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Hot Chili Limited

ACN 130 955 725

Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Annual General Meeting to be held at

First Floor
768 Canning Highway
Applecross Western Australia

10.00am (WST) on Wednesday, 29 November 2023

IMPORTANT NOTE

The Notice of Annual 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	10.00am (WST) on Monday, 27 November 2023
Snapshot date for eligibility to vote	4.00pm (WST) on Monday, 27 November 2023
Annual General Meeting	10.00am (WST) on Wednesday, 29 November 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 Annual 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 10.00am (WST) on Monday, 27 November 2023.

Defined terms

Capitalised terms used in this Notice of Annual 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 Annual General Meeting

Notice is hereby given that the Annual 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 **10.00am (WST)** on **Wednesday, 29 November 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

Financial Statements and Reports

To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2023, as contained in the Company's Annual Report.

Resolution 1: Adoption of Remuneration Report

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

> *"That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2023 be adopted by the Company."*

Notes:

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") that another meeting be held within 90 days at which all of the offices of Director are vacated (other than the office of managing director) and each such office will be put to a vote. Refer to the Explanatory Statement for further information.

Resolution 2: Re-election of Director – Dr Nicole Adshead-Bell

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

> *"That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Dr Nicole Adshead-Bell, the Chairman of the Company, be re-elected as a Director of the Company."*

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Resolution 3: Re-election of Director – Mr Christian Easterday

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

> *"That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Mr Christian Easterday, the Managing Director of the Company, be re-elected as a Director of the Company."*

Resolution 4: Re-election of Director – Mr Roberto de Andraca Adriasola

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

> *"That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Mr Roberto de Andraca Adriasola, a Director of the Company, be re-elected as a Director of the Company."*

Resolution 5: Re-election of Director – Mr Mark Jamieson

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

> *"That for the purposes of section 14.2 (c) of TSXV Policy 3.1 and for all other purposes, Mr Mark Jamieson, a Director of the Company, be re-elected as a Director of the Company."*

Resolution 6: Re-election of Director – Mr Stephen Quin

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

> *"That for the purposes of Listing Rule 14.4, section 14.2(c) of TSXV Policy 3.1, clause 7.1(e) of the Company's Constitution and for all other purposes, Mr Stephen Quin, a Director of the Company who retires in accordance with clause 7.1(e) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

Resolution 7: Re-approval of Employee Incentive Plan

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

> *"That for the purposes of section 5.2(c) of TSXV Policy 4.4 and for all other purposes, Shareholders re-approve the Company's Employee Incentive Plan, a summary of which is set out in the Schedule to the Explanatory Statement.*

Resolution 8: Approval of Auditor

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

> "*That for the purposes of sections 12.2 and 14.2(b) of TSXV Policy 3.1, the Company's auditor, RSM Australia Partners, having consented in writing to act as auditor, be re-elected as the auditor of the Company and its controlled entities for the 2023-2024 fiscal year, at a remuneration to be fixed by the Board*."

Resolution 9: Approval of Additional Placement Facility

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

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

Note: Resolution 9 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

By order of the Board



Penelope Beattie

Company Secretary
20 October 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 Resolutions are subject to restrictions on voting as set out in the table below:

Resolution	Voting prohibition	Exceptions
Resolution 1	In accordance with sections 250BD and 250R(4) of the Corporations Act, a vote on the Resolution must not be cast by: • a member of Key Management Personnel the details of whose remuneration is included in the Remuneration Report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or • by a proxy for a member of Key Management Personnel at the date of the Meeting or their Closely Related Parties.	The prohibition does not apply if: • the vote is cast in accordance with the directions on how the proxy is to vote, as specified in the proxy appointment; or • the appointment expressly authorises the Meeting Chair to exercise the proxy even though the Resolution is in connection directly or indirectly with remuneration of a member of the Key Management Personnel.

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions as set out in the table below:

Resolution	Excluded parties	Exceptions
Resolution 9	At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Accordingly, a voting exclusion statement for the purposes of Listing Rules 7.3A.7 and 14.11 does not apply to the Resolution.	

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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 **10.00am (WST)** on **Monday, 27 November 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 **10.00am (WST)** on **Monday, 27 November 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, 27 November 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.

RSM Partners Australia, as the Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2023 (or its representative), will attend the Meeting. The Chairperson will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the Meeting about:

(a) the conduct of the audit;

(b) the preparation and content of the Auditor's Report;

(c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and

(d) the independence of the Auditor in relation to the conduct of the audit.

To assist the Auditor of the Company in responding to any questions you may have, please submit any questions you may have to the Auditor at an address below by no later than **5.00pm (WST) on Wednesday, 22 November 2023**.

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By mail: Level 32, Exchange Tower, 2 The Esplanade
Perth WA 6000

By fax: +61 8 9261 9111

As required under section 250PA of the Corporations Act, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least five Business Days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2023. The Chairperson will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Annual Report

The Company advises that a copy of its Annual Report for the year ended 30 June 2023, is available to download at the website address, https://www.hotchili.net.au/investors/.

When you access the Company's Annual Report online, you can view it and print a copy.

Please note that if you have elected to continue to receive a hard copy of the Company's Annual Reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the Meeting.

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 9:00p.m. **(EST)** on **26 November 2023**, by mail to Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto ON, M5J 2Y, by facsimile at -416-263-9524 or toll free at 1-866-249-7775, 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.

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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.

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 **October 24, 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.

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Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual 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 Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Financial Statements and Reports

Shareholders are to receive and consider the Financial Statements, Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2023.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2023 at the Meeting.

2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report in the Company's 2023 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R (3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

At the Company's previous Annual General Meeting the votes against the Remuneration Report was less than 25% of the votes cast on the Resolution. As such, Shareholders do not need to consider a spill resolution at the Meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairperson and expressly authorises the Chairperson to exercise the proxy. The Chairperson will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1.

3. Resolutions 2 to 6: Election of Directors

3.1 Background and regulatory requirements

Resolutions 2 to 6 seek Shareholder approval for the election of all Directors of the Company.

These Resolutions are proposed to satisfy various requirements of the Listing Rules, the Company's Constitution and TSXV Policies concerning the election of Directors.

Clause 7.1(d) of the Company's Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

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Clause 7.1(e) of the Company's Constitution requires that any directors appointed by the Board during the year, hold office only until the next annual general meeting and are then eligible for election.

Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Listing Rule 14.4 and clause 7.3(a) of the Constitution require that no Director may serve office for more than 3 years without re-election. The Directors to retire are:

(a) those who have been in office for 3 years since their appointment or last re-appointment;

(b) those who have been longest in office since their appointment or last re-appointment; or

(c) if the Directors have been in office for an equal length of time, by agreement.

Section 14.2(c) of TSXV Policy 3.1 and clause 7.3(a) of the Constitution requires that Shareholders be permitted to vote on the election of all Directors at every annual general meeting of a company listed on the TSXV. The election of all Directors for the purposes of the requirements of TSX Policy 3.1 includes the Managing Director.

3.2 **Re-election of Dr Nicole Adshead-Bell (Resolution 2)**

Dr Adshead-Bell stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1.

If Resolution 2 is passed, Dr Adshead-Bell will be re-elected as a Director of the Company.

If Resolution 2 is not passed, Dr Adshead-Bell has advised she will resign as a Director. In that event, the Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Dr Nicole Adshead-Bell is a geologist with a deep understanding of the mining industry from over 27 years bridging the gap between the technical, corporate (executive and non-executive director), institutional investor and investment banking segments of the business – within an ESG framework.

Dr Adshead-Bell resides in Canada and is currently a non- executive director of Altius Minerals Corp. (TSX), Dundee Precious Metals Corp. (TSX) and Matador Mining Ltd (ASX). Her career includes Managing Director and CEO of ASX-listed Brazilian gold producer Beadell Resources Ltd (prior to its acquisition by a Canadian mining company; Director of Mining Research at Sun Valley Gold LLC (SEC registered precious metals focused fund); Managing Director, Investment Banking, Haywood Securities Inc. (Canadian independent investment dealer) and Mining Analyst covering copper, zinc and uranium commodities and companies at Dundee Securities Corp. (former Canadian independent investment dealer). While at Haywood she was involved in approximately 20 public transactions including streaming, mergers, acquisitions and divestures and raising approximately C$1.8 billion in equity/ convertible debenture financings.

More recently she established Cupel Advisory Corp. to focus on investments and advisory services in the mining sector. Over the past 10 years Nicole has held directorships with several public companies including First Majestic Silver Corp. (TSX/NYSE), Pretium Resources Inc. (TSX/NYSE, acquired by Newcrest in 2022), Dalradian Resources Inc. (TSXV, acquired by Orion Mine Finance in 2018) and Bravo Mining Corp (TSXV).

Dr Adshead-Bell has a PhD in structural/economic geology from James Cook University, Townsville, Australia where she also completed her geology undergraduate and honours degrees.

3.3 **Re-election of Mr Christian Easterday (Resolution 3)**

Mr Easterday stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1.

If Resolution 3 is passed, Mr Easterday will be re-elected as a Director of the Company.

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If Resolution 3 is not passed, Mr Easterday has advised he will resign as a Director. In that event, the Board anticipates that Mr Easterday would remain employed as the Company's Chief Executive Officer (but not as a Director), unless Mr Easterday also resigned as Chief Executive Officer.

Mr Easterday is a geologist with over 25 years' experience in the mineral exploration and mining industry and is a founding director of Hot Chili, having led the Company since its public listing in 2010. He holds an Honours Degree in Geology from the University of Western Australia, a Masters degree in Mineral Economics from Curtin University of Technology and a Masters Degree in Business Administration from Curtin's Graduate School of Business.

Mr Easterday held several senior positions and exploration management roles with top tier gold companies including Placer Dome, Hill 50 Gold and Harmony Gold, specialising in structural geology, resource development and mineral economic valuation. Mr Easterday has extensive experience in various aspects of project negotiation drawing together his commercial, financial and project valuation skills. This work has involved negotiations and valuations covering gold, copper, uranium, iron ore, nickel, and tantalum resource projects in Australia and internationally. Mr Easterday is a Member of The Australian Institute of Geoscientists.

3.4 **Re-election of Mr Roberto de Andraca Adriasola (Resolution 4)**

Mr de Andraca Adriasola stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1.

If Resolution 4 is passed, Mr de Andraca Adriasola will be re-elected as a Director of the Company.

If Resolution 4 is not passed, Mr de Andraca Adriasola has advised he will resign as a Director. In that event, the Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Mr de Andraca Adriasola is an executive with 25 years' experience in the financial and mining business. He is currently a Director of CAP S.A – one of the largest iron ore producers and the largest steel maker in Chile. He also oversaw the construction of the first desalination plant dedicated 100% to producing water for mining companies in the north of Chile.

Mr de Andraca Adriasola has international finance experience with Chase Manhattan Bank, ABN Amro and Citigroup, working both in Chile and in New York. He holds an MBA from the Adolfo Ibanez Business School of Chile. He is a director of Puerto Los Losas, a port in the Atacama Region of Chile.

He was elected to the board of directors of CAP S.A. on 18 April 2017; prior to that date he held the position of Vice President of Business Development.

3.5 **Re-election of Mr Mark Jamieson (Resolution 5)**

Mr Jamieson stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1.

If Resolution 5 is passed, Mr Jamieson will be re-elected as a Director of the Company.

If Resolution 5 is not passed, Mr Jamieson has advised he will resign as a Director. In that event, the Board anticipates that another nominee of Glencore AG may be appointed to the Board to fill a casual vacancy.

Mr Jamieson is currently General Manager Resource Engineering for Glencore's global copper asset group leading technical support and governance in geology, mine engineering and asset optimisation for development projects, operations and joint ventures.

Mr Jamieson brings 20+ years of technical and project experience in open pit and underground operations, including sub level and block cave mines with Newcrest, MMG and Barrick Gold across Australia, Africa, South East Asia and South America.

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Mr Jamieson holds a bachelor's degree with honours in Geotechnical Engineering from RMIT University, and a Masters of Engineering Science in Mining Geomechanics from the University of New South Wales.

3.6 Re-election of Mr Stephen Quin (Resolution 6)

Mr Quin retires in accordance with the Listing Rules and the Constitution and stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1. Being eligible, Mr Quin offers himself for re-election as a Director. Mr Quin was appointed to the Board on 5 May 2023 as an additional independent Non-Executive Director.

If Resolution 6 is passed, Mr Quin will be elected as a Director of the Company.

If Resolution 6 is not passed, Mr Quin will no longer be a Director of the Company. In that event, the Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Mr Quin is a graduate of the Royal School of Mines, London, with a BSc (Honours) in Mining Geology and has 41 years' experience in all stages of the mining industry, from exploration to mine development, operations and closure.

He most recently spent a decade as President & CEO of gold explorer/developer Midas Gold Corp. and, prior to that, President of copper miner Capstone Mining Corp. and, prior to the merger with Capstone, was President & CEO of copper developer and operator Sherwood Copper Corp. Prior to Sherwood, Mr Quin was Executive Vice President of gold producer and explorer Miramar Mining Corp. and its copper exploration affiliate, Northern Orion Exploration. He started his career with what became Imperial Metals Corp. where he was a responsible for the advancement of their polymetallic copper-zinc project through a feasibility study and permitting.

Mr Quin has a combination of technical, governance, and capital markets experience having led multiple studies on projects in the copper and gold sectors, ranging from preliminary economic assessments to feasibility studies, permitting, mine financing and development, operations and closure, and also has experience with base metals and platinum group metal projects.

From a governance perspective, he has sat on and/or chaired numerous board committees, has led governance enhancing efforts at a number of companies and has been an advocate of prioritizing ESG since well before the acronym became popular.

On a capital markets front, Mr Quin has been involved in over C$1 billion in financing and more than C$750 million in M&A for companies where he was CEO or a senior executive, and has extensive contacts on both the sell-side and buy-side of the market. Mr Quin is a non-executive director of Bravo Mining Corp. (TSXV:BRVO), Kutcho Copper Corp. (TSXV:KC) and West Vault Mining (TSXV:WVM), and is non-executive Chair of TGD Gold Corp. (TSXV:TDG). He also serves as technical advisor to a number of copper and gold explorers and developers.

3.7 Directors' recommendations

The Directors (other than Dr Adshead-Bell) recommend that Shareholders vote in favour of Resolution 2 to re-elect Dr Adshead-Bell as a Director.

The Directors (other than Mr Easterday) recommend that Shareholders vote in favour of Resolution 3 to re-elect Mr Christian Easterday as a Director.

The Directors (other than Mr de Andraca Adriasola) recommend that Shareholders vote in favour of Resolution 4 to re-elect Mr de Andraca Adriasola as a Director.

The Directors (other than Mr Jamieson) recommend that Shareholders vote in favour of Resolution 5 to re-elect Mr Mark Jamieson as a Director.

The Directors (other than Mr Quin) recommend that Shareholders vote in favour of Resolution 6 to re-elect Mr Stephen Quin as a Director.

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4. Resolution 7: Re-approval of Employee Incentive Plan

4.1 Background

The Company currently operates an Employee Incentive Plan under which Directors, officers, employees and certain contractors may be offered awards pursuant to which they acquire or earn Equity Securities (e.g. Shares, Options and performance rights) in the Company.

The Employee Incentive Plan has been established with the objectives of:

(a) establishing a method by which eligible participants can participate in the future growth and profitability of the Company through holding of equity interests in the Company;

(b) providing an incentive and reward for eligible participants for their contributions to the Company;

(c) attracting and retaining a high standard of executive, managerial, technical and other personnel for the benefit of the Company; and

(d) aligning the interests of eligible participants more closely with the interests of the Shareholders, by providing an opportunity for eligible participants to hold an equity interest in the Company.

Shareholder approval pursuant to Section 5.2(c) of TSXV Policy 4.4 is being sought to approve the issue of securities under the Employee Incentive Plan.

4.2 Applicable TSXV Listing Rules

The Employee Incentive Plan provides that the aggregate number of Shares that may be reserved for issuance upon the exercise of awards cannot exceed 10% of the number of Shares issued and outstanding from time to time. As a result, the number of awards available to be granted under the Employee Incentive Plan will automatically increase if the Company issues any additional Shares in the future. Section 5.2(c) of TSXV Policy 4.4 require that this type of "rolling" plan must be approved by Shareholders every year in order for the Company to be able to continue to make grants thereunder.

If Shareholder approval is not obtained every year, all unallocated entitlements under the Employee Incentive Plan will be cancelled; however, all allocated awards, such as, for example, Options that have been granted but not yet exercised, will continue unaffected.

4.3 Summary of the Employee Incentive Plan

A summary of the Employee Incentive Plan is set out in Schedule 1 to this Explanatory Statement.

4.4 Previous issues under the Employee Incentive Plan since last approval

Since Shareholder approval of the Employee Incentive Plan at the Company's 2022 Annual General Meeting held on 30 November 2022, the following Equity Securities have been issued to employees under the Plan:

- 2,816,864 Service Rights issued on 12 May 2023;
- 2,489,864 Performance Rights issue on 12 May 2023;
- 345,000 Service Rights issued on 22 August 2023; and
- 345,000 Performance rights issues on 22 August 2023.

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4.5 **Directors' recommendation**

Noting that the Directors may have a personal interest in the outcome of this Resolution 7 by virtue of them being eligible to participate in the Employee Incentive Plan, the Directors recommend that Shareholders vote in favour of Resolution 7.

5. Resolution 8 – Approval of Auditor

5.1 **Background**

As the Company is listed on the TSXV it is required to comply with the TSXV Policies.

In accordance with sections 12.2 and 14.2(b) of TSXV Policy 3.1, the Company is required to place before the Shareholders for consideration at each annual general meeting, the election or re-election of the Company's auditor.

It is proposed that the Company's Auditor, RSM Australia Partners, be re-elected as the auditor of the Company and its controlled entities.

If Resolution 8 is approved, RSM Australia Partners will continue as the Company's Auditor.

If Resolution 8 is not passed, the Company would be required to seek the appointment of a new auditor.

5.2 **Directors' recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 8 to ensure RSM Australia Partners continue their appointment as the Company's Auditor.

6. Resolution 9 – Approval of Additional Issuance Capacity

6.1 **General**

Resolution 9 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Issuance Capacity**).

If approved, the Resolution will enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without having to obtain Shareholder approval. If the Resolution is not approved, the Company's ability to issue Equity Securities without Shareholder approval will remain limited to the amount permitted under Listing Rule 7.1.

Resolution 9 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution.

6.2 **Applicable Listing Rules**

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (i.e. the Additional Issuance Capacity). This capacity is in addition to the 15% annual issuance capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company meets the requirements of an eligible entity for this purpose because it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than $300 million.

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6.3 **Overview of Listing Rule 7.1A**

(a) **Quoted securities**

Equity Securities issued under the Additional Issuance Capacity must be the same as an existing class of Equity Securities of the Company quoted on ASX.

As at the date of the Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary Shares.

(b) **Formula for calculating Additional Issuance Capacity**

Listing Rule 7.1A.2 provides that the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula under the Additional Issuance Capacity:

Additional Issuance Capacity = (A x D) – E

where:

A is the number of Shares on issue 12 months before the commencement of the relevant period:

- plus the number of Shares issued in the period from the date the Company was admitted to the official list of ASX to the date immediately preceding the date of the issue or agreement (**Relevant Period**) under an exception in Listing Rule 7.2 (other than exceptions 9, 16 or 17);
- plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
    - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the Relevant Period; or
    - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or rule 7.4;
- plus the number of Shares issued in the Relevant Period with approval under Listing Rules 7.1 or 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the Relevant Period; and
- less the number of Shares cancelled in the Relevant Period;

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the Shareholders under Listing Rule 7.4.

(c) **Interaction with Listing Rule 7.1**

Listing Rule 7.1 limits the number of Equity Securities that an entity may issue without the approval of its shareholders over any 12 month period to 15% of the fully-paid ordinary shares

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it had on issue at the start of that period, subject to certain exceptions.

The Additional Issuance Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

6.4 **Listing Rule requirements**

The following information is provided in relation to Resolution 9, in accordance with Listing Rule 7.3A:

(a) **Period over which approval will be valid**

The Additional Issuance Capacity will commence on date of the Meeting and expire on the earlier of:

- 12 months from the Meeting date;
- the Company's next annual general meeting; and
- when a transaction under Listing Rules 11.1.2 (change to nature or scale of activities) or 11.2 (change involving main undertaking) is approved by Shareholders.

(b) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Issuance Capacity will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

(c) **Purposes for which funds may be used**

The Company does not have any current intention to issue Equity Securities using the Additional Issuance Capacity. However, it may decide to do so for cash consideration to fund working capital requirements, advancing projects (including those outlined in its initial public offer prospectus), potential acquisitions, meet financial commitments and capital management activities.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon any issue of Equity Securities under Listing Rule 7.1A.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the Additional Issuance Capacity will dilute the interests of Shareholders who do not receive Shares under the issue.

If Resolution 9 is approved and the Company issues Equity Securities under the Additional Issuance Capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

This may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below identifies the potential dilution to existing Shareholders following the issue of

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Equity Securities under the Additional Issuance Capacity (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

Number of Shares on issue	Share price	New Shares issued	Funds raised	Voting dilution	Economic dilution
119,445,206 (Shares currently on issue / current variable 'A' in Listing Rule 7.1A)	$1.090 (current market price)	11,944,520	$13,019,527.45	10.00%	0.00%
	$0.818 (25% decrease)	11,944,520	$9,764,645.59	10.00%	2.27%
	$0.545 (50% decrease)	11,944,520	$6,509,763.73	10.00%	4.55%
179,167,809 (50% increase)	$1.090 (current market price)	17,916,780	$19,529,291.18	10.00%	0.00%
	$0.818 (25% decrease)	17,916,780	$14,646,968.39	10.00%	2.27%
	$0.545 (50% decrease)	17,916,780	$9,764,645.59	10.00%	4.55%
238,890,412 (100% increase)	$1.090 (current market price)	23,889,041	$26,039,054.91	10.00%	0.00%
	$0.818 (25% decrease)	23,889,041	$19,529,291.18	10.00%	2.27%
	$0.545 (50% decrease)	23,889,041	$13,019,527.45	10.00%	4.55%

Notes: The above table has been prepared on the following assumptions:

1. the current market price is the closing price at which Shares were traded on 9 October 2023 (being $1.090);
2. the current Shares on issue are the Shares at 9 October 2023 (being 119,445,206 Shares);
3. the Company issues the maximum number of Equity Securities available under the Additional Issuance Capacity;
4. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Issuance Capacity;
5. the Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Issuance Capacity;
6. the impact of placements under Listing Rule 7.1 or following the conversion of convertible securities (e.g. Options) is not included in the calculations; and
7. economic dilution (**ED**) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MP = *the market price of shares traded on ASX, expressed in dollars;*

MC = *market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;*

NMC = *notional market capitalisation, being the market capitalisation plus the NSV;*

NSV = *new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and*

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TS = *total shares on issue following new Equity Security issue.*

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional Issuance Capacity.

The Company has not yet identified allottees to receive the Equity Securities under the Additional Issuance Capacity. However, they may include current Shareholders, new investors, or both. None of the allottees will be Related Parties or Associates of Related Parties.

Potential allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company including, but not limited to, an entitlements issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

(f) **Details of prior issues**

The Company has not issued any Equity Securities under Listing Rule 7.1A in the 12 months prior to the Meeting.

6.5 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9 as it will give the Company the flexibility to raise additional working capital whilst preserving the Company's cash reserves.

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Glossary

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

AGM	An annual general meeting of Shareholders.
Annual General Meeting or **Meeting**	The annual 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 2023, 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 Annual 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 7.
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;

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	(e) a convertible security; (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.
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.
Notice or **Notice of Meeting** or **Notice of Annual General Meeting**	The notice of Annual 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.
Remuneration Report	The remuneration report of the Company for the financial year ended 30 June 2023, appearing in the Annual Report.
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 - 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;

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Item	Summary
	• 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; • 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).

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Item	Summary
	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: • 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.

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Item	Summary
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; • 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;

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Item	Summary
	○ 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. 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.

Item	Summary
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.
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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Hot Chili Limited
ABN 91 130 955 725

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

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YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Monday, 27 November 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: 183208

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.

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☐ **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 Annual General Meeting of Hot Chili Limited to be held at First Floor, 768 Canning Highway, Applecross, WA 6153 on Wednesday, 29 November 2023 at 10:00am (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 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 7 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 and 7 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	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Dr Nicole Adshead-Bell	☐	☐	☐
Resolution 3	Re-election of Director – Mr Christian Easterday	☐	☐	☐
Resolution 4	Re-election of Director – Mr Roberto de Andraca Adriasola	☐	☐	☐
Resolution 5	Re-election of Director – Mr Mark Jamieson	☐	☐	☐
Resolution 6	Re-election of Director – Mr Stephen Quin	☐	☐	☐
Resolution 7	Re-approval of Employee Incentive Plan	☐	☐	☐
Resolution 8	Approval of Auditor	☐	☐	☐
Resolution 9	Approval of Additional Placement Facility	☐	☐	☐

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