

Rule 5.5

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HOT ROCK LIMITED

ABN

99 120 896 371

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (378)	- - - (648)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D tax concession	-	-
Net Operating Cash Flows	(375)	(645)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	564 - -	564 - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – security deposits	10	10
Net investing cash flows	574	574
1.13 Total operating and investing cash flows (carried forward)	199	(71)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	199	(71)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	
1.15	Proceeds from share applications	-	-
1.16	Proceeds from borrowings	100	260
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – securities issue costs	-	-
Net financing cash flows		100	260
Net increase (decrease) in cash held		299	189
1.20	Cash at beginning of quarter/year to date	71	181
1.21	Exchange rate adjustments to item 1.20	2	2
1.22	Cash at end of quarter	372	372

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	12
1.24	Aggregate amount of loans to the parties included in item 1.17	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Directors remuneration and fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	320	320
3.2 Credit standby arrangements	-	-

Loan funds are being provided as required by the Directors of the Company while the Company completes its Strategic Review Process.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration (including repayments of loans)	1,250
Total	1,300

On 18 November 2013, the Company announced that it had entered into a sale agreement with its joint venture partner, Energy Development Corporation (EDC) for the sale of its geothermal assets, consisting of granted exploration concessions and authorisations (tenements) and applications it holds in both Peru and Chile.

The parties agreed to a sale price for the Chilean and Peruvian Assets of US\$3,000,000, with a deposit of US\$500,000 paid by EDC on 21 November 2013. On 6 January 2014, HRL received the remaining \$US2,500,000 less an amount of US\$230,000 that is subject to retention and held in an escrow account pending the resolution of a tax matter in Peru.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	372	72
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	372	72

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	<u>Chile</u>	Exploration concessions		
	Galo		100%	Nil
	San Carlos		100%	Nil
	Santa Antonia		100%	Nil
	San Guillermo		100%	Nil
	Santa Sonia		100%	Nil
	Santa Alejandra		100%	Nil
	Santa Eedita		100%	Nil
	San Roman		100%	Nil
	San Cristobal		100%	Nil
	Santa Victoria		100%	Nil
	<u>Peru</u>	Exploration concessions		
	Rupha		100%	Nil
	Chocopata		100%	Nil
	Turu		100%	Nil
	Achumani		100%	Nil
	Huisco		100%	Nil
	Quellaapacheta	30%	Nil	
	<u>Australia</u>	Exploration tenements		
GEP 23	100%		Nil	
GEP 9	100%		Nil	
GEP 7	100%	Nil		
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	345,427,767	345,427,767		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Employee Options	600,000		20 cents	31/01/2014
Director/Employee Options	21,000,000		4 cents	30/11/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/lapsed during quarter				
Director/Executive Options	6,000,000		25 cents	01/12/2013
Underwriter Options	2,338,985		25 cents	04/11/2013
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2014
Paul Marshall
(Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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