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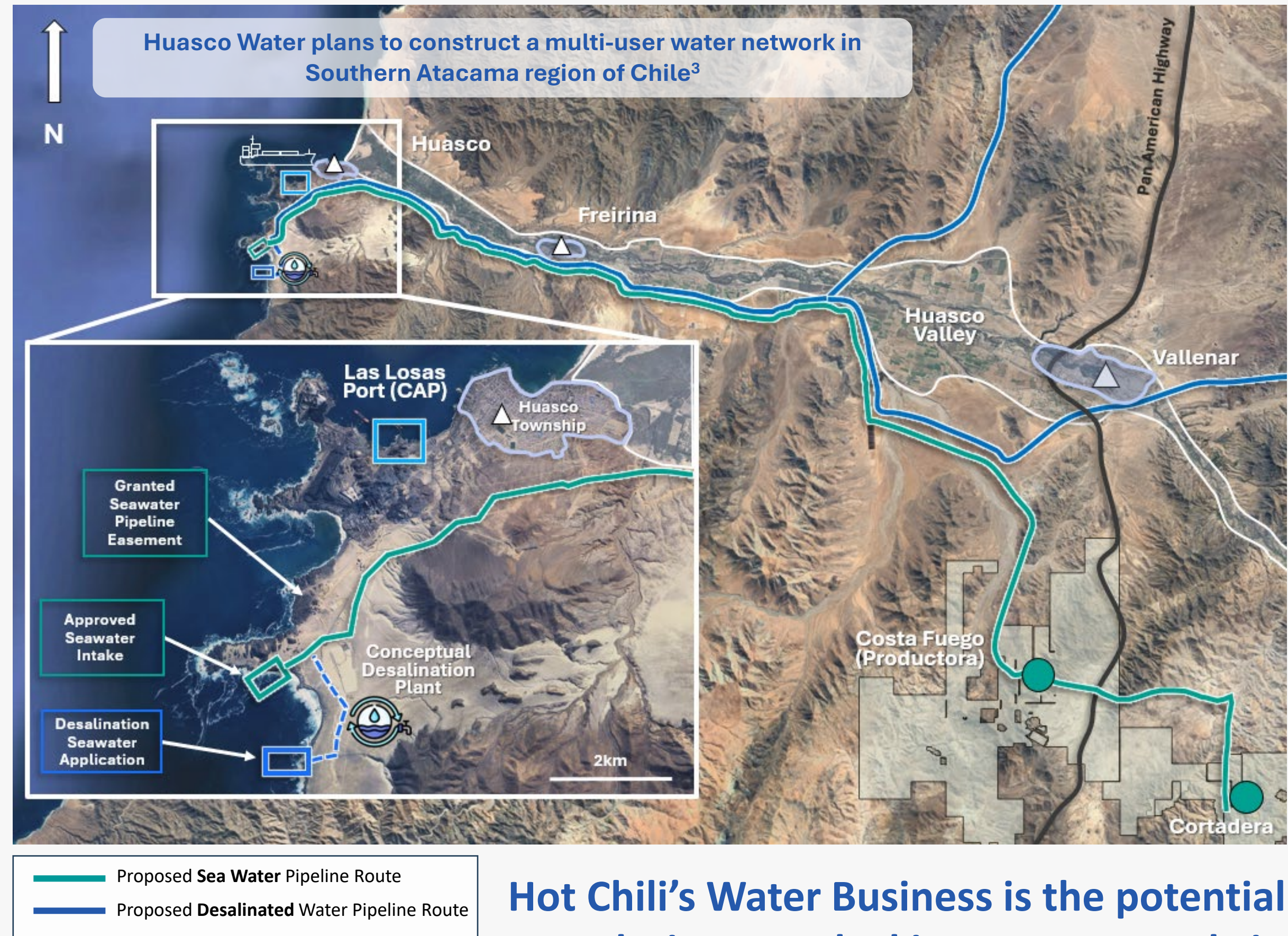
ASX: HCH
TSXV: HCH
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Huasco Water

A Water Supply Business for the Growth and
Development of the Southern Atacama, Chile

Huasco Water

- **New Joint Venture water company established.** Hot Chili (80% interest) & CMP¹ (20% interest)
- Long lead-time items secured, including a **granted maritime water concession** to extract seawater and a permit for **coastal land access**
- **Transfer of all water assets** to Huasco Water **in-progress**
- **International Engineering firm ILF appointed** to complete regional Water Supply Business Case Study² (PFS-Engineering) with targeted completion in H1 2025
- **Water off-taker and joint infrastructure partnership discussions advancing**



Hot Chili's Water Business is the potential solution to unlocking copper supply in the Atacama



¹ CMP refers to Compañía Minera del Pacífico

² Will be referred to as "the PFS" or "the Study" through this presentation

³ See Announcement 'Hot Chili Launches New Water Company - Huasco Water' dated 08 July 2024

Project Team

An integrated team brings vision and expertise to the Huasco Water Project

HW Board



Executive Sponsor
Claudia Monreal



Executive Director
Christian Easterday



Executive Director
Jose Silva

HW Management



Project Consultant
Martin Ridley
Charles Marcus Consult.



Delivery Director
Grant King



Lead
Marcelo Hernando



Lead
Christian Easterday



Lead
Jose Silva



Lead
Jose Silva



Engineering Advisory
Alvaro Hernandez
Paillahuente



Legal Advisory
Andrew Newbery
Gowling WLG



Engineering Consultancy
ILF



Marine Consultancy
PRDW



Environment
Cristobal Julia



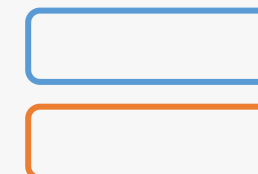
Legal Advisory
Juan Francisco Sanchez
Valdivia Legal

Engineering

Finance, Investor & Partner Relations

Customer & Market Engagement

Regulatory & Stakeholder



Huasco Water Employee

External Consultant/Advisor

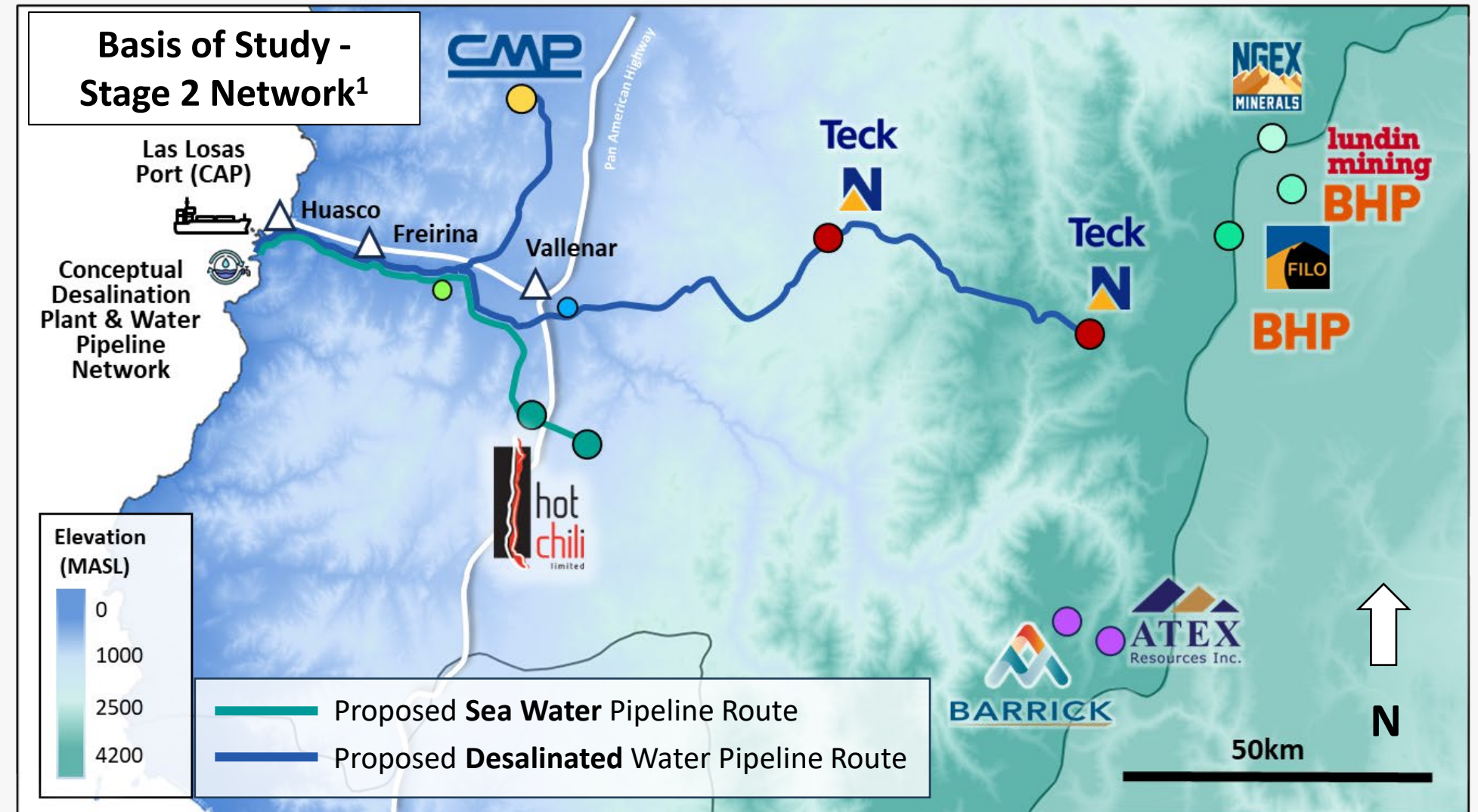
Huasco Water – Conceptual Basis of Study¹

Proposed three-stage approach² aligned with Costa Fuego development plan

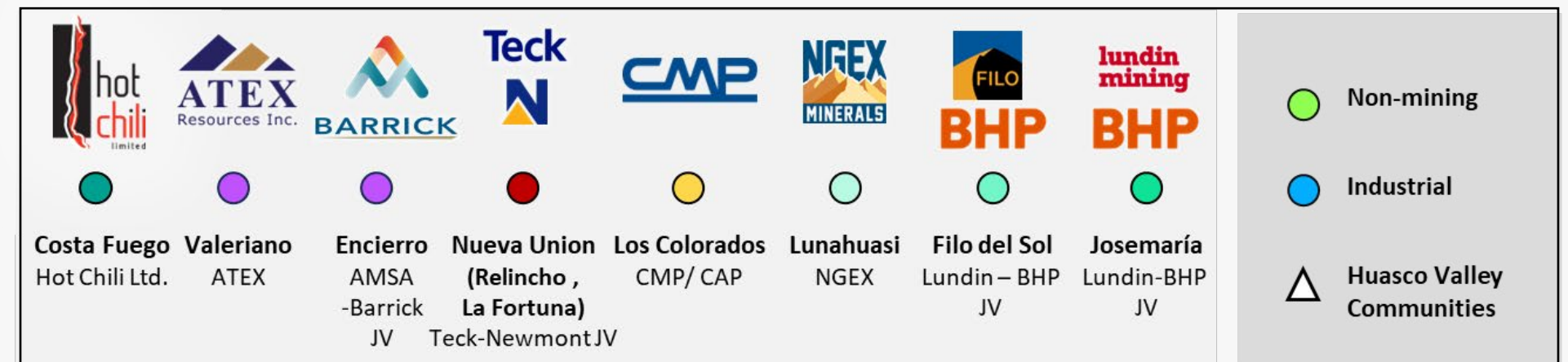
Stage 1¹: Establishment of sea water intake, principal pipeline route and infrastructure connection to supply minimum 600 L/s seawater to Costa Fuego.

Potential Stage 2¹: Baseline modular desalination plant, desalination pipeline and supply to Los Colorados, Nueva Union projects and nearby communities

Potential Stage 3¹: Desalination upgrade and extension to higher Andean projects for 2050 and beyond



Potential Customers Considered in Study ¹		Basis of Study - Water Demand (L/s) ¹			
		Preliminary Feasibility Study		Scoping Study ³	
		Stage 1 - Year 1	Stage 2 - Year 3	Stage 3 - Year 23+	
Seawater	Costa Fuego	600	600	-	
	Seawater Total	600	600	-	
Desalinated Water	Huasco Valley Communities	-	100	100	
	CMP	-	200	200	
	Nueva Union	Relincho	-	740	1,340
		La Fortuna	-	100	100
	ATEX	-	-	400	
	Other	-	165	165	
	Desalinated Water Total	-	1,305	2,305	



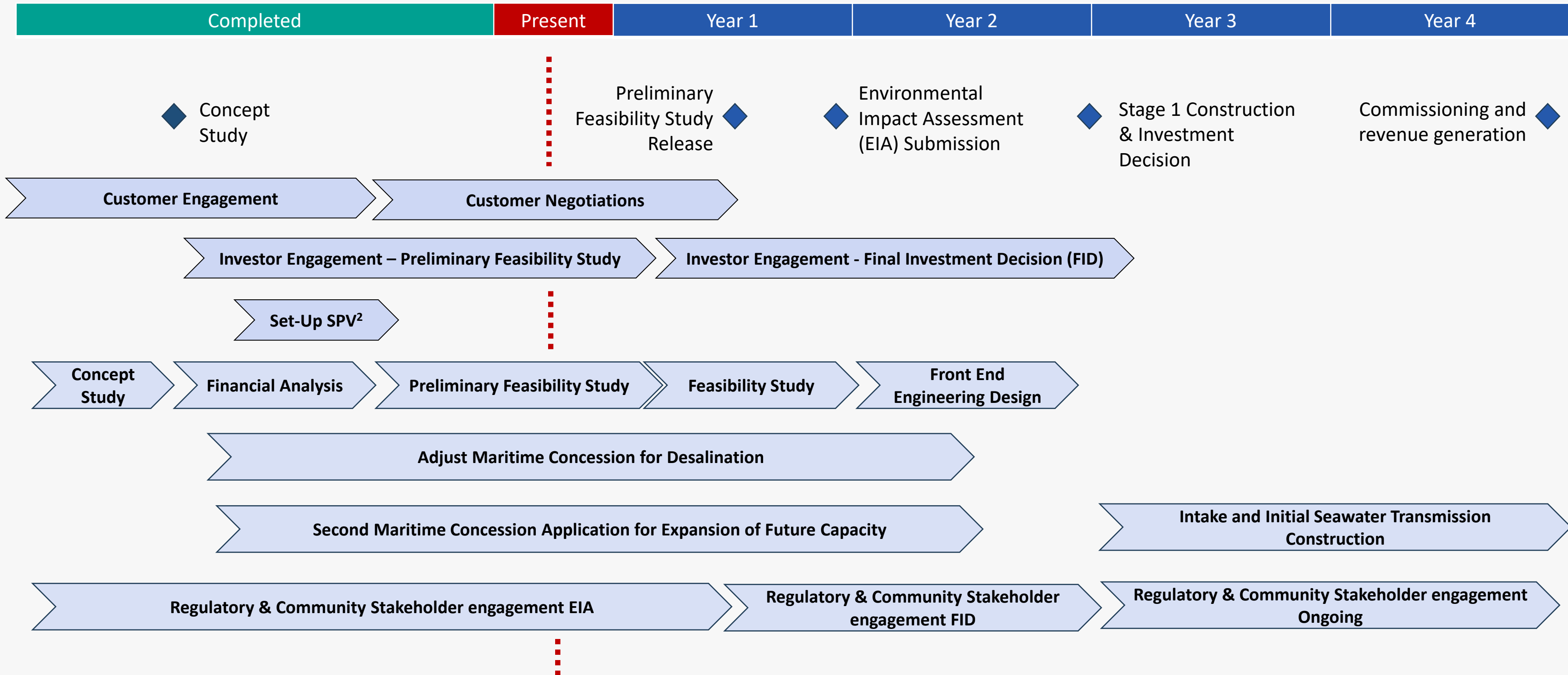
¹ Conceptual water demands and timeframes are for the purposes of the Huasco Water PFS-level Engineering Study only. They do not represent a forecast of actual water supply or demand, nor do they imply that potential customers will go into production and would enter into water offtake agreements with Huasco Water.

² Further detail of staged approach included in Appendix slides 9 to 11

³ Stage 3 study work will only be completed at a Scoping Study level, reflecting an appropriate level of investment to inform decisions which remain on a 20+ year time-frame

Conceptual Development Roadmap¹

Conceptual roadmap ensures alignment and synergies between Huasco Water and Costa Fuego



¹ All dates are preliminary in nature and subject to change
² SPV refers to Special Purpose Vehicle

Huasco Water: PFS Progress¹

PFS on-track for completion in H1 2025, with critical workstreams progressing across three key areas

Engineering

- **Initial Engineering trade-off Study complete**, with analyses determining most viable solution based on cost and deliverability
- Recommendations from the trade-off are being **reviewed for consistency with the Costa Fuego PFS**, being developed in parallel

Regulatory and Stakeholder

- **Transfer of water assets to Huasco Water** nearing completion
- Secondary concession application² progressing, expected by Q1 2026
- Preliminary **environmental studies and archaeological surveys** being completed at the maritime concession

Customer and Market Engagement

- **Significant interest** from regional near-mine developers and non-mining customers for future desalinated water offtake
- **Positive engagement with the local community**, who see fresh water supply as fundamental to the region

¹ Further detail on PFS scope and trade-off studies are available in the Appendix slides 12 - 14

² See announcement '*Hot Chili Submits Second Maritime Concession Application*' dated 12 April 2024

Risks & Mitigations

Key risks are being managed and the overall Project risk profile is decreasing

Risks

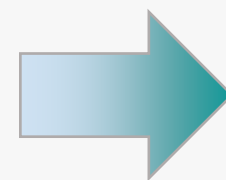
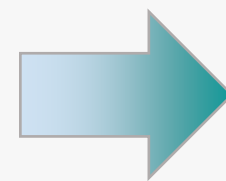
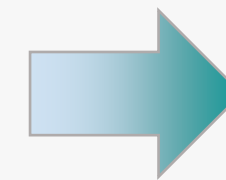
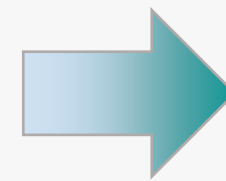
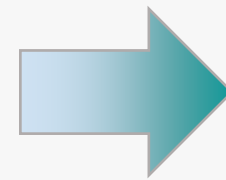
Stakeholder Complexity

Suitability of Maritime Concession

Environmental Approvals

Sufficient Third-Party Offtakers

Impact on Costa Fuego



Mitigations

Leveraging **local and global experts** within the Huasco Water team who understand needs of stakeholder groups

Second concession has been moved to a **prioritized approval process**, expected completion by Q1 2026

Site of **planned desalination plant controlled by a potential client**, **pipeline easement secured**, Huasco Water team has **proven track record of securing easements**

Early engagement has been **overwhelmingly positive**, with strong understanding of potential to **reduce CAPEX hurdles, decrease timeline to development, and significantly increase Project NPV**

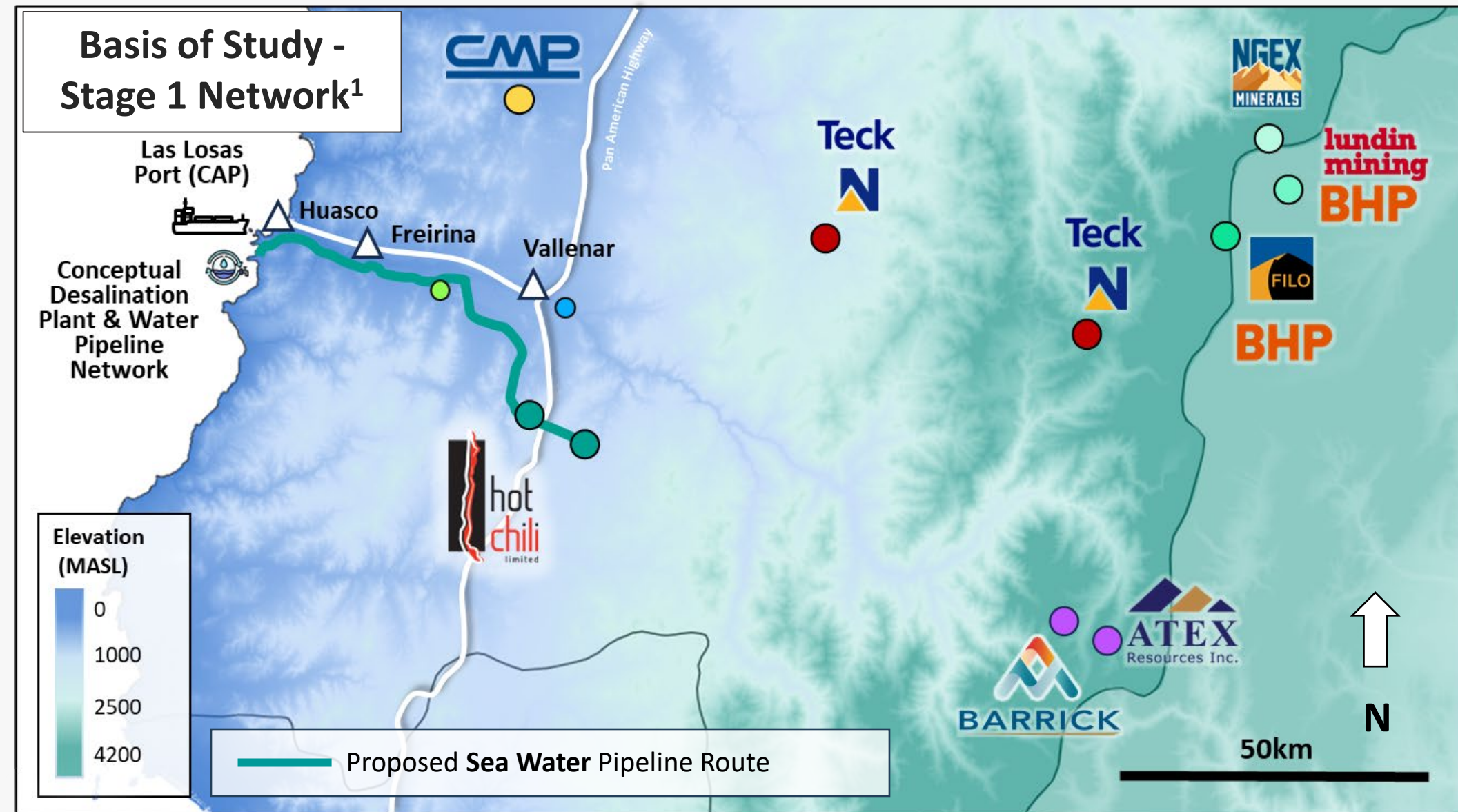
All Huasco Water **approvals required for the Costa Fuego Project are already secured**, so proposed Stages 2 and 3 of Huasco Water **will not delay Costa Fuego**

Appendix



Basis of Study: Stage 1 – Costa Fuego Seawater Supply¹

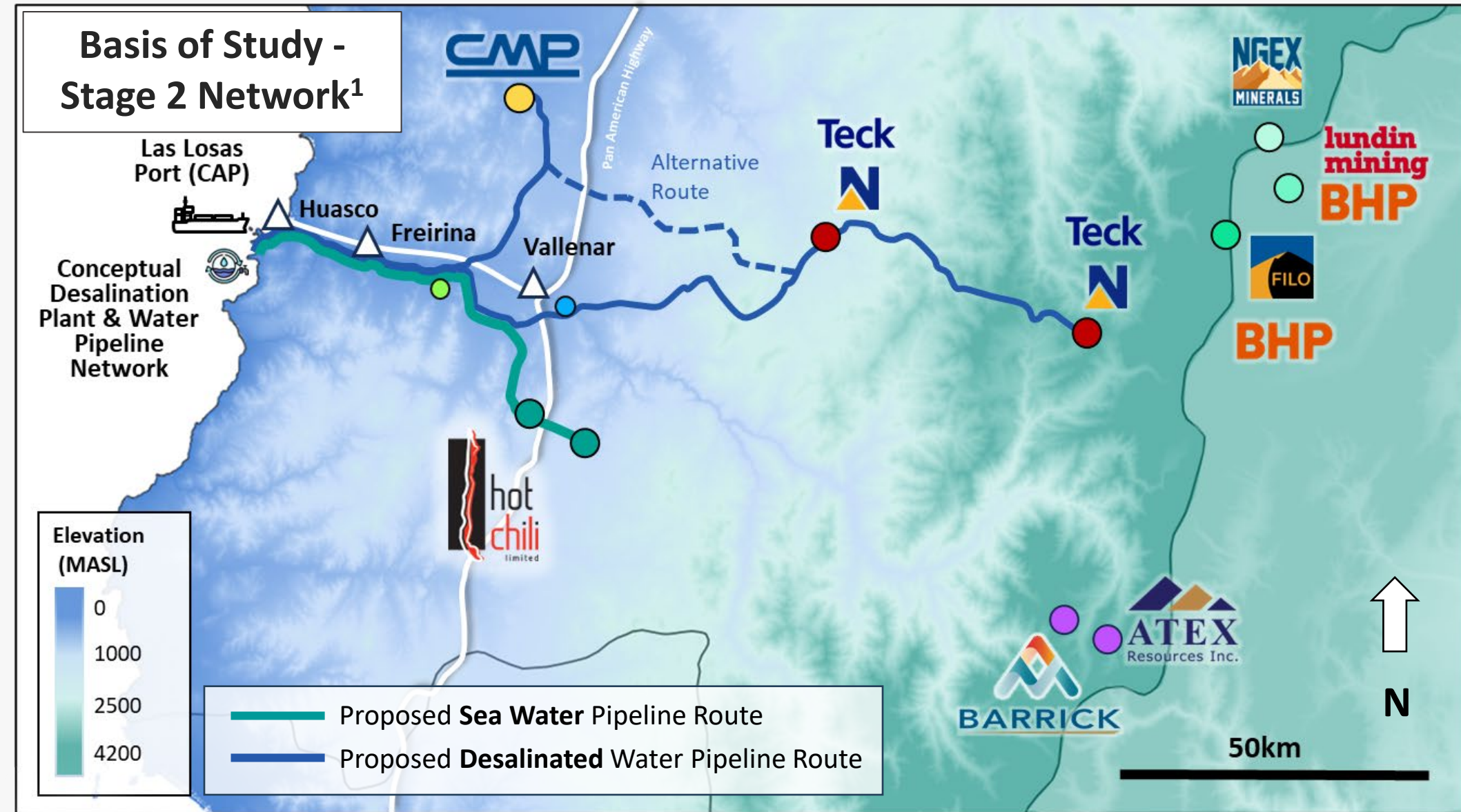
- The focus of Stage 1 is to **quickly and economically establish the foundational elements of the water network**, including seawater intake, primary seawater pipeline to Costa Fuego, and critical infrastructure
- This stage is not dependent on the establishment of a desalination plant and **aligns with the Costa Fuego development timeline**, establishing **positive cashflow in around two years from project initiation**
- At Year 1, **Huasco Water anticipates supplying 600 L/s of seawater** to the Costa Fuego Project for mineral processing
- It will also present the opportunity to provide **raw sea water to supply local communities for localised desalination plants**



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Basis of Study: Stage 2 – Initial Desalination Plan¹

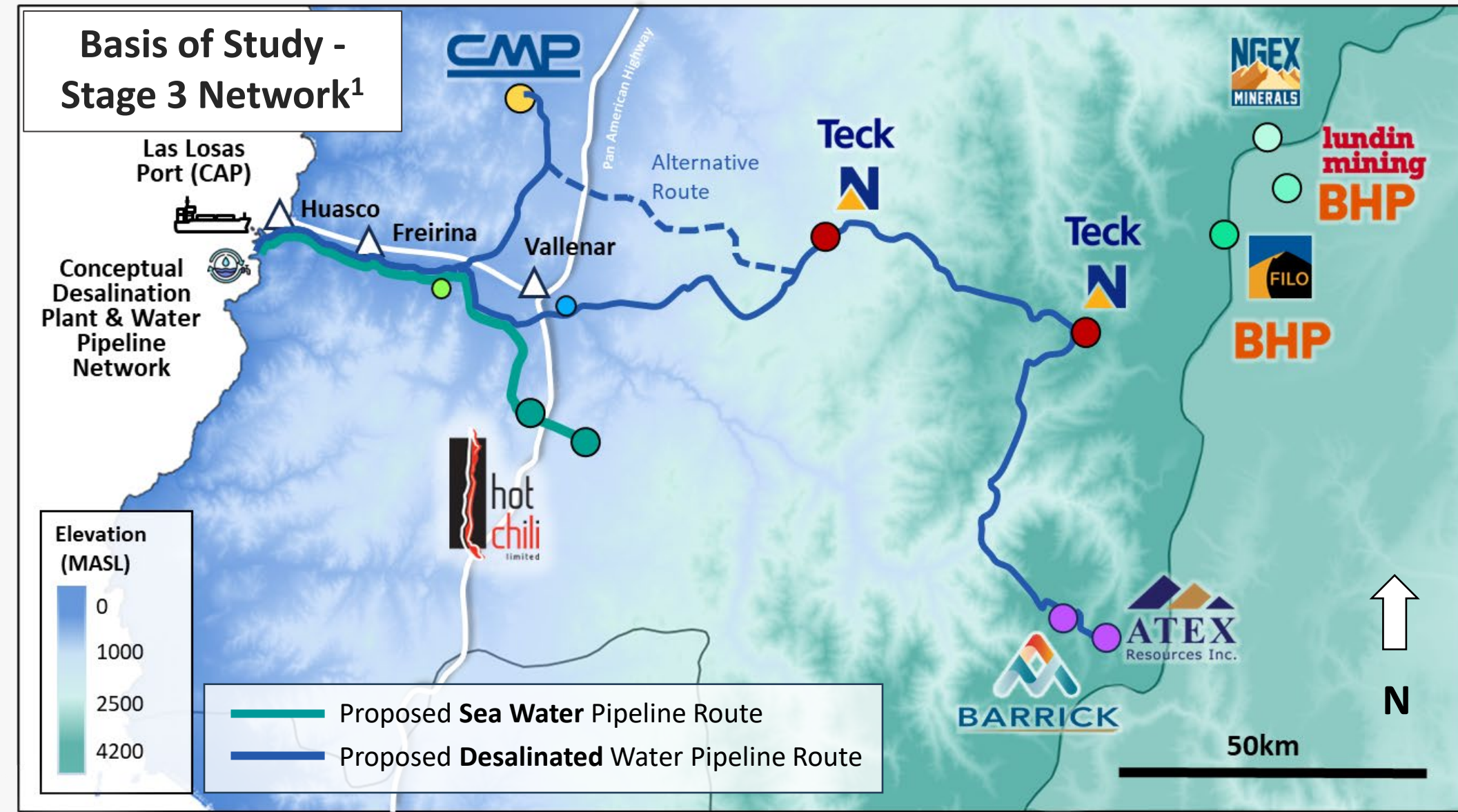
- Stage 2 proposes to **establish a baseline modular desalination plant and desalination pipeline** to Los Colorados, Nueva Union projects and communities in the nearby vicinity by Year 3, subject to customer agreements
- A key decision point for this stage is the potential **route to Nueva Union projects**, which is currently under review for the PFS
- **Environmental, archaeological and community impact studies** are in progress for both potential routes as a mitigation
- Total production at this stage is assumed to be **600 L/s seawater supply** for Costa Fuego and up to **~1,300 L/s desalinated water supply** for other off-takers



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Basis of Study: Stage 3 – Expanded Desalination Plan¹

- Stage 3 is proposed as an **extension and upgrade to the Stage 2 desalination network**, with extensions to potentially supply Valeriano and Encierro
- The timing of this proposed stage fits with the 20-year renewal maintenance required on Stage 1 and 2, thereby **reducing the impact of the costs of renewal**
- Total conceptual demand for this stage is assumed to be **600 L/s seawater supply** for Costa Fuego and up to **~2,300 L/s desalinated water supply** for other potential off-takers
- Stage 3 studies will only be completed at a **Scoping Study level**, reflecting an appropriate level of investment to inform decisions which remain on a 20+ year time-frame



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PFS Scope Summary

The focus of the PFS is to inform key design criteria, cost modelling, and financial analysis

PFS Objectives and Summary

The objective of the Huasco Water PFS is to provide information at a sufficient confidence level to enable Huasco Water and investment partners to decide whether the project should progress to a Feasibility Study. A key outcome is to have the required information to engage construction partners, community stakeholders and regulatory authorities for the next stage of the project.

Initial studies have been split into two main stages, an initial trade off Study, followed by the PFS delivery stage. The PFS for Huasco Water will consider the first two stages of the project, seawater to Costa Fuego and initial desalinated supply at the confidence levels expected from a PFS-level study. The third stage which extends the network will only be completed at a Scoping Study level, reflecting an appropriate level of investment to inform decisions which remain on a 20+ year time-frame.

About ILF

ILF is an international engineering and consulting group that supports its clients to successfully identify, prepare and execute industrial and infrastructure projects. With over 3,000 highly qualified employees in more than 45 offices across six continents and a strong local presence in Chile.

In desalination, ILF has a deep knowledge of sea water reverse osmosis (SWRO) systems and pre-treatment technologies, such as ultrafiltration, gravity vs pressurized media filtration, dissolved air flotation, etc., knowledge acquired in the development of more than 100 projects around the world, seven of them in Chile.

In addition, ILF has extensive project experience – successful processing and development of more than 60 large-scale international projects in the area of water transmission, over four decades. In Chile, ILF has successfully developed around ten of these projects for the country's main mining and sanitation companies.

PFS Stage Key Scope Item:

- Marine Works (Seawater Intake and Discharge) PRDW
- Seawater pipelines
- Desalination plant
- Desalinated water distribution system (desalinated water supply and pipes to points of consumption)
- Global implementation strategy

Planning of PFS

- Trade off Study: Q3 2024 (complete)
- PFS: H1 2025 (in progress)

Dependencies

Of the 600 L/s anticipated seawater supply for Costa Fuego, 30 L/s will be desalinated. Of this, 10 L/s will be reserved for the Huasco Valley Community in the area. Note that the desalination and distribution is within the scope of the Costa Fuego Mining PFS being completed by Wood Engineering.

Commencing in July 2024, the PFS is expected to be completed in H1 2025

PFS Scope: Trade-Off Study Stage

The scope of the Trade-off Study stage is:

1. Marine Works (Seawater Collection and Brine Discharge) subcontracted to PRDW Marine Consultants, who will be responsible for:
 - Identification of gaps and risks
 - Estimation of pipe dimensions, suction structure, and diffuser
 - Analysis of alternatives and compatibility with current Maritime Concession (CCMM)
 - Proposal for an alternative for sea water intake and brine discharge works
 - Technical specification of bathymetry
2. Secondary marine concession application including descriptive report on Marine Works and Maritime Concession Plan
3. Seawater pipelines
 - Pipelines and pumping stations: Routing trade off by section and location of pumping stations, materiality analysis and calculation of the economic diameters
4. Desalination plant
 - Desalination plant: trade-off of plant location and size
 - Desalination plant: trade-off of desalination technology
5. Desalinated water distribution system (desalinated water supply and pipes to points of consumption)
 - Pipelines and pumping stations: Routing trade off by section and location of pumping stations, delivery points definition, materiality analysis and calculation of the economic diameters for both scenarios “North” & “South”
6. Global implementation strategy
 - Global system implementation strategy including the development of stages; 0 to 2 year (seawater only), 2 to 20 year, and 20 to 40 year lifespan
 - Trade off electrical power supply points
 - Environmental support to validate solutions against interferences in project location
 - Project overall plot plan
 - Final Tradeoff Study Report, indicating the alternatives analysed and the proposed solution

PFS Scope: PFS Stage

The PFS stage of the analysis will cover the following areas in detail

1. Marine Works (Seawater Intake and Discharge)

- Identification of gaps and risks
- Hydraulic analysis of collection and discharge
- Wave study
- Tsunami study
- Hydrodynamic load estimation and stability analysis
- Design of coastal protections
- Sea water collection structure design
- Bilge and loading chamber design

2. Seawater pipelines

- Key plan for seawater pipelines
- Hydraulic calculation memory
- Process flow diagram (PFD)
- Block diagram
- P&ID
- Hydraulic profile
- Technical description of main equipment
- Typical layout of pumping station at Costa Fuego (mechanical - electrical)
- Civil & Structures MTO
- Pipeline routing plans
- Civil work at the delivery point (Costa Fuego and emergency ponds)
- Single line diagram

3. Desalination plant

- Desalination plant layout
- Mass balance
- Process calculation memory
- Hydraulic calculation memory
- Description of the process
- Block diagram
- P&ID's
- Technical description of pumps and main equipment
- Civil & Structures MTO
- Layout of main structures
- Single line diagram

4. Desalinated water distribution system (desalinated water supply and pipes to points of consumption)

- Key plan desalinated water distribution system
- Hydraulic calculation memory
- Block diagram
- P&ID's
- Technical description of main equipment
- Typical layout of pumping stations (mechanical - electrical)
- Civil & Structures MTO
- Pipeline routing plans
- Civil works at delivery points and emergency pools
- Single line diagram

4. Global implementation strategy

- Design bases
- HAZID workshop & analysis report
- Project master schedule
- List of environmental permits
- Mechanical equipment list
- Electrical equipment list
- Process description
- Project operation and control strategy
- Project implementation strategy
- Electrical calculation report
- Technical description of main mechanical and electrical equipment
- Civil, structures, piping and electrical MTOs (main items for CI 4 cost estimate)
- Cost estimation basis
- CAPEX Class 4
- OPEX Class 4
- Project plot plan
- Control system block diagram
- FEL 2B final engineering report.

Disclaimer and Forward-Looking Statements

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