



31 October 2019

## SEPTEMBER 2019 QUARTERLY REPORT

### ACTIVITY AND PORTFOLIO REVIEW

High Peak Royalties is pleased to announce the September quarter Statement of Cash Flows and Activities.

During the quarter, cash receipts from royalties across the portfolio were \$159,148.

The Group had a net cash outflow for the quarter however this was after taking into account some one-off cash outflows which included ASX listing fees and permit renewal fees for the Company's geothermal tenements (GEL571, 572, 573 and 574). Excepting these costs the Company had positive net operating cash flows from royalty receipts.

Please refer to the company's portfolio table on the final page of the Activities Report for details of the areas where High Peak has royalties.

### GEOGRAPHIC REVIEW OF PORTFOLIO ASSETS

#### USA

HPR is continuing to receive steady revenue from existing multiple royalties in the USA. Revenue on a cash basis across USA based fields was ~\$130,000 which supported the financing and interest costs of ~\$59,000 related to the Planet Gas royalty acquisition and Macquarie Financing Facility.

#### Queensland (QLD)

HPR has seen a positive impact from the increased commodity prices, which have been reflected in the royalties received on the Peat Gas Field. Royalties received on a cash basis were ~\$29,000.

HPR also has royalties over the nearby PL 171 and ATP 574 permits adjacent to the Woleebee Creek production facility operated by Shell which is producing coal seam gas. HPR monitors activity but cannot predict when PL 171 or ATP 574 will be developed. Given the shortage of gas supply to the East Coast gas market and the ongoing LNG exports, it would seem to be a matter of time.

#### Northern Territory (NT)

Santos Limited (ASX: STO) announced on 16 April that the Dukas-1 well was spudded. A further announcement on 10 June noted that drilling had progressed through the Gillen formation.



High Peak continues to monitor the progress on this well, as the Company holds a 1% royalty on this permit. It is expected that this well will have a total depth of 3,600m and is targeting Helium and Hydrogen as well as large volumes of hydrocarbons.

### **Western Australia (WA)**

Exploration activity is picking up, and HPR expects that in due course there will be more drilling on permits where HPR has royalties.

### **RECENT ANNOUNCEMENTS**

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

<b>Date</b>	<b>Announcement</b>
31/07/2019	June Appendix 5B and Quarterly Report
19/09/2019	Change in substantial holding
30/09/2019	Appendix 4G
30/09/2019	2019 Annual Report to shareholders

**For enquiries please contact:**

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**Jarrold White**

**CHIEF FINANCIAL OFFICER | Joint 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-314-P	0.10	Karoo Gas
WA-315-P	0.10	ConocoPhillips
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
EP156 and 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

Licence/Location	Ownership %	Approximate Area in km <sup>2</sup>
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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

High Peak Royalties Limited

### ABN

79 118 065 704

### Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from royalties	159	159
1.2 Payments for		
(a) exploration & evaluation	(5)	(5)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(63)
(e) administration and corporate costs	(75)	(75)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(59)	(59)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(42)</b>	<b>(42)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (shares in a listed company)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,045	1,045
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(42)	(42)
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)	-	-
4.5	Effect of movement in exchange rates on cash held	3	3
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,006</b>	<b>1,006</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,006	1,045
5.2 Call deposits		-
5.3 Bank overdrafts		-
5.4 Other (provide details)		-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>		<b>1,045</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

56

-

Payments at item 6.1 includes Board fee payments to Directors for their services during the quarter.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

N/A

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$'000</b>	<b>Amount drawn at quarter end \$'000</b>
8.1 Loan facilities	USD15,000	USD2,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include 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.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	5
9.2 Development	-
9.3 Production	-
9.4 Staff costs	63
9.5 Administration and corporate costs	60
9.6 Other (interest on loan facility)	60
<b>9.7 Total estimated cash outflows</b>	<b>188</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

**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.

Sign here:

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(Company Secretary)

Date: 31 October 2019

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.