



30 January 2015

## December 2014 Appendix 5B

We enclose our 31 December 2014 quarterly cash flow report.

In the current quarter High Peak Royalties entered into an agreement to acquire royalty interests in Harrison, Midland and Willacy Counties in Texas. The Royalties are expected to start generating cash flow for the Group at the start of calendar 2015.

As announced to the market on 24 December 2014 the total purchase consideration is US\$350,000, which is to be funded from the existing cash reserves. On signing the purchase agreement 5% deposit of US\$17,500 was paid, with the balance of US\$332,500 to be paid subsequent to the 31 December 2014 half year.

The company continues to manage its operating position and looks for royalty acquisition opportunities that will further strengthen the diversity of the Company's royalty portfolio.

This report should be read in conjunction with the company's Quarterly Activities Report lodged this day.

For more information, please contact:

A blue ink signature of Jarrod White, consisting of a stylized 'J' followed by a series of loops and a final flourish.

**Jarrod White**  
**Chief Financial Officer | Company Secretary**

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

High Peak Royalties Limited

ABN

79 118 065 704

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts of royalty income	37	74
1.2	Payments for (a) pre-development, exploration & evaluation (b) production (c) administration (d) rehabilitation	(16)  (385)	(26)  (669)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	53	93
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid		
1.7	Other	6	13
<b>Net Operating Cash Flows</b>		<b>(306)</b>	<b>(516)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) royalty interests (d) other intangibles	   (22) (18)	   (22) (37)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (a) cash held by subsidiary on acquisition (b) refund of exploration payments	 - -  	 - - - 
<b>Net investing cash flows</b>		<b>(40)</b>	<b>(59)</b>

+ See chapter 19 for defined terms.

## Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(346)	(575)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-	(420)
1.18	Dividends paid		
1.19	Costs associated with reverse takeover	(192)	(192)
	<b>Net financing cash flows</b>	(192)	(612)
	<b>Net increase (decrease) in cash held</b>	(538)	(1,187)
1.20	Cash at beginning of quarter/year to date	6,070	6,719
1.21	Adjustments to item 1.20 for reclassification of cash equivalents	-	-
1.22	<b>Cash at end of quarter</b>	<b>5,532</b>	<b>5,532</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	90
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

## 1.25 Explanation necessary for an understanding of the transactions

Amounts included in item 1.24 include consultancy fees paid to directors or their nominees. All transactions with related parties have occurred on an arm's length basis.

**Non-cash financing and investing activities**

## 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the current period, High Peak paid stamp duty of \$192k on the reverse acquisition completed in FY14. The stamp duty paid was the same as the amount originally estimated as included in the prospectus issued to the market on 17/02/14. The duty is disclosed separately as a financing outflow at item 1.19.

## 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

## Mining exploration entity quarterly report

**Financing facilities available**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	15
4.2 Pre – committed Purchase of Royalty Interests	405
4.3 Production	-
4.4 Administration	240
<b>Total</b>	<b>660</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,532	6,070
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Refundable deposits and bonds)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,532</b>	<b>6,070</b>

## Mining exploration entity quarterly report

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	n/a	n/a	n/a
6.2	Interests in mining tenements acquired or increased	n/a	n/a	n/a

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	-	-	-	-
7.2	-	-	-	-
	-	-	-	-
7.3	166,800,792	166,800,792	-	-
7.4	-	-	-	-
	-	-	-	-
7.5	-	-	-	-

+ See chapter 19 for defined terms.

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	<b>Options</b>  On Issue	12,862,012 387,395	12,862,012 - - - -	Exercise price (cents) 0.35 0.83	Expiry date 15 April 2017 30 June 2015
7.8	<i>Issued during quarter</i>	-	-	-	-
7.9	<i>Exercised during quarter</i>	-	-		
7.10	<i>Expired during quarter</i>	-	-		
7.11	<b>Debentures (totals only)</b>	-	-		
7.12	<b>Unsecured notes (totals only)</b>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not\* (delete one)~~ give a true and fair view of the matters disclosed.

Sign here:



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(Director/ Company secretary)

Date: 30 January 2015

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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