

## Hot Chili Submits Second Maritime Application and Prepares to Create New Water Company



Location of Hot Chili's second maritime application for seawater intake and desalination brine discharge

Hot Chili Limited (ASX: HCH) (TSXV: HCH) (OTCQX: HHLKF) ("Hot Chili" or the "Company") is pleased to report that the Company has submitted a second maritime concession application to support a potential multi-user, water network for the Huasco valley area of the Southern Atacama region of Chile.

Importantly, Hot Chili's second maritime concession application also includes brine discharge for potential seawater desalination operations on the Huasco coastline so that both raw seawater and desalinated water could be provided by a potential water network.

In addition, the Company is also preparing to transfer its water assets (maritime concession, coastal land accesses and water pipeline easements etc) into a new stand-alone water company controlled by Hot Chili.

These next steps follow positive initial engagement with several potential desalinated water customers in the Huasco valley area as well as several suitable water infrastructure partners. The Company is pleased to be positioning its water assets to potentially generate significant value for Hot Chili's shareholders.

Hot Chili is the only Company in the region holding a current granted maritime water concession for extraction, a current maritime application for extraction and desalinated discharge, and most necessary permits to provide critical desalinated water supply to the Huasco valley, following over a decade of permitting advance for the Company’s coastal range, Costa Fuego copper-gold project.

While Costa Fuego’s mine development plan considers the use of raw seawater for future processing, the Company’s recently announced Water Supply Concept Study (see announcement dated 26<sup>th</sup> February 2024) confirmed the potential to also develop a large, multi-user, desalinated water supply business in the Huasco valley area.

A Water Supply Business Case Study is underway, and the Company has been engaging with potential desalination water customers, potential infrastructure partners and Chilean government regulators since announcement of the outcomes of the Water Supply Concept Study.

The second maritime concession application is a key next step to developing a potential desalinated water business to supply community, agricultural and new mining demand of up to 3,700 litres per second (l/s) over the long-term in the Huasco Valley.

Leveraging Hot Chili’s water assets to enable the development of multiple, nearby, large-scale mining projects, comes at a time where Chile’s government is actively encouraging investment in multi-user desalination water networks in the Atacama.

**Hot Chili’s Executive Vice President, José Ignacio Silva said:**

**“Water scarcity is THE critical issue for new mine developments in the Atacama on both the Chilean and Argentinean side of the Andes. Hot Chili is the only Company holding most of the necessary permits required to provide desalinated water to the Huasco valley – a prolific region for potential new global copper supply needed to support global electrification and decarbonation. Securing these assets has involved over a decade of commitment.**

**Socially and environmentally, multiclient and multipurpose water infrastructure is the new reality”.**

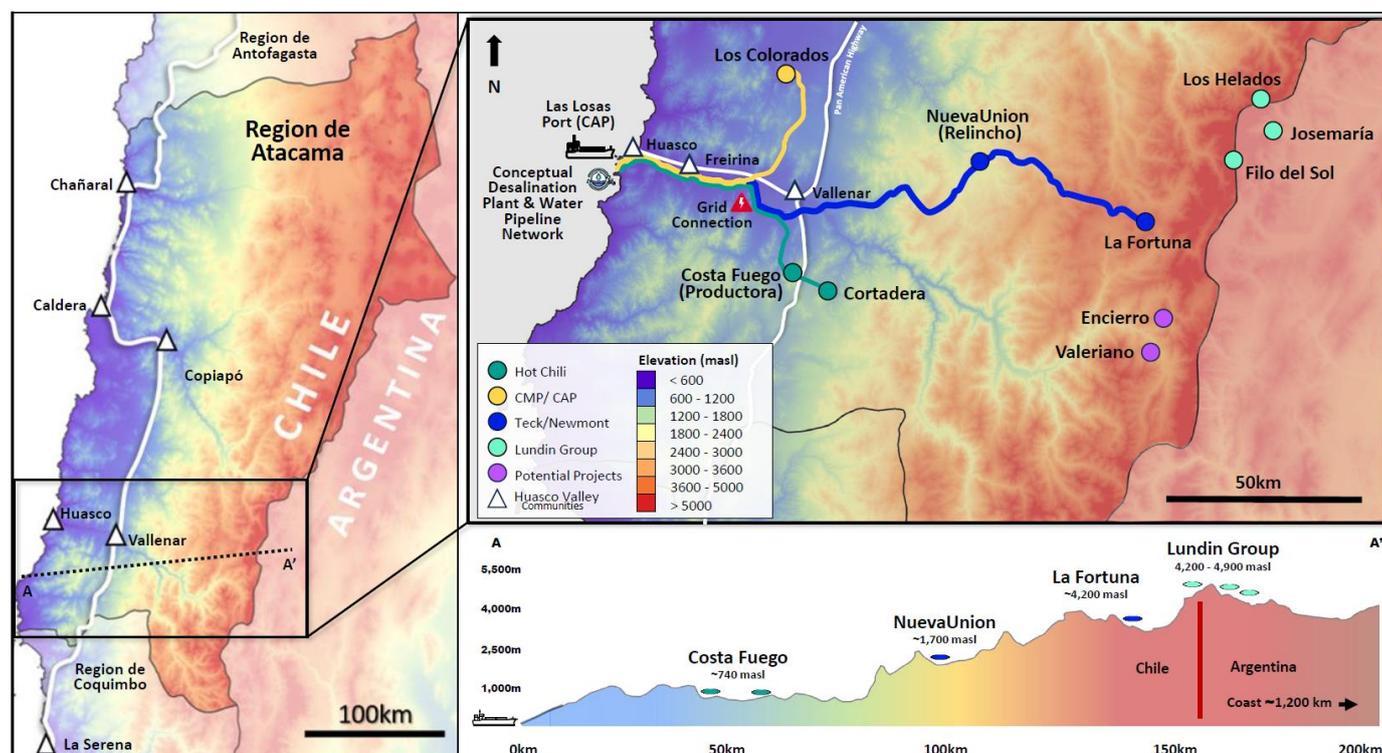


Figure 1 Location of conceptual water network and significant mines (Los Colorados – iron ore), new copper discoveries (Encierro and Valeriano) and significant undeveloped copper projects (Costa Fuego, Nueva Union and Lundin Group projects) in the Huasco valley area.

The Company looks forward to providing further updates on its Costa Fuego copper-gold project and its Water Business Case Study for the Huasco valley of Chile.

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

**Hot Chili's Managing Director and Chief Executive Officer Mr Christian Easterday is responsible for this announcement and has provided sign-off for release to the ASX and TSXV.**

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## Qualifying Statements

### Disclaimer

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

### Qualified Person

The technical information in this news release has been reviewed and approved by Mr. Christian Easterday, MAIG, Hot Chili's Managing Director and a qualified person within the meaning of NI43-101.

All amounts in this news release are in U.S. dollars unless otherwise noted.

### Forward Looking Statements

This news release contains certain statements that are "forward-looking information" within the meaning of Canadian securities legislation and Australian securities legislation (each, a "forward-looking statement"). All statements other than statements of historical fact are forward-looking statements. The use of any of the words "believe", "could", "estimate", "may", "plan", "potential", "projections", "will", variants of these words, and similar expressions are intended to identify forward-looking statements. The forward-looking statements within this news release are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this news release.

In this news release, forward-looking statements relate, among other things, to: the completion, timing, cost and results of a Water Supply Business Case Study; the execution of water off-take agreements including the approval of the TSXV (if required) and any other regulatory approvals; prospects, projections and success of the Company and its projects; the Company's ability to secure a suitable water infrastructure partner and required funding; the timing and outcomes of future planned economic studies; the timing and outcomes of regulatory processes required to obtain permits for the development and operation of a multi-user desalination water business as contemplated in the Water Supply Concept Study; whether or not the Company will make a finance and development decision and the timing thereof.

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

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

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

The forward-looking statements contained in this news release are expressly qualified by the foregoing cautionary statements and are made as of the date of this news release. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this news release or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.