



Hot Chili and Glencore in Copper Offtake Partnership for Costa Fuego



Concentrate loading facilities at Las Losas port, adjacent to Hot Chili's Costa Fuego copper-gold project, Chile

Hot Chili Limited (ASX: HCH) (TSXV:HCH) (OTCQB: HHLKF) (“Hot Chili” or “Company”) is pleased to announce the execution of an Offtake Agreement with Glencore for future copper concentrate production from the Company’s Costa Fuego copper-gold project in Chile.

The Glencore offtake agreement covers 60% of copper concentrate from Costa Fuego for 8 years from start of commercial production and is on arms-length commercially competitive benchmark terms.

Glencore is Hot Chili’s largest shareholder (9.96%) following their strategic investment in August 2021 (see ASX announcement dated 2nd August 2021) and subsequent participation the Company’s recent TSXV capital raising in December 2021 (see ASX announcement dated 21st December 2021).

Glencore have the right to Board representation (Mr Mark Jamieson) and participation in a technical steering committee. These rights remain subject to Glencore holding at least 7.5% of the share capital of Hot Chili.

Hot Chili’s Managing Director Christian Easterday commented:

“The quality of Costa Fuego continues to be externally validated with Glencore’s 2021 equity investments and the execution of this Offtake Agreement on commercially competitive terms.

“We ensured project financing flexibility with 40% of our first eight years of concentrate production remaining uncommitted ahead of initiating project financing discussions in 2022, following completion of the Costa Fuego Pre-Feasibility Study.

“Glencore’s expertise and support is welcomed and is an important part of our strategy to successfully transform the Company into a material copper-gold producer.”



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This announcement is authorised by the Board of Directors for release to ASX and TSXV.

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Qualifying Statements

Forward Looking Statements

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