



29 July 2016

JUNE QUARTERLY UPDATE

The royalty model is about investing in production and generating annuity income from resource assets. It's a very large market opportunity, and High Peak Royalties Limited ("HPR") are in a growth phase, but have a strong position in the sector in the Southern Hemisphere.

OPERATIONS UPDATE

Royalty receipts were \$10,000 for the quarter and 2016 financial year cash collections of royalties were \$102,000, in addition to \$110,000 in dividend receipts for the year.

As announced to the market on the 23rd of May 2016 the Company has undergone a number of changes in order to conserve shareholders' funds which included the following significant events:

1. The resignation of Non-Executive Director Mr John Theobald;
2. The resignation of the Company's CEO Mr Simon Fyfe;
3. Consolidation of administrative and occupancy costs;
4. Directors' remuneration to be paid in 100% in equity in lieu of cash, commencing from 1 July 2016.

As a result of the above changes, the company incurred one-off termination costs which have been reflected in the cash outflows for operating activities, however despite the one off costs managed to keep these operating outflows lower than the annualised 2016 run rate.

From 1 July 2016 (Quarter 1 of 2017 reporting) shareholders will see the full effect of these operating cost rationalisations.

ESCROW RELEASE

On 6 May 2016 High Peak Royalties Ltd announced to the market the remaining 6,725,000 HPR shares were released from escrow. Following the release of these securities from escrow there are no further restricted or escrowed securities on issue.

PORTFOLIO UPDATE

- HPR attracted a number of royalty investment proposals during the quarter (both locally and overseas), and expects that trend to continue increasing. The company continues to assess opportunities in an entrepreneurial, yet disciplined way.
- HPR is the largest shareholder in fellow ASX listed Royalty Company - Royalco Resources Ltd (ASX: RCO) (approx. 21% shareholding valued at approx. \$2.1m). RCO receives income from a 1% interest in the Weeks Petroleum Royalty (equivalent of 0.025% overriding royalty from the entire hydrocarbon production of the main Bass Strait fields operated by Exxon).

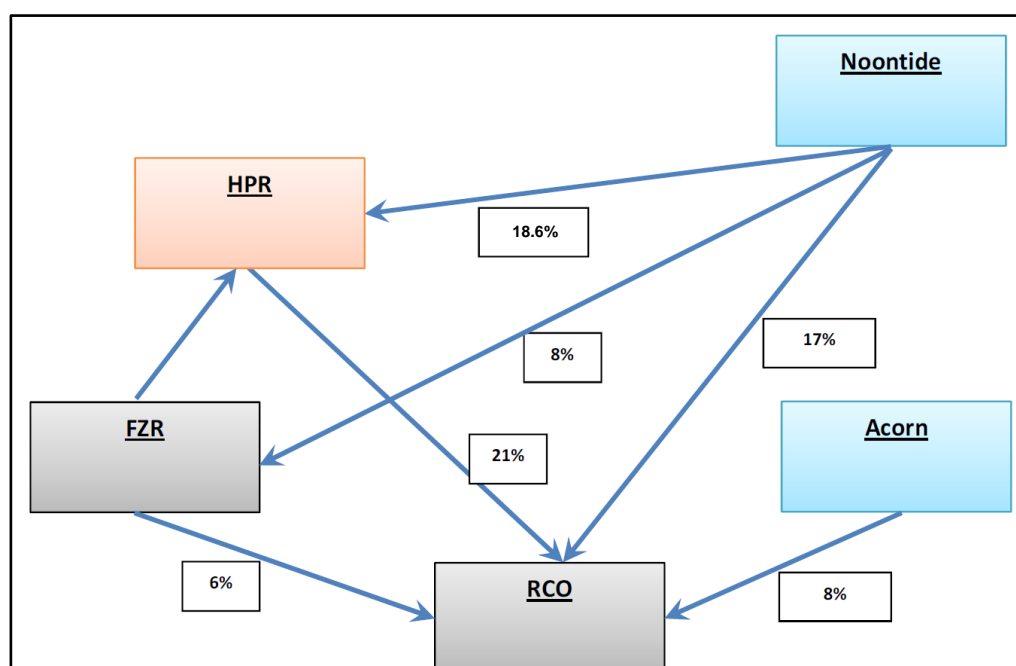
Throughout the year RCO announced cash flow from Mt Garnet operated by Consolidated Tin Mines Limited (ASX: CSD) focussed on zinc and copper production. This quarter voluntary administrators were appointed to the Mt Garnet Project and RCO intends to lodge a claim for unpaid royalties.

This development solidifies the Weeks royalty as the primary asset of RCO.

During the quarter RCO also announced the retirement of long term director Mr David Ogg.

- Recently another fellow ASX listed Royalty Company - Fitzroy River Resources Ltd (ASX: FZR) acquired approx. 6% of RCO from Acorn (who retain 8.6%).
- The royalty sector on the ASX continues to evolve and during this period of commodity price volatility:

Figure 1: Shareholdings in ASX Listed Royalty Sector



HPR CASH

The cash balance at the end of the quarter was \$1.06m after paying out all director and employee entitlement and accruals to 30 June 2016.

Jarrold White
Company Secretary | Chief Financial Officer

Dated July 29, 2016

For any queries please contact Jarrod White on 02 8296 0011

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.