

## Quarterly Activities Report and Appendix 5B

### March 2025 Quarter

Peak Rare Earths Limited (**ASX:PEK**) ("**Peak**" or the "**Company**") continued to make further positive progress towards the development of its Ngualla Rare Earth Project ("**Ngualla Project**") during the March 2025 Quarter ("**Quarter**") with the following recent milestones and events occurring:

- Continued progress in advancing a potential transaction with Shenghe
- Completion of an SPP and placement to Shenghe
- Progressing a sale process for the Teesside site
- Approval of the Ngualla Project land compensation amounts and schedule by the Tanzanian Chief Valuer
- Continuing our support of the Ngwala Community through completing the construction of high school classrooms, the near completion of a police station and the mobilisation of an ambulance and paramedic service
- Changes to the Peak and Mamba Minerals boards
- Active engagement with investors and prospective strategic partners at the 121 Mining Investment Cape Town and Mining Indaba conferences
- Continued high growth in global EV adoption
- A strong appreciation in rare earth prices

#### Shenghe transaction update

During the Quarter, substantial progress was made in advancing negotiations and documentation with Shenghe Resources Holding Co., Ltd. ("Shenghe Holding").

A series of draft rare earth regulations were published by the Chinese Ministry of Industry and Information Technology ("MIIT") on 19 February 2025. If implemented, these regulations could have a material impact on the Chinese rare earth sector. Key implications include:

- Greater oversight by MIIT and the National Development and Reform Commission;
- Limiting mining, refining and separation of rare earths in China to designated State Owned Entities and their affiliates;
- More stringent enforcement of mining, refining and separation production quotas; and

- Implementation of rare earth supply chain traceability systems.

In March 2025, Peak's Executive Chairman, Dr Russell Scrimshaw (AM), Non-Executive Director, Hannah Badenach, and Chief Executive Officer, Bardin Davis, spent several days at Shenghe Holding's headquarters in Chengdu, China, discussing these potential regulatory changes and progressing negotiations around an optimal transaction structure.

Peak and Shenghe Holdings are continuing to work towards finalising a transaction structure and legally binding documentation that would support an investment and development solution for the Ngualla Project and an attractive outcome for Peak shareholders.

### **Completion of capital raising**

Following the successful completion of an ~A\$4.8m equity placement in the December 2024 Quarter, a further ~A\$3.7 million was raised in January 2025 comprising of:

- Placement to Shenghe Resources (Singapore) Pte Ltd ("Shenghe Singapore") of ~A\$1.7m; and
- Shareholder Purchase Plan ("SPP") of A\$2m.

Post completion of the capital raisings, Shenghe Singapore's shareholding in Peak increased to ~19.9%.

The SPP, which provided existing shareholders with the opportunity to increase their investment in Peak at the same issue price as the placements, was oversubscribed with applications from eligible shareholders totalling ~\$2.8m.

### **Teesside sale update**

During the Quarter, Peak continued to progress discussions and negotiations with multiple parties with respect to a sale of its non-core 49-acre Teesside site in the UK.

Peak remains hopeful of completing a near-term sale and intends to utilise proceeds to support the Ngualla Project and corporate working capital requirements.

### **Land resettlement and valuation**

During the Quarter, a land compensation schedule was approved by the Tanzanian Government Chief Valuer. This followed the completion of a Resettlement Action Plan ("RAP") in the December 2024 Quarter.

The land compensation schedule provides for upfront payments to the 193 individual Project Affected Persons (“PAP”) and an annual payment to the Ngwala Village over the life of the Ngualla Project.

Recent activities have included:

- Providing support to PAP in obtaining national identification numbers and establishing bank accounts; and
- Implementing a financial literacy programme for PAP and the broader community.

Land compensation payments are scheduled to commence in May 2025 and be completed by the end of October 2025.



*Songwe District Commissioner addressing Resettlement Working Group (“RWG”) representatives and Ngwala leaders on the first day of the disclosure of the valuation report. The meeting was held at Ngualla Camp and was also attended by the Songwe District Executive Director.*



*District Commissioner, his delegates and RWG representatives listening to the general overview of the disclosure of valuation and a PAP receiving a valuation report on his property.*



*Various stakeholders attending the presentation for the RAP implementation phase.*

## Community initiatives

As part of our ongoing commitment to the social uplift of the Ngwala Community, the following programmes were progressed during the Quarter:

- Completion of the construction of two classrooms for the new Ngwala High School;
- Progressing the construction of the community's first police station; and
- Establishment of a paramedic service.

### **High school classrooms**

The construction of two classrooms and a teacher's office for the new Ngwala High School was completed during the Quarter. The classrooms have been equipped with electricity and tiled floors and fitted out with desks and chairs.



***One of the recently constructed high school classrooms in use***



***Police station***

During the Quarter, Mamba Minerals largely completed the construction of the Ngwala Community's first police station. The building and associated sewage treatment facilities are fully complete, except for the installation of wooden doors. These doors and furniture are currently being fabricated locally.

***Police station building***



***Paramedic service***

During the Quarter, paramedic services were established at the Ngualla Camp.

The Ngualla Project is in a remote area approximately 170 km from the nearest large town with access to comprehensive medical facilities.

To support both the Ngualla Project workforce and the surrounding local communities, a new ambulance and supporting paramedic service has been mobilised to the Ngualla Camp. This service is available to provide emergency medical assistance to both Ngualla Project personnel and the residents of nearby villages.

The paramedics are not only providing emergency care but are also supporting and collaborating with healthcare personnel at the local medical clinic and contributing to improved healthcare capacity and resilience in the region.

***Fully fitted ambulance that has been mobilised to the Ngualla Camp*****Changes to the Peak and Mamba Minerals boards**

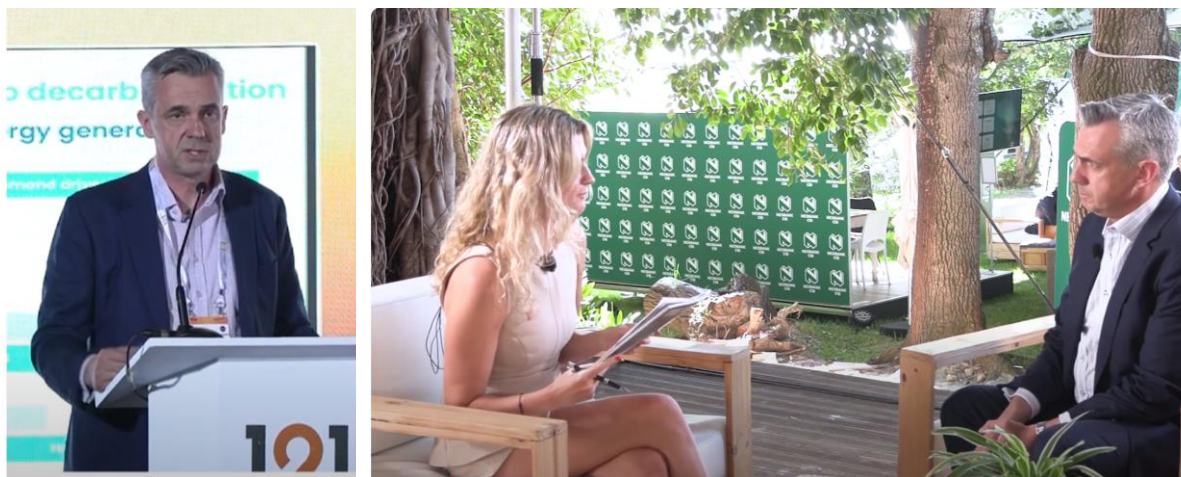
Ian Chambers resigned from the Board of Peak in March 2025 for personal reasons. Ian was also Chair of the Audit, Risk and Sustainability Committee and played an important role in a number of the Company's capital raisings. Peak is extremely grateful to Ian for his substantial contribution.

Following the resignation of Ian, Hannah Badenach has been appointed Chair of the Audit, Risk and Sustainability Committee.

Separately the Government of Tanzania has nominated Evelyne Mugasha as one of their two representatives on the Board of Mamba Minerals Corporation Limited (“Mamba Minerals”), which is 84% owned by Peak. Evelyne is currently the Chief Tanzanian Government Valuer and holds over 20 years of relevant experience. Her experience will be extremely valuable as Mamba Minerals completes its land compensation process. Both Peak and Mamba Minerals are delighted to be welcoming Evelyne.

### Investor relations initiatives

In February 2025, Peak and Mamba Minerals attended the 121 Mining Investment Cape Town and Mining Indaba conferences in South Africa. These conferences provided an opportunity to meet with existing and prospective investors and strategic partners.



*Peak CEO, Bardin Davis, presenting at the 121 Mining Investment Conference and being interviewed by Assay TV*

### Electric vehicle sales

Rapid growth in the production of Electric Vehicles (“EV”) continues to support an attractive long-term outlook for rare earth prices.

Critical minerals consultant, Project Blue, estimates that in February 2025:

- EV sales accounted for ~30.7% of all global vehicle sales<sup>1</sup>;
- Total global EV sales were ~2.0m units; and

<sup>1</sup> Includes Battery Electric Vehicles (“BEV”), Plug-in Hybrid Electric Vehicles (“PHEV”) and Hybrid Electric Vehicles (“HEV”) / mild hybrid vehicles.

- BEV/PHEV penetration rates increased to 39.4% in China, 20.4% in Europe and 9.5% in the United States.

**Each new EV unit represents an additional +1kg of incremental demand for NdPr Oxide. Peak's proposition is well positioned to help meet this increasing demand**

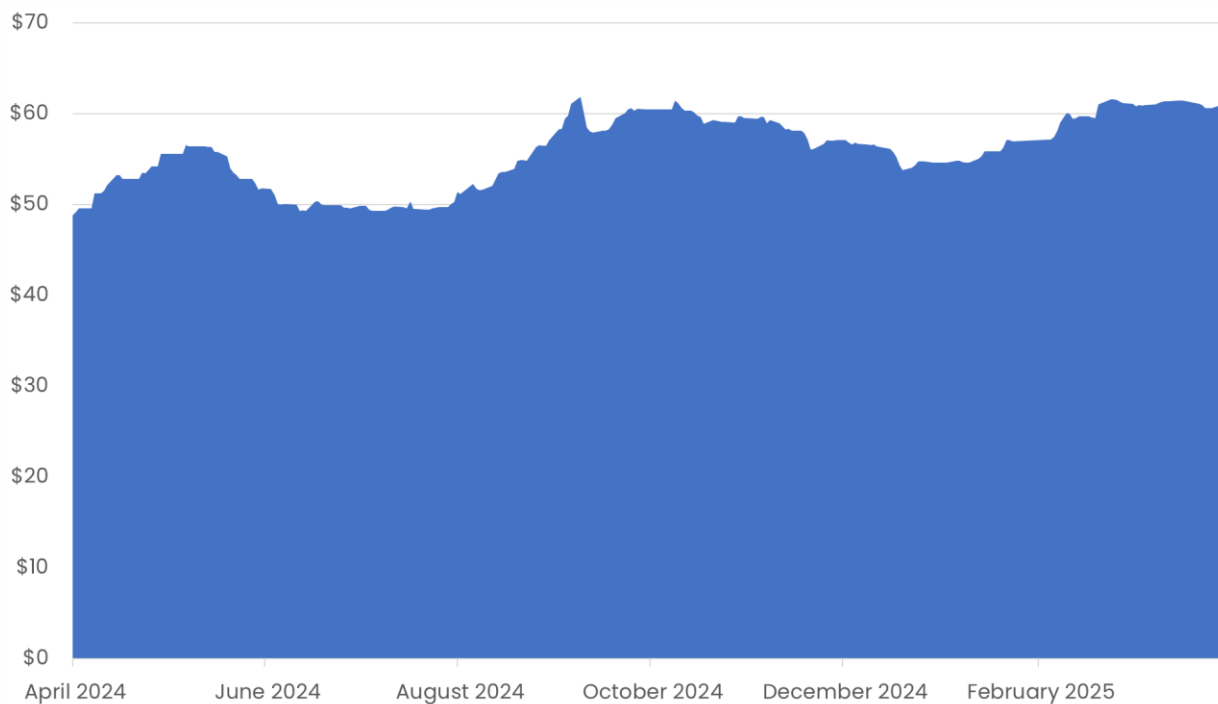
## Pricing Update

Rare earth prices appreciated strongly over the Quarter, with NdPr Oxide prices rising from US\$54.6/kg to US\$61.0/kg.

Between the end of March 2024 and the end of the Quarter, NdPr Oxide prices appreciated by ~25% from US\$48.8/kg.

Factors that supported higher prices include stronger demand, expectations of greater supply side discipline under the new proposed Chinese rare earth regulations and geo-political risks to rare earth supply chains.

**NdPr Oxide Prices China in US\$/kg through to 31 March 2025**



Source: Asian Metal (China Domestic)



## Forward-Looking Statements

This announcement may contain forward-looking information and prospective financial material, which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Such forward-looking statements, are the expectations or beliefs of the Company based on information currently available to it. Where such a reference is made, it should be read subject to this cautionary statement

## CORPORATE

### Cash at Hand and Securities Information as at 31 March 2025

**ASX:** PEK

**Cash at hand:** \$6.2m

**Ordinary Shares on Issue:** 352.1 million

**52-week range:** \$0.265– \$0.09\*

**Unlisted Performance Rights  
outstanding:** 9.5 million<sup>#</sup>

**Market Cap:** \$38.7m (at \$0.11/share)

**Liquidity:** ~482.6k shares per trading day  
(average over 3 months\*\*)

\* From 1 April 2024 to 31 March 2025 on ASX \*\*Average from 1 January 2025 to 31 March 2025 on ASX.

<sup>#</sup> Subject to performance vesting criteria

### Additional Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) attached for the period ending 31 March 2025 provides details of the Company's financial activities.

The Quarterly operating expenditure included ~\$0.15m to related parties, being executive and non-executive directors' remuneration.

The exploration, evaluation or development expenditure during the Quarter totalled \$1.3m, which was predominantly incurred on engineering studies, early works, testwork, and geological evaluation.

The closing cash and cash equivalents balance as at 31 March 2025 was \$6.2m.

## Summary of Mining Tenements and Areas of Interest

As at 31 March 2025.

Project	Tenement	Dec 24 Quarter	Mar 25 Quarter	Status	Arrangements / Details
Ngualla	SML 693/2023	100%	100%	Granted	Held by 84% Tanzanian subsidiary company, Mamba Minerals Corporation Ltd

*\*All tenements held are located in the Songwe Region of the United Republic of Tanzania.*



This announcement has been authorised for release by the Chief Executive Officer.

**DIRECTORS****Executive Chairman – Russell Scrimshaw****Non-Executive Director – Hon. Abdullah Mwinyi****Non-Executive Director – Shasha Lu****Non-Executive Director – Nick Bowen****Non-Executive Director – Hannah Badenach****SENIOR MANAGEMENT****Chief Executive Officer – Bardin Davis****Company Secretary / Chief Financial Officer – Philip Rundell****ASX:PEK****Peak Rare Earths Limited**

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAK RARE EARTHS LIMITED

ABN

72 112 546 700

Quarter ended ("current quarter")

MARCH 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(41)
	(b) development	(1,277)	(4,945)
	(c) production	-	-
	(d) staff costs	(621)	(2,216)
	(e) administration and corporate costs	(392)	(2,891)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	31	117
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	530
1.8	Other (GST/VAT and other taxes)	141	40
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,118)</b>	<b>(9,406)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(25)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(25)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,703	8,497
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	(156)	(487)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,547</b>	<b>8,010</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,778	7,626
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,118)	(9,406)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(25)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,547	8,010

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>6,205</b>	<b>6,205</b>

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	3,205	1,778
5.2	Call deposits	3,000	3,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,205</b>	<b>4,778</b>

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	154
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.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end</b>	<b>Amount drawn at quarter end</b>
		<b>\$A'000</b>	<b>\$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Bank Guarantee (Office Lease)	64	64
7.4	<b>Total financing facilities</b>	64	64
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,118)
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)	(2,118)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,205
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,205
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.9
	<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	



**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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.

Sign here: 

Print Name: Phil Rundell  
Company Secretary

Date: 30<sup>th</sup> April 2025

Authorised by: the Audit, Risk & Sustainability Committee  
(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.