



29 October 2021

SEPTEMBER 2021 QUARTERLY REPORT

CORPORATE UPDATE

Board Composition, Roles and New Appointments

In August 2021 the Company announced that Mr Andrew Carroll had stepped down as the Chairman of Company and would continue as a Non-Executive Director.

Mr Geoffrey King the then current Deputy Chairman of the Company was appointed as the Interim Chairman of the Company and the previous position of Deputy Chairman ceased thereafter.

Following the appointment of Mr King as Interim Chairman, the Board commenced a review of its overall composition and structure which led to the appointment of Mr James Knowles and Mr David Croll as Directors of the Company.

These new appointments were selected to provide additional significant additional experience to the Company across mining, funds management, strategy development and project (exploration) management, as the Company progresses toward a more diversified portfolio.

Strategic Review

As a result of the new appointments made a strategic review of the portfolio was commenced in the context of evaluating future opportunities for the Company.

Upcoming 2021 Annual General Meeting (AGM) and Board Appointments

The Company will imminently be notifying shareholders of its upcoming 2021 AGM and despatching notices of that meeting.

Ahead of the formal notice of meeting being despatched the Company advises the following intentions of current serving Directors of the Company with respect to the appointment of Directors and compliance based resolutions in that notice.

Messrs Geoffrey King (the Interim Chairman) and Andrew Carroll (Non-Executive Director) have advised the Board that they do not intend to stand for re-election at the 2021 AGM and will instead resign at the commencement of the Annual General Meeting. The Company has received signed resignation letters from both directors which take effect at the commencement of the Annual General Meeting.

As a result of these resignations Mr Anthony Wooles stands for re-election at the 2021 Annual General Meeting by way of rotation being the only Director eligible for re-election by way of rotation in compliance with the Company's constitution. Messrs Knowles and Croll being newly appointed Directors will also be put forward for re-election being newly appointed casual appointees of the Company since the last AGM.

In noting the forthcoming resignations and retirement of Messrs King and Carroll the Board wishes to thank them for their significant contributions and input into the development of High



Peak Royalties, which was made possible through their involvement as Founding Directors of Phoenix Oil and Gas Limited which was acquired by HPR by way of merger in 2014.

Mr King was a Founding Director and the Chairman of Phoenix Oil and Gas Limited when it was acquired by HPR (then Torrens Energy) in 2014. Subsequent to the acquisition of Phoenix Mr King served as HPR's Deputy Chairman and has recently been assisting the Company as its interim Chairman during a period of review and refreshment of Company's strategic initiatives and portfolio. As a seasoned oil and gas lawyer Mr King's knowledge and input over the years has been pivotal in the Company's knowledge and development of in house know how around the formation and documentation of royalty agreements and interpretation of existing royalty agreements that the Company has looked to acquire from time to time.

Mr Carroll was a Founding Director of Phoenix Oil and Gas since its formation in 2008 and at various times served as Managing Director. He was instrumental in the acquisition of many of the key royalties of the Phoenix including its first founding royalty package. He has remained on the Board of HPR after Phoenix merged with Torrens in 2014 and was renamed High Peak Royalties. Since that acquisition he assisted the Company in finding and developing an acquisition pipeline for much of the Company's current portfolio of royalty assets. Mr Carroll's knowledge as an Oil and Gas engineer has been invaluable in the assessment and monitoring of these portfolio assets.

The Board thanks Geoffrey and Andrew for their efforts and achievements contributed to HPR's portfolio of assets and is pleased to retain access to both Messrs King and Carroll after their retirement and resignation on commercial terms moving forward.

2021 Annual General Meeting Update

HPR advises that the Company intends to call the Annual General Meeting (the **Meeting**) for 11.00am AEDT on Tuesday 30 November 2021. The meeting is proposed to be held at the Company's registered office of Suite 305, 35 Lime Street, Sydney, New South Wales. The Company intends to lodge copies of the Notice of AGM on the 1 November 2021.

In accordance with ASX Listing Rule 14.3, the Company notes that the last day for Director Nominations will be 5:00pm AEDT on 5 November 2021.

Capital Raising and Activities Post End of Quarter

Subsequent 30 September 2021, the Company announced the successful completion of a placement of \$800,000 at \$0.04 being 20,000,000 shares.

The Company has since received \$690,000 of those proceeds from the issue of 17,250,000 shares, with the balance of \$110,000 being received subsequent to the approval of the 2,750,000 related shares at the upcoming 2021 AGM, due to them being from participation of Directors as related parties and requiring shareholder approval prior to issue.

Messrs Wooles, Croll and Knowles participated in the placement.

ACTIVITY AND PORTFOLIO REVIEW

High Peak Royalties is pleased to announce the September Quarter Statement of Activity and Cash Flows. HPR has a portfolio of royalties in Australia and USA as detailed on the final page of the Activities Report.

Quarterly revenue was \$113,575 representing a modest decline on the June 2021 quarter of \$5,792, or 5%. Cash at the end of the quarter was \$425,336. During the quarter, \$43,390 was paid to directors of the Company in director fees, as noted in Item 6.1 of the 5B.

NEW ACQUISITION AND UPDATE

Scimtek

During the quarter the Company announced the completion of a 1% royalty on both hydrogen sales and a novel catalyst for producing hydrogen via Steam Methane Reforming (“**SMR**”) or Steam Bio-methane Reforming (“**SBMR**”) with ScimTek Hydrogen Pty Ltd (“**ScimTek**”).

HPR is pleased to provide further updates on the Scimtek Green Hydrogen Project Royalty, noting that ScimTek has announced through the Australian Financial Review on the 20th October 2021 that the New South Wales Bathurst Council has signed a Memorandum of Understanding with ScimTek to convert landfill biogas into green hydrogen and energy.

The technology is to take place at the Bathurst Waste Management Centre. The ScimTek technology is set to manage the landfill gasses produced by the Bathurst Waste Management centre, which is estimated to generate 3,679m³ of gasses daily. ScimTek’s innovative technology will enable the minimisation of the carbon footprints of the Bathurst Council, which is consistent with HPR’s corporate social responsibility to help reduce greenhouse emissions.

REVIEW OF PORTFOLIO ASSETS

USA

USA cash receipts increased by 25% with \$149,806 recorded for the September quarter compared to the June quarter of \$119,367. There was interest paid in the period for the Macquarie Bank Financing Facility costs of \$29,216.

Amadeus Basin (NT)

During the quarter, the Company was advised of changes in the interests in EP 112 and EP 115.

On 29 October 2018, Frontier Oil and Gas Pty Ltd transferred a 30% interest in EP-112 to Santos QNT Pty Ltd taking Santos’ interest in the permit to 70% and Frontier’s interest to 30%.



Then, in August 2021, Santos QNT Pty Ltd transferred 15% of this interest back to Frontier with the resulting interests being: Santos 55% and Frontier 45%.

Also, with effect from 31 January 2020, Santos withdrew from Permit EP-115 and in doing so transferred its 40% interest in the permit back to Frontier Oil and Gas Pty Ltd with the result that Frontier now holds the entire interest in that permit.

Queensland (QLD)

HPR received payment from Origin and has been reviewing the calculation of royalties with data provided by Origin. HPR notes there is a lag in royalty payments relative to the sale of gas by Origin. Recent significant increase in commodity prices that should flow to future royalty payments.

HPR continues to monitor the other permits where HPR has royalties, including those operated by Shell (formerly BG, QGC) where drilling has identified significant coal-seam methane resources. The areas adjacent to the HPR royalty areas have been developed and are producing.

Western Australia (WA)

HPR also has royalties on several high potential offshore permits, including one permit near the large Dorado discovery operated by Santos Limited.

HPR acquired a royalty package from Orion Resource Partners on 23 April 2021 in a project based in the Kimberley Region. There is extensive history with the project, with geological advancements enhancing the value of the project since its beginning.



RECENT ANNOUNCEMENTS

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

Date	Announcement
06/07/2021	HPR Acquires Green Hydrogen Project Royalty from ScimTek
29/07/2021	HPR Update on Green Hydrogen Project Royalty
30/07/2021	June Quarterly Activities and Appendix 5B Reports
18/08/2021	Board Composition and Rules
30/08/2021	New Appointments to the Board of Directors
31/08/2021	ASX Appendix 3X x 2
23/09/2021	Trading Halt
27/09/2021	High Peak Completes Oversubscribed Placement
27/09/2021	Proposed Issue of Securities – HPR
30/09/2021	2021 Annual Report
30/09/2021	Appendix 4G
05/10/2021	Application for Quotation of Securities - HPR
05/10/2021	Cleansing Statement and Settlement of Recent Capital Raising
13/10/2021	Change in Substantial Holding

This announcement has been approved by the Board of Directors.

For enquiries please contact:

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Jarrold White

CHIEF FINANCIAL OFFICER | 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-90-R / WA-91-R (formerly WA-315-P) Poseidon Field	0.10	Santos
EP(A)111, EP(A)120 and EP(A) 124	1.00	Central Petroleum
EP112, EP115NM and EP125	1.00	Santos
EP115	1.00	Frontier Oil and Gas
WA-482-P	0.20	Santos
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
Royalty over hydrogen sales including catalysts	1.00	Scimtek Hydrogen Pty Ltd
ML 04/244 and ML 04/249 Admiral Bay, Canning Basin	1.5% GOR 1.5% NSR	Metalicity Ltd
Licence/Location	Ownership %	Approximate Area in km²
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 or oil and gas exploration entity quarterly cash flow report

Name of entity

High Peak Royalties Limited

ABN

79 118 065 704

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	160	160
1.2 Payments for		
(a) exploration & evaluation	(8)	(8)
(b) development	-	-
(c) production	-	-
(d) staff costs	(51)	(51)
(e) administration and corporate costs	(26)	(26)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(29)	(29)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	46	46
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments (royalties acquired)	(400)	(400)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(400)	(400)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	771	771
4.2	Net cash from / (used in) operating activities (item 1.9 above)	46	46
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(400)	(400)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	8	8
4.6	Cash and cash equivalents at end of period	425	425

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	425	771
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)	425	771

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6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	43
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	20,816	2,082
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	20,816	2,082
7.5 Unused financing facilities available at quarter end		18,734
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>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.</p> <p>On 30 April 2021, the Company signed an Amendment Letter to the above facility agreement. This Amendment extended the term of the facility by three years to 7 December 2024.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	46
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	46
8.4 Cash and cash equivalents at quarter end (item 4.6)	425
8.5 Unused finance facilities available at quarter end (item 7.5)	18,734
8.6 Total available funding (item 8.4 + item 8.5)	19,159
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	NA
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 October 2021

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.