

30 July 2021

JUNE 2021 QUARTERLY REPORT

ACTIVITY AND PORTFOLIO REVIEW

High Peak Royalties is pleased to announce the June Quarter Statement of Activity and Cash Flows. HPR has a portfolio of royalties in Australia and USA as detailed on the final page of the Activities Report.

Quarterly revenue was \$119,367 representing an increase on the March 2021 quarter of \$24,282, or 28%. Cash at the end of the quarter was \$771,073. During the quarter, \$53,749 was paid to directors of the Company in director fees, as noted in Item 6.1 of the 5B. The increase in revenue has occurred as a direct result of the sustained rising oil prices since the lows of April 2020 as a result of the initial impact of COVID-19.

Subsequent to 30 June 2021

Subsequent to the quarter, the Company settled payment on two royalties, being the previously announced Admiral Bay royalty (\$100,000), and the newly acquired Green Hydrogen Royalty.

As announced 5 July 2021 HPR acquired rights including a royalty over a Green Hydrogen project for \$300,000. The rights provide for a 1% royalty over:

- hydrogen sales; and
- a novel catalyst for producing hydrogen via Steam Methane Reforming ("SMR") or Steam Bio-methane Reforming ("SBMR").

This extends the scope of the existing portfolio which contains diversified high value resource royalties around the world, expanding into sustainable energy and renewable projects.

Cumulatively this is a total of \$400,000 of funds subsequent to balance date expended on new royalty acquisitions.

REVIEW OF PORTFOLIO ASSETS

USA

USA revenue improved by 28% with \$119,367 recorded for the June quarter compared to the March quarter of \$93,085. There was interest paid in the period for the Macquarie Bank Financing Facility costs of \$27,873.

Amadeus Basin (NT)

The Company notes the royalty over Mosman Oil and Gas Limited (AIM: MSMN (“Mosman”)) Amadeus Basin Permit EP 145, airborne gravity and gradiometry survey, has now been approved by the relevant Government Department. Airborne survey commenced the week of 5 July 2021 and concluded 21 July 2021.

As noted by MSMN, the survey is a significant step in the exploration programme for EP-145 as it is the first time data will be acquired for the whole permit and will provide valuable information across the entire 818 sq km permit area.

Current subsurface seismic data is limited to the NW and central part of the permit and existing regional gravity data is too sparse to provide sufficient detail of the complex salt related structures which have been identified as hydrocarbon and helium leads within the permit.

The survey uses the high-resolution Falcon Airborne Gravity Gradiometry System which has the ability to image salt and subsalt geometry across a range of depths. The technique measures the density contrast of the different rock layers with a higher level of resolution and sensitivity than standard gravity tools, improving confidence in the interpretation of high density and gravity features including salt related structures.

The Falcon system has been used to successfully interpret drill targets across a variety of geological settings around the world including the Canning Basin Western Australia. The survey was completed by Xcalibur Airborne Geophysics (who recently acquired CGG Aviation (Australia) Pty. Ltd.).

There are no material updates to other royalties held over other permit areas in the NT region.

Queensland (QLD)

Royalties include the producing Peat gas field. HPR did not receive payment from Origin Energy Limited (Origin) and is seeking clarification having engaged with Origin formally to clarify the payment calculations and amounts on this royalty to date.

HPR continues to monitor the other permits where HPR has royalties, including those operated by Shell (formerly BG, QGC) where drilling has identified significant coal-seam methane resources. The areas adjacent to the HPR royalty areas have been developed and are producing.

Western Australia (WA)

HPR also has royalties on several high potential offshore permits, including one permit near the large Dorado discovery operated by Santos Limited. HPR acquired a royalty package from Orion Resource Partners on 23 April 2021 in a project based in the Kimberley Region. There is extensive history with the project, with geological advancements enhancing the value of the project since its beginning.



RECENT ANNOUNCEMENTS

Summary of announcements during the period to release of this report:

Date	Announcement
13/04/2021	Change in substantial holding
23/04/2021	High Peak Diversifies Royalty Portfolio with Acquisition
30/04/2021	Quarterly Activities and Cashflow Report
18/06/2021	Officeholder Update
06/07/2021	HPR Acquires Green Hydrogen Project Royalty from ScimTek
29/07/2021	HPR Update on Green Hydrogen Project Royalty

This announcement has been approved 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
Royalty over Hydrogen Sales including Catalysts	1%	ScimTek Hydrogen Pty Ltd
Licence/Location	Ownership %	Approximate Area in km²
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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

High Peak Royalties Limited

ABN

79 118 065 704

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	120	401
1.2 Payments for		
(a) exploration & evaluation	-	(17)
(b) development	-	-
(c) production	-	-
(d) staff costs	(54)	(209)
(e) administration and corporate costs	(83)	(490)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(47)	(151)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(64)	(466)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments (royalties acquired)	-	(249)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(252)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	3	(333)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3	(333)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	828	1,843
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(64)	(466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(252)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3	(333)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	7	(21)
4.6	Cash and cash equivalents at end of period	771	771

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	771	828
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	771	828

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6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	54
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	19,952	1,995
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	19,952	1,995
7.5 Unused financing facilities available at quarter end		17,957
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>On 7 December 2018, as part of the acquisition of Planet Gas USA, Inc, the Company assumed a debt facility from Macquarie Bank for a total facility limit of US\$15 million. Interest charged at Libor plus 5.5% on amount owed, standard parent company guarantees and a 3-year term commencing 7 December 2018.</p> <p>On 30 April 2021, the Company signed an Amendment Letter to the above facility agreement. This Amendment extends the term of the facility by three years to 7 December 2024.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(64)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(64)
8.4 Cash and cash equivalents at quarter end (item 4.6)	771
8.5 Unused finance facilities available at quarter end (item 7.5)	17,957
8.6 Total available funding (item 8.4 + item 8.5)	18,728
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	293
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.