

Peak to Collaborate with ERP Strategic Minerals on Mountain Pass Rare Earths Mine, California

Peak Resources Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") is pleased to note that it is in discussions on a potential collaboration with ERP Strategic Minerals, LLC ("**ERP**"), which is part of the ERP Group of companies, regarding ERP's stalking horse bid to purchase certain assets and surface real property rights of the Mountain Pass Rare Earths Mine ("**Mountain Pass**") which has been filed by the Chapter 11 trustee of Molycorp Minerals LLC with the US Bankruptcy Court in Delaware.

The Mountain Pass mine, located in San Bernardino County, California, approximately 80 kilometers south of Las Vegas, Nevada, is the only mine and processing facility for rare earths minerals in the United States. The mine has an operating history dating back to the 1950s and was most recently placed on care and maintenance after the Debtors filed for Chapter 11 bankruptcy protection in 2015.

Peak, together with Swiss-based mining investment fund, Pala Investments, are in discussions with ERP to provide financial, technical and operational support to ERP for the restart and operation of Mountain Pass should ERP be successful in acquiring Mountain Pass under the US Chapter 11 bankruptcy sale process. The definitive terms of such collaboration are subject to negotiation, finalization and closing of mutually acceptable agreements and receipt of any applicable regulatory approvals.

Managing Director, Darren Townsend commented: *"I am very pleased that Peak is working together with groups of the quality of ERP and Pala on the Mountain Pass project. With Peak's COO Rocky Smith on our team of industry specialists we are uniquely positioned to assist the consortium with Mountain Pass given Rocky was the former Managing Director of Operations at Mountain Pass. It is also worth noting that the process plant at Mountain Pass has been operated on bastnaesite mineralisation, the same rare earth mineralogy as Peak's Ngualla deposit."*

A copy of an announcement released by ERP dated 25 April 2017 is attached to this press release. Peak will provide further information on the collaboration process as required.

Due to the nature of the Chapter 11 bankruptcy sale process, including in respect of the bid procedures motion filed concurrently with the sale motion, there is no guarantee that ERP will be the successful bidder.

For and on behalf of Peak Resources Limited.

Darren Townsend

Managing Director

ERP STRATEGIC MINERALS, LLC

ERP Strategic Minerals Named Stalking Horse Bidder for Mountain Pass Rare Earths Mine

Collaboration with Pala Investments and Peak Resources

NATURAL BRIDGE, Virginia - -

April 25, 2017: ERP Strategic Minerals, LLC (ERP), which is part of the ERP Group of companies, has been selected as the stalking horse bidder by the Chapter 11 trustee for Molycorp Minerals, LLC and related entities (the “Debtors”), Paul E. Harner, and entered into an asset purchase agreement with the trustee to purchase substantially all the assets and the surface real property rights of the Debtors at the Mountain Pass Rare Earths mine (“Mountain Pass”). The purchase agreement has been filed with the US Bankruptcy Court in Delaware, together with a sale motion seeking the Court’s approval of the sale under section 363 of the Bankruptcy Code.

The Mountain Pass mine, located in San Bernardino County, California, approximately 50 miles south of Las Vegas, Nevada, is the only mine and processing facility for rare earths minerals in the United States. The mine has an operating history dating back to the 1950s and was most recently placed on care and maintenance after the Debtors filed for Chapter 11 bankruptcy protection in 2015.

If ERP is successful in purchasing the Mountain Pass mine through the Chapter 11 bankruptcy sale process, it will work collaboratively with the County of San Bernardino, the California state agencies, and other regulatory stakeholders to complete the necessary technical studies and restart plan to return the mine to sustainable operations, supported by an experienced and skilled workforce from the local community. ERP recognizes that the Mountain Pass mine is an important US strategic mining asset and intends to manage its operations as a long-term sustainable business based on high environmental standards. In this respect, ERP has engaged extensively with the County of San Bernardino and the California state agencies in the lead up to submitting its stalking horse bid to understand their regulatory requirements. ERP has also made offers to other stakeholders for the purchase of certain mineral rights and certain additional equipment.

To assist with restarting the Mountain Pass mining and processing operations, ERP intends to assemble a consortium of highly experienced mining experts and professionals to support the restart. ERP is collaborating with Pala Investments Limited and Peak Resources Limited, which have deep industry knowledge in the rare earths sector and substantial specialist mining expertise, regarding their involvement in the restart and operation of Mountain Pass. The consortium would provide financial, technical and operational support, to ERP for the restart and operation of the Mountain Pass mine, subject to applicable regulatory approvals and finalization and closing of mutually acceptable arrangements.

Tom Clarke, CEO of ERP, said, *"We are pleased to bid for the Mountain Pass mine. Our goal is to return the Mountain Pass mine and mineral processing operation into a viable, sustainable and environmentally responsible business in the County of San Bernardino. We have a strong track record of restarting mines acquired out of US bankruptcy and Canadian CCAA situations. ERP is committed to mining operations utilizing best management practices and high environmental standards. This is a complex venture which requires the skills of a reputable, high-quality team with best-in-class technical expertise in the mining*

sector. It is for this reason that we are pleased at the opportunity to start working together with Pala and Peak on this important and exciting initiative."

David Wert, spokesperson for the County of San Bernardino, said. *"We are today pleased to note the stalking horse bid submitted by ERP Strategic Minerals for the Mountain Pass mine. The County's paramount objective for any sale of the mine is to ensure the safety and environmental well-being of the community. The various departments at the County of San Bernardino, in collaboration with the relevant California state agencies, have been working very hard for some time to identify a responsible investor group who can return the mine to a sustainable operation, and we are pleased that ERP, supported by the highly experienced teams from Pala and Peak, have expressed an interest in pursuing this venture. We look forward to working closely with them should they be successful in their bid for Mountain Pass."*

For further information

Contact ERP: Jennifer Bell, 540-458-3753

About ERP Strategic Minerals, LLC

ERP is a member of the ERP Group of companies, which group has successfully completed 5 acquisitions out of bankruptcy and insolvency proceedings in the past two years. The ERP Group operations include the second largest coking coal producer in North America, merchant coke batteries, an iron ore pellet production business, and related mining operations with over \$2 billion in forecasted aggregate revenue in 2017.

About Pala Investments Limited

Pala is a Swiss-based multi-strategy investment company focused on the mining and metals value chain with a strong track record of successful investments and value creation. Pala's international team of professionals has extensive experience within the sector and seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative solutions in development, production, expansion and turnaround situations.

About Peak Resources Limited

Australian Securities Exchange listed Peak and its partners, Appian Natural Resources Fund and International Finance Corporation (a division of the World Bank), are developing the Ngualla Project in Tanzania into a low cost next generation rare earth project. Peak has tailored its processing flowsheet to focus on the production of neodymium and praseodymium, which are the key enabling raw materials that power low carbon technologies such as electric (e) mobility, clean energy and robotic technology. Peak Resources aims to be one of the lowest cost players in the industry and has delivered, in April 2017, its extensive Bankable Feasibility Study.