



ASX Announcement 15 May 2025

Not for release to US wire services or distribution in the United States

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT

Peak Rare Earths Limited (ASX: PEK) (**Peak** or the **Company**) hereby provides notice to the ASX for the purpose of section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by applicable legislative instruments including *Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

The Company today announced an equity raising, comprising an up to \$7.5 million (before costs) pro rata non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary share in the Company (**New Share**) for every 4.70 fully paid ordinary shares (**Shares**) held as at 7.00 pm (Sydney time) on 21 May 2025 (**Record Date**) to shareholders with a registered address in Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore or the United Kingdom, or as otherwise determined by the Company (**Eligible Shareholders**).¹ The Entitlement Offer is not underwritten.

Further details regarding the Entitlement Offer are set out in the Company's ASX announcements released today.

Under the Entitlement Offer, Eligible Shareholders (other than Company directors and any other person to whom ASX Listing Rule 10.11 applies) who take up their entitlement in full may also apply for additional New Shares (in excess of their entitlement) that are not subscribed for under the Entitlement Offer (**Top-Up Facility**). The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place any shortfall (after the application of the Top-Up Facility) at their discretion within three months after the closing date of the Entitlement Offer (**Shortfall Facility**).

Further details about the Entitlement Offer will be set out in the Entitlement Offer information booklet (**Offer Booklet**), which the Company expects to lodge with ASX and despatch to Eligible Shareholders on 26 May 2025.

In respect of the Entitlement Offer, the Company confirms that:

- (a) the New Shares to be issued under the Entitlement Offer will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) sections 674 and 674A of the Corporations Act;

¹ The full terms and conditions of the Entitlement Offer, including Eligible Shareholder criteria, will be contained in the Entitlement Offer information booklet that is expected to be released on 26 May 2025. Shareholders and other investors should not assume that they will be Eligible Shareholders and able to participate in the Entitlement Offer and should wait to review the Entitlement Offer information booklet in full before forming a view in this regard.



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- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act; and
- (e) the potential effect of the issue of New Shares under the Entitlement Offer on the control of Peak, and the consequences of that effect, will ultimately depend on a number of factors, including the extent to which Eligible Shareholders participate in the Entitlement Offer and broader investor demand. The maximum number of New Shares to be issued under the Entitlement Offer is 74,920,432 (subject to rounding and reconciliation) which will constitute approximately 17.54% of the Shares on issue following completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed and no other Shares are issued or convertible securities exercised or converted prior to completion of the Entitlement Offer). However, given the size and structure of the Entitlement Offer, Peak does not expect the issue of New Shares under the Entitlement Offer will have a material effect on the control of Peak. As at the date of this announcement, the potential effect on control of Peak and the consequences of that effect are summarised below:
 - (i) If all Eligible Shareholders take up all of their entitlements under the Entitlement Offer, then the Entitlement Offer will have no material effect on the control of Peak.
 - (ii) Eligible Shareholders that apply for New Shares under the Top-Up Facility may increase their percentage shareholding in the Company. This could result in the dilution of holdings of those Eligible Shareholders who did not accept their entitlements in full.
 - (iii) To the extent that an Eligible Shareholder does not take up their entitlement under the Entitlement Offer, that Shareholder's percentage shareholding in the Company may be diluted by the issue of the New Shares under the Entitlement Offer.
 - (iv) The proportional interests of Peak's shareholders who are not Eligible Shareholders (being shareholders to whom the Entitlement Offer will not be made) (**Ineligible Shareholders**) will be diluted because they are not entitled to participate in the Entitlement Offer.
 - (v) Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**) currently holds approximately 19.86% of the Shares in Peak. Shenghe has committed to take up its full entitlement under the Entitlement Offer. If the Entitlement Offer is not fully subscribed, and any shortfall cannot be placed, Shenghe has the potential to obtain a shareholding in Peak in excess of 20% (depending on the take up of entitlements). If this were to occur, Shenghe may need to rely on item 10 of section 611 of the Corporations Act in order to obtain voting power in Peak in excess of 20%. The Company has appointed Taylor Collison to act as nominee for Ineligible Shareholders, for the purposes of section 615 of the Corporations Act, and the Company has applied to ASIC to approve that appointment. As at the date of this announcement, ASIC has not approved that appointment.
 - (vi) In order to minimise the control effects of the Entitlement Offer, Peak has structured the offer such that it will have the Top-Up Facility and Shortfall Facility. Shenghe (the only Shareholder with a shareholding near 20%) has agreed to provide a commitment to Peak that it will not apply for any Shares under either the Top-Up Facility or Shortfall Facility.



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- (vii) The following table illustrates Shenghe's maximum potential relevant interest and voting power in the Company under various scenarios where the Entitlement Offer is either fully subscribed, 75% subscribed, 50% subscribed, 25% subscribed or 0% subscribed by other Eligible Shareholders.

Participation by other Eligible Shareholders	Voting power of Shenghe
100%	19.86%
75%	20.58%
50%	21.36%
25%	22.20%
0%	23.11%

- (viii) Given the Entitlement Offer ratio, the Entitlement Offer will be highly dilutionary to Eligible Shareholders who do not take up their Entitlements, and to Ineligible Shareholders. The existing interests of each such Shareholder will be diluted by approximately 17.54% (assuming the Entitlement Offer is fully subscribed).
- (ix) If the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that there is a large shortfall, the Company intends to mitigate the potential effect on control by ensuring that its allocation policy under the Shortfall Facility facilitates allotment of Shares to a spread of investors (to the extent possible). In addition, Shenghe will not participate in the Top-Up Facility or Shortfall Facility.

This announcement is authorised for release by the Company's Board of Directors.

Phil Rundell
Company Secretary
Peak Rare Earths Limited

Important notice

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

All amounts are in Australian dollars unless otherwise indicated.