



Half-Yearly Report

Hot Chili Limited
and Controlled Entities

ABN: 91 130 955 725

Interim Financial Report for the
Half-Year Ended 31 December 2020

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Corporate Particulars

Directors

Murray Black (Non-Executive Chairman)
Christian Easterday (Managing Director)
Dr Allan Trench (Independent Non-Executive Director)
Roberto de Andraca Adriasola (Non-Executive Director)
George Randall Nickson (Independent Non-Executive Director)
Melanie Leighton (Alternate for M Black)

Company Secretary

Lloyd Flint

Principal & Registered Office

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Applecross, Western Australia 6153
Telephone +61 8 9315 9009
Facsimile +61 8 9315 5004
Website www.hotchili.net.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: 08 9315 0933
Facsimile: 08 9315 2233

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth, Western Australia 6000

Bankers

Westpac Banking Corporation
Hannan Street
Kalgoorlie, Western Australia 6430

Directors' Report

The Directors of Hot Chili Limited present their report on Hot Chili Ltd ("the Company" or "Hot Chili") and the entities it controlled ("consolidated entity") at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons held office as directors of Hot Chili Limited at the date of this report or were directors at any time during the half-year ended 31 December 2020, unless otherwise stated:

Murray Black (Non-Executive Chairman)
Christian Easterday (Managing Director)
Dr Allan Trench (Independent Non-Executive Director)
Dr Michael Anderson (Non-Executive Director) - resigned 4 November 2020
Roberto de Andraca Adriasola (Non-Executive Director)
George Randall Nickson (Independent Non- Executive Director)
Melanie Leighton (Alternate for M Black)

Principal Activities

The principal continuing activity of the consolidated entity is mineral exploration.

Significant Changes in the State of Affairs

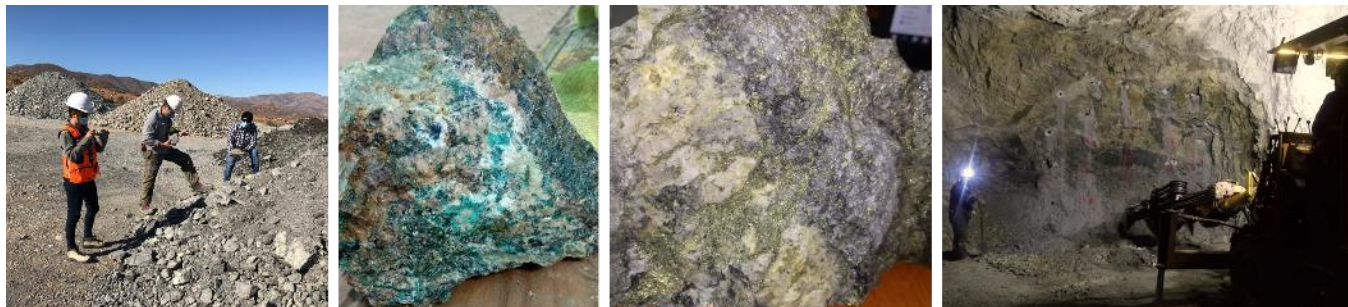
There were no significant changes in the state of affairs of the consolidated entity during the half-year.

Review of Operations

Operating Result

The loss from continuing operations for the half-year after providing for tax amounted to \$8,192,727 (2019: \$3,086,006).

Operational Highlights



Costa Fuego Being Built Towards a Tier-1 Copper Development

- Hot Chili's combined Costa Fuego** project commences next stage of resource growth to expand the current Mineral Resource estimate of 724Mt at 0.48% copper equivalent (CuEq*) for 2.9Mt copper, 2.7Moz gold, 9.9Moz Silver and 64kt molybdenum.

Maiden Cortadera Mineral Resource – Globally Significant & Growing

- The Cortadera maiden Mineral Resource is one of just two major global copper discoveries recorded in the world since 2016 (S&P Global) and comprises (+0.25% CuEq*) 451Mt at 0.46% CuEq*, including a higher grade component (+0.6% CuEq*) of 104Mt at 0.74% CuEq*.

New Results Confirming Expansion of Bulk Tonnage and High Grade at Cortadera

- Several outstanding new extensional drill results recorded from the largest and second largest porphyries at Cortadera copper-gold discovery, the centre piece of Costa Fuego.

Water Rights Secured for Costa Fuego Copper-Gold Super Hub

- Water extraction rights granted for the Costa Fuego coastal copper development, securing a critical infrastructure requirement and sufficient water supply to support a large-scale conventional copper-gold operation.

Lease Mining & Processing Agreement with ENAMI Expanded by 50%

- Hot Chili has expanded its agreement with Chilean government agency ENAMI for the mining and processing of ore from the Productora copper-gold project, up to a maximum production of 180,000 tonnes per annum.

Hot Chili Completes \$25.6M Institutional led Placement

- Placement funds secure next acquisition payment of US\$10M for Cortadera, ensuring 100% control is maintained, and also provide full funding for 2021 work programme.

Major Work Programmes Underway

- Fully funded, 40,000m drill programme at Cortadera commenced on 11th January, with three drill rigs in operation.
- Excellent initial copper recoveries and compatible metallurgy from recent sulphide testwork confirm all three of Costa Fuego's deposits can be incorporated into one combined development.

* Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

** Reported on a 100% Basis - combining Cortadera and Productora Mineral Resources using a +0.25% CuEq reporting cut-off grade

Summary of Activities

Costa Fuego Becomes a Leading Global Copper Project

In October 2020, Hot Chili announced a significant milestone– a maiden resource estimate for its world-class Cortadera copper-gold discovery in Chile.

The Cortadera maiden mineral resource estimate compares favourably with the only other significant new copper discovery announced globally since 2016 (source S&P Global Market Intelligence, Wood August 2020) – Rio Tinto’s Winu discovery in Western Australia (503Mt grading 0.45%CuEq, 100% Inferred and reported above 0.20% CuEq cut-off grade, announced to ASX 28th July 2020).

Highlights include:

- Cortadera’s maiden Mineral Resource positions Hot Chili with the largest copper Mineral Resources and one of the largest gold Mineral Resources for an ASX-listed emerging company.
- The Cortadera maiden Mineral Resource (+0.25% CuEq*) of 451Mt at 0.46% copper equivalent (CuEq*) takes the total Mineral Resource estimate for Costa Fuego** to 724Mt at 0.48% CuEq1 for 2.9Mt copper, 2.7Moz gold, 9.9Moz Silver and 64kt molybdenum.
- The Cortadera maiden Mineral Resource includes a higher grade component (+0.6% CuEq*) of 104Mt at 0.74% CuEq* that is growing rapidly.
- The independently estimated Mineral Resource (categorised as, 41% Indicated and 59% Inferred), extends from surface and remains open in several key directions.

Tables 1 and 2 outline the maiden Cortadera Mineral Resource estimate, the re-stated Productora Mineral Resource estimate and the Global Mineral Resource for the combined Costa Fuego project, respectively.

For further details please refer to ASX announcement “Costa Fuego Becomes a Leading Global Copper Project” (12th October 2020) for JORC Table 1 information related to the Cortadera JORC compliant Mineral Resource estimate by Wood and the Productora re-stated JORC compliant Mineral Resource estimate by AMC Consultants.

Table 1 Independent JORC Code Cortadera Mineral Resource

Cortadera Resource		Grade					Contained Metal				
Classification (+0.25% CuEq*)	Tonnage (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (tonnes)
Indicated	183	0.49	0.40	0.15	0.7	43	905,000	728,000	889,000	4,227,000	7,900
Inferred	267	0.44	0.35	0.12	0.7	73	1,181,000	935,000	1,022,000	5,633,000	19,400
Total	451	0.46	0.37	0.13	0.7	61	2,086,000	1,663,000	1,911,000	9,860,000	27,300

Reported at or above 0.25% CuEq*. Figures in the above table are rounded, reported to appropriate significant figures, and reported in accordance with the JORC Code - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Metal rounded to nearest thousand, or if less, to the nearest hundred. ** Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%.

Table 2 Independent JORC Code Productora Mineral Resource
(Re-stated using +0.25% CuEq cut-off grade)

Productora Resource		Grade					Contained Metal				
Classification (+0.25% CuEq*)	Tonnage (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (tonnes)
Indicated	208	0.54	0.46	0.10		140	1,122,000	960,000	643,000	-	29,200
Inferred	67	0.44	0.38	0.08		109	295,000	255,000	167,000	-	7,200
Total	273	0.52	0.44	0.09		133	1,417,000	1,215,000	810,000	-	36,400

Reported at or above 0.25% CuEq*. Figures in the above table are rounded, reported to appropriate significant figures, and reported in accordance with the JORC Code - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Metal rounded to nearest thousand, or if less, to the nearest hundred. * * Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%.

Table 3 Independent JORC Code Costa Fuego Combined Mineral Resource

Costa Fuego Combined Resource			Grade					Contained Metal				
Deposit	Classification (+0.25% CuEq*)	Tonnage (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (tonnes)
Cortadera	Indicated	183	0.49	0.40	0.15	0.7	43	905,000	728,000	889,000	4,227,000	7,900
	Inferred	267	0.44	0.35	0.12	0.7	73	1,181,000	935,000	1,022,000	5,633,000	19,400
	Sub Total	451	0.46	0.37	0.13	0.7	61	2,086,000	1,663,000	1,911,000	9,860,000	27,300
Productora	Indicated	208	0.54	0.46	0.10		140	1,122,000	960,000	643,000	-	29,200
	Inferred	67	0.44	0.38	0.08		109	295,000	255,000	167,000	-	7,200
	Sub Total	273	0.52	0.44	0.09		133	1,417,000	1,215,000	810,000	-	36,400
Costa Fuego (Combined)	Indicated	391	0.52	0.43	0.12		95	2,027,000	1,688,000	1,533,000	-	37,000
	Inferred	334	0.44	0.36	0.11		80	1,476,000	1,191,000	1,189,000	-	26,700
	Total	724	0.48	0.40	0.12	0.7**	88	3,503,000	2,879,000	2,722,000	9,860,000	63,700

Reported at or above 0.25% CuEq*. Figures in the above table are rounded, reported to appropriate significant figures, and reported in accordance with the JORC Code - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Metal rounded to nearest thousand, or if less, to the nearest hundred. * * Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

** Note: Silver (Ag) is only present within the Cortadera Mineral Resource estimate

Clear Path Forward for Costa Fuego

An internal scoping study is underway to assess a combined development for Costa Fuego involving both open pit and underground operations which will leverage central processing and existing infrastructure access already secured by Hot Chili (power and sea water pipeline easements, surface rights).

Test work from Cortadera has demonstrated consistent and compatible ore metallurgy to Costa Fuego's other nearby deposits (Productora and San Antonio), with all ore sources expected to be processed using sea water and conventional sulphide flotation.

Costa Fuego's Cortadera and Productora copper-gold deposits are located 14km apart, at low attitude (800-1,000m elevation), along the Pan American Highway and within 50km of port facilities.

Next Steps – Drilling, Resource Growth

The Company is set to generate further significant growth over the coming 12 months through:

1. Completion of first-pass drilling across large growth targets at Cortadera,
2. Continued expansion drilling of the Cortadera Mineral Resource targeting an updated resource estimate in 2021, and
3. Continued ramp-up of lease mining and processing of high grade copper-gold ore from Productora, through the Company's agreement with Chilean government agency ENAMI.

Major Drilling Programme Underway to Expand Cortadera

Hot Chili has commenced a 40,000m drilling programme at the Cortadera copper-gold porphyry discovery, part of the Company's Costa Fuego coastal range copper development in Chile.

The Company's fully funded 2021 work programme aims to continue building Costa Fuego toward a tier one copper project (+5Mt copper) from its current contained metal resource base of 2.9Mt copper and 2.7Moz gold.

Drilling, which commenced on 11th January 2021, has been significantly accelerated from last year with two drill rigs currently in operation and a third rig expected to arrive in February.

New Drill Results Continue to Expand Cortadera

Expansion drilling of the Cortadera resource has seen continued success, with wide intersections recorded from extensional drilling of the main porphyry (Cuerpo 3) and the second largest porphyry (Cuerpo 2).

These results continue to underpin the Company's view that the Cortadera Mineral Resource is on-track to be significantly upgraded in 2021.

a) Cortadera Main Porphyry (Cuerpo 3) Continues Impressive Run of Results

New results from ongoing expansion drilling of the main porphyry (Cuerpo 3) at Cortadera recorded two more significant drill intersections.

- CRP0032D recorded a significant end-of-hole drill result of 373m grading 0.4% copper and 0.1g/t gold from 648m down-hole, including 130m grading 0.5% copper and 0.2g/t gold. The new result from CRP0032D further extends the strike and depth extent of the northwest margin of Cuerpo 3.
- CRP0052D recorded a wide intersection of 382m grading 0.4% copper and 0.1g/t gold from 524m down-hole depth, which included 80m grading 0.6% copper and 0.2g/t gold.

b) Increasing Grade with Depth Confirmed at Cuerpo 2 Porphyry

New results returned from Hot Chili's first diamond drill hole (CRP0053D) below Cuerpo 2 have returned a significant intersection of 248m grading 0.4% copper and 0.1g/t gold from 446m depth down-hole, within a broader result of 613.9m grading 0.3% copper and 0.1g/t gold from 220m depth down-hole.

Importantly, CRP0053D recorded two high grade zones of 32m grading 0.6% copper and 0.3g/t gold and 24m grading 0.6% copper and 0.2g/t gold in association with increasing porphyry B-vein intensity.

The Company has now completed three RC pre-collar holes in preparation for deep diamond drill testing below Cuerpo 2 and the gap zone between Cuerpo 2 and Cuerpo 3.

c) Cortadera North Further Drill Testing Recommended

Clearing has been completed to provide access to remaining planned drill holes planned across the large

Cortadera North “look-alike” target, located 2km north of Cortadera.

Four RC holes are already complete across the large surface molybdenum anomaly, with anomalous molybdenum and silver intersected in this drilling, both known to be pathfinder elements often proximal to copper-gold porphyry deposits.

A further ten RC holes are planned to target the large Induced Polarisation (IP) chargeability anomaly and areas of outcropping copper-bearing B-veins.

Drilling at Cortadera North recommenced in February 2021.

Water Rights Secured for Costa Fuego Copper-Gold Super Hub

Hot Chili Limited, through its Chilean subsidiary company Sociedad Minera El Aguila SpA, has been granted a Maritime Concession for extraction of sea water just 60 kilometres from the Company’s Costa Fuego coastal copper-gold development in Chile.

Following a rigorous seven-year application process, Hot Chili is now one of the few copper developers in Chile controlling a Maritime Concession for water. This adds significantly to critical infrastructure access requirements already secured including surface rights and water and electricity easements.

The water rights represent a major step forward in establishing an infrastructure-ready major coastal copper development which can leverage from a central processing and combined infrastructure approach.

The maritime concession alone is considered a significant asset, and further enhances the Company’s social license to operate ensuring no ground water will be used and no de-salination plant is required.

Lease Mining & Processing Agreement with ENAMI Expanded

Hot Chili, through its Chilean subsidiary company Sociedad Minera El Aguila SpA (SMEA), has agreed to a significant expansion to its lease mining and processing agreement with Chilean government agency ENAMI.

The Company has given concession for an additional 60,000 tonnes of oxide ore supply per annum to ENAMI’s Vallenar processing facility, located 15km north of Productora.

The concession for lease mining and processing allows for a maximum 180,000 tonnes per annum of oxide and sulphide ore supply from Productora, with the increased production rate accounting for all remaining capacity at ENAMI’s oxide and sulphide processing facility.

The Productora joint venture company SMEA (80% Hot Chili) will be paid US\$2 per tonne for ore purchased by ENAMI and a 10% royalty on the sale value of extracted minerals subject to ENAMI toll treatment conditions (as announced to ASX on 26th March 2019).

Since the ENAMI agreement was first announced, the royalty component has provided significant upside exposure to the copper price which has increased from US\$2.15/lb to an eight year high of US\$3.52/lb as at the end of this half.

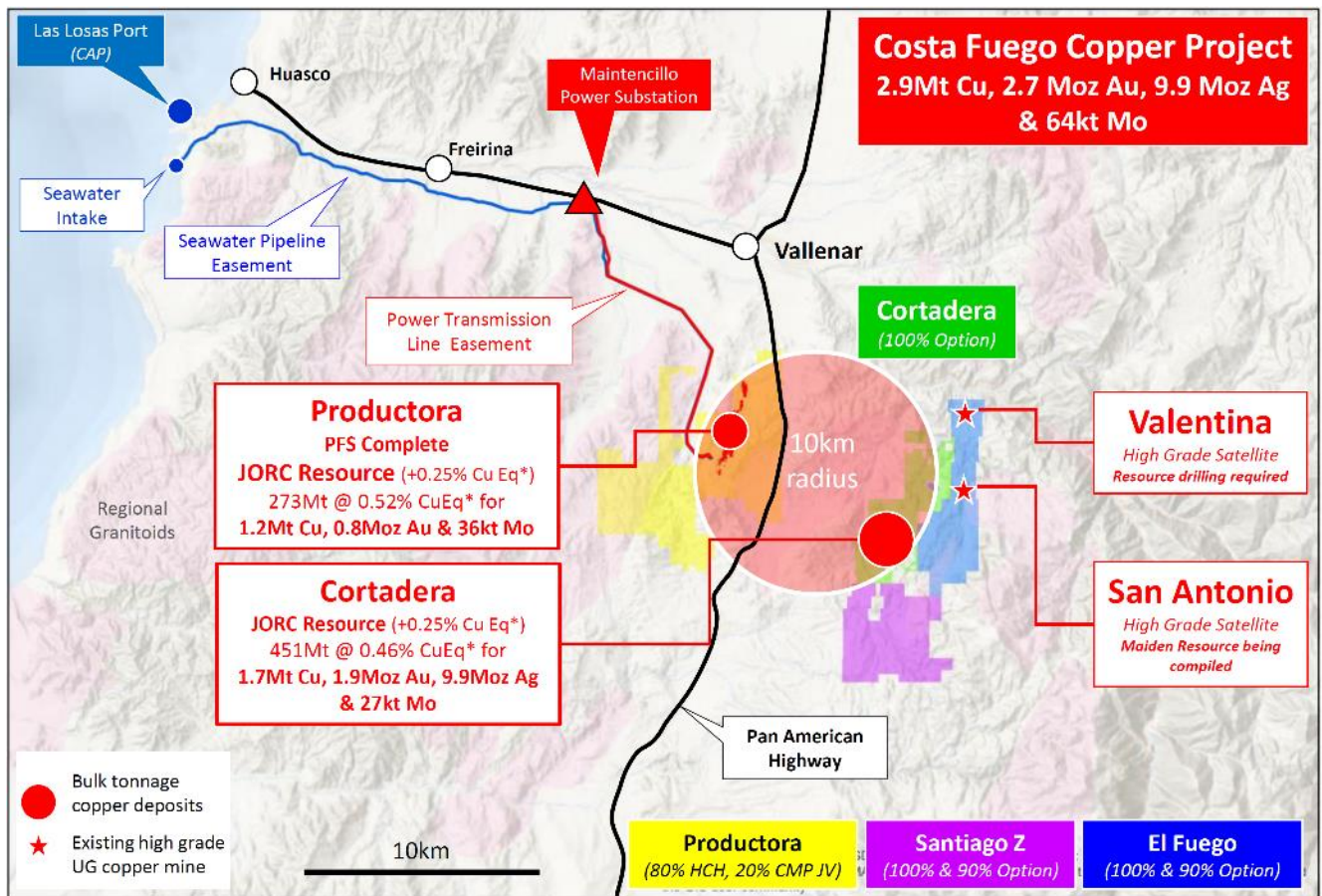


Figure 1 Location of Productora and the Cortadera discovery in relation to the consolidation of new growth projects and coastal range infrastructure

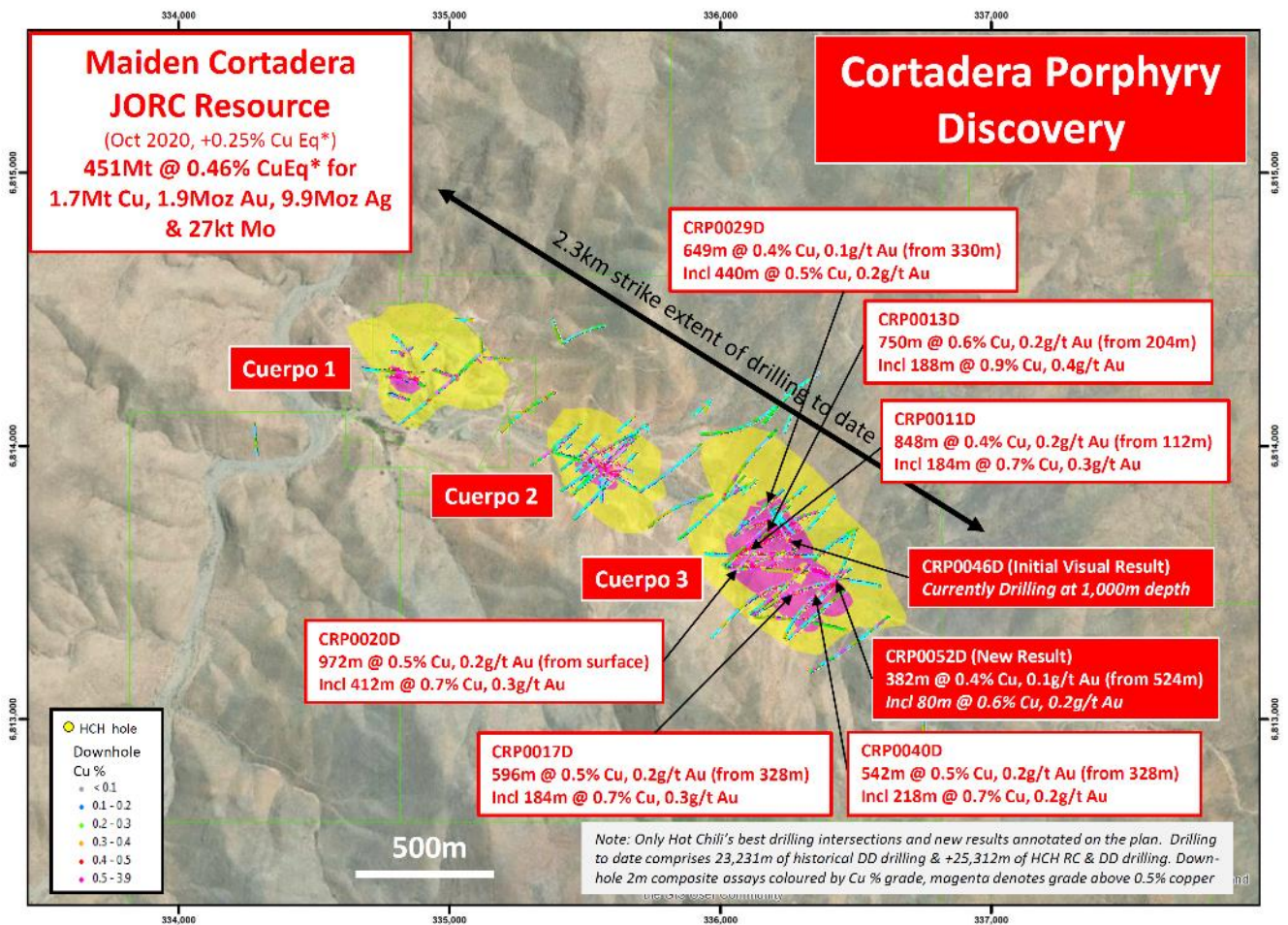


Figure 2 Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow - +0.1% Cu and magenta +0.4% Cu). Note the selected HCH drilling intersections (White) and the new results reported from CRP0046D and CRP0052D (Red).

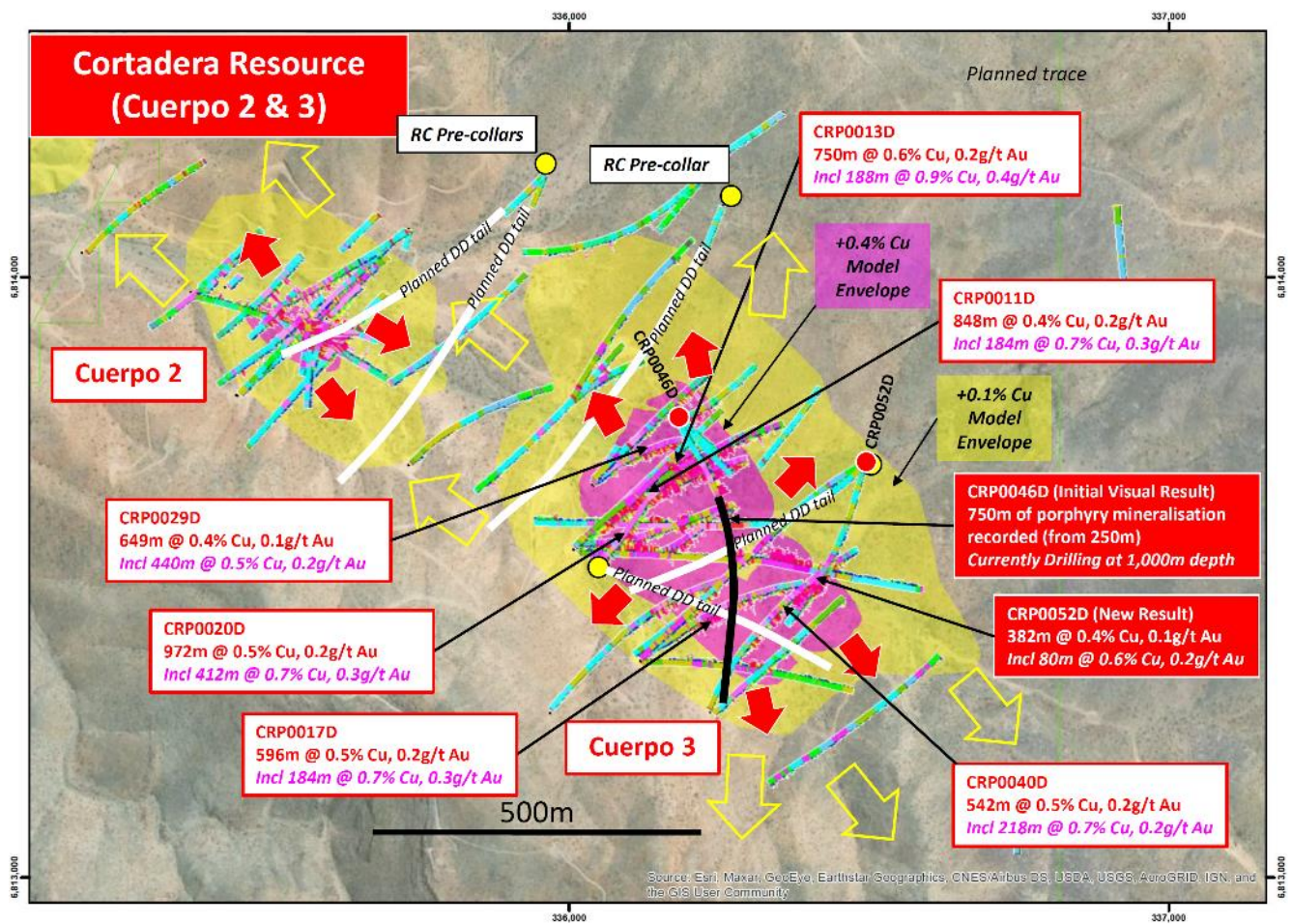


Figure 3 Plan view across the Cortadera discovery area displaying significant historical copper-gold DD intersections across Cuerpo 2 and 3. The plan view displays the Mineral Resource extents (represented by modelled copper envelope, yellow-+0.1% Cu). Note the selected HCH drilling intersections (White) and the new results reported from CRP0052D and CRP0046D (Red collars) as well as the location of planned deep diamond tails (white traces).

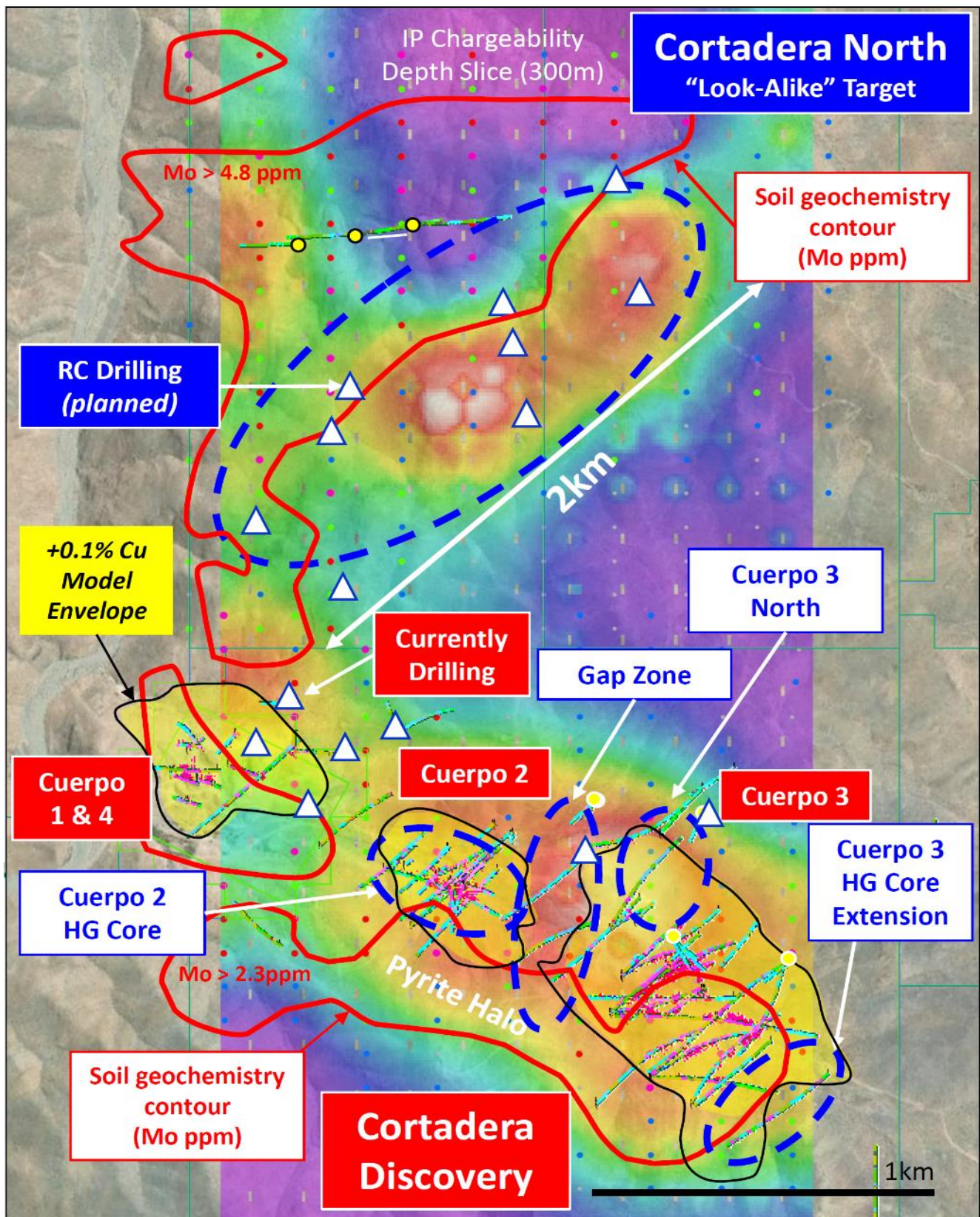


Figure 4. Plan view displaying the location of the Cortadera discovery zone in relation to the Cortadera North target. The plan displays the location of Cuerpo 1, 2, 3 and 4 tonalitic porphyry intrusive centres (represented by modelled copper envelopes, yellow- +0.1% Cu) in relation to surface molybdenum anomalism and IP chargeability response at 200m depth slice. Cortadera North, located 2km north of Cortadera displays "look alike" characteristics to the Cortadera discovery. Note locations of planned first pass RC drill holes at Cortadera North in addition to Cuerpo 1 and Cuerpo 4 and the location of planned drilling which is now underway.

Qualifying Statements

Independent JORC Code Costa Fuego Combined Mineral Resource (Reported 12th October 2020)

Costa Fuego Combined Resource			Grade					Contained Metal				
Deposit	Classification (+0.25% CuEq*)	Tonnage (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Copper Eq (tonnes)	Copper (tonnes)	Gold (ounces)	Silver (ounces)	Molybdenum (tonnes)
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	Inferred	267	0.44	0.35	0.12	0.7	73	1,181,000	935,000	1,022,000	5,633,000	19,400
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** Note: Silver (Ag) is only present within the Cortadera Mineral Resource estimate

Competent Person's Statement- Exploration Results

Exploration information in this Announcement is based upon work compiled by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Easterday consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement- Productora Mineral Resources

The information in this Announcement that relates to the Productora Project Mineral Resources, is based on information compiled by Mr N Ingvar Kirchner. Mr Kirchner is employed by AMC Consultants (AMC). AMC has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Mineral Resource estimates. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Member of the Australian Institute of Geoscientists (AIG). Mr Kirchner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Mr Kirchner consents to the inclusion in this report of the matters based on the source information in the form and context in which it appears.

Competent Person's Statement- Cortadera and Costa Fuego Mineral Resources

The information in this report that relates to Mineral Resources for the Cortadera and combined Costa Fuego Project is based on information compiled by Elizabeth Haren, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Elizabeth Haren is employed as an associate Principal Geologist of Wood, who was engaged by Hot Chili Limited. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Reporting of Copper Equivalent

Copper Equivalent (CuEq) reported for the resource were calculated using the following formula: $CuEq\% = ((Cu\% \times Cu \text{ price } 1\% \text{ per tonne} \times Cu_recovery) + (Mo \text{ ppm} \times Mo \text{ price per g/t} \times Mo_recovery) + (Au \text{ ppm} \times Au \text{ price per g/t} \times Au_recovery) + (Ag \text{ ppm} \times Ag \text{ price per g/t} \times Ag_recovery)) / (Cu \text{ price } 1\% \text{ per tonne})$. The Metal Prices applied in the calculation were: Cu=3.00 USD/lb, Au=1,550 USD/oz, Mo=12 USD/lb, and Ag=18 USD/oz. For Cortadera (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=56%, Mo=82%, and Ag=37%. For Productora (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=43% and Mo=42%. For Costa Fuego (Inferred + Indicated), the average Metallurgical Recoveries were: Cu=83%, Au=51%, Mo=67% and Ag=23%.

Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.

Auditors' Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Australia Partners, the consolidated entity's auditors, which has been included as part of these financial statements.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed for on behalf of the board by:

A handwritten signature in dark ink, appearing to read "Christian Easterday", written over a light blue horizontal line.

Christian Easterday
MANAGING DIRECTOR
15th March 2021, Perth

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Consolidated	
	December	December
	2020	2019
	\$	\$
Interest income	808	3,050
Stimulus funding	55,800	-
Loss on revaluation of derivative liability	(3,742,556)	(867,469)
Depreciation	(3,100)	-
Corporate fees	(78,959)	(140,381)
Legal and professional	50,035	(173,014)
Employee benefits expense	(648,012)	(502,002)
Exploration expenses written off	-	(69,692)
Administration expenses	(276,339)	(114,962)
Accounting fees	(83,586)	(130,885)
Share based payments	(1,828,093)	-
Travel costs	(6,191)	(26,729)
Finance costs	(999,868)	(1,013,391)
(Loss)/Gain on foreign exchange	(350,702)	139,041
Other expenses	(281,964)	(189,572)
Loss before income tax	(8,192,727)	(3,086,006)
Income tax benefit	-	-
Loss for the half year	(8,192,727)	(3,086,006)
Other comprehensive income		
Total comprehensive loss for the half year	(8,192,727)	(3,086,006)
Loss of the half year attributable to:		
Non-controlling interest	(51,851)	(63,296)
Owners of Hot Chili Limited	(8,140,876)	(3,022,710)
	(8,192,727)	(3,086,006)
Basic and diluted loss per share (cents)	(0.33)	(0.21)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2020

	Note	Consolidated	
		December 2020	June 2020
		\$	\$
Current Assets			
Cash and cash equivalents		24,108,182	6,307,894
Other current assets		133	6,960
Total Current assets		24,108,315	6,314,854
Non-Current Assets			
Property, plant and equipment		36,146	57,431
Exploration and evaluation expenditure	3	135,622,685	131,070,506
Total Non-current assets		135,658,831	131,127,937
Total Assets		159,767,146	137,442,791
Current Liabilities			
Trade and other payables	4	3,256,362	4,667,920
Derivative financial instruments	5	5,015,309	1,445,136
Total Current liabilities		8,271,671	6,113,056
Non-Current Liabilities			
Borrowings		4,688,521	4,186,801
Total Non-current liabilities		4,688,521	4,186,801
Total Liabilities		12,960,192	10,299,857
Net Assets		\$146,806,954	127,142,934
Equity			
Contributed equity	6	186,084,772	160,056,118
Option and rights reserve		2,367,833	539,740
Foreign currency translation reserve		1,222	1,222
Accumulated losses		(60,675,080)	(52,534,204)
Capital and reserves attributable to owners of Hot Chili Ltd		127,778,747	108,062,876
Non-Controlling interests		19,028,207	19,080,058
Total Equity		146,806,954	127,142,934

The above Statement of Financial Position should be read in conjunction with the accompanying note

Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

	Contributed Equity	Option & Rights Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
31 December 2020:						
Balance at 1 July 2019	160,056,118	539,740	1,222	(52,534,204)	19,080,058	127,142,934
Loss for the period	-	-	-	(8,140,876)	(51,851)	(8,192,727)
Total comprehensive income for the half- year	-	-	-	(8,140,876)	(51,851)	(8,192,727)
Shares issued during the period (net of costs)	26,028,654	-	-	-	-	26,028,654
Performance Rights issued during the period	-	1,828,093	-	-	-	1,828,093
Balance at 31 December 2020	<u>186,084,772</u>	<u>2,367,833</u>	<u>1,222</u>	<u>(60,675,080)</u>	<u>19,028,207</u>	<u>146,806,954</u>
31 December 2019:						
Balance at 1 July 2019	131,837,269	52,530	1,222	(51,401,511)	19,189,488	99,678,998
Loss for the period	-	-	-	(3,022,710)	(63,296)	(3,086,006)
Total comprehensive income for the half- year	-	-	-	(3,022,710)	(63,296)	(3,086,006)
Shares issued during the period (net of costs)	18,163,386	-	-	-	-	18,163,386
Options issued during the period	-	130,200	-	-	-	130,200
Balance at 31 December 2019	<u>150,000,655</u>	<u>182,730</u>	<u>1,222</u>	<u>(54,424,221)</u>	<u>19,126,192</u>	<u>114,886,578</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	Consolidated	
	December 2020	December 2019
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,959,548)	(2,876,641)
Interest received	808	3,050
Other receipts	55,800	-
Net cash used in operating activities	(1,902,940)	(2,873,591)
Cash Flows from Investing Activities		
Payments for exploration and evaluation (net of reimbursements)	(5,535,803)	(10,265,200)
Net cash used in investing activities	(5,535,803)	(10,265,200)
Cash Flows from Financing Activities		
Proceeds from issue of shares	26,951,536	17,100,000
Receipts from Borrowings	-	(219,852)
Share issue costs	(1,593,412)	(852,656)
Net cash provided by financing activities	25,358,124	16,027,492
Net increase/(decrease) in cash held	17,919,381	2,888,701
Foreign exchange differences on cash	(119,093)	141,213
Cash and cash equivalents at the beginning of the half-year	6,307,894	1,377,545
Cash and cash equivalents at the end of the half-year	24,108,182	4,407,459

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2020

1. Summary of Significant Accounting Policies

Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Hot Chili Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The half-year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$8,192,727 and had net cash outflows from operating and investing activities of \$1,902,940 and \$5,535,803 respectively for the half-year ended 31 December 2020. As at that date, the consolidated entity had cash and cash equivalents of \$24,108,182 and net current assets of \$15,836,644. As disclosed in Note 8, the consolidated entity has future option payment commitments of \$14,411,841 in the next 12 months. As disclosed in Note 10 the company paid \$12,983,641 of the future option payment commitments subsequent to the reporting date.

The directors believe that it is reasonably foreseeable that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 5, included in current liabilities is a derivative financial liability of \$5,015,309 attributed to the convertible notes issued and representing the component of the convertible notes of granting an option to the note holder to convert to equity at any time prior to maturity. The derivative financial liability component of the convertible note is redeemable at the option of the company and will likely not require cash settlement;
- The company has the ability to curtail exploration, corporate and administration expenses and overhead cash outflows as and when required; and
- The company can issue additional equity securities under the Corporations Act 2001, to raise further working capital. The company has a good record in raising capital from the issue of securities.

Notes to the Financial Statements

For the half-year ended 31 December 2020

2. Segment Information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The consolidated entity operates as a single segment which is mineral exploration.

The consolidated entity is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located.

Operating revenues of approximately Nil (2019: Nil) are derived from a single external party.

All the assets relate to mineral exploration. Segment assets are allocated to segments based on the purpose for which they are used.

31 December 2020			
	Australia	Chile	Total
	\$	\$	\$
Revenue	-	-	-
EBITDA	(7,040,221)	(150,346)	(7,190,567)
Depreciation expense			(3,100)
Interest income			808
Finance costs			(999,868)
(Loss) before income tax			(8,192,727)
Income tax expense			-
(Loss) after income tax expense			(8,192,727)
Assets			
Segment assets	23,792,066	135,975,080	159,767,146
Total assets			159,767,146
Liabilities			
Segment liabilities	(9,850,803)	(3,109,389)	(12,960,192)
Total liabilities			(12,960,192)

Notes to the Financial Statements For the half-year ended 31 December 2020

2. Segment Information (continued)

31 December 2019			
	Australia	Chile	Total
	\$	\$	
Revenue	-	-	-
EBITDA	(1,631,210)	(381,159)	(2,012,369)
Depreciation expense			-
Interest income			3,050
Finance costs			(1,013,391)
(Loss) before income tax expense			(3,022,710)
Income tax expense			-
(Loss) after income tax expense			(3,022,710)

	Consolidated entity	
	31 December 2020	30 June 2020
	\$	\$
3. Exploration and evaluation expenditure		
Mining tenements at cost	135,622,685	131,070,506
Tenements		
Carrying value at the beginning of the period	131,070,506	113,176,541
Capitalised mineral exploration and evaluation *	4,075,331	7,433,092
Consideration for mineral exploration acquisitions	476,848	10,460,873
Total exploration and evaluation expenditure	135,622,685	131,070,506

*Capitalised mineral exploration and evaluation is net of reimbursement from Compañía Minera del Pacífico S.A's (CMP) for their contribution towards exploration expenditure as per the joint venture agreement.

Notes to the Financial Statements

For the half-year ended 31 December 2020

4. Trade and other payables

Payables and accrued expenses

Refundable deposit (Option fee)

Total trade and other payables

Consolidated entity	
31 December 2020 \$	30 June 2020 \$
1,308,816	2,488,764
1,947,546	2,179,156
3,256,362	4,667,920

5. Derivative financial instruments

Derivative Liability - Convertible Note

Consolidated entity	
31 December 2020 \$	30 June 2020 \$
5,015,309	1,445,136
5,015,309	1,445,136

Fair value hierarchy

The consolidated entity using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability

The derivative liability is determined to be Level 2 and has been valued using quoted market prices at the end of the reporting period. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific measurements.

Derivative liability – reconciliation

Balance at beginning of period

Fair value of notes exercised during the period

Net Change in fair value during the period

At the end of the financial period

Consolidated entity	
31 December 2020 \$	30 June 2020 \$
1,445,136	6,565,547
(172,383)	(1,917,507)
3,742,556	(3,202,904)
5,015,309	1,445,136

Notes to the Financial Statements

For the half-year ended 31 December 2020

	Consolidated entity			
	31 December 2020		30 June 2020	
6. Issued capital	Number	\$	Number	\$
(a) Issued capital				
Ordinary shares – fully paid	3,041,412,777	186,084,772	2,335,268,762	160,056,118
(b) Movement in ordinary share capital				
Balance at beginning of period	2,335,268,762	160,056,118	1,119,407,682	131,837,269
Shares issued during the period - funding	631,228,572	25,611,600	1,096,891,168	26,011,813
Shares issued in lieu of convertible note costs	12,777,977	393,652	27,900,513	779,883
Shares issued on conversion of convertible notes	7,632,891	254,200	91,069,399	3,341,419
Shares issued upon exercise of options	54,504,575	1,362,614	-	-
Costs associated with issue of share capital	-	(1,593,412)	-	(1,914,266)
Balance at end of period	3,041,412,777	186,084,772	2,335,268,762	160,056,118

(c) Options over ordinary share capital

Grant date	Expiry date	Expiry price (\$)	Balance at start of the period	Number issued during the period	Number exercised during the period	Number expired during the period	Balance at end of the period
19/12/2019	19/12/2021	0.07	12,000,000	-	-	-	12,000,000
12/11/2019	15/11/2021	0.10	15,000,000	-	-	-	15,000,000
26/06/2020	20/05/2022	0.025	347,056,598	-	(54,504,575)	-	292,552,023
04/09/2020	20/05/2022	0.025	-	16,666,667	-	-	16,666,667
			374,056,598	16,666,667	(54,504,575)	-	336,218,690

(d) Performance Rights

80,000,000 Performance Rights were issued during the period (2019; nil).

Class of Performance Rights	Quantity	Vesting Condition
Class A Performance Rights	26,666,667	The price of Shares traded on ASX is greater than \$0.06 per Share for 15 consecutive trading days or more before 31 July 2023.
Class B Performance Rights	26,666,666	The price of Shares traded on ASX is greater than \$0.08 per Share for 15 consecutive trading days or more before 31 July 2023.
Class C Performance Rights	26,666,667	The Company announcing to ASX global independently estimated JORC compliant resources at the Cortadera Project and surrounding satellite projects, excluding currently reported resources at Productora, of 750 Mt at 0.5% Cu equivalent or greater (within 0.2% CuEq grade envelope or higher as deemed appropriate in the independent resource estimate) before 31 July 2023.
Total	80,000,000	

Notes to the Financial Statements For the half-year ended 31 December 2020

6. Issued Capital (continued)

(d) Performance Rights (continued)

The valuation methodology for Classes A and B was the Hybrid Barrier Up and In Trinomial. The Black Scholes valuation model was used for Class C:

	Class A	Class B	Class C
Tranche 1			
Number	11,666,666	11,666,667	11,666,667
Valuation Date	12-08-20	12-08-20	12-08-20
Spot Price	\$0.029	\$0.029	\$0.029
Exercise Price	Nil	Nil	Nil
Barrier Price	\$0.06	\$0.08	Nil
Vesting Date	N/A	N/A	N/A
Expiry Date	31-07-23	31-07-23	31-07-23
Expected Future Volatility	100%	100%	100%
Risk Free Rate	0.27%	0.27%	0.27%
Dividend Yield	Nil	Nil	Nil
Valuation	\$0.0226	\$0.0204	\$0.0290
Value	\$263,667	\$238,000	\$338,333
Tranche 2			
Number	13,333,334	13,333,333	13,333,333
Valuation Date	1-09-20	1-09-20	1-09-20
Spot Price	\$0.046	\$0.046	\$0.046
Exercise Price	Nil	Nil	Nil
Barrier Price	\$0.06	\$0.08	Nil
Vesting Date	N/A	N/A	N/A
Expiry Date	31-07-23	31-07-23	31-07-23
Expected Future Volatility	100%	100%	100%
Risk Free Rate	0.27%	0.27%	0.27%
Dividend Yield	Nil	Nil	Nil
Valuation	\$0.0406	\$0.0375	\$0.0460
Value	\$541,333	\$500,000	\$613,333
Tranche 3			
Number	1,666,667	1,666,666	1,666,667
Valuation Date	3-Nov-20	3-Nov-20	3-Nov-20
Spot Price	\$0.051	\$0.051	\$0.051
Exercise Price	Nil	Nil	Nil
Barrier Price	\$0.06	\$0.08	Nil
Vesting Date	N/A	N/A	N/A
Expiry Date	31-07-23	31-07-23	31-07-23
Expected Future Volatility	100%	100%	100%
Risk Free Rate	0.11%	0.11%	0.11%
Dividend Yield	Nil	Nil	Nil
Valuation	\$0.0457	\$0.0423	\$0.051
Value	\$76,167	\$70,500	\$85,000
Total Issued	26,666,667	26,666,666	26,666,667
Total Value	\$881,167	\$808,500	1,036,666

The Performance Rights were issued to directors (related parties) and officers of the company in three tranches. The related party issues were approved in general meeting. Christian Easterday received 6,666,666 of each of Class A, B and C Rights and Melanie Leighton was issued 5,000,000 of each of Class A, B and C Rights. Classes A and B have been expensed in the current period. Class C Rights will be expensed over two years from date of issue. A total of \$1,828,093 has been expensed in the period (2019: nil) in relation to the issue of the rights.

Notes to the Financial Statements For the half-year ended 31 December 2020

7. Contingent Liabilities

There have been no significant changes to Contingent Liabilities since 30 June 2020.

8. Commitments

(a) Option Payment Commitments

The mining rights (which vary between 90% to 100%) of the various projects undertaken by Hot Chili will be transferred upon satisfaction of the Option payments committed as at 31 December 2020 tabled below.

	Consolidated entity	
	31 December 2020	30 June 2020
	\$	\$
Within one year	14,411,841	1,019,962
Later than one year but not later than five years	34,731,239	54,495,119
	49,143,080	55,515,081

9. Dividends

No dividends have been paid or proposed to be paid during the half-year.

10. Events Subsequent to Reporting Date

On the 5 January 2021 quarterly interest of \$155,660 was settled by the issue of 3,711,453 ordinary fully paid shares using a VWAP of \$0.04194.

Between 5 January to 10 March 2021, 901,313 shares have been issued at \$0.025c each on exercise of options.

On the 19 January 2021, 25,000,000 unquoted Options exercisable at 10c each, with an expiry date of 31 November 2022, were also issued to Veritas Securities Ltd forming part of the placement fee consideration and approved at the general meeting on 14 January 2021.

On the 19 January 2021, 11,904,762 shares were placed at 4.2cent each with Blue Spec Sondajes Chile Spa, a company associated with chairman Mr Murray Black, approved at the general meeting on 14 January 2021.

Between 19 January to 10 March 2021, 10,595,759 shares were issued on conversion of 3,500 convertible notes and accrued interest, at the conversion price of 0.03333 per share per terms and conditions on convertible notes.

On the 9 February 2021, USD\$10 million (A\$12,983,641) payment was made to SCM Carola, the vendors of the Cortadera project. This was the second of three instalments to acquire the project.

On the 2 March 2021, The Chilean Treasury deposited a VAT recovery of CLP 992.603.147 (A\$1,768,390) in SM La Frontera SpA's bank account.

The directors are not aware of any matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors Declaration

In the opinion of the directors:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303 (5)(a) of the Corporations Act 2001.

Signed for on behalf of the board by:

A handwritten signature in blue ink, appearing to read "Christian Easterday", written over a horizontal line.

Christian Easterday
MANAGING DIRECTOR
15 March 2021

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Hot Chili Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hot Chili Limited, which comprises the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hot Chili Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hot Chili Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hot Chili Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 15 March 2021

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hot Chili Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.



David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 15 March 2021

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