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

> *"That under and for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of 87,000 Service Rights, proposed to be issued to Mr Roberto de Andraca Adriasola, or his nominee, a Director and Related Party of the Company, under the Company's Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement."*

Resolution 4: Grant of Service Rights and Performance Rights to Mr Christian Easterday, the Managing Director, under the Employee Incentive Plan

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

> *"That under and for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of 828,750 Service Rights and 828,750 Performance Rights, proposed to be issued to Mr Christian Easterday, or his nominee, the Managing Director of the Company, under the Company's Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement."*

Resolution 5: Change of Company Name

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

> "*That, for the purposes of section 157(1) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "**Costa Copper Limited**"*.'

By order of the Board

Penelope Beattie

Company Secretary

5 April 2023

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Voting Prohibitions and Exclusions

Corporations Act voting prohibitions

Pursuant to sections 250BD and 250R(4) of the Corporations Act, the following are subject to restrictions on voting as set out in the table:

Resolution	Voting prohibition	Exceptions
Resolutions 1, 2, 3 and 4	Pursuant to section 250BD of the Corporations Act, members of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) and their Closely Related Parties appointed as proxy may not vote. Any votes cast in contravention of section 250BD of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.	This prohibition does not prevent the casting of a vote by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote. The Chair may vote as proxy in accordance with an express authorisation on the Proxy Form.

ASX voting exclusion statements

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 persons or an Associate of those persons. However, this does not apply to a vote cast in favour of the following Resolutions by:

- the person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial, or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
    - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution	Excluded parties
Resolutions 1, 2 and 3	A person referred to in: • Listing Rule 10.14.1 (i.e. Directors); • Listing Rule 10.14.2 (i.e. an Associate of a Director); or • Listing Rule 10.14.3 (i.e. a person whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders), who is eligible to participate in the Employee Incentive Plan, including Nicole Adshead Bell, Stephen Quin and Roberto de Andraca Adriasola.
Resolution 4	A person referred to in: • Listing Rule 10.14.1 (i.e. Directors); • Listing Rule 10.14.2 (i.e. an Associate of a Director); or • Listing Rule 10.14.3 (i.e. a person whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders), who is eligible to participate in the Employee Incentive Plan, including Christian Easterday.

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Proxy Appointment, Voting, and Meeting Instructions

Information for Shareholders on the Australian Register

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received as below by **1.00pm (WST)** on **Monday, 8 May 2023**, being not later than 48 hours before the commencement of the Meeting. A Proxy Form received after that time will not be valid.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

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.

The Company encourages Shareholders to appoint the Chairperson as your proxy. To do so, 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 **5.00pm (WST)** on **Monday, 8 May 2023**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

Questions for the Board of Directors can be emailed to admin@hotchili.net.au and must be received be submitted by no later than **5.00pm (WST)** on **Monday, 8 May 2023**.

The board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

Copies of written questions will be made available on the Company's website prior to the Meeting.

The Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

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Information for Shareholders on the Canadian Register

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received by **1.00pm (EST, Toronto time)** on **Friday, 5 May 2023**, by mail to Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto ON, M5J 2Y, , online at www.investorvote.com and follow the instructions on the screen, or by phone at 1-866-732-VOTE (8683). A Proxy Form received after that time will not be valid.

Appointment of Proxy

You have the right to appoint a person (who need not be a Shareholder) to attend and act on your behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.

A proxy will not be valid unless it is signed by you or by your attorney duly authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer in accordance with the instructions attached on the enclosed form of proxy.

Revocation of Proxies

You have the power to revoke a proxy in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice of Meeting, management knows of no such amendment, variation or other matter.

You must mark the boxes directing your proxy on how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). A non-registered shareholder cannot be recognized at the Meeting for the purpose of voting their Shares unless such holder is appointed by the applicable intermediary as a proxyholder.

In Canada, non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners ("**OBOs**").

In accordance with applicable securities legislation, the Company has elected to seek voting instructions directly from NOBOs. As a result, NOBOs can expect to receive a voting instruction form (a "**VIF**"), together with the meeting materials from the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare Canada**"). These VIFs are to be completed and returned to Computershare Canada in accordance with the instructions. Computershare Canada will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Shares represented by such VIFs.

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The Company has distributed copies of the Meeting materials to intermediaries for distribution to all OBOs who have not waived their rights to receive these materials. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders. With those meeting materials the intermediaries will provide OBOs with a form of VIF. When properly completed this VIF will constitute voting instructions which the intermediary must follow.

The mechanisms described above for registered Shareholders cannot be used by non-registered shareholders and the instructions on the VIF **must** be followed. The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to direct how his or her Shares are to be voted at the Meeting.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker "non-votes" will, however, be counted in determining whether there is a quorum.

All proxy-related material sent by the Company has been sent using information (as to name, address and shareholdings) obtained pursuant to, and in accordance with, applicable securities legislation from the intermediaries. By electing to send materials directly to NOBOs, the Company (and not the intermediary) has assumed responsibility for: (i) delivering the meeting materials to you; and (ii) executing proper voting instructions.

Voting entitlement (record date)

For the purposes of determining voting and notice entitlements in respect of the Meeting, Shares will be taken to be held by the persons who are registered on the Canadian register as holding the Shares at **the close of business (Toronto time)** on **Tuesday, 4 April 2023**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to receive notice of and vote at the Meeting.

Listings

The Company is listed on the Australian Securities Exchange and the TSX Venture Exchange, and the Shares are quoted on the OTCQX Market. It is a "designated foreign issuer" as defined in National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* and is subject to the regulatory requirements of the Australian Securities & Investments Commission and the Australian Securities Exchange. As a result, the Company does not include a management information circular pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* in this Notice of Meeting and Canadian shareholders are cautioned that the disclosures contained in this Notice of Meeting and Explanatory Statement may not be comparable to what would otherwise be disclosed by reporting issuers that are not designated foreign issuers.

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.

1. Resolutions 1, 2 and 3: Grants of Service Rights to Non-Executive Directors under the Employee Incentive Plan

Resolutions 1, 2, and 3 seek Shareholder approval for the grant of a total of 327,000 Service Rights to three Non-Executive Directors (or their nominees) as follows.

(a) 153,000 Service Rights to Dr Nicole Adshead-Bell or her nominee;

(b) 87,000 Service Rights to Mr Stephen Quin or his nominee.

(c) 87,000 Service Rights to Mr Roberto de Andraca Adriasola or his nominee

The Service Rights are proposed to be granted to these Non-Executive Directors in lieu of cash and as part of their annual compensation for the next three years whereby each Non-Executive Director is obligated to take a minimum of 40% of their total annual compensation (excluding committee related compensation) in Service Rights. Each Non-Executive Director must take 50% of their total annual compensation (excluding committee related compensation) in Service Rights until the value of their share ownership has reached a minimum of 3 times the value of their annual compensation (excluding committee related compensation). The Service Rights will vest over a period of three years.

Mr Roberto de Andraca Adriasola will reach his minimum share ownership requirement at the end of Year 1. The number of Service Rights to be issued to each Non-Executive Director was calculated using a share price of A$1/share, a 5.26% premium to the Company's share price as of 10 February 2023.

The allocation of service rights to directors aligns the interest of Non-Executive directors with the interests of public investors by ensuring they accumulate equity in the business, provide adequate remuneration to attract and retain the team to carry out their roles whilst preserving cash holdings in the most effective way possible.

1.1 Listing Rule requirements

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities (including Options) under an employee incentive scheme to a Related Party (e.g. a Director), subject to certain specific exceptions in Listing Rule 10.16 (none of which apply to Resolutions 7(a), 7(b), 7(c) or 7(d) in the current circumstances). Accordingly, Shareholder approval under to Listing Rule 10.14 is required.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Service Rights to the Directors as approval is being obtained under Listing Rule 10.14. Accordingly, the grant of the Service Rights will not be included in the calculation of the Company's issuing capacity pursuant to Listing Rule 7.1.

If any of Resolutions 1, 2 or 3 is not approved by Shareholders, the Company will not grant the Service Rights to the relevant Director or their nominee.

The following information is provided in relation to the proposed grant of Service Rights under Resolutions 1, 2 or 3 for the purposes of Listing Rule 10.15:

(a) **Name of the recipients and number and class of securities to be issued**

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A maximum of Service Rights will be granted to the Directors (or their respective nominees) as follows:

(i) Resolution 1: 153,000 Service Rights to Dr Nicole Adshead-Bell or her nominee;

(ii) Resolution 2: 87,000 Service Rights to Mr Stephen Quin or his nominee; and

(iii) Resolution 3: 87,000 Service Rights to Mr Roberto de Andraca Adriasola or his nominee.

(b) **Relevant category in Listing Rule 10.14**

Nicole Adshead-Bell and Roberto de Andraca are both Non-Executive Directors of the Company and each is therefore a person mentioned in Listing Rule 10.14.1.

Stephen Quin is proposed to be appointed as a Non-Executive Directors of the Company and is expected to be a Director at the time of the Meeting and is therefore a person mentioned in Listing Rule 10.14.1

(c) **Details of remuneration package**

The table below sets out details of each relevant Director's proposed annual remuneration, comprising directors' fees and committee fees. The base amount of fees payable to non-executive for the financial year ended 30 June 2022 is as reported in the Remuneration Report contained in the Company's 2022 Annual Report.

Director	Cash fees	Short term incentives	Long term incentives
Nicole Adshead-Bell, Chairman	$88,000*	Nil	Nil
Stephen Quin, Non-Executive Director (proposed)	$64,000*	Nil	Nil
Roberto de Andraca Adriasola, Non-Executive Director	$46,000	Nil	Nil

*Includes additional fees for being a member of the Board committees.

(d) **Number of securities previously issued to recipient and average acquisition price paid**

The table below sets out details of the Equity Securities previously issued/granted to each Director under the Employee Incentive Plan, as well as any acquisition price paid or payable for the same.

Director	Equity Securities	Acquisition price
Nicole Adshead-Bell	Nil	Nil
Stephen Quin	Nil	Nil
Roberto de Andraca Adriasola	Nil	Nil

(e) **Details of number, terms and value of Service Rights**

The Service Rights constitute rights to be issued Shares on the vesting and exercise of the Rights.

The Service Rights vest over time commensurate with the period of the Director's service as a director of the Company and are not subject to any performance conditions or measures.

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The Service Rights will be granted to each Director in 3 equal tranches applicable to the following periods of service:

(i) Tranche 1: date of grant to 31 December 2023;

(ii) Tranche 2: 1 January 2024 to 31 December 2024; and

(iii) Tranche 3: 1 January 2025 to 31 December 2025.

Director	Tranche and service period	Number	Value per Right	Total Value
Nicole Adshead-Bell	1. 2023	51,000	$1.115	$170,585
	2. 2024	51,000	$1.115	
	3. 2025	51,000	$1.115	
	Total	153,000	$1.115	
Stephen Quin	1. 2023	29,000	$1.115	$97,005
	2. 2024	29,000	$1.115	
	3. 2025	29,000	$1.115	
	Total	87,000	$1.115	
Roberto de Andraca Adriasola	1. 2023	29,000	$1.115	$97,005
	2. 2024	29,000	$1.115	
	3. 2025	29,000	$1.115	
	Total	87,000	$1.115	
Total		**327,000**		**$364,605**

A tranche will vest at the end of the service period if the Director remains appointed as a Director at that time.

If the Director resigns or retires as a Director or otherwise ceases to be a Director at any time before the end of a service period, the Director will be entitled to:

(iv) all Service Rights in respect of a prior service period which have vested; and

(v) a pro rata portion of the Service Rights within the tranche for that service period relative to the number of days' service within that period,

with the remainder of the Service Rights lapsing.

The Service Rights expire 5 years after the date of grant (**Expiry Date**).

Further details of the terms of the Service Rights are set out Schedule 1.

The Company engaged an independent accountant to value the Service Rights. The valuation and methodology and inputs of the valuation are summarised in Schedule 2. The valuation applied a number of assumptions and variables, as set out in Schedule 2.

(f) **Reasons for issue of Service Rights**

The Service Rights are proposed to augment the existing fees of the Directors.

The provision of additional remuneration in the form of Service Rights has been proposed in order to:

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(i) provide adequate remuneration to retain the current Non-Executive Directors to carry out their roles;

(ii) aligns the interests the Directors with the interests of other Shareholders by ensuring they are able to accumulate equity in the Company; and

(iii) preserve the Company's cash holdings in the most effective way possible as the Company is not generating revenue and wishes to utilise its cash resources for its business and operations in the most efficient manner possible.

(g) **Date by which securities will be issued**

It is anticipated that the Service Rights will be granted as soon as practicable after the date of the Meeting, if the relevant Resolutions 1, 2, and 3 are approved by Shareholders, but in any case the Service Rights will be issued by no later than 3 years after the date of the Meeting.

(h) **Price at which securities will be issued or formula for calculation of price**

The Service Rights will be granted for nil cash consideration.

(i) **Summary of material terms of the Employee Incentive Plan**

A summary of the material terms of the Employee Incentive Plan is set out in Schedule 5.

(j) **Terms of any loan related to acquisition of securities**

Not applicable.

(k) **Plan details**

The Company will publish details of any securities or rights issued under the Employee Incentive Plan in its annual report for the financial year in which securities or rights are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(l) **New participants**

Any additional persons covered by Listing Rule 10.14 (i.e. Directors, Associates of Directors or persons whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders) who become entitled to participate in an issue of securities or rights under the Employee Incentive Plan after Resolutions 1, 2, and 3 are approved, but were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

1.2 **Requirements under Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party (e.g. a Director), the company must:

(a) obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Service Rights to the three Directors will constitute the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

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Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

A quorum of the Board comprising Christian Easterday (Managing Director) and Mark Jamieson (Non-Executive Director) consider the reasonable remuneration exception in section 211 of the Corporations Act applies to the grant of the Service Rights in the circumstances, and therefore the Company is not required to seek Shareholder approval of the grant of the Service Rights under section 208 of the Corporations Act.

1.3 Directors' recommendations

Christian Easterday (Managing Director) and Mark Jamieson (Non-Executive Director) recommend that Shareholders vote in favour of Resolutions 1, 2, and 3 for the following reasons.

They consider the grant of Service Rights is reasonable given the Company's size and stage of development and the quantum of cash fees currently payable to Directors for their services. The Service Rights represent a cost-effective form of remuneration which allow the Company to apply a greater portion of its available cash on its operations. The Service Rights align the interests the Directors with the success of the Company.

Nicole Adshead-Bell, Stephen Quin, and Roberto de Andraca Adriasola do not consider it appropriate to make a voting recommendation to Shareholders in respect of Resolutions 1, 2 and 3 as each Director is proposed to receive Service Rights.

2. Resolution 4: Grant of Service Rights and Performance Rights to the Managing Director under the Employee Incentive Plan

2.1 Background

Resolution 4 seeks Shareholder approval for the grant of 828,750 Service Rights and 828,750 Performance Rights to Mr Christian Easterday (or his nominee), the Managing Director of the Company, pursuant to the Company's employee incentive plan (**Employee Incentive Plan**).

2.2 Grant of Service Rights and Performance Rights

The Company proposes to grant a total 828,750 Service Rights and 828,750 Performance Rights to Christian Easterday.

Each Service Right and Performance Right entitles the holder to be issued with one Share on the satisfaction of any applicable service, performance or vesting condition.

Class of Right and measure	Number	Summary of service, performance and vesting condition
Service Rights	Tranche 1 - 276,250	Continued employment at end of each calendar year 2023, 2024 and 2025. Each tranche vests at the end of each year of service.
	Tranche 2 - 276,250	
	Tranche 3 - 276,250	
Total Service Rights	**828,750**	
Class A Performance Rights – Lost Time Injury Frequency Rate (LTIFR)	Tranche 1 - 27,625 Tranche 2 – 27,625 Tranche 3 - 27,625 Total – 82,875	LTIFIR less than 27 per annum and zero fatalities. Rights granted in tranches with performance periods for each calendar year 2023, 2024 and 2025 with vesting determined after the end of each performance period.
Class B Performance Rights – Relative Shareholder Return (SR) Performance	Tranche 1 - 69,062	SR performance ranked against a "Peer Group" of comparable companies. Company's ranking must be above 50th percentile for any rights in tranche to test. Ranking must be above 75th percentile for all rights in tranche to vest.
	Tranche 2 - 69,063	
	Tranche 3 - 69,063	
	Total - 207,188	

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Class of Right and measure	Number	Summary of service, performance and vesting condition
		Rights granted in tranches with performance periods for each calendar year 2023, 2024 and 2025 with vesting determined after the end of each performance period.
Class C Performance Rights - Absolute Shareholder Return Performance	207,188	Increase in VWAP of Shares to A$1.69 (50% vest). Increase in VWAP of Shares to A$2.72 (100% vest). Performance period – date of grant to 3 years from date of grant.
Class D Performance Rights – Resource Growth	331,500	Increase in total resources to between 1.2 billion and 1.4 billion tonnes (50% plus straight-line pro rata between 1.2 billion and 1.4 billion tonnes vest). Increase in total resources to 1.4 billion tonnes (100% vest). Resource growth measured by the Company reporting to ASX global independently estimated JORC compliant resources and reserves (for all Company projects) reported at or above: (a) 0.21% Cu equivalent or greater for open-pit resources; and (b) 0.3% Cu equivalent or greater for underground resources, at any time during the performance period. Performance period – date of grant to 31 December 2025. Vesting of all rights determined at end of performance period.
Total Performance Rights	**828,750**	

Further details of the terms and conditions of the Service Rights are set out in Schedule 1.

Further details of the terms and conditions of the Performance Rights are set out in Schedule 3.

The Service Rights and Performance Rights are to be granted pursuant to the Incentive Plan, a summary of which is set out in Schedule 5.

2.3 **Reasons for the grant of the Service Rights and the Performance Rights**

The Company proposes to grant the Service Rights and the Performance Rights to the Managing Director to provide him with an incentive and to align the interests of management with the success of the Company and an increase in the value of the Company to Shareholders.

2.4 **Value of the Service Rights and the Performance Rights**

The Company engaged an independent accountant to value the respective Service Rights and Performance Rights. The valuations and methodologies and inputs of the valuations are set out in Schedule 2 and Schedule 4.

The rights that are proposed to be granted to the Managing Director have been valued at:

(a) $924,056 in total - in respect of 828,750 Service Rights proposed to be granted to Christian Easterday (or his nominee); and

(b) $800,983 in total - in respect of 828,750 Performance Rights proposed to be granted to Christian Easterday (or his nominee).

If Resolution 4 is approved, the value of the Service Rights and the Performance Rights for the Company's accounting purposes will depend on the closing price of Shares traded on ASX for on the day of the Meeting, or if no Shares are traded on that day, the last recorded price of Shares prior to the Meeting.

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Accordingly, for the Company's accounting purposes, the value of the Service Rights and Performance Rights to be recorded in the Company's accounts when the Service Rights and the Performance Rights are granted may differ from the value stated above.

The tranches of the Performance Rights will not vest unless and until the prescribed Vesting Conditions are satisfied. If those vesting conditions are not satisfied prior to the relevant date for the applicable vesting condition, the Performance Rights will lapse and be of no value.

2.5 **Regulatory information – Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

(a) 10.14.1 – a director of the company;

(b) 10.14.2 - an associate of a director of the company; or

(c) 10.14.3 – a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The grant of Performance Rights falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 4 seek the required shareholder approval for the grant of Performance Rights under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the grant of Performance Rights in lieu of remunerating its Managing Director with only cash payments. This will enable the Company to free up capital and direct it to ongoing and future projects.

If Resolution 4 is not passed, the Company will not be able to proceed with grant of Performance Rights and will be required to remunerate its Managing Director with cash payments only. In such a scenario, the Company may have less funds available to pursue potential business opportunities.

2.6 **Information required by Listing Rule 10.15**

Listing Rule 10.15 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14 as follows:

(a) **Names of persons to be issued securities**

Christian Easterday or his nominee.

(b) **Which category in Listing Rules 10.14.1 to 10.14.3 the person falls in and why**

Christian Easterday falls under Listing Rule 10.14.1 as he is a Director of the Company.

(c) **The number and class of securities that are proposed to be issued to the person under the scheme for which approval is being sought**

828,750 Service Rights and 828,750 Performance Rights (in the classes identified in Section 2.2).

(d) **Details of the Director's current total remuneration package**

Christian Easterday's annual salary is $440,000, including superannuation and the value of share-based payments.

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Further details of remuneration of Christian Easterday's remuneration and share based entitlements are set out in the remuneration report on pages 44 to 50 of the Company's 2022 Annual Report.

(e) **The number of securities that have previously been issued to the person under the Employee Incentive Plan and the average acquisition price paid by the person for those securities**

The Company has previously issued the following securities under the Employee Incentive Plan to Ostertag Holdings Pty Ltd ATF Easterday Family Super Fund (nominee of Christian Easterday):

(i) 6,000,000 Options granted on 19 December 2018 with shareholder approval; and

(ii) 20,000,000 Performance Rights granted on 4 September 2020 with shareholder approval at a general meeting. These Performance Rights now total 500,000 Performance Rights following the consolidation of the Company's share capital on a 50:1 basis in November 2021.

The Options were granted for nil consideration and formed part of the remuneration payable to the Managing Director. The deemed value of each Option at the time of issue was $0.00242 per Option. Each Option was exercisable at $0.07 on or before 19 December 2021. These Options expired unexercised.

The Performance Rights were granted for nil consideration and formed part of the remuneration payable to the Managing Director. The Performance Rights were originally granted in the following tranches:

Class	Number	Principal vesting condition and status	Value of each right at time of grant
Class A	6,666,666 (since reconstructed to 13,333 Performance Rights).	The price of Shares traded on ASX is greater than $3.00 per Share for 15 consecutive trading days or more before 31 July 2023.	$0.015
Class B	6,666,667 (since reconstructed to 13,333 Performance Rights).	The price of Shares traded on ASX is greater than $4.00 per Share for 15 consecutive trading days or more before 31 July 2023.	$0.013
Class C	6,666,667 (since reconstructed to 13,334 Performance Rights).	The Company announcing to ASX global independently estimated JORC compliant resources at the Cortadera Project and surrounding satellite projects, excluding currently reported resources at Productora, of 750 Mt at 0.5% Cu equivalent or greater (within 0.2% CuEq grade envelope or higher as deemed appropriate in the independent resource	$0.02

		estimate) before 31 July 2023.	

No acquisition price was payable for the Performance Rights.

(f) **Material terms of the Rights, reasons for the Rights and value of the Performance Rights**

Further details of the terms and conditions of the Service Rights are set out in Schedule 1.

Further details of the terms and conditions of the Performance Rights are set out in Schedule 3.

The Service Rights and Performance Rights are to be granted pursuant to the Incentive Plan, a summary of which is set out in Schedule 5.

The Company proposes to grant the Service Rights and the Performance Rights to the Managing Director to provide him with an incentive and to align the interests of management with the success of the Company and an increase in the value of the Company to Shareholders.

(g) **The date on which the Company will issue the rights**

Subject to Shareholder approval of Resolution 4, the Service Rights and Performance Rights are proposed to be issued as soon as practicable following the Meeting, and in any event within 3 years of the date on this Meeting.

(h) **The price at which the Company will issue the rights**

The Service Rights and Performance Rights are proposed to be granted to Mr Easterday at a nil issue price.

(i) **Summary of material terms of the Employee Incentive Plan**

A summary of the material terms of the Employee Incentive Plan is set out in Schedule 5.

(j) **Terms of any loan related to acquisition of securities**

Not applicable.

(k) **Plan details**

The Company will publish details of any securities or rights issued under the Employee Incentive Plan in its annual report for the financial year in which securities or rights are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(l) **New participants**

Any additional persons covered by Listing Rule 10.14 (i.e. Directors, Associates of Directors or persons whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders) who become entitled to participate in an issue of securities or rights under the Employee Incentive Plan , but were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

2.7 **Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

(a) obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and

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(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The issue of Service Rights and Performance Rights to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Having considered the Company's circumstances and Mr Easterday's position as Managing Director of the Company, the Board (other than Mr Easterday) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Service Rights and Performance Rights to Mr Easterday, as the Service Rights and Performance Rights are being issued to Mr Easterday as a part of his remuneration for services provided to the Company in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the Related Party's circumstances.

Accordingly, the Board (other than Mr Easterday) considers that the financial benefit is reasonable for the purposes of the exception in section 211 of the Corporations Act, and has determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Service Rights and Performance Rights.

2.8 Directors' recommendation

The Directors (other than Mr Easterday) recommend that Shareholders vote in favour of Resolution 4.

The Directors (other than Mr Easterday) consider that the grant of the Service Rights and the Performance Rights to Mr Easterday (or his nominee):

(a) aligns the interests of Mr Easterday with the success of the Company, in that achieving the vesting milestones of his Performance Rights aligns with the interest of shareholders and the strategic initiatives of the Company and

(b) is a reasonable and appropriate method to provide cost effective and efficient remuneration, as the non-cash form of this benefit will allow the Company to spend a greater portion of its available cash on its operations than it would if alternative cash forms of remuneration were given to Mr Easterday.

3. Resolution 5: Change of Company Name

3.1 Resolution and reasons for proposed change of name

Resolution 5 seeks the approval of Shareholders for the Company to change its name to "Costa Copper Limited".

The Company considers that its name should clearly state the main business of the Company as well as highlight the Chilean coastal range location of its copper-gold project, Costa Fuego, situated in the Atacama region of Chile.

The Board considers that the proposed change of name is a reflection of the Company's recent resource transformation and refocus on growth, as it seeks to increase per share copper exposure and lift the Costa Fuego resource and study scale toward a long-life, 150ktpa sustainable copper project in the premier copper region of the world.

The Board considers that the proposed change of name is a rebranding of the Company to more accurately reflect the future operations of the Company intended to take the Company to the next level of its operations and performance.

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3.2 **Corporations Act and voting requirements**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

The proposed name has been reserved by the Company with ASIC and if Resolution 5 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change. The change of name will take effect when ASIC alters the details of the Company's registration.

Resolution 5 is a special resolution. Accordingly, at least 75% of the votes cast by Shareholders entitled to vote on the resolution must be in favour of Resolution 2 for it to be passed.

3.3 **TSX approval requirements**

3.4 **TSXV Policy 5.8 – Issuer Names, Issuer Name Changes, Share Consolidations and Splits provides that a proposed name change must be accepted by the TSXV prior to effecting the name change. If Resolution 5 is passed, the Company will file the applicable form and filing fee with the TSXV. The change of name will take effect when ASIC issues the certificate effecting the name change and the proposed name has been accepted by the TSXV.Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 5 to approval the change of name of the Company.

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Glossary

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

General Meeting or **Meeting**	The general meeting of Shareholders, or any resumption thereof, convened by this Notice.
Annual Report	The annual report of the Company for the financial year ended 30 June 2022, including the annual financial report, the Directors' report and the Auditor's report.
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, as the context requires.
Auditor	The auditor of the Company, being RSM Partners Australia at the date of this Notice.
A$ or $	Australian dollars.
Board	The board of Directors of the Company.
Chairperson	The chairperson of the General Meeting.
Closely Related Party	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the *Corporations Regulations 2001* (Cth) (currently none are prescribed).
Company or **Hot Chili**	Hot Chili Limited (ACN 130 955 725).
Company Secretary	The company secretary of the Company at the time of the Meeting.
Constitution	The Constitution of the Company.
Corporations Act	*Corporations Act 2001* (Cth).
Director	A director of the Company.
Employee Incentive Plan	The Employee Incentive Plan established by the Company and governed by the Employee Incentive Plan Rules, for which Shareholder approval is sought pursuant to Resolution 9.
Equity Security	Has the meaning given to that term in Listing Rule 19.12, being: (a) a share; (b) a unit; (c) a right to a share or unit or option; (d) an option over an issued or unissued security; (e) a convertible security;

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	(f) any security that ASX decides to classify as an equity security; (g) but not a security that ASX decides to classify as a debt security.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Glossary	This glossary of terms.
Interest Shares	Shares issued as payment of interest pursuant to the terms of the Convertible Notes.
Key Management Personnel	Has the meaning given in section 9 of the Corporations Act.
Listing Rules	The listing rules of ASX, as amended from time to time.
Non-Related Parties	Persons who are not Related Parties of the Company.
Noteholder	A holder of a Convertible Note.
Notice or **Notice of Meeting**	The notice of General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Proxy Form	The proxy form accompanying the Notice of Meeting.
Related Party	Has the meaning given to that term in the Listing Rules.
Resolution	A resolution set out in the Notice.
Schedule	A section of this Explanatory Statement.
Section	A section of this Explanatory Statement.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share.
TSX Listed Company	A company listed on the Toronto Stock Exchange or the TSXV.
TSXV	The TSX Venture Exchange.
TSXV Policies	The policies included in the TSXV Corporate Finance Manual.
VWAP	Has the meaning given to that term in the Listing Rules.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

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Schedule 1 – Terms of Service Rights

The key terms and conditions of the Service Rights to be granted by the Company to directors, executives and senior managers of the Company (**Officers**) are set out below:

1. **Grant**

   (a) The Company will offer service rights (**Service Rights**) on and subject to these terms and conditions and the Employee Incentive Plan Rules.

   (b) To the extent of any inconsistency between these terms and any Employee Incentive Plan Rules, these terms will prevail.

   (c) The grant of any Service Rights to an Officer who is a director of the Company is subject to the approval of Shareholders at a general meeting.

2. **Consideration**

   No consideration is payable upon the exercise of each Service Right.

3. **Entitlement and Vesting Conditions**

   Subject to any applicable requirements of the ASX Listing Rules, each vested Service Right entitles the holder of that Service Right (**Holder**) to be issued with one Share (**Entitlement**) on the satisfaction of one or more of the following conditions (each a **Vesting Condition**) at the end of or during the applicable period service (**Service Period**) and satisfaction of the exercise conditions:

Tranche	Service Period	Vesting Condition
1	Date of grant to 31 December 2023	Continuous service as an Officer until the end of the service period.
2	1 January to 31 December 2024	Continuous service as an Officer until the end of the service period.
3	1 January to 31 December 2025	Continuous service as an Officer until the end of the service period.

4. **Cessation of service as an Officer**

   In the event that the holder ceases to be an Officer of the Company for any reason before the end of a Service Period, the number of Service Rights that vest is to be scaled back on a pro-rata basis, based on the number of days of the year served as an Officer. The remaining Service Rights will lapse.

5. **Vesting and exercise on a change of control**

   In the event that:

   (a) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board;

   (b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or

   (c) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act,

   (each a **Change in Control Event**), prior to the Vesting Conditions being achieved or satisfied for one or more classes of Service Rights (**Unvested Rights**) being achieved, then all of the Unvested Rights on issue will vest.

6. **Expiry Date**

Each Service Right will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). A Service Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

7. **Exercise and Exercise Period**

The Service Rights are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Service Rights will lapse. Subject to compliance with applicable laws and regulations and the ASX Listing Rules, the Board has discretion at any time to declare any Service Rights which have not vested as having vested in the event the holder fails to satisfy the Vesting Condition for the Service Right.

8. **Notice of Exercise**

The Service Rights may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**).

9. **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

10. **Timing of issue of Shares on exercise**

(a) Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Service Rights specified in the Notice of Exercise;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Service Rights.

(b) If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

11. **Shares issued on exercise**

Shares issued on exercise of the Service Rights rank equally with the then issued shares of the Company.

12. **Transfer and encumbrances**

(a) A Service Right is not transferrable.

(b) A Holder must not grant or permit any security interest or other encumbrances over a Performance Right.

13. **Quotation of Performance Rights**

The Company will not apply for quotation of any class of Performance Right.

14. **Quotation of Shares**

If the Entitlement is issued for a tranche of Service Right and the Company is admitted to ASX, the Company will apply to ASX for official quotation of those Shares.

15. **New issues**

A Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless the Holder's Service Rights (or any of them) have vested and the Entitlement

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has been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.

16. **Participation in entitlements and bonus issues**

A Service Right does not entitle a Holder (in their capacity as a holder of a Service Right) to participate in new issues of capital offered to Shareholders, such as a bonus issue or an entitlement issue.

17. **Reorganisation**

(a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to each class of Service Rights held by the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(b) Any calculations or adjustments which are required to be made in relation to paragraph 17(a) will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.

(c) The Company must, within a reasonable period of a reorganisation paragraph 17(a) occurring, give to the Holder notice of any change to the number of Shares which the Holder is entitled to receive under the Entitlement for a class of Service Rights.

18. **Issue of Entitlement**

(a) If the Company elects to provide the Entitlement for a class of Service Rights, within 10 days after issuing the Election Notice, the Company must issue to the Holder the Entitlement for that class.

(b) Subject to the Company's Constitution, all Shares issued in relation to the Entitlement for a class of Service Rights will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

(c) Any Shares that are acquired on the vesting of Service Rights in accordance with a Rights Offer will be issued or transferred to the Rights Holder free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in Securities.

19. **Dividend and voting rights**

A Service Right does not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends.

20. **No rights to return of capital**

A Service Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

21. **Amendments required by ASX**

These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

22. **Governing law**

These terms and the rights and obligations of the Holder are governed by the laws of Western Australia. The Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.

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Schedule 2 - Valuation of Service Rights

Valuation methodology and inputs:

Methodology	Black Scholes Method
Inputs:	
Underlying share price	$1.115/share
Exercise price	Nil
Date of valuation	3 April 2023
Vesting date	Tranche 1: 31 December 2023 Tranche 2: 31 December 2024 Tranche 3: 31 December 2025
Volatility	80%
Risk free interest rate	3.005%
Value per right	Tranche 1: $1.115 Tranche 2: $1.115 Tranche 3: $1.115

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Schedule 3 – Terms of Performance Rights

1. **Grant**

   (a) The Company will offer performance rights (**Performance Rights**) on and subject to these terms and conditions and the Employee Incentive Plan Rules.

   (b) To the extent of any inconsistency between these terms and any Employee Incentive Plan Rules, these terms will prevail.

   (c) The grant of any Performance Rights is subject to the approval of Shareholders at a general meeting.

2. **Classes of Performance Rights**

   The following classes of Performance Rights will be granted by the Company on and subject to these terms:

   (a) Class A Performance Rights (LTIFR);

   (b) Class B Performance Rights (Relative Shareholder Return Performance), to be granted in 3 equal tranches;

   (c) Class C Performance Rights (Absolute Shareholder Return Performance);

   (d) Class D Performance Rights (Resource Growth);

3. **Entitlement**

   (a) Subject to this paragraph 3 and any applicable requirements of the ASX Listing Rules, each vested Performance Right entitles the holder of that Performance Right (**Holder**) to be issued with one Share (**Entitlement**) on the satisfaction of one or more of the following conditions (each a **Vesting Condition**) at the end of or during the applicable period for measuring performance (**Performance Period**) and vesting:

Class and Measure	Performance measure	Level of vesting	Performance Period / vesting time	Percentage of total Performance Rights that may vest
Class A **LTIFR**	LTIFR less than 27 per annum and zero fatalities	100%	3 equal tranches of rights with annual Performance Periods: 1. 2023 2. 2024 3. 2025 Vesting of each tranche determined after the end of Performance Period.	10% (in 3 tranches of 3.33% of total)
Class B **Relative Shareholder Return (SR) Performance**	SR performance less than 50th percentile	0%	3 equal tranches of rights with annual Performance Periods as follows: 1/1/2023 to 31/12/2023 1/1/2024 to 31/12/2024 1/1/2025 to 31/12/2025. Vesting of each tranche determined after the end of Performance Period.	25% of total (in 3 tranches of 8.33% of total)
	SR performance between 50th and 75th percentile	50% plus straight-line pro rata between 50% and 100%		
	75th percentile or better	100%		

Class and Measure	Performance measure	Level of vesting	Performance Period / vesting time	Percentage of total Performance Rights that may vest
Class C **Absolute SR Performance**	Increase in HCH VWAP to A$1.69	50%	Performance Period of 3 years from the date of grant. Vesting at time condition is satisfied any time within the Performance Period.	25%
	Increase in HCH VWAP to $2.72	100%		
Class D **Resource Growth**	Total Resources between 1.2 billion and 1.4 billion tonnes*	50% plus straight-line pro rata between 1.2 billion tonnes and 1.4 billion tonnes	Performance Period from date of grant to 31 December 2025. Rights vest at time condition is satisfied during the Performance Period.	40%
	Total Resources greater than 1.4 billion tonnes*	100%		
	*Resource growth measured by the Company reporting to ASX global independently estimated JORC compliant resources and reserves (for all Company projects) reported at or above: (a) 0.21% Cu equivalent or greater for open-pit resources; and (b) 0.3% Cu equivalent or greater for underground resources, at any time during the performance period.			

(b) Performance and vesting of each class of Performance Right will be measured and determined in accordance with the measurement criteria set out in Attachment A (Measurement Criteria) to these terms.

(c) In the event there is a consolidation of Shares, the Share prices stated as the Vesting Conditions for the Class C Performance Rights will be increased by the inverse proportion of the ratio by which the Shares are consolidated.

(d) The Company's obligations to the Holder in relation to a Performance Right are discharged and satisfied in full upon issuing the Entitlement for that class of Performance Rights.

4. **Vesting**

(a) Subject to paragraph 6, a Performance Right within a class automatically vests in the Holder upon satisfaction of the Vesting Condition applicable to that class of Performance Right following which the Holder may elect to receive the Holder's Entitlement.

(b) If a Vesting Condition for a class of Performance Rights is not achieved, that class of Performance Rights will not vest, subject to these terms and the Employee Incentive Plan Rules.

(c) The Board's determination as to whether a Vesting Condition has been achieved is final.

(d) Satisfaction of the Vesting Conditions is to be determined in relation to each class of Performance Rights, subject to these terms and the Employee Incentive Plan Rules.

(e) If the Vesting Conditions for a class of Performance Rights are satisfied during the period of a Holder's employment with or directorship of the Company or a company

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within the Group, that class of Performance Rights will vest and will not be subject to forfeiture.

5. **Expiry and forfeiture**

(a) Each Performance Right will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). A Performance Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(b) Each Performance Right that has not vested will automatically:

(i) lapse and terminate at midnight on the last day by which the Vesting Condition for that class of Performance Rights must be achieved; and

(ii) lapse and be forfeited if the Holder:

A. voluntarily resigns from employment with the Company or a company within the Group; or

B. if the Holder's employment with the Group is summarily terminated by the employer in circumstances where the employer is expressly permitted by the terms of the employment agreement to summarily terminate the employment without notice.

(c) A Performance Right will not lapse and be forfeited if the Holder ceases employment with the Company or a company within the Group due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Right should not lapse and be forfeited.

6. **Vesting on change of control**

In the event that:

(a) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board;

(b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or

(c) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act,

prior to the Vesting Conditions being achieved or satisfied for one or more classes of Performance Rights (**Unvested Rights**) being achieved, then all of the Unvested Rights on issue will vest.

7. **Expiry Date**

Each Service Right will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). A Performance Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

8. **Exercise Period**

The Performance Rights are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Performance Rights will lapse. Subject to compliance with applicable laws and regulations and the ASX Listing Rules, the Board has discretion at any time to declare any Performance Rights which have not vested as having vested in the event the holder fails to satisfy the Vesting Condition for the Performance Right.

9. **Notice of Exercise**

The Performance Rights may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**).

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10. **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

11. **Timing of issue of Shares on exercise**

(a) Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

(b) If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

12. **Shares issued on exercise**

Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.

13. **Transfer and encumbrances**

(a) A Performance Right is not transferrable.

(b) A Holder must not grant or permit any security interest or other encumbrances over a Performance Right.

14. **Quotation of Performance Rights**

The Company will not apply for quotation of any class of Performance Right.

15. **Quotation of Shares**

If the Entitlement is issued for a class of Performance Rights and the Company is admitted to ASX, the Company will apply to ASX for official quotation of those Shares.

16. **New issues**

A Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless the Holder's Performance Rights (or any of them) have vested and the Entitlement has been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.

17. **Participation in entitlements and bonus issues**

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to Shareholders, such as a bonus issue or an entitlement issue.

18. **Reorganisation**

(a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to each class of Performance Rights held by the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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(b) Any calculations or adjustments which are required to be made in relation to paragraph 18(a) will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.

(c) The Company must, within a reasonable period of a reorganisation under paragraph 18(a) occurring, give to the Holder notice of any change to the number of Shares which the Holder is entitled to receive under the Entitlement for a class of Performance Rights.

19. **Issue of Entitlement**

(a) If the Company elects to provide the Entitlement for a class of Performance Rights, within 10 days after issuing the Election Notice, the Company must issue to the Holder the Entitlement for that class.

(b) Subject to the Company's Constitution, all Shares issued in relation to the Entitlement for a class of Performance Rights will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

(c) Any Shares that are acquired on the vesting of Performance Rights in accordance with a Rights Offer will be issued or transferred to the Rights Holder free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in Securities.

20. **Dividend and voting rights**

A Performance Right does not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends.

21. **No rights to return of capital**

A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

22. **Amendments required by ASX**

These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

23. **Governing law**

These terms and the rights and obligations of the Holder are governed by the laws of Western Australia. The Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.

Attachment A – Measurement Criteria for Performance Rights

Class A - Lost Time Injury Frequency Rate (LTIFR)

LTIFR is measured over the Performance Period with respect to all of the Company's projects which the Company operates or manages.

The LTIFR for a year is calculated by summing all lost time injuries in the year and then dividing that number by the number of millions of hours worked by all Company employees and contractors during the year. The millions of hours worked are determined by summing the hours worked and dividing by 1,000,000.

Both LTIFR and zero fatality conditions must be satisfied for relevant tranche of Performance Rights to vest and the conditions are binary in nature.

The Holder must be employed at end of each Performance Period for tranche of Performance Rights to vest.

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Class B - Relative Shareholder Return (SR) Performance

The Company's relative Shareholder Return (**SR**) performance will be determined based on a percentile ranking of the Company's SR results relative to the SR of each of the companies in the comparator group over the same measurement period (**Relative SR**).

SR measures the return received by Shareholders from holding ordinary shares over the Performance Period measured by increase in share price, calculated as follows:

SR = (B - A) / A

Where:

A = the Market Value of the share at the start of the Performance Period

B = the Market Value of the share at the end of the Performance Period

Market Value is calculated as the 20-day VWAP of the share ending on the day prior to the start or end of the Performance Period.

The comparator group will be a peer group comprised of members of comparable copper mining companies listed on ASX and TSX/TSV (**Peer Group**). The list of the comparator group is set out in **Attachment B (Peer Group)**. The Board has discretion to adjust the Peer Group from time to time in its absolute discretion.

The Holder must be employed at end of each Performance Period for Performance Rights to vest.

Class C - Absolute SR Performance

The Company's absolute SR performance will be determined by whether or not the VWAP of HCH shares traded on ASX at any time during the Performance Period is at any time equal to or greater than the target VWAP for a period of at least 20 consecutive Trading Days.

VWAP is a 20 Trading Day VWAP.

The Holder must be employed at the time the performance condition is satisfied for Performance Rights to vest.

Class D - Resource Growth

Resource Growth will be measured by the Company reporting or announcing to ASX global independently estimated JORC compliant resources and reserves (for all Company projects) reported at or above:

(a) 0.21% Cu equivalent or greater for open-pit resources; and

(b) 0.3% Cu equivalent or greater for underground resources,

at any time during the Performance Period. Reporting cut-offs for mineral resources are as per the Company's ASX announcement dated 30 March 2022.

CuEq formula as per Company disclosures outlined in latest Quarterly report for period ending 31st Dec 2022.

The Holder must be employed at the time the performance condition is satisfied for Performance Rights to vest.

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Attachment B – Peer Group for Class B Performance Rights

The Company's Relative Shareholder Return performance will be assessed and ranked against a comparator group of companies comprised of the following mining and mining exploration companies undertaking copper project exploration and development (**Peer Group**):

ASX listed companies	**TSX/TSXV listed companies**
AIC Mines (ASX: A1M)	Arizona Sonoran Copper (TSX: ASCU)
Blackstone Minerals (ASX: BSX)	Entrée Resources Ltd. (TSX: ETG)
Dreadnought Resources Ltd (ASX: DRE)	Generation Mining Ltd (TSX: GENM)
Eagle Mountain Mining Ltd (ASX: EM2)	Laurion Mineral Exploration Inc. (TSXV: LME)
KGL Resources Ltd (ASX: KGL)	Los Andes Copper Ltd. (TSXV: LA)
Latin Resources Ltd (ASX: LRS)	Marimaca Copper Corp. (TSX: MARI)
Legend Mining Ltd (ASX: LEG)	Max Resource Corp. (TSXV: MAX)
Orecorp Ltd (ASX: ORR)	Nevada Copper Corp. (TSX: NCU)
Rex Minerals Limited (ASX: RXM)	Northern Dynasty Minerals (TSX: NDM)
Titan Minerals Ltd (ASX: TTM)	Northisle (TSX: NCX)
	Northwest Copper (TSX: NWST)
	Trilogy Metals (TSX: TMQ)
	Troilus Gold Corp (TSX: TLG)
	Tudor Gold Corp. (TSX: TUD)
	Western Copper and Gold Corporation (TSX: WRN)

Adjustments to the Peer Group

At the discretion and determination of the Board, the composition of the Peer Group may be adjusted as follows:

- If a company in the Peer Group is taken over, that company may be removed from the Peer Group.
- If the acquiring company is in the Peer Group, that company will remain in the Peer Group.
- If a company in the Peer Group demerges, the demerged companies may be removed from the Peer Group.
- In the case of a capital reconstruction or capital return, an adjustment to the TSR calculation will be made, if appropriate, depending on the nature of the event.
- If a company in the Peer Group changes its name, it will remain in the Peer Group.

- Where a company's shares are suspended at the testing date, the Board shall have the discretion as to how this event shall be treated.
- Where a company is delisted from the relevant stock exchange the Board shall have the discretion as to how this event shall be treated.

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Schedule 4 – Valuation of Performance Rights

Valuation of total Performance Rights

Class of Performance Rights	Entitlement	Value
Class A - LTIFR	Tranche 1: 27,625 Tranche 2: 27,625 Tranche 3: 27,625	$30,801 $30,801 $30,801
Class B – Relative SR Performance	Tranche 1: 69,062 Tranche 2: 69,063 Tranche 3: 69,063	$61,741 $53,662 $52,626
Class C – Absolute SR Performance	207,187	$170,929
Class D – Resource Growth	331,500	$369,622
Total	**828,750**	**$800,983**

Valuation methodology and inputs:

Class A Performance Rights – LTIFR

Methodology	Black Scholes Method
Inputs:	
Underlying share price	$1.115
Exercise price	Nil
Date of Valuation	3 April 2023
Vesting date	Tranche 1: 31 December 2023 Tranche 2: 31 December 2024 Tranche 3: 31 December 2025
Volatility	80%
Risk free interest rate	3.005%
Value per right	Tranche 1: $1.115 Tranche 2: $1.115 Tranche 3: $1.115

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Class B Performance Rights – Relative Shareholder Return Performance

Methodology	Monte Carlo Simulation
Inputs:	
Underlying share price	Tranche 1: $1.115/share Tranche 2: $1.138/share Tranche 3: $1.165/share
Exercise price	Nil
Date of Valuation	3 April 2023
Vesting date	Tranche 1: 31 December 2023 Tranche 2: 31 December 2024 Tranche 3: 31 December 2025
Volatility	80%
Risk free interest rate	3.005%
Value per right	Tranche 1: $0.894 Tranche 2: $0.777 Tranche 3: $0.762

Class C Performance Rights – Absolute Shareholder Return Performance

Methodology	Barrier Up and In Trinomial Pricing Model with a Parisian Barrier Adjustment
Inputs:	
Underlying share price	$1.115/share
Barrier	20 day VWAP >$1.69/share over 20 consecutive days and/or 20 day VWAP>$2.72 over 20 consecutive days
Date of Valuation	3 April 2023
Expiry date	3 April 2028
Volatility	80%
Risk free interest rate	2.98%
Value per right	$0.825

Class D Performance Rights – Resource Growth

Methodology	Black Scholes Pricing Model
Inputs:	
Underlying share price	$1.115/share
Exercise price	Nil
Date of Valuation	3 April 2023
Expiry date	3 April 2028
Volatility	80%
Risk free interest rate	2.98%
Value per right	$1.115

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Schedule 5 - Summary of Employee Incentive Plan

Item	Summary
Eligibility	The following persons of the Company are eligible to participate in the Employee Incentive Plan: • an employee of the Company or any of its Associated Entities; • a director of the Company or any of its Associated Entities; • a consultant who provides services to the Company or any of its Associated Entities, (**Eligible Persons**).
Shares issuable under the Employee Incentive Plan	The maximum number of Shares that may be issuable pursuant to Awards granted under the Employee Incentive Plan shall be that number equal to 10% of the Company's issued share capital from time to time. The maximum aggregate number of Shares that may be issuable pursuant to Awards granted or issued under the Plan to insiders, as a group, shall not exceed 10% of the total number of issued and outstanding Shares at any point in time, unless the Company has obtained approval of disinterested shareholders in accordance with the TSXV Policies. In addition, the number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements, if any: • in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis; • to any one participant within a 12 month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis (unless otherwise approved by the disinterested Shareholders. The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, if any, within a one-year period: • to all insiders shall not exceed 10% of the total number of issued and outstanding Shares at any time during the relevant period (unless otherwise approved by the disinterested Shareholders); • to any one participant, shall not exceed 5% of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis (unless otherwise approved by the disinterested shareholders of the Company); • to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis; and • to all Eligible Persons who undertake investor relations activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis, which Awards (which may only comprise Options) are to be vested in stages over at least a one-year period and no more than one-quarter (1/4) of such Awards may be vested in any 3 month period.
Awards	Awards that may be issued to an Eligible Person under the Employee Incentive Plan include any share-based incentive award, including: • Shares; • Options to subscribe for a Share, subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price;

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Item	Summary
	• service rights which provide entitlements to be issued with Shares, subject to the satisfaction of any conditions relating to service of the Eligible Person; and • performance rights which provide entitlements to be issued with Shares, subject to the satisfaction of any vesting conditions and/or performance conditions, (**Awards**). Options, service rights and performance rights may convert to Shares on the satisfaction of any conditions, and are referred to in this summary as "**Convertible Awards**". Awards may, among other things, be loan-funded or issued as tax-deferred incentives under Australian tax legislation. Awards granted to Eligible Participants who undertake Investor Relations Activities may only comprise Options and may not comprise Performance Rights.
Administration	Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Employee Incentive Plan and determine in accordance with its broad discretions: • the persons to whom Awards will be offered under the Employee Incentive Plan; • the timing of making an offer to participate in the Employee Incentive Plan; • the number of Awards which may be offered; • the terms of issue of Awards (including vesting conditions, performance hurdles and exercise conditions if any); and • the periods during which Awards may be exercised.
Restriction conditions	Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before any underlying Shares can be sold, transferred, or encumbered.
Limits on Issue	The Company must not make an offer of Awards for 'monetary consideration' (within the meaning of section 1100Q of the Corporations Act) Monetary Offers for Awards that are subject to the ESS Division to the extent doing so would contravene the 'issue cap' under section 1100W of the Corporations Act. The following will be excluded from the calculation of the 'issue cap' unless and to the extent they are required by applicable law to be included in such calculation: • Awards which are issued by the Company in circumstances where the Company does not rely upon Division 1A of Part 7.12 of the Corporations Act (**ESS Division**) or a similar exemption or modification to the Corporations Act granted by ASIC; and • Awards offered in the following circumstances: ○ an Offer made to a person situated outside of Australia at the time of receipt of the Offer; ○ an Offer that did not need disclosure to the Eligible Person because of section 708 or section 1012D of the Corporations Act; or ○ an Offer made pursuant to a 'disclosure document' (as defined in the Corporations Act). Awards may not be issued to any person to whom the issue of those Awards would require the approval of Shareholders under the Corporations Act, the Listing Rules or other applicable law unless:

Item	Summary
	• approval is given by Shareholders in general meeting in accordance with the applicable legal requirements; or • the issue of those Awards falls within a relevant exception to the applicable law.
Offer and Acceptance of Awards	Following determination that an Eligible Person may participate in the Employee Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify, in clear, concise and effective manner: • the date of the offer, and the final date by which the offer must be accepted; • the name and address of the Eligible Person to whom the offer is made; • the type of awards being offered; • the maximum number of awards being offered; • in the case of Convertible Awards, any exercise price (if any) and the exercise period; • the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the awards being offered; • the term and expiry date or end date (if any); • the summary of any rights attaching to the awards; • agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law; and • any other matters required to be specified in the Offer by the Corporations Act, including the ESS Division.
Vesting of Awards	The Board may, at its absolute discretion, determine that Awards issued will be subject to vesting conditions (e.g. performance milestones) and in those circumstances, Awards cannot vest in the Eligible Person until such time as those vesting conditions have been satisfied or waived. Notwithstanding the above, any Award other than an Option may not vest before one year from the date of grant of the Award. If the vesting conditions are not satisfied or waived, the Awards will lapse or be cancelled.
Expiry and Termination	Expiry date for any Award issued under the Plan shall not be more than 10 years after the date on which it is granted. Notwithstanding the above: • if a participant ceases to be an Eligible Person due to his or her death, or, in the case of a participant that is a company, the death of the person who provides services to the company, the Award then held by the participant shall be exercisable at any time up to but not after the earlier of (i) 365 days after the date of death; and (ii) the expiry date of the Award. • any Awards granted to a participant who is an Eligible Person or a director, employee or consultant of the Company shall be exercisable at any time up to but not after the earlier of (i) 365 days following the date the participant ceases to be in such role; and (ii) the expiry date of the Award.
Plan Shares	Any share received pursuant to an award under the Employee Incentive Plan by an Eligible Person (**Plan Share**) will: • be credited as fully paid;

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Item	Summary
	• rank equally in all respects with shares already on issue (except for entitlements which had a record date before the date of issue or transfer of the Plan Share); and • be subject to any restrictions imposed under the Employee Incentive Plan. The Company will apply for quotation of Plan Shares as soon as practicable following the issue of those Plan Shares.
Dividends and Voting Rights	**Plan Shares** An Eligible Person who holds awards which are Plan Shares is entitled to receive: • a notice of meeting of shareholders and may exercise any voting rights attaching to those Plan Shares; and • income deriving from those Plan Shares, including dividends and distributions declared or paid on those Plan Shares. **Convertible Awards** Holders of Convertible Awards do not have any of the following rights unless and until Plan Shares are allocated or acquired on vesting and exercise: • the right to receive notice of, attend and vote at general meetings of the Company; • the right to dividends by the Company; • the right to a return of capital by the Company; or • the right to participate in the surplus assets of the Company on winding-up.
Awards not to be quoted	The Awards will not be quoted on the ASX. However, application will be made to ASX for official quotation of Shares issued upon the exercise of Awards, if the Shares are listed on ASX at that time.
Shares issued on exercise of Awards	Subject to any applicable vesting conditions, performance hurdles and exercise conditions each Convertible Awards entitles the holder to subscribe for and be issued with one Share. Shares issued pursuant to the vesting or exercise of Convertible Awards will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.

Lapse of Awards	Unless the Directors in their absolute discretion determine otherwise, Awards will automatically lapse and be forfeited if, prior to the satisfaction of an exercise condition or vesting condition:
	• the holder resigns employment or terminates engagement with the Company;
	• the holder is dismissed from employment or engagement with the Company for:
	  ○ material breach of contract or negligence; or
	  ○ conduct justifying termination without notice;
	  ○ the holder ceases employment or engagement with the Company and breaches any post-termination restraint;
	  ○ the holder is ineligible to hold his or her office pursuant to the Corporations Act; or
	  ○ any performance milestones applicable to the Awards are not satisfied – if a portion are satisfied, then a proportionate number of Awards may continue at the Board's discretion.

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Item	Summary
	Awards will not lapse and be forfeited if the holder ceases employment or engagement with the Company: • due to: • death; • retirement; or • redundancy; or • where the Board determines that the Awards continue.
Method for calculating exercise prices	The exercise price of an Option is the price determined by the board, in its absolute discretion, prior to or on grant of the Options. Notwithstanding the foregoing, if the Company is listed on the TSXV, the exercise price in respect of any Option shall be determined and approved by the board when such Option is granted, but shall not be less than the market price of a Share as of the date of the grant, less any discount permitted by the TSXV. A minimum exercise price cannot be established unless the Options are allocated to particular participants.
Maximum term of exercisable Awards	An Award that must be exercised in order for the participant to be issued a Share which has not been exercised will expire on the date that is 10 years after the Award was granted.
Restrictions on disposal	An Award holder is not able to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Awards, or agree to do any of those things, without the prior consent of the Board or unless such disposal is required by law.
Participation rights of Award holders	Holders of Convertible Awards will only be permitted to participate in an issue of new Shares by the Company if they exercise their Convertible Award before the record date for the relevant issue. The Company must ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue of new Shares is announced. This will give Award holders the opportunity to exercise their Convertible Awards prior to the date for determining entitlements to participate in any such issue.
Adjustment of Awards	If the Company makes a pro rata bonus issue, and a Convertible Award is not exercised before the record date for that bonus issue, then on exercise of the Convertible Award, the holder is entitled to receive the number of bonus shares which would have been issued if the Convertible Award had been exercised before the record date. In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Awards to which each Award holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Awards which are not conferred on Shareholders.
Takeovers	In the event of a takeover bid, certain capital reorganisations, or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise of an Award may lapse so that Award holders are able to participate in the relevant transaction.
Tax deferral	Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on Awards offered under the Employee Incentive Plan (subject to the conditions in that Act), may apply to Awards granted under the Employee Incentive Plan.

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Item	Summary
Amending the Employee Incentive Plan	Subject to and in accordance with the Listing Rules and TSXV Policies, the Board (without the necessity of obtaining prior or subsequent consent of Shareholders) may from time to time amend all or any provisions of the Employee Incentive Plan.

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YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (AWST) on Monday, 8 May 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 182501

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

For personal use only

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Hot Chili Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Hot Chili Limited to be held at First Floor, 768 Canning Highway, Applecross, WA 6153 on Wednesday, 10 May 2023 at 1:00pm (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 2, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 2, 3 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Grant of Service Rights to Dr Nicole Adshead Bell, a Non-Executive Director, under the Employee Incentive Plan	☐	☐	☐
Resolution 2	Grant of Service Rights to Mr Stephen Quin, a proposed Non-Executive Director, under the Employee Incentive Plan	☐	☐	☐
Resolution 3	Grants of Service Rights to Mr Roberto de Andraca Adriasola, a Non-Executive Director, under the Employee Incentive Plan	☐	☐	☐
Resolution 4	Grant of Service Rights and Performance Rights to Mr Christian Easterday, the Managing Director, under the Employee Incentive Plan	☐	☐	☐
Resolution 5	Change of Company Name	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

Mobile Number _____

Email Address _____

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



Computershare