

Hot Chili Closes US\$15 Million Investment by Osisko Gold Royalties

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PERTH, July 26, 2023 - [Hot Chili Ltd.](#) (ASX: HCH) (TSXV: HCH) (OTCQX: HHLKF) ("Hot Chili" or the "Company") is pleased to announce that it has closed its previously announced transaction with [Osisko Gold Royalties Ltd.](#) ("Osisko"), pursuant to which Hot Chili received proceeds of US\$15 million in exchange for the sale of a 1.0% Net Smelter Return (NSR) royalty on copper and a 3% NSR royalty on gold (the "Investment") across the Company's Costa Fuego Copper-Gold Project ("the Project") located 600 km north of Santiago, at low elevation (<1,000 m) in the coastal range of the Atacama Region, Chile.

The Investment by Osisko has strengthened the Company's current cash position to approximately A\$26 million, demonstrated strong look-through value of the Project's economics (see the Company's announcement dated 28th June 2023, entitled "Hot Chili Announces PEA for Costa Fuego") and provided another significant endorsement of Hot Chili's Costa Fuego project from one of North America's leading royalty-streaming groups (see the Company's announcement dated 28th June 2023, entitled "Hot Chili Announces US\$15 Million Investment Agreement with Osisko Gold Royalties").

The Company is now well funded to deliver the next steps in its growth and development plan, including:

- Commencement of 30,000 m drill program - preparations well-advanced; drilling operations set to commence in the coming weeks.
- Completion of Costa Fuego resource upgrade by late 2023
- Delivery of Costa Fuego pre-feasibility study ("PFS") in H2 2024 - The Company has already considerably advanced its PFS (approximately 80% complete) with minimal expenditure required for completion

Hot Chili's Managing Director Mr Christian Easterday commented, "We are very pleased to have closed the Investment with Osisko Gold Royalties enabling the Company to advance the project without the dilution of a share issuance."

"Costa Fuego is globally relevant, being one of only a handful of projects with potential to deliver near-term, meaningful, new copper supply into a looming global copper supply shortage."

The Company looks forward to providing updates on the Company's next steps shortly.

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 Forward Looking Statements

This document contains certain "forward-looking statements" and "forward-looking information" concerning the business, operations and financial performance and condition of Company. Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to the timing and ability, if at all, for the completion of the PFS; the timing and ability, if at all, to complete a resource upgrade at Costa Fuego; timing of the commencement of the Company's 30,000m drill programme; permitting and legal processes in relation to mining permitting and approvals; estimated production and mine life of the various mineral projects of the Company; the ability to obtain permits for operations; synergies; the realisation of mineral resource estimates; the benefits of the development potential of the properties of the Company; the future price of minerals, including gold, copper, and silver; the estimation of mineral reserves and resources; success of exploration activities; and currency exchange rate fluctuations. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan," "expect," "project," "intend," "believe," "anticipate," "estimate" and other similar words, or statements that certain events or conditions "may", "should" or "will" occur. Forward-looking statements are based on the opinions and estimates of the Company at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include the results of the Company's preliminary economic assessment and planned PFS, as well as future economic studies, the results of the planned 30,000m drill programme and their impact on mineral resources and the economic studies, variations in ore grade or recovery rates, changes in market conditions, risks relating to the availability and timeliness of permitting and governmental approvals; risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail and are cautioned not to place undue reliance on forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or the Company's estimates or opinions should change except as required by applicable securities laws. Any comparative market information is as of a date prior to the date of this document.

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