

31 January 2022

DECEMBER 2021 QUARTERLY REPORT

CORPORATE UPDATE

2021 AGM and Subsequent Board Composition

Messrs Geoffrey King (the Interim Chairman) and Andrew Carroll (Non-Executive Director) did not stand for re-election at the 2021 AGM and had resigned at the commencement of the Annual General Meeting.

Following the conclusion of the 2021 Annual General Meeting, Mr David Croll was appointed as interim Chairman, and Mr James Knowles and Mr Anthony Wooles were re-elected as Directors of the Company.

Capital Raising and Activities Post End of Quarter

In October, the Company announced the successful completion of a placement of \$800,000 (prior to the costs of the raising) at \$0.04 being 20,000,000 shares.

Of those shares 2,750,000 were subscribed for by Directors following the successful shareholder approval of the Directors' participation of the placement in the 2021 AGM. Directors' participation totalled \$110,000 of the total of \$800,000

Messrs Wooles, Croll and Knowles participated in the placement.

ACTIVITY AND PORTFOLIO REVIEW

High Peak Royalties is pleased to announce the December 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 cash receipts were \$160,000 which was consistent with the prior quarter. Cash at the end of the quarter was \$734,000. During the quarter, \$63,000 was paid to directors of the Company in director fees, as noted in Item 6.1 of the 5B.

REVIEW OF PORTFOLIO ASSETS

USA

USA cash receipts increased marginally with \$154,806 recorded for the December quarter compared to the September quarter of \$149,298. There was interest paid in the period for the Macquarie Bank Financing Facility costs of \$37,000 in addition to the payment of US\$250,000 (AU\$342,000) in principle against the facility as per the terms of its repayment schedule

At 31 December 2021 the total owing on the facility was US\$1,250,000 (AU\$1,722,000).

Australia

HPR received payment from Origin and has been reviewing the calculation of royalties with data provided by Origin. HPR notes there is a lag in royalty payments relative to the sale of gas by Origin. Recent significant increase in commodity prices should flow to future royalty payments.

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.

Noted that as announced in the Santos (ASX.STO) September quarterly activities report, that during the quarter *“Santos has executed a binding term sheet to farm-down interests in various exploration permits (EP 82, EP 105, EP 112, EP 125, EP(A) 111 and EP(A) 124)1 within the Amadeus Basin to Peak Helium (Amadeus Basin) Pty Ltd. In exchange for a confidential consideration, Peak Helium would acquire certain non-operated interests in the permits. The transaction would provide funding for progressing the exploration program in the Amadeus Basin, including re-drilling of the Dukas prospect to test the sub-salt play. The transaction is subject to customary conditions and regulatory approvals.”*

High Peak continues to monitor its royalty portfolio and activity as announced that is relevant to the underlying permits.

RECENT ANNOUNCEMENTS

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

Date	Announcement
05/10/2021	Application for quotation of securities - HPR
05/10/2021	Cleansing Statement and Settlement of Recent Capital Raising
13/10/2021	Change in substantial holding
29/10/2021	HPR September Quarterly Activities Report and Appendix 5
29/10/2021	Notice of Annual General Meeting/Proxy Form
11/11/2021	Appendix 3Y
30/11/2021	Results of Meeting
02/12/2021	Board Composition and Appendix 3Z x2
03/12/2021	Adoption of New Constitution
30/12/2021	Application for quotation of securities - HPR
30/12/2021	Cleansing Notice
30/12/2021	Appendix 3Y x3



his 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, EP(A)120 and EP(A) 124	1.00	Central Petroleum
EP112, EP115NM and EP125	1.00	Santos
EP115	1.00	Frontier Oil and Gas
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
Royalty over hydrogen sales including catalysts	1.00	Scimtek Hydrogen Pty Ltdl
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 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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	160	320
1.2 Payments for		
(a) exploration & evaluation	8	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(60)	(111)
(e) administration and corporate costs	(161)	(178)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(37)	(66)
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	(90)	(35)

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)	-	(400)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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	-	(400)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	800	800
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	(58)	(58)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(342)	(342)
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	400	400

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	425	762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(90)	(35)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(400)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	400	400

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	7
4.6	Cash and cash equivalents at end of period	734	734

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	734	425
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)	734	425

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	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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	20,672	1,722
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	20,672	1,722
7.5 Unused financing facilities available at quarter end		18,950
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 extended 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)	(90)
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)	(90)
8.4 Cash and cash equivalents at quarter end (item 4.6)	734
8.5 Unused finance facilities available at quarter end (item 7.5)	19,684
8.6 Total available funding (item 8.4 + item 8.5)	19,159
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	219
<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: 31 January 2022

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.