



31 January 2020

DECEMBER 2019 QUARTERLY REPORT

ACTIVITY AND PORTFOLIO REVIEW

High Peak Royalties is pleased to announce the December quarter Statement of Activity and Cash Flows.

CORPORATE ACTIVITY AND GENERAL OVERVIEW

During the quarter, cash receipts from royalties across the portfolio were \$121,497. This amount has been affected by timing of payments of the Planet Gas royalties by a new operator of the Kansas leases. The new operator intends to develop the leases and HPR believes this will lead to higher revenues in due course.

There will likely be higher run rate cash inflows in the March quarter due to receipts of these amounts due from December quarter related revenues not received by the period end date.

Related to Planet Gas the Company repaid a further US\$250k (AU\$354k) in principal against its US debt facility that was assumed to acquire the Planet Gas royalties which is disclosed under the financing outflows of the enclosed Appendix 5B. Following the repayment there is an outstanding principal amount of US\$1.75m with the next principal payment of US\$250k being due in December 2020.

HPR accepted an offer of \$1,312,908 for HPR's Royalco shares that provides a significant increase in cash reserves. These funds have been received at the date of writing and the intention is to use those funds to seek to acquire additional direct interests in royalties to increase the Company's portfolio.

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 ~\$88,500 which supported the financing and interest costs of ~\$54,000 related to the Planet Gas royalty acquisition and related Macquarie Bank Financing Facility. Noted that as above r



Queensland (QLD)

HPR has seen a positive impact from the increased gas prices in Eastern Australia, which have been reflected in the royalties received on the Peat Gas Field. Royalties received on a cash basis were ~\$33,000. Origin announced that the Peat Gas field may have a significant increase in production in 2020 from extended horizontal wells. Origin also announced the deep South Burunga-2 well would be tested in 2019 (results not yet announced).

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. Drilling has been suspended due to high pressures encountered. 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 in due course.

RECENT ANNOUNCEMENTS

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

Date	Announcement
30/10/2019	Notice of 2019 Annual General Meeting/Proxy Form
31/10/2019	September Quarterly Activity & Cashflow Report
29/11/2019	AGM Presentation
29/11/2019	Results of Meeting
19/12/2019	HPR Accepts FZR Offer to Buy RCO Shares

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

Licence/Location	Ownership %	Approximate Area in km ²
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")

31 December 2019

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 royalties	122	281
1.2 Payments for		
(a) exploration & evaluation	(34)	(39)
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(122)
(e) administration and corporate costs	(108)	(183)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(54)	(113)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(133)	(175)

2. Cash flows from investing activities		
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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
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)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
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	(354)	(354)
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	(354)	(354)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,011	1,045
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(133)	(175)
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)	(354)	(354)
4.5 Effect of movement in exchange rates on cash held	(9)	(1)
4.6 Cash and cash equivalents at end of period	515	515

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	515	515
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)	515	515

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	56
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	

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	Current quarter \$A'000
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	

N/A

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8.1 Loan facilities	USD15,000	USD1,750
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.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	35
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	108
9.6 Other (interest on loan facility)	55
9.7 Total estimated cash outflows	258

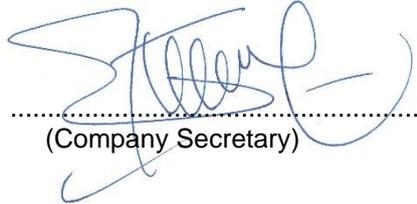
10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements 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 January 2020

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.