

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

HOT ROCK LTD

ABN

99 120 896 371

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted 30/11/15 \$0.04 options
In addition a total of 8,750,000 Unlisted 1/12/12 \$0.25 options have lapsed without being exercised. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,000,000 Unlisted 30/11/15 \$0.04 options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Unlisted 30/11/15 \$0.04 options (terms are attached at Annexure 2) |

⁺ See chapter 19 for defined terms.

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
5 Issue price or consideration	The options have a nil issue price.
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The options are being issued to directors following receipt of shareholder approval at the AGM.</p> <ul style="list-style-type: none">• 5,500,000 Options to Mark Elliott or his nominee;• 5,500,000 Options to Peter Barnett or his nominee;• 1,000,000 Options to Michael Sandy or his nominee; and• 1,000,000 Options to Stephen Bizzell or his nominee.
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b The date the security holder resolution under rule 7.1A was passed	29 November 2012
6c Number of +securities issued without security holder approval under rule 7.1	Nil
6d Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

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6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	13,000,000 unlisted 30/11/15 \$0.04 options as approved at the 2012 AGM.				
6f	Number of securities issued under an exception in rule 7.2	Nil				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1				
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	3 December 2012				
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: left; padding: 2px;">331,613,633</td> <td style="text-align: left; padding: 2px;">Ordinary Shares fully paid (HRL)</td> </tr> </tbody> </table>	Number	⁺ Class	331,613,633	Ordinary Shares fully paid (HRL)
Number	⁺ Class					
331,613,633	Ordinary Shares fully paid (HRL)					

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	1,000,000 1,000,000 1,000,000 2,338,985 6,000,000 700,000 21,000,000
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents	<p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>
19	Closing date for receipt of acceptances or renunciations	

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20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ^{+security} holders	
25	If the issue is contingent on ^{+security} holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ^{+security} holders sell their entitlements <i>in full</i> through a broker?	
31	How do ^{+security} holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) For the Ordinary shares described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, Director incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class
of quoted +securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
 - the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or interest
payment
 - the extent to which they do
not rank equally, other than in
relation to the next dividend,
distribution or interest
payment
-

41 Reason for request for quotation
now

Example: In the case of restricted securities,
end of restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

42 Number and +class of all
+securities quoted on ASX
(including the securities in clause
38)

Number	+Class

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Quotation agreement

- 1 ^{+Quotation of our additional} securities is in ASX's absolute discretion. ASX may quote the ^{+securities} on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ^{+securities} to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ^{+securities} should not be granted ^{+quotation}.
 - An offer of the ^{+securities} for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- 3 Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- 4
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ^{+securities} to be quoted and that no-one has any right to return any ^{+securities} to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ^{+securities} be quoted.
 - If we are a trust, we warrant that no person has the right to return the ^{+securities} to be quoted under section 1019B of the Corporations Act at the time that we request that the ^{+securities} be quoted.
- 5 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 6 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ^{+quotation} of the ^{+securities} begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Paul Marshall

(Company secretary)

Date: 3 December 2012

Print name: Paul Marshall

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⁺ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	189,869,615
Add the following:	
• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2	139,744,018
• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval	0
• Number of partly paid ordinary securities that became fully paid in that 12 month period	0
Note:	
• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i>	
• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i>	
• <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	0
“A”	329,613,633

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	49,442,045
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:	2,000,000
<ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	2,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	49,442,045
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	2,000,000
Total [“A” x 0.15] – “C” <i>[Note: this is the remaining placement capacity under rule 7.1]</i>	47,442,045

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	329,613,633
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	32,961,363
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	0
“E”	0

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	32,961,360
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E” <i>Note: this is the remaining placement capacity under rule 7.1A</i>	32,961,360

+ See chapter 19 for defined terms.

Annexure 2- Rights Attaching to 30/11/15 \$0.04 Director Options

1. The Director Options are Options to subscribe for ordinary shares (**Shares**) in the capital of the Company.
2. The exercise price for each Director Option is \$0.04 per Option (**Exercise Price**).
3. The Director Options of the respective Directors expire on the earlier of:
 - a) 30 November 2015;
 - b) The date which is 30 days (or such later date agreed to by the Board) after the respective Director ceases to be employed by the Company; and
 - c) if the Director is dismissed for misconduct (determined by the Board in their absolute discretion), the date on which the Director is dismissed.

(Expiry Date).

4. The Director Options are transferable in whole or in part.
5. The Director Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Director Option to the Company at any time on or before the Expiry Date.
6. Upon the valid exercise of the Director Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.
7. Holders of Director Options do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Director Options, in accordance with the requirements of the ASX Listing Rules.
8. The holder of Director Options does not participate in any dividends unless the Director Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
9. The Company does not intend to apply for listing of the Director Options on the ASX.
10. Subject to the Company being listed on the ASX, the Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Director Options.
11. If there is a pro rata issue (except a bonus issue), the exercise price of a Director Options may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Director Options.

O = the old exercise price of the Director Options.

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E = the number of underlying Shares into which one Option is exercisable.

P = if the Company is listed on the ASX, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date; or

if the Company is not listed on the ASX, the market value determined by the auditor of the Company.

S = the subscription price for a Share under the pro rata issue.

D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

12. If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Director Options is exercisable may be increased by the number of Shares which the Option holder would have received if the Director Options had been exercised before the record date for the bonus issue.
13. The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Director Options shall not be changed to reduce the Exercise Price, increase the number of Director Options or change any period for exercise of the Director Options.
14. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - a) the number of Director Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Director Options which are not conferred on shareholders; and
 - b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Director Options will remain unchanged.

+ See chapter 19 for defined terms.