

20 March 2025

ASX ANNOUNCEMENT

HPR Announces Sale of Geothermal Tenements and Strategic Partnership with Northstar Energy

HIGHLIGHTS

- **Sale of Geothermal Energy Licenses (GEL) and related GEL Applications (GELA) registered to wholly owned subsidiary Torrens Energy (SA) Pty Ltd (Torrens)**
- **Natural resources company Northstar Energy Limited (Northstar), who is focused on the development of renewable electricity, is the successful acquiror of Torrens Energy**
- **Consideration for the purchase of Torrens by Northstar to be settled by way of shares and royalties in favour of HPR**
- **Market value of total consideration retained/received by HPR in excess of \$2,000,000 based on recent Northstar capital raising activities**
- **Sale of Torrens to be subject to be Completed in two tranches:**
 - **Tranche 1: Completed on announcement**
 - **Tranche 2: Subject to receiving ministerial consent from the Department for Energy and Mining (SA)**
- **Developmental potential of the Torrens geothermal assets realised through sale to Northstar and initiation of Strategic Partnership**

High Peak Royalties Limited (**HPR** or the **Company**) is pleased to announce a material Transaction and Strategic Partnership, being the sale of its wholly owned subsidiary Torrens Energy (SA) Pty Ltd (Torrens) which holds the Company's South Australian geothermal assets.

TRANSACTION OVERVIEW

High Peak Royalties Limited has executed a Share Sale and Purchase Agreement for the Company's 100% owned subsidiary, Torrens Energy (SA) Pty Ltd (**Torrens**). The transaction includes the transfer of Geothermal Energy Licenses (GEL) 571, 572, 573, 574, Geothermal Energy License applications (GELA) 787, 788, 789, 790, 266 and all associated rights, obligations, transfers and approvals to Northstar Energy Limited (**Northstar**).

High Peak has sold Torrens Energy (SA) Pty Ltd (**Torrens**) to Northstar in return for the following:

- Assumption by Northstar of a royalty issued by Torrens to HPR.
 - The royalty provides an ongoing 1.0% Gross Royalty over geothermal energy produced from the Torrens GELs and GELAs (as defined under the Energy Resources Act 2000 (SA)).
- Issuance of a total of 12,500,000 Completion Shares in Northstar with an issue price of A\$0.16 per share, being the most recent price of capital raised by Northstar which equates to a current valuation of \$2,000,000, and is subject to a Two Tranche Completion.
- Two (2) Tranche Completion and the issuance of the Completion Shares to be in exchange for the transfer of 100% of HPR's ownership interest in Torrens (Torrens Shares) on a scrip for scrip basis, which will be received by HPR and in turn transferred to Northstar on the following basis:

Tranche	Torren Shares transferred to Northstar	Northstar Shares issued to HPR	Completion Date
Tranche 1	199 Torrens Shares (19.90% of the issued capital of Torrens)	6,250,000 (50% of the total Completion Shares)	20 March 2025
Tranche 2	801 Torrens Shares (80.10% of the issued capital of Torrens)	6,250,000 (50% of the total Completion Shares)	Subject to Ministerial Consent of the Change in Ownership of Torrens Energy

- Ministerial Consent is required by the Department for Energy and Mining (SA) to provide regulatory approval for the change in ownership of any GEL or GELA, where there is a change in ownership of more than 19.99%.
- Under the terms of the acquisition Tranche 2 would therefore require Ministerial Consent which requires an application for approval by Torrens. The timing of the Ministerial Consent is subject to the discretion of the Department for Energy and Mining (SA) and High Peak will keep the market informed as to the status of the Tranche 2 Completion.
- Based on the current issued shares in Northstar the total Completion Shares mean that High Peak will hold ~1.7% effective as today being Tranche 1 completion date.
- Following the completion of the Tranche 2 issuance would equate ~3.4% of the current issued capital of Northstar.
- A formal Strategic Partnership and ongoing relationship with Northstar has been established as detailed below, which includes contingent commitments to work with Northstar, and the right for HPR to participate in further capital raising initiatives of Northstar in the event of an IPO or similar liquidity event as detailed below.

- Under the terms of the agreement each party was responsible for their own costs and advice facilitating the transaction.

STRATEGIC PARTNERSHIP

A strategic relationship between High Peak and Northstar has been formalised and includes the following terms and commitments to support Northstar achieving its business objectives:

- High Peak will have the right to appoint a director in a non-executive capacity to Northstar's board.
- High Peak has committed \$150,000 as a minimum investment into a proposed IPO or liquidity event of Northstar in 2025, with an option to increase the investment up to \$750,000.
- High Peak will leverage its industry expertise, exposure and network to assist Northstar in securing funding and attracting strategic cornerstone investors to advance its development plans.
- Torrens Energy's General Manager of Projects, Dr. Chris Matthews will transition across to Northstar, and is expected to take on a broader role and contribute across Northstar's expanded portfolio of projects.
- High Peak and Northstar to both work together to obtain the Ministerial Consent in order to ensure the full completion of the Two Tranche Completion.

High Peak Royalties Executive Chairman Mr James Knowles said:

"I am very pleased with the sale of Torrens Energy to Northstar - our team has done a tremendous job in negotiating and executing this transaction, which represents a strategic step forward for High Peak by aligning the Torrens geothermal assets with a company that has the expertise, focus, and resources to develop them to their full potential.

The transaction removes the complexity of direct resource ownership to High Peak and focuses its asset base wholly on royalties and is aligned with the core objective of developing High Peak to become a meaningful royalty Company, whilst providing an opportunity to retain a meaningful exposure to the future success of these assets through the agreed royalties and equity holding in Northstar.

I am particularly excited about our Strategic Partnership with Northstar. Northstar's strategic goal to produce base load renewable electricity and clean fuels positions it uniquely to harness the geothermal resources within these assets as part of its broader strategic objectives at a time where the renewable energy sector is evolving rapidly.

Northstar is positioning itself at the forefront of developing geothermal and hydrothermal energy production projects in Australia, which through its ownership and Strategic Partnership with Northstar, High Peak will have the opportunity to



participate and maintain its exposure to these positive developments, whilst achieving its core objective of becoming a meaningful royalty company.”

Northstar Energy Executive Chairman Mr Paul McKenna said:

“Northstar is preparing to list on the ASX later this year and the acquisition of Torrens is a compelling and valuable addition to our portfolio as it includes Australia’s first independently calculated thermal energy resource close to transmission infrastructure and large energy users who are mandated to decarbonise their operations.

Our Strategic Relationship with High Peak will be important as we look to establish Northstar as a pioneer in geothermal and hydrothermal energy projects which have the potential to become “the game changer” in the world’s decarbonisation.

This includes developing future solutions to non-weather-dependent, dispatchable, base-load renewable energy developments, which we see as a critical requirement to helping Australia achieve its Net Zero targets by 2050.”

ABOUT NORTHSTAR – THE EVOLUTION OF ENERGY

Northstar Energy is a natural resources company focused on the development of non-weather dependent (NWD) dispatchable base load renewable electricity and clean fuels production in Australia – a critical requirement to helping the nation achieve its Net Zero targets by 2050.

Founded in 2017 Northstar has since established a dominant position at the forefront of Australia’s energy evolution over the past decade. The company is now making a name for itself internationally by pioneering geothermal and hydrothermal energy projects which have the potential to become “the game changer” in the world’s decarbonisation.

The acquisition of Torrens Energy and its strategic partnership with High Peak significantly raises Northstar’s market trajectory ahead of a planned listing on the ASX in 2025. Torrens has a large geothermal portfolio which contains Australia’s first independently calculated thermal energy resource, located in proximity to transmission infrastructure and large energy users who are mandated to decarbonise their operations.

ENDS

This announcement has been approved by the Board of Directors and released by the Company Secretary.

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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 (%)	Operator
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	Central Petroleum and Santos
EP(A)155	2.00	Mosman Oil and Gas
Planet Gas USA Inc. Royalties	3.00	Empire Energy, Mai Oil and CHS Macpherson
United States (Harrison County East Texas, Preston Spraberry Permian Basin and Willacy County Texas Gulf Coast Basin)	0.20 to 0.40	RFE Operating LLC, Crescent Pass Energy LLC (Sabine Oil & Gas), Pioneer Natural Resources and Wagner Oil Company
United States (Burlison and Lee Counties, East Texas)	1.00	Atlas Operating LLC (acquired from New Century Operating)
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 (%)	Licence Area (km ²)
GEL 571 (South Australia)	80.10	871
GEL 572 (South Australia)	80.10	827
GEL 573 (South Australia)	80.10	519
GEL 574 (South Australia)	80.10	550
GELA 787 (South Australia)	N/A	823
GELA 788 (South Australia)	N/A	936
GELA 789 (South Australia)	N/A	660
GELA 790 (South Australia)	N/A	589
GELA 266 (South Australia)	N/A	104



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.