

6 July 2021



HPR PURCHASES GREEN HYDROGEN PROJECT ROYALTY

Highlights:

- Significant move in advancing HPR Environmental, Social and Governance (“ESG”) by purchasing royalty in a green hydrogen technology;
- Acquisition of green hydrogen project royalty expands and diversifies the existing royalty portfolio whilst being consistent with HPR’s business strategy of acquiring royalties over quality energy projects;
- Future opportunity to further direct project exposure through first right of refusal in funding of the overall project in both pilot and commercial scale plant installations;
- Establishes a future direction for High Peak in the evolving green energy space at both a royalty and project level.

The Board of **High Peak Royalties Limited** (ASX: **HPR, Company**) is pleased to announce that on 5 July 2021 it entered into a Memorandum of Understanding for Investment and Royalty Rights (“**the Agreement**”) with ScimTek Hydrogen Pty Ltd (“**ScimTek**”).

The Agreement is intended to be legally binding and provides certain rights to High Peak in exchange for a purchase price of \$300,000, which includes a 1% royalty on the sales of ScimTek Hydrogen products capped at \$30 million.

The agreement also entitles HPR to a first right of refusal to participate in future funding of the project of pilot and commercial scale plants.

The acquisition of the ScimTek royalty and investment rights is consistent with HPR’s business strategy of acquiring royalties over quality energy projects.

Key terms of the agreement are:

- Acquisition price of \$300,000;
- Establishment of a Gross Sales Royalty which is calculated as 1% of the sales of products by ScimTek to other parties, up to a maximum amount of \$30,000,000, for 10 years from the date of the Agreement;
- Royalties are to be calculated on standard accounting periods of a 6 month period ending on 30 June and 31 December;
- High Peak has a right of audit and inspection over the royalty calculations;
- Establishment of a Right of First Refusal (“**ROFR**”) for commercialisation whereby Scimtek must not undertake a capital raise without first providing notice to High Peak and a period of first offer for High Peak’s consideration.



About ScimTek

The ScimTek project is anticipated to significantly reduce the cost of hydrogen production via Steam Bio-methane Reforming (SBR) and Steam Methane Reforming (SMR) processes.

SMR is currently used to produce over 95% of the world's hydrogen. The project includes research and development of an improved catalyst that could reduce process temperatures and, subsequently, operating costs.

The successful development of a superior catalyst could be commercialised in existing process plants. It would also encourage and accelerate the move to hydrogen as a transport fuel.

There is already substantial demand for hydrogen, which is anticipated to increase as a clean transport fuel. The project includes the use of biomass methane, adding additional environmental benefits.

ScimTek Hydrogen was formed as a 50/50 joint venture between Scimita Ventures Pty Ltd and Kinaltek Pty Ltd. Kinaltek Pty Ltd focuses on the production of complex and futuristic materials for industries, including the development of novel catalysts. Kinaltek Pty Ltd has a significant IP portfolio on novel materials technologies.

Scimita Ventures Pty Ltd has substantial experience in the successful delivery of scientific technology research and development projects, fuelled by its proprietary accelerated commercialisation approach - Falcon™. To date Scimita Ventures Pty Ltd has delivered all projects on time and on budget across multiple industries, including hydrogen technologies.

Bringing together the expertise and technologies, ScimTek Hydrogen is able to develop and test catalysts for the production of green hydrogen significantly faster than the traditional methods.

ScimTek has advanced commercial plans to utilise the novel catalyst in the transport industry by utilising landfill gas to produce green hydrogen for fuelling buses and trucks in the transport network. ScimTek will seek further funding to develop pilot and commercial scale plants and HPR has a first right of refusal to fund commercialisation.

Mobin Nomvar CEO of ScimTek Hydrogen Pty Ltd said:

"We are excited to bring on board HPR as a partner in this project. The development of a novel catalyst will make green hydrogen a more cost-effective product as it is used as a clean transport fuel in Australia."

Andrew Carroll, Chairman of High Peak Royalties, said of the acquisition:

"The Board has recognised the investor interest in ESG projects, and we are pleased to expand and diversify the existing portfolio to participate in this emerging and growing green hydrogen business sector."

We are also pleased to demonstrate that royalties are a viable means of funding R&D and energy technology projects.

We look forward to being able to announce progress of this project in due course"



Approved for release by the Board of Directors

For enquiries please contact:

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Jarrold White | Chief Financial Officer | Company Secretary

ABOUT HIGH PEAK ROYALTIES LIMITED

High Peak Royalties Ltd (ASX:"HPR") is building a portfolio of diversified high value resource royalties around the world. In the current climate, High Peak is looking to partner with capable operators to secure royalties over high value producing assets and leverage our capital and structuring expertise.

The company's portfolio includes:

Permit / Location	Royalty Interest (%)	Operated By
PL 171 and ATP 574P	2.50	Queensland Gas/BG Group/ Shell
ATP 299P Petroleum Leases: PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298	3.6/4.0	Santos
Peat Gas Field (PL101)	2.13	Origin Energy
Surprise Oil Field (PL6)	1.00	Central Petroleum
Longtom Gas Field (VIC/L29)	0.30	Seven Group Holdings
WA-90-R / WA-91-R (formerly WA-315-P) Poseidon Field	0.10	Santos
EP(A)111, EP115, EP(A)120 and EP(A) 124	1.00	Central Petroleum
EP112, EP115NM and EP125	1.00	Santos
WA-482-P	0.20	Santos
EP(A)155	2.00	Mosman Oil and Gas
Planet Gas USA Inc. Royalties	3.00	Empire Energy
United States (East Texas, Permian and Texas Gulf Coast Basins)	0.20 to 0.40	Sabine Oil and Gas, Pioneer Natural Resources and Wagner Oil Company
United States (East Texas)	1.00	Silver Tusk and New Century Operating
Weeks Petroleum Royalty (Gippsland Basin) indirect interest via 10.68% shareholding in Royalco Resources (ASX: RCO)	0.0025	ExxonMobil
ML 04/244 and ML 04/249 Admiral Bay, Canning Basin	1.5% GOR 1.5% NSR	Metalicity Ltd



Licence/Location	Ownership %	Approximate Area in km ²
GEL 571 South Australia	100	1,845.23
GEL 572 South Australia	100	1,764.20
GEL 573 South Australia	100	1,180.49
GEL 574 South Australia	100	1,139.26