hot chili limited

ANNOUNCEMENT

Tuesday, 7 July 2026

Hot Chili Secures US$15 Million Via Amendment Agreement with OR Royalties Inc.

La Verde Added to Costa Fuego Royalty Footprint

Hot Chili Limited (ASX: HCH) (TSXV: HCH) (OTCQX: HHLKF) ("Hot Chili" or "Company") is pleased to announce the execution of a binding Amended and Restated Investment Agreement (the "A&R Investment Agreement") with OR Royalties Inc., formerly Osisko Gold Royalties Ltd ("OR") pursuant to which the Company has agreed to grant to OR a Net Smelter Return ("NSR") royalty on the Company's La Verde Project, as part of the broader Costa Fuego Cu-Au Project ("Costa Fuego" or "the Project"), in consideration for cash payment of US$15 million.

The A&R Investment Agreement brings total royalty consideration under the OR royalty arrangement to US$30 million (see the Company's press releases dated 28 June 2023, and 26 July 2023) with Hot Chili to receive US$15 million ("Royalty Consideration") at closing of the transactions contemplated by the A&R Investment Agreement. Closing remains subject to the satisfaction or waiver of certain customary conditions precedent for a transaction of this nature and is expected to occur in July 2026.

Highlights

- **US$15 million in additional non-dilutive funding** brings total OR royalty consideration to US$30 million, with proceeds directed toward La Verde and broader Costa Fuego advancement.
- **La Verde added to OR's royalty footprint, a pre-resource asset,** representing a significant endorsement by one of North America's most technically rigorous royalty companies.
- **The original 2023 OR royalty arrangement for Costa Fuego** was executed at the time of the Company's published Preliminary Economic Assessment ("PEA") in June 2023, which was underpinned by a then current 725 Mt Indicated Mineral Resource Estimate ("MRE") for Costa Fuego (effective March 2022). **La Verde currently carries no defined MRE, making OR's commitment of a further US$15M to its royalty arrangement a compelling statement on district scale exploration and resource potential.**
- **The Company has subsequently updated its mineral resources to a 798 Mt Indicated Mineral Resource** (effective 26 February 2024), which formed the basis of the Preliminary Feasibility Study ("PFS") completed in March 2025 and filed on SEDAR+ on 9 May 2025. The 2023 PEA has been superseded by the 2025 PFS and should no longer be relied upon.
- **Updated Change of Control Buyback** prior to the fourth anniversary of the original royalty closing. The OR NSR can be reduced to 0.5% NSR royalty on copper and 2.5% NSR royalty on gold.
- **OR to have a Right of First Offer ("ROFO")** with respect to the sale of any future royalty, stream, or similar interests by Hot Chili.
- **Clear "look-through" value** given the OR royalty is equivalent to a 1.12% CuEq[1] NSR royalty across payable metals for a total consideration of US$30 million, and Hot Chili's current market capitalisation of approximately US$280 million.
- **Strong Funding Approach** with A$40 million equity funding in February 2026 followed by expected closing of non-dilutive US$15 million (approx A$21.3 million) OR A&R Investment Agreement in July 2026.

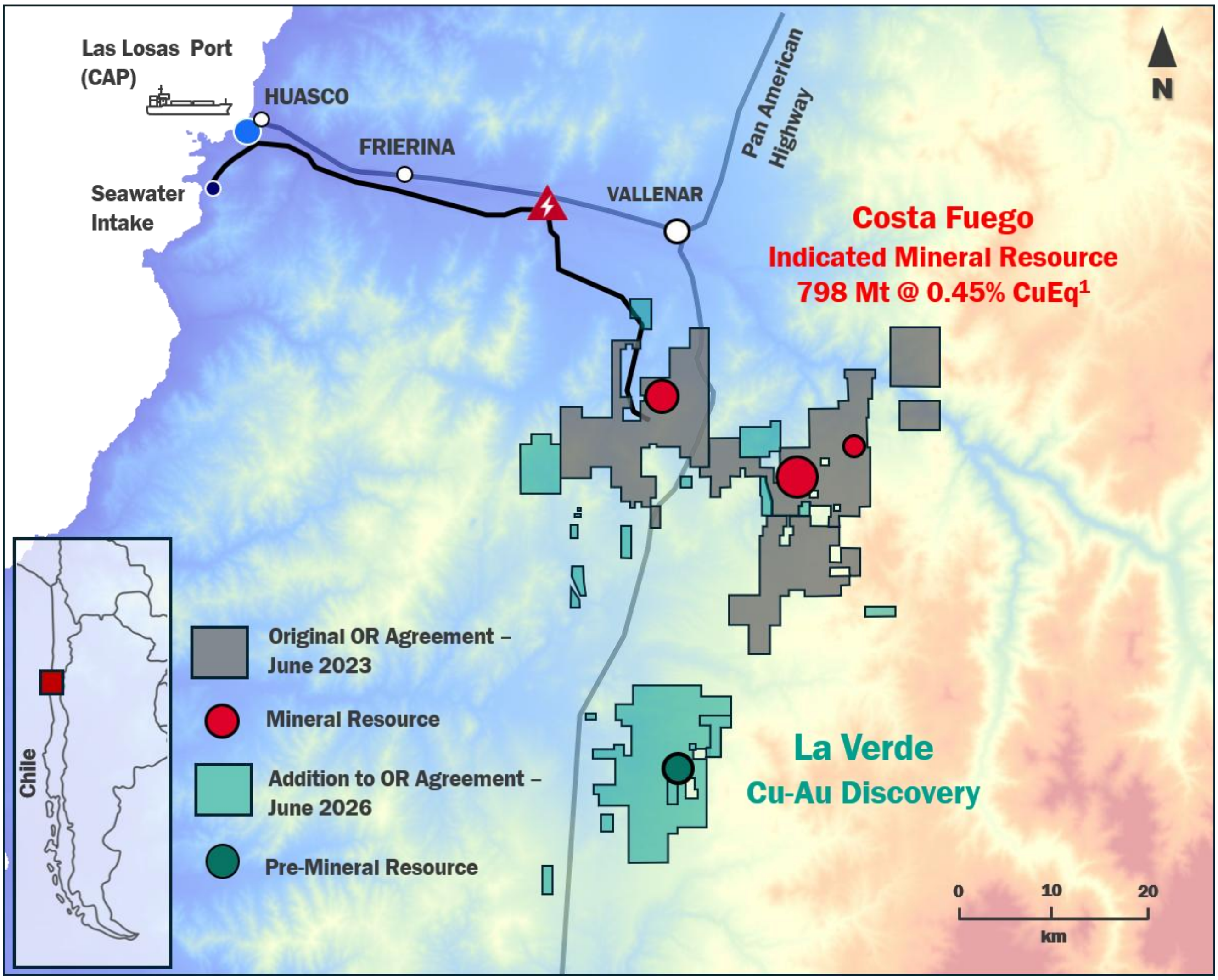
[1] CuEq considers assumed commodity prices and average metallurgical recoveries from test work. See qualifying statements below.

Hot Chili's Managing Director Mr Christian Easterday commented, *"When OR first invested in Costa Fuego in 2023, they were backing Hot Chili with a published PEA and a 725 Mt Indicated resource base. This time, they are committing another US$15 million to a pre-resource deposit, which speaks directly to the scale of what we see at La Verde and the potential impact it has for our future Costa Fuego copper-gold production hub.*

This transaction achieves two things simultaneously: it funds the advancement of La Verde without share dilution; and it gives the market a credible third-party datapoint on the value of an asset that has yet to be formally quantified. We look forward to rewarding OR's confidence with results."

Hot Chili's financial advisor is National Bank Financial Inc., and its Canadian legal counsel is Bennett Jones LLP.

Figure 1. Location map of La Verde in relation to Costa Fuego, Huasco Valley, Chile. Hot Chili's Costa Fuego tenement landholdings related to the Original OR royalty agreement shown in grey, and additions to the tenement holdings related to the new OR royalty agreement are shown in green.



[1] CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery) + (Mo ppm × Mo price per g/t × Mo_recovery) + (Au ppm × Au price per g/t × Au_recovery) + (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne × Cu_recovery). The Metal Prices applied in the calculation were: Cu=4.30 USD/lb, Au=2,280 USD/oz, Mo=20 USD/lb, and Ag=27 USD/oz. Recoveries of 83% Cu, 56% Au, 83% Mo and 37% Ag. CuEq (%) = Cu(%) + 0.69 x Au(g/t) + 0.00044 x Mo(ppm) + 0.0043 x Ag(g/t).

Summary of Material Terms of Amendment Agreement

The A&R Investment Agreement among Hot Chili, its Chilean subsidiaries holding title to the properties comprising the Costa Fuego Project (each a "**Seller**"), and OR, provides for the purchase by OR of a royalty from each Seller, the material terms of which are summarised below:

Material Term	**2026 Amendment Agreement**	**2023 Original Agreement**
Royalty Consideration	US$30M total (inclusive of US$15M from June 2023)	US$15M
Royalty Interest	Extended to include La Verde; otherwise, unchanged (see Figure 1)	A net smelter return royalty with respect to a Seller's share of copper and gold production from the Project comprising 1.0% of payable copper production and 3.0% of payable gold production on Costa Fuego. Equivalent to a 1.12% CuEq[1] NSR royalty across payable metals
Resource Status at Execution	Pre-resource stage for La Verde	Costa Fuego 2023 PEA published (725 Mt Indicated Resource, which has subsequently been increased and superseded)
Buyback	If a Change of Control Event occurs prior to the 4th anniversary of closing; No change except for **the following changes to buy back relating only to La Verde** i. 130% of the Royalty Consideration if exercised between the 2nd and 3rd anniversary of closing ii. 130% of the Royalty Consideration if exercised between the 3rd and 4th anniversary of closing	If a Change of Control Event occurs prior to the 4th anniversary of closing, the Seller shall be entitled to reduce the royalty percentage such that the resulting royalty rate applicable on payable copper becomes 0.5% and the royalty rate applicable on payable gold becomes 2.5% in exchange for a payment to OR in an amount as follows; i. 140% of the Royalty Consideration if exercised between the 2nd and 3rd anniversary of Closing ii. 150% of the Royalty Consideration if exercised between the 3rd and 4th anniversary of Closing A "Change of Control Event" occurs when control (meaning over 50% of the voting securities) and decision-making power of either the Hot Chili or Seller is acquired by another party
ROFO	No change	OR to have a ROFO with respect to the sale of any future royalty, stream, or similar interests by Hot Chili
Use of Proceeds	No change	No less than 90% for exploration, development and general advancement of the Project
Royalty Security	No change	The royalty will be secured against all property, assets, undertaking and rights of each Seller, including the Project. In connection with any construction financing for the Project, OR has agreed to principals under which it would subordinate its security interests to encumbrances granted under a senior bank loan facility, subject to customary terms and conditions

[1] CuEq considers assumed commodity prices and average metallurgical recoveries from test work. See qualifying statements page 5.

The Company will receive US$15 million (approximately A$21.3 million) Royalty Consideration at closing of the transactions contemplated by the A&R Investment Agreement, expected in July 2026.

The Directors look forward to an exciting period ahead with three drill rigs in operation at La Verde. The Company expects to continue delivering strong news flow ahead of a maiden Mineral Resource Estimate for La Verde and a revised Pre-Feasibility Study for Costa Fuego.

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

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or visit Hot Chili's website at www.hotchili.net.au

Qualifying Statements

The scientific and technical information contained in this news release has been reviewed and approved by Mr. Christian Easterday, MAIG, Hot Chili's Managing Director, who is a “qualified person” as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Technical Report

The scientific and technical information contained in this announcement with respect to Costa Fuego is supported by the technical report titled "Costa Fuego Copper Project NI 43–101 Technical Report Preliminary Feasibility Study" dated May 9, 2025 with an effective date of March 27, 2025, prepared by Wood Australia Pty Ltd, a copy of which is available on SEDAR+ (www.sedarplus.ca) under the Company’s issuer profile. Reference should be made to the full text of the technical report for a complete description of assumptions, qualifications and procedures associated with the technical information summarized herein.

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 announcement.

Forward Looking Statements

This announcement contains certain statements that are "forward-looking information" within the meaning of Canadian securities legislation and Australian securities legislation (each, a "forward-looking statement"). Forward-looking statements reflect the Company's current expectations, forecasts, and projections with respect to future events, many of which are beyond the Company's control, and are based on certain assumptions. No assurance can be given that these expectations, forecasts, or projections will prove to be correct, and such forward-looking statements included in this announcement should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “estimate”, “expected”, "may", “impact”, "planned", "potential", "project", "could", "should", "will", “would”, variants of these words and similar expressions are intended to identify forward-looking statements.

The forward-looking statements within this announcement are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this announcement.

In this announcement, forward-looking statements relate, among other things, to: the potential of the La Verde discovery; the potential to define a maiden mineral resource at La Verde; the timing of closing of the transactions contemplated by the A&R Investment Agreement; regulatory applications and approvals; the timing and results of future economic studies, including the planned revised Pre-Feasibility Study for Costa Fuego; and the Company's future exploration and other business plans.

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 announcement, including, but not limited to, the following material factors: the ability of drilling and other exploration activities to accurately predict mineralisation; 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 or mineral reserves 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 announcement and elsewhere in the Company's public disclosure record.

Although the forward-looking statements contained in this announcement 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 announcement, 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 has included the above summary of assumptions and risks related to forward-looking information provided in this announcement to provide investors with a more complete perspective on the Company's future operations, and such information may not be appropriate for other purposes. 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) 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 announcement are expressly qualified by the foregoing cautionary statements and are made as of the date of this announcement. 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 announcement or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Investors should read this entire announcement and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of an investment in the Company.

Mineral Resources

The information in this presentation that relates to Mineral Resources for the Costa Fuego Project was previously reported in the Company's announcement 'PFS & Maiden Ore Reserve for the Costa Fuego Cu-Au Project' released to ASX on 27 March 2025 (the "PFS Announcement") and the technical report entitled 'Costa Fuego Copper Project – NI 43-101 Technical Report Mineral Resource Estimate Update' dated 9 May 2025 with an effective date of 27 March 2025 (the "MRE"), which are available to view on the Company's website at www.hotchili.net.au/investors/investor-centre/market-announcements. The Company confirms it is not aware of any new information or data that materially affects the information included in the PFS Announcement and the MRE and all material assumptions and technical parameters stated for the Mineral Resources and Ore Reserves continue to apply and have not materially changed.

Copper-equivalent (CuEq)

Copper-equivalent (CuEq) net smelter return royalties for all metals, from all production sources were estimated to match the combined revenues (net of selling costs) anticipated from copper and gold, based on the Company's latest technical information. Revenues considered the combined contribution of estimated processing feed and used long-term commodity prices of: Copper US$ 3.85/lb, Gold US$ 1,750/oz, Molybdenum US$ 15/lb, and Silver US$21/oz; and estimated metallurgical recoveries for the production feed to the following processes: Concentrator (87% Cu, 56% Au, 37% Ag, 58% Mo), Oxide Leach (55% Cu only), & Low-grade Sulphide Leach (40% Cu only).

Mineral Resources (26 February 2024)

Costa Fuego OP Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq[1])	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	736	0.46	0.37	0.11	0.50	85	3,370,000	2,720,000	2,480,000	11,700,000	62,800
M+I Total	**736**	**0.46**	**0.37**	**0.11**	**0.50**	**85**	**3,370,000**	**2,720,000**	**2,480,000**	**11,700,000**	**62,800**
Inferred	170	0.30	0.25	0.06	0.36	65	520,000	420,000	340,000	1,900,000	11,000

Costa Fuego UG Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.27% CuEq[1])	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	62	0.39	0.31	0.08	0.55	85	250,000	190,000	160,000	1,100,000	5,300
M+I Total	**62**	**0.39**	**0.31**	**0.08**	**0.55**	**85**	**250,000**	**190,000**	**160,000**	**1,100,000**	**5,300**
Inferred	33	0.35	0.29	0.07	0.41	46	120,000	96,000	76,000	430,000	1,500

Costa Fuego Total Resource		Grade					Contained Metal				
Classification	Tonnes	CuEq	Cu	Au	Ag	Mo	Copper Eq	Copper	Gold	Silver	Molybdenum
(+0.20% CuEq[1] OP 0.27% CuEq[1] UG)	(Mt)	(%)	(%)	(g/t)	(g/t)	(ppm)	(tonnes)	(tonnes)	(ounces)	(ounces)	(tonnes)
Indicated	798	0.45	0.37	0.10	0.50	85	3,620,000	2,910,000	2,640,000	12,800,000	68,100
M+I Total	**798**	**0.45**	**0.37**	**0.10**	**0.50**	**85**	**3,620,000**	**2,910,000**	**2,640,000**	**12,800,000**	**68,100**
Inferred	203	0.31	0.25	0.06	0.36	61	640,000	516,000	416,000	2,330,000	12,500

[1] Mineral Resources are reported on a 100% Basis - combining Mineral Resource estimates for the Cortadera, Productora, Alice and San Antonio deposits. All figures are rounded, reported to appropriate significant figures and reported in accordance with the Joint Ore Reserves Committee Code (2012). Mineral resource estimation practices are in accordance with CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (29 November 2019) and CIM Environmental, Social and Governance Guidelines for Mineral Resources and Mineral Reserve Estimation (8 September 2023) and reported in accordance CIM Definition Standards for Mineral Resources and Mineral Reserves (10 May 2014) that are incorporated by reference into NI 43-101.

[2] Mineral Resources are inclusive of Mineral Reserves

[3] The Productora deposit is 100% owned by Chilean incorporated company Sociedad Minera El Aguila SpA (SMEA). SMEA is a joint venture (JV) company – 80% owned by Sociedad Minera El Corazón SpA (a 100% subsidiary of Hot Chili Limited), and 20% owned by Compañía Minera del Pacífico S.A (CMP).

[4] The Cortadera deposit is controlled by a Chilean incorporated company Sociedad Minera La Frontera SpA (Frontera). Frontera is a subsidiary company – 100% owned by Sociedad Minera El Corazón SpA, which is a 100% subsidiary of Hot Chili Limited.

[5] The San Antonio deposit is controlled through Frontera (100% owned by Sociedad Minera El Corazón Limitada, which is a 100% subsidiary of Hot Chili Limited) and has an Option Agreement with a private party to earn a 100% interest.

[6] The Mineral Resource Estimates in the tables above form coherent bodies of mineralisation that are considered amenable to a combination of open pit and underground extraction methods based on the following parameters: Base Case Metal Prices: Copper US$ 3.00/lb, Gold US$ 1,700/oz, Molybdenum US$ 14/lb, and Silver US$20/oz.

[7] All Mineral Resource Estimates were assessed for Reasonable Prospects of Eventual Economic Extraction (RPEEE) using both Open Pit and Block Cave Extraction mining methods at Cortadera and Open Pit mining methods at Productora, Alice and San Antonio.

[8] Metallurgical recovery averages for each deposit consider Indicated + Inferred material and are weighted to combine sulphide flotation and oxide leaching performance. Process recoveries:
Cortadera – Weighted recoveries of 82% Cu, 55% Au, 81% Mo and 36% Ag. CuEq(%) = Cu(%) + 0.55 x Au(g/t) + 0.00046 x Mo(ppm) + 0.0043 x Ag(g/t)
San Antonio - Weighted recoveries of 85% Cu, 66% Au, 80% Mo and 63% Ag. CuEq(%) = Cu(%) + 0.64 x Au(g/t) + 0.00044 x Mo(ppm) + 0.0072 x Ag(g/t)
Alice - Weighted recoveries of 81% Cu, 47% Au, 52% Mo and 37% Ag. CuEq(%) = Cu(%) + 0.48 x Au(g/t) + 0.00030 x Mo(ppm) + 0.0044 x Ag(g/t)
Productora – Weighted recoveries of 84% Cu, 47% Au, 48% Mo and 18% Ag. CuEq(%) = Cu(%) + 0.46 x Au(g/t) + 0.00026 x Mo(ppm) + 0.0021 x Ag(g/t)
Costa Fuego – Recoveries of 83% Cu, 53% Au, 71% Mo and 26% Ag. CuEq(%) = Cu(%) + 0.53 x Au(g/t) + 0.00040 x Mo(ppm) + 0.0030 x Ag(g/t)

[9] Resource Copper Equivalent (CuEq) grades are calculated based on the formula: CuEq% = ((Cu% × Cu price 1% per tonne × Cu_recovery) + (Mo ppm × Mo price per g/t × Mo_recovery)+(Au ppm × Au price per g/t × Au_recovery)+ (Ag ppm × Ag price per g/t × Ag_recovery)) / (Cu price 1% per tonne × Cu recovery). The base case cut-off grade for mineral resources considered amenable to open pit extraction methods at the Cortadera, Productora, Alice and San Antonio deposits is 0.20% CuEq while the cut-off grade for Mineral Resources considered amenable to underground extraction methods at the Cortadera deposit is 0.27% CuEq.

[10] Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. These Mineral Resource estimates include Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as Mineral Reserves. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Measured or Indicated Mineral Resources with continued exploration.

[11] The effective date of the estimate of Mineral Resources is 27 March 2025. Refer to JORC Code Table 1 information in the announcement "Hot Chili Announces PFS & Maiden Ore Reserve for the Costa Fuego Cu-Au Project" dated 27 March 2025 related to the Costa Fuego Resource Estimate (MRE) by Competent Person Elizabeth Haren, constituting the MREs of Cortadera, Productora, Alice and San Antonio (which combine to form Costa Fuego).

[12] Hot Chili Limited is not aware of political, environmental, or other risks that could materially affect the potential development of the Mineral Resources other than as disclosed in the 2025 PFS. Technical Report 'Costa Fuego Copper Project NI 43–101 Technical Report Preliminary Feasibility Study' dated 9 May 2025.