

31 July 2014

June 2014 Appendix 5B

We enclose the June 2014 quarterly cash flow which is the first since completion of the acquisition of Phoenix Oil and Gas Limited as announced to ASX on 17 April 2014.

Under the accounting standard applicable to business acquisitions, AASB 3 Business Combinations, the acquisition of Phoenix Oil and Gas Limited ("POG") by High Peak Royalties Limited ("HPR") (nee Torrens Energy Limited "TEY") is required to be accounted for as a reverse acquisition of HPR by POG.

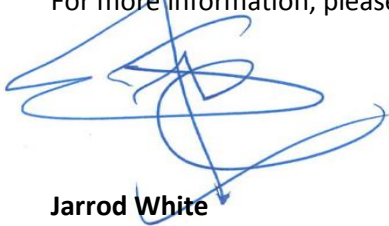
After review of the requirements as set out in the accounting standards the company has determined that POG is deemed to be the acquirer and HPR is deemed to be the subsidiary.

Applying the reverse acquisition method of accounting, following the acquisition, the Consolidated Statement of Cash Flows is required to represent the continuation of the financial statements of POG and its controlled entities.

As a result of the reverse acquisition methodology outlined above, the Consolidated Statement of Cash Flows shown represents the cash flows of POG and its controlled entities from the date of acquisition.

This method of accounting and assumptions used will be consistent with the approach adopted in the 2014 audited financial statements.

For more information, please contact:

A handwritten signature in blue ink, appearing to be "Jarrod White". The signature is stylized with loops and a long horizontal stroke at the end.

Jarrod White

Chief Financial Officer | Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Name of entity

High Peak Royalties Limited

ABN

79 118 065 704

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	43	212
1.2	Payments for (a) pre-development, exploration & evaluation	(5)	(7)
	(b) production		
	(c) administration	(401)	(1,133)
	(d) rehabilitation		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	31	46
1.5	Interest and other costs of finance paid	(4)	(58)
1.6	Income taxes paid		
1.7	Other		
Net Operating Cash Flows		(336)	(940)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) royalty interests	(95)	(95)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	(a) cash held by subsidiary on acquisition	7,978	7,978
	(b) refund of exploration payments	-	46
Net investing cash flows		7,883	7,929

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1.13	Total operating and investing cash flows (carried forward)	7,547	6,989
1.13	Total operating and investing cash flows (brought forward)	7,547	6,989
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(400)	(540)
1.18	Dividends paid		
1.19	Other (cost of capital raising)	(860)	(860)
	Net financing cash flows	(1,260)	(1,400)
	Net increase (decrease) in cash held	6,287	5,589
1.20	Cash at beginning of quarter/year to date	432	1,130
1.21	Adjustments to item 1.20 for reclassification of cash equivalents	-	-
1.22	Cash at end of quarter	6,719	6,719

Under the accounting standard applicable to business acquisitions, AASB 3 Business Combinations, the acquisition of Phoenix Oil and Gas Limited ("POG") by HPR (nee TEY) is required to be accounted for as a reverse acquisition of HPR by POG. Under this scenario, POG is deemed to be the acquirer and HPR is deemed to be the subsidiary. Applying the reverse acquisition method of accounting, following the acquisition, the Consolidated Statement of Cash Flows is required to represent the continuation of the financial statements of POG and its controlled entities.

As a result of the reverse acquisition methodology outlined above, the Consolidated Statement of Cash Flows shown represents the cash flows of POG and its controlled entities from the date of acquisition.

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	72
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil
1.25 Explanation necessary for an understanding of the transactions	
Amounts included in item 1.24 include consultancy fees paid to directors or their nominees. All transactions with related parties have occurred on an arm's length basis.	

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

+ See chapter 19 for defined terms.

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During the period, the Company successfully acquired all the shares on issue in Phoenix Oil and Gas Limited. These shares in Phoenix Oil and Gas Limited were acquired through the issue of TEY shares on a 1:1 basis.

- 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

Nothing to report for this period.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	420	420
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	15
4.2 Development/Investment in joint venture	-
4.3 Production	-
4.4 Administration	260
Total	275

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	6,719	432
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Refundable deposits and bonds)	-	-
Total: cash at end of quarter (item 1.22)	6,719	432

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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	N/A		
6.2	Interests in mining tenements acquired or increased	NT EP(A) 155	0%	100%
		NT EP156	0%	100%

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)	Amount paid up per security (see note 3)
7.1				
Preference securities (description)	-	-	-	-
7.2				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3				
*Ordinary securities				
Fully Paid	166,800,792	166,800,792	-	-
Partly Paid				

+ See chapter 19 for defined terms.

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7.4	Changes during quarter				
	(a) Increases through issues	70,184,435	70,184,435	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options			Exercise price (cents)	Expiry date
	On Issue	12,862,012	-	0.35	15 April 2017
		387,395	-	0.83	30 June 2015
			-		
			-		
			-		
7.8	<i>Issued during quarter</i>	12,862,012	-	0.35	15 April 2017
7.9	<i>Exercised during quarter</i>	-	-		
7.10	<i>Expired during quarter</i>	-	-		
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Mining exploration entity quarterly report

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 ~~/does not* (delete one)~~ give a true and fair view of the matters disclosed.

Sign here:



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(Director/Company secretary)

Date: 31 July 2014

Print name: Jarrod Travers White

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 1022: Accounting for Extractive Industries* and *AASB 1026: 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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