



31 July 2023

June 2023 QUARTERLY REPORT

ROYALTY PORTFOLIO UPDATE

High Peak Royalties (ASX: **HPR**) (**High Peak** or **Company**) is pleased to announce the June Quarter Statement of Activity and Cash Flows.

Commentary on Operating Cashflows and Royalty Receipts

June quarter gross receipts were A\$443,000 which resulted in positive net cash (after outgoings for the quarter) of A\$254,000. USA royalty receipts of A\$264,589 were recorded for the June quarter. Closing cash balances across the Group at the end of the quarter and financial year end (30 June 2023) were A\$1,462,850.

Interest paid during the period for the Macquarie Bank Financing Facility was A\$37,650. At 30 June 2023 the total owing on the facility was US\$1,000,000 (A\$1,508,296). During the quarter, there were no material outgoings and A\$44,167 was paid to directors of the Company in director fees, as noted in Item 6.1 of the Appendix 5B.

Northern Territory Royalty Update

During the last quarter, the Company provided a number of updates in relation to Exploration Permits (EP) EP112, EP125, EP(A)111, and EP(A)124 over which the Company holds a 1.0% royalty interest.

The Company advises that Central Petroleum Limited (ASX: **CTP**, **Central**) provided further updates on the Peak Helium Farmout Status relating to EP112 and EP125.

On 30 June 2023 and with a further recent update in their quarterly released on 28 July 2023, Central provided the following information:

- Peak Helium (Amadeus Basin) Pty Ltd ("Peak Helium") had overdue payments of over \$3 million under the farmout agreement completed on 31 March 2023.
- Central had formed the view that Peak Helium may not be able to fund obligations under its various farmin arrangements, which put the planned three well sub-salt exploration program at risk.
- Central had been approached by Peak Helium and its financiers to restructure their broader arrangements with all joint venture parties to prioritise drilling at EP 125 (Jacko Bore well).
- Planning for the drilling of a sub-salt exploration well in each of the three permits targeting helium, naturally occurring hydrogen and hydrocarbons continued through the June quarter, but activity has been suspended, pending resolution of Peak Helium's financial capacity to fulfill its farmin obligations.
- Overall this points to an increased likelihood of a delay to the sub-salt exploration program or that it may require substantial amendment.



We note comments from Leon Devaney Managing Director and Chief Executive Officer (28 July 2023):

“Having sourced funding for our share of three planned sub-salt exploration wells to explore for helium, naturally-occurring hydrogen and natural gas, we were very disappointed that Peak Helium, one of our joint venture partners in these programs, now appears unable to fund their commitments. This will undoubtedly delay this exciting program while we work through the various joint venture options with Santos (Operator), but we remain determined to test the basin for these rare and valuable gases.”

Notwithstanding the recent announcements relating to issues between the JV partners, the Company continues to maintain a positive view of the technical and commercial merits of drilling the proposed Jacko Bore and Dukas wells. The Company’s view is that the recent issues are likely to result in a delay to the drilling programme as the JV issues are resolved. The Company also remains cautiously optimistic that the potential benefit to all parties is sufficient motivation to continue to progress towards drilling.

Queensland

The Company continues to monitor progress over its PL171 and ATP574P (Peat Gas Field) royalties operated by Shell. Gas production in the June quarter averaged ~6.5 TJ/day vs ~7.3 TJ/day] in the previous quarter, based on publicly available production statistics (see [AEMO | Data dashboard](#)).

General

High Peak continues to engage with permit holders and/ or operators and monitor activities completed on the underlying permits relevant to its royalty portfolio.

Exploration Assets

The Company received confirmation from the Department for Energy and Mining in South Australia (**DEM**) that Geothermal Exploration Licences (**GEL**) 571, 572, 573 and 574 have been renewed for an additional 5 year term, which were received in the previous quarter. The Company continues to work with DEM to progress the applications to retain areas relinquished as a result of the recent renewal of GEL 571, 572, 573 and 574.

The GEL licenses and applications for relinquished ground are held by the Company’s wholly owned subsidiary Torrens Energy (SA) Pty Ltd (**Torrens Energy**).

High Peak is also in the process of preparing a Statement of Environment Objectives (**SEO**) as required under the *Petroleum and Geothermal Energy Act 2000* and associated regulations.

The Company will provide further updates on the applications and the SEO in due course.

CORPORATE

Events During the Quarter

In June 2023 Macquarie Bank amended the terms of the facility to remove references to LIBOR, and instead replace LIBOR with the sum of ‘Term SOFR’ and ‘Credit Adjustment Spread’, which will then be added to the original 5.5% margin for to calculate the total interest charged. There is not expected to be any material difference to the actual amount of interest charged because of this change, which was made as a result of the abandonment of LIBOR as a pricing reference by banks and institutions.

There were no other material corporate activities during the quarter.

EVENTS SUBSEQUENT TO END OF THE QUARTER

Unmarketable Parcel Share Buy-Back

On 10 July 2023, the Company instituted an unmarketable parcel share buy-back for holders of unmarketable parcels of shares. Under the ASX Listing Rules, any shareholding valued at less than A\$500 is considered to be an unmarketable parcel.

Based on the 10-day Volume Average Weighted Price (VWAP) at the close of trading on Wednesday, 5 July 2023 (**Record Date**) of A\$0.068, a holding of 7,352 Shares or less constitutes an Unmarketable Parcel under the terms of the Buy-Back. At the Record Date, there were 616 holders of an unmarketable parcel of Shares, which represented a total of 964,445 Shares, being 0.46% of the High Peak Shares on issue.

The indicative dates, as previously announced, remain as follows:

Event	Indicative Date
Record Date for Buy-Back	Wednesday, 5 July 2023
Announcement of Record Date for Buy-Back	Monday, 10 July 2023
Dispatch of letter and Share Retention Form to Eligible Shareholders	Monday, 10 July 2023
Closing date for receipt of Share Retention Form	5:00pm on Monday, 21 August 2023
Announcement of outcome of the Buy-Back	Wednesday, 23 August 2023
Remittance of proceeds to Eligible Shareholders whose shares are bought back under the Buy-Back	Thursday, 31 August 2023
This timetable is indicative only and subject to change at the discretion of High Peak and subject to the Listing Rules. All dates are references to Sydney (AEST) time. High Peak reserves the right to suspend or terminate the Buy-Back. Any changes, suspension or termination will be notified by written notice to ASX.	

Please refer to ASX Announcement dated 10 July 2023 for further information.

Appointment of Executive Chairman

As announced on 26 July 2023, the Company appointed Mr James Knowles as an Executive Chairman in recognition of his active role in the leadership of the Company and involvement in day to day operations given his technical expertise and sector experience. In recognition of this appointment there were changes to the remuneration which include the issuance of performance shares that will require shareholder approval at the next Annual General Meeting of Shareholders. There were no changes to the remuneration or status of Non-Executive Directors Mr David Croll and Mr Anthony Wooles.

Further detail of Mr Knowles appointment is included in the announcement date 26 July 2023.



RECENT ANNOUNCEMENTS

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

Date	Announcement
28 April 2023	March Quarterly Appendix 5B and Activities Report
23 May 2023	Appendix 3Y
29 May 2023	Appendix 3Y
02 June 2023	Appendix 3Y
02 June 2023	Change in substantial holding
09 June 2023	Appendix 3Y
10 July 2023	Buy-Back of Unmarketable Parcels of Shares
26 July 2023	Appointment of Executive Chairman

This announcement has been approved by the Board of Directors.

For enquiries please contact:

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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	3.6/4.0	Santos
Petroleum Leases: PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298		
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
ML 04/244 and ML 04/249 Admiral Bay, Canning Basin	1.5% GOR 1.5% NSR	Metalcity Ltd
Royalty over Hydrogen Sales including Catalysts	1%	ScimTek Hydrogen Pty Ltd
Licence/Location	Ownership %	Approximate Area in km ²
GEL 571 South Australia	100	871
GEL 572 South Australia	100	827
GEL 573 South Australia	100	519
GEL 574 South Australia	100	550



FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward-looking words such as “believe”, “expect”, “estimate”, “will”, “may”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include but are not limited to the expected outcome of the acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions, and other important factors are not all within the control of High Peak and cannot be predicted by High Peak and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which High Peak operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of High Peak or any of its subsidiaries, advisors, or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements. Statements about past performance are not necessarily indicative of future performance.

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 2023

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	443	1,530
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(50)	(152)
	(e) administration and corporate costs	(102)	(506)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(37)	(152)
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	254	721

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)	-	-
	(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	-	-
	(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.	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	-	(374)
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	-	(374)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,205	1,105
4.2	Net cash from / (used in) operating activities (item 1.9 above)	254	721
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(374)

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	4	11
4.6	Cash and cash equivalents at end of period	1,463	1,463

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	1,463	1,205
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)	1,463	1,205

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	44
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	22,624	1,508
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	22,624	1,508
7.5	Unused financing facilities available at quarter end		21,116

- 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.

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.

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.

In June 2023 Macquarie Bank amended the terms of the facility to remove references to LIBOR, and instead replace LIBOR with the sum of 'Term SOFR' and 'Credit Adjustment Spread', which will then be added to the original 5.5% margin for to calculate the total interest charged. There is not expected to be any material difference to the actual amount of interest charged as a result of this change, which was made as a result of the abandonment of LIBOR as a pricing reference by banks and institutions.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	254
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant receipts (item 8.1 + item 8.2)	254
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,463
8.5	Unused finance facilities available at quarter end (item 7.5)	21,116
8.6	Total available funding (item 8.4 + item 8.5)	22,579
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
	<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	
	<i>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.</i>	

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 July 2023

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.