Announcement

Wednesday, 4 February 2026

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Hot Chili Arranges A$40 Million Funding to Accelerate La Verde into Expanded Feasibility for the Costa Fuego Cu-Au Project, Coastal Chile

Environmental Impact Assessment being prepared for submission in 2026 for approval to develop a new annual production hub of 100 kt copper & 50 koz gold

Highlights

- **A$40M private placement received strong demand from Australian, Canadian and overseas institutional investors, as well as the Company's three largest shareholders (Glencore, Blue Spec and GS Group)**
- **Upon completion of the capital raise, the Company will be well funded in 2026 to deliver strong growth and development milestones for the Costa Fuego copper-gold (Cu-Au) project ("Costa Fuego" or "the Project"), located in the coastal range of Chile (Figure 1):**
    - **Accelerated drilling at the La Verde Cu-Au discovery to deliver an increase in the Company's Mineral Resource base, with a focus on delineating a potential higher-grade starter pit for Costa Fuego**
    - **Commencement of Costa Fuego's feasibility study and integration of La Verde into an expanded open pit mine schedule**
    - **Submission of an Environmental Impact Assessment (EIA) for Costa Fuego in late 2026 and advancement of Huasco Water**
    - **Maintaining funding flexibility to further engage with several prospective strategic partners engaged in ongoing asset-level strategic partnering processes being led by BMO Capital Markets**
- **Further drilling, corporate and development updates expected as the Company accelerates its growth and development plan with strengthened treasury and a rising copper and gold price environment**

Hot Chili Limited (ASX: HCH) (TSXV: HCH) ("Hot Chili" or the "Company") is pleased to announce that it has successfully arranged a A$40 million private placement to institutional and professional investors through the issue of 24,242,425 new fully paid ordinary shares ("Shares") at an offer price of A$1.65 (C$1.56) per Share (the "Placement").

Veritas Securities Limited, ATB Cormark Capital Markets and Desjardins Capital Markets acted as joint lead managers ("JLMs") and BMO Capital Markets, as a co-manager (together with the JLMs, the "Agents"), to the Placement. The Placement was oversubscribed and received strong demand from Australian, Canadian and overseas institutional investors as well as existing substantial shareholders.

The Placement ensures that Costa Fuego remains among the few globally significant copper projects not controlled by major mining companies, with the potential to contribute substantially to new copper supply this decade.

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Hot Chili's Managing Director Christian Easterday said:

"We are delighted by the overwhelming support received from new and existing institutional investors, as well as our top three major shareholders, in the Placement. The strong participation from these groups highlights the confidence in our strategy to continue driving Hot Chili's re-rate into a rising copper market.

Their commitment underpins the Company's ability to advance key milestones and strengthens our position as we continue to develop one of the world's few remaining significant copper projects not controlled by a major mining company, that could deliver meaningful new copper supply this decade.

These funds place us in a strong position to commence the Costa Fuego feasibility study and to aggressively accelerate the La Verde Cu-Au discovery drill-out, targeting a potential higher-grade starter pit for Costa Fuego capable of significantly reducing capital payback timeframes and enhancing financial metrics.

Market conditions are indicative of a supply-driven, rising copper price cycle and the Company is well funded to take advantage of controlling the right assets, at the right scale, with a new major discovery, at the right time."

Purpose and Use of Funds

The Company continues to receive increasing interest from prospective strategic partners regarding its advanced Costa Fuego development and associated Huasco Water Supply project. This increased attention, coupled with a favourable copper price environment, reinforces management's confidence in accelerating the Company's growth and development strategy.

Proceeds from the Placement and existing cash on hand will be used to fund:

- extensional and resource definition drilling at the expanding La Verde Cu-Au discovery to establish a maiden mineral resource and further define the size, scale and grade of a potential higher-grade starter pit for Costa Fuego;
- exploration drilling of highly prospective look-alike porphyry targets adjacent to La Verde;
- completion and submission of an EIA for Costa Fuego;
- ongoing evaluation of asset-level strategic funding options for the development of the Costa Fuego and Huasco Water Projects; several non-binding, indicative, incomplete and conditional offers being assessed;
- development of the Huasco Water Project;
- payments for surface rights, rents and patents, tenement maintenance and option payments;
- commencement of the Costa Fuego feasibility study, incorporating La Verde;
- general and administrative expenses and unallocated working capital.

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Strategic Partnering Processes Advancing Well

Following completion of the Pre-feasibility Studies (PFS) for Costa Fuego and Huasco Water in March 2025, Hot Chili initiated an asset-level strategic Partnering Process to introduce one or more qualified partners with the financial, technical and operational capability to assist in funding and delivering each project.

The Partnering Process continues to progress well. Several additional parties entered the Partnering Process in late 2025, with the Company subsequently receiving further non-binding, indicative, incomplete and conditional proposals in relation to potential transactions for the Projects. The Company remains actively engaged in assessing these proposals, with several parties advancing through due diligence and site visits recently.

The Partnering Process is ongoing and may result in a range of transactions for the projects. Investors are cautioned that there is no certainty the Partnering Process will result in a transaction or binding agreement.

BMO Capital Markets has been appointed as financial adviser in connection with the Partnering Process.

Details of the Placement

The Company has arranged a Placement of 24,242,425 Shares to raise A$40 million (before costs). The Placement has been completed in Australia under an offer to investors who qualify as professional or sophisticated investors under sections 708(8), (10) and (11) of the *Corporations Act 2001* (Cth) for aggregate gross proceeds of approximately A$21,796,002 (13,209,698 Shares), and in Canada by way of private placement pursuant to Part 5A of National Instrument 45-106 – Prospectus Exemptions ("NI 45-106") as amended and supplemented by Coordinated Blanket Order 45-935 Exemptions from Certain Conditions of the Listed Issuer Financing Exemption (“LIFE Exemption”) in each of the provinces and territories of Canada, other than Quebec, for aggregate gross proceeds of approximately C$17,211,054 (A$18,204,000) or 11,032,727 Shares.

The new Shares will be issued within the Company's 25% placement capacities under Australian Securities Exchange (**ASX**) listing rules 7.1 and 7.1A.

Shares under the Placement will be issued at a price of A$1.65 (C$1.56) each and will rank equally with all other Shares currently on issue. The issue price of A$1.65 per Share represents a 15% discount to the Company’s last closing price and a 13.6% discount to the 5-day volume weighted average price of Hot Chili shares traded on ASX prior to the Company entering into a trading halt on 2 February 2026.

The issue of the Shares under the Placement is expected to occur on 12 February 2026, or on such other date as the Company and the JLMs may agree.

The Company will pay to the Agents a cash commission equal to 6.0% of the gross proceeds of the Placement and will issue to the Agents such number of non-transferable and unlisted options in the Company (the "Broker Options") as is equal to 5.0% of the number of Shares issued under the Placement (1,212,121 Broker Options). Each Broker Option will be exercisable to acquire one Share at a price of A$2.145 per Share on or before the date that is 30 months following the issue of the Broker Options. The Broker Options will be issued within the Company’s capacity under ASX listing rule 7.1.

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

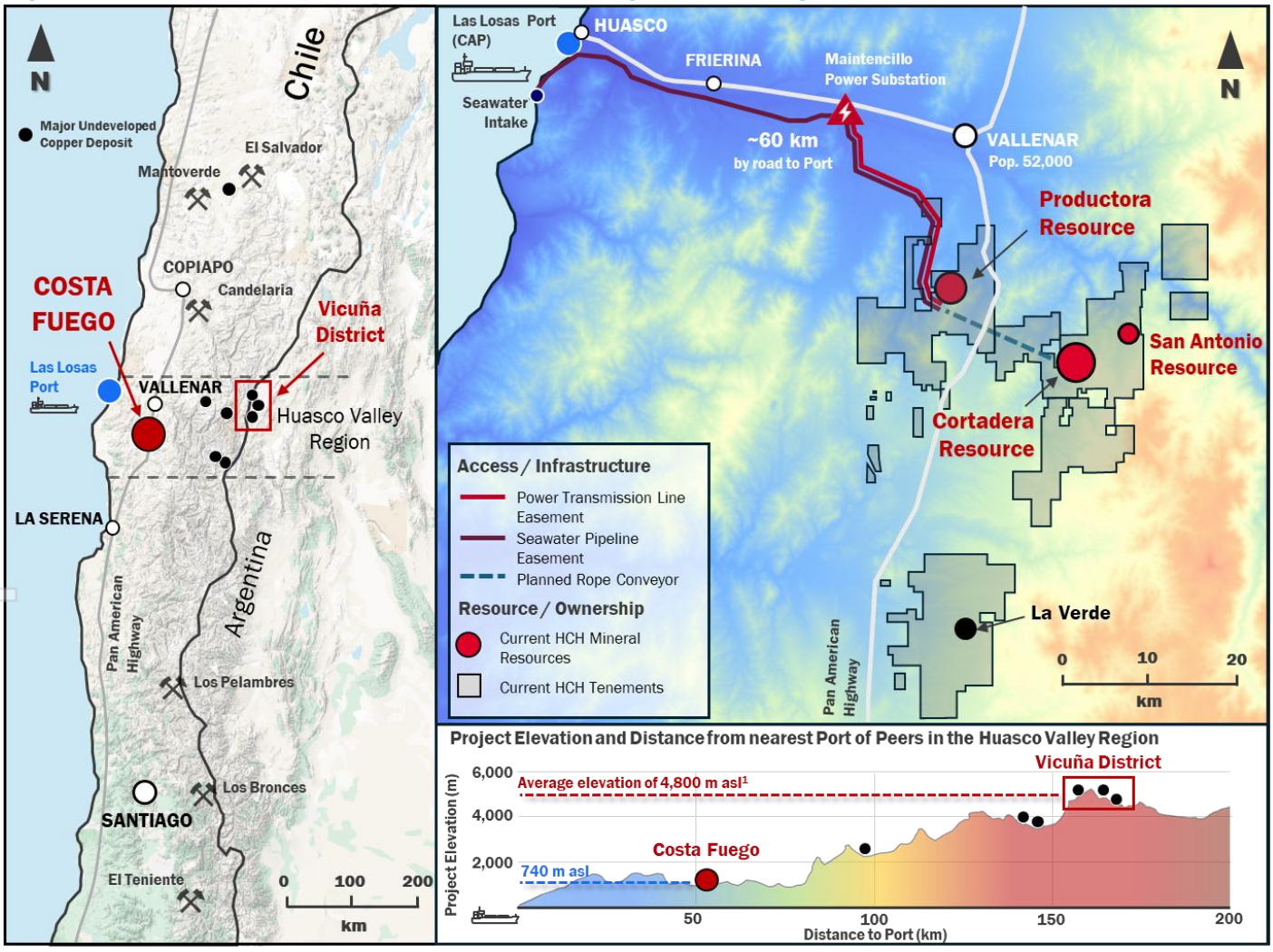
Hot Chili's Managing Director and Chief Executive Officer Mr Christian Easterday is responsible for this announcement and has provided sign-off for release to the ASX and TSXV.

For more information please contact:

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

Figure 1. Location of La Verde in relation to Costa Fuego, coastal range Chile



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US Securities Laws

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the Securities Act of 1933 (the "1933 Act") or any U.S. state securities laws, and may not be offered or sold within the United States unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

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”, “expansion”, “expectations”, "may", "plan", "potential", "project", “reinforce”, “large-scale”, "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; regulatory applications and approvals; the timing and results of future economic studies; the timing and scale of future production; the Company's future exploration and other business plans; and statements related to the closing date, use of proceeds, and terms related to the Placement.

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: the ability to obtain all regulatory approvals and satisfy all conditions for completion of the Placement; 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.

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