Peak Resources

INVESTOR PRESENTATION - UK

October 2017

the number
you need to remember

ENABLING LOW CARBON TECHNOLOGIES
Disclaimer

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Certain statements contained in this document constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward looking information under the provisions of Canadian provincial securities laws. When used in this document, the words “anticipate”, “expect”, “estimate”, “forecast”, “will”, “planned”, and similar expressions are intended to identify forward-looking statements or information. Such statements include without limitation: statements regarding timing and amounts of capital expenditures and other assumptions; estimates of future reserves, resources, mineral production, optimization efforts and sales; estimates of mine life; estimates of future internal rates of return, mining costs, cash costs, mine site costs and other expenses; estimates of future capital expenditures and other cash needs, and expectations as to the funding thereof; statements and information as to the projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs, and estimates of the timing of such exploration, development and production decisions with respect to such exploration, development and production; estimates of reserves and resources, and statements and information regarding anticipated future exploration; the anticipated timing of events with respect to the Company’s mine sites and statements and information regarding the sufficiency of the Company’s cash resources. Such statements and information reflect the Company’s views as at the date of this document and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements and information. Many factors, known and unknown could cause the actual results to be materially different from those expressed or implied by such forward looking statements and information. Such risks include, but are not limited to: the volatility of prices of gold and other metals; uncertainty of mineral reserves, mineral resources, mineral grades and mineral recovery estimates; uncertainty of future production, capital expenditures, and other costs; currency fluctuations; financing of additional capital requirements; cost of exploration and development programs; mining risks; community protests; risks associated with foreign operations; governmental and environmental regulation; the volatility of the Company's stock price; and risks associated with the Company’s-by-product metal derivative strategies. For a more detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward looking statements contained in this document, see the Company’s Annual Report for the year ended 30 June 2015, as well as the Company's other filings with the Australian Securities Exchange and the U.S. Securities and Exchange Commission. The Company does not intend, and does not assume any obligation, to update these forward-looking statements and information.

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by David Hammond, who is a Member of The Australian Institute of Mining and Metallurgy. David Hammond is the Technical Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person in terms of the 2012 Edition of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Hammond consents to the inclusion in the report of the matters based on his information in the form and content in which it appears.

The information in this statement that relates to the Mineral Resource Estimates is based on work conducted by Rod Brown of SRK Consulting (Australasia) Pty Ltd, and the work conducted by Peak Resources, which SRK has reviewed. Rod Brown takes responsibility for the Mineral Resource Estimate. Rod Brown is a Member of The Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as Competent Person in terms of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). Rod Brown consents to the inclusion of such information in this report in the form and context in which it appears.

The information in this announcement that relates to Ore Reserve estimates was based on information compiled by Ryan Locke, a Principal Consultant with Orelogy Consulting Pty Ltd, Orelogy are an independent consultant to Peak Resources. Ryan Locke, who is a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities undertaken, to qualify as a competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Ryan Locke consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgical test work results is based on information compiled and/or reviewed by Mr Roy Gordon who is a Member of The Australasian Institute of Mining and Metallurgy. Roy Gordon is the Metallurgist of the Company and has sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Roy Gordon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to infrastructure, project execution and cost estimating is based on information compiled and/or reviewed by Lucas Stanfield who is a Member of the Australian Institute of Mining and Metallurgy. Lucas Stanfield is the General Manager - Development for Peak Resources Limited and is a Mining Engineer with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Lucas Stanfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
NGUALLA RARE EARTH PROJECT: UNDERSTOOD - DE-RISKED - COMPETITIVE MANAGEABLE - READY TO BE DELIVERED!
Overview

- Executive Summary
- The Asset & Business Model
- The Market
- The Asset – Update- Economics post BFS/ Process Optimisation
- The Company Strategy
- The Investment Proposition
- Appendices
Executive Summary

Peak Resources - where top class rare earth experience meets with a world class deposit and a perfect alignment with the market

- NdPr “the” raw material for Permanent Magnet Motors, the heart of the next industrial revolution
- NdPr demand doubling by 2025, driven by e-mobility demand growth and alternative energy
- 90% of Peak’s future revenue from NdPr, perfectly aligned with highest value segment of the rare earth market
- Sustained increases in NdPr rare earth prices
- Ngualla – a world class asset, one of the world’s largest & highest grade NdPr deposits
- Strong management team, extensive operational, commercial rare earth experience and industry network
- Peak to become one of the world’s lowest cost rare earth producers based on the delivered BFS results
- Perfect timing in the market to bring incremental capacity online with demand momentum

You have seen the effect the rapidly expanding e-mobility market has had on Lithium and Cobalt – well we think NdPr is next

NGUALLA UNDERSTOOD – DE-RISKED – COMPETITIVE – MANAGEABLE – READY TO BE DELIVERED
The Asset & Business Model

Ngulla - One of the world’s largest and highest grade undeveloped neodymium (Nd) & praseodymium (Pr) rare earth projects.
Peak to become one of the world’s lowest cost rare earth producers. With a CAPEX of only US$ 366 million incl. 15% contingency and OPEX of US$ 91 million p.a.*

UK Tees Valley the location of Peak’s Rare Earth Refinery
- **Capex:** US$ 165 million incl. 15% contingency plus 5% owners costs
- **Location:** Top logistics infrastructure + skilled labour + sustainable waste management facilities
- **Production:** Oxide = 2,810 tpa NdPr 2N; Carbonate = 7,995 tpa La; 3,475 tpa Ce & 625 tpa SEG/HRE

Tanzania Ngualla Project, one of the largest and highest grade undeveloped NdPr deposits worldwide
- **Ore Reserve** of 18.5 million tonnes at 4.8% REO; 22% of the total Mineral Resource
- **Capex:** US$ 201 million incl. 15% contingency plus 5% owners costs; **OpeX:** US$ 51 million; 26 year life of mine; Mill feed rate 711,000 tpa; Strip ratio 1.77; 32,700 tpa of 45% rare earth concentrate

*See ASX Announcement "Higher grade Resource for Ngualla nearly 1 million" and ASX Announcement "Ngualla Rare Earth Project – Updated Ore Reserve" as of 12 April 2017 and "BFS positions Ngualla one of worlds lowest cost RE Projects" as of 12 April 2017 and "Process optimisation study boosts Ngualla’s operating margin" as of 28 August 2017.
ENABLING LOW CARBON TECHNOLOGIES

More than 30 different NdFeB magnet applications are in a regular car using NdPr, which is equivalent to approx 200gr NdFeB Magnets. A hybrid vehicle contains between 1.5-3kg NdFeb magnets, 1/3 of this is pure NdPr oxide.
After more than 6 years of declining prices, we believe that the recent price increases in 2017 support our understanding of demand projections and the Chinese Government actions against illegal production.

The Market - Pricing Update

After 6 years of declining prices...

In October 2016, China’s Ministry of Industry and Information Technology released its Rare Earth Industry Development Plan which aims to restrict rare earth production, refining and raw mineral exports. Since the end of Q4-2016, the Chinese government has cracked down on illegal mining and non-compliant environmental operations, reducing the total production capacity and output.

Furthermore, the Chinese Resources tax, which has not yet fully materialised in the market, and the upcoming environmental tax, effective in 2018, will be among other governmental initiatives aimed to increase the cost base of the Chinese producers and consequently influence the pricing.

+84% NdPr YTD

2017 had an exceptional start. The biggest light rare earth producer worldwide, Chinese company Northern Rare Earth Group (known as Baotou) has announced and implemented its 8th consecutive price increase since January 2017 (258.5 RMB/US $37.17) announcing on the 4th of September 2017 the new price of 520 RMB/kg NdPr or US $79.53. In the last few weeks the Market price adjusted and reached 475 RMB/kg or 71.55 USD/kg (27.09.2017).

The above initiatives and continued efforts of the Chinese government to monitor more stringent compliance of the upstream business with the existing environmental regulations coupled with the industry trends on the demand side suggests that this is the turnaround.

*Target price which is required to realise the same financial performance as communicated in the BFS incorporating the process improvements of the “Process optimisation study boosts Ngualla’s operating margin” dated 28 August 2017

Source: Asian Metal Chinese Domestic NdPr oxide 2N price Prices incl. VAT – calculated using daily exchange rates
NdPr-permanent magnet motors obtain now close to 100% market share among electrified vehicles.

The recently published EPA documents of the Model 3 confirm that instead of their traditional induction motor, Tesla has decided to use a 258-HP AC 3-PHASE PERMANENT MAGNET MOTOR in their Model 3. With Tesla coming onboard with permanent magnet motor applications this technology now represents close to 100% market share in the electrified motor automotive segment.

The 500,000 already ordered Model 3's of Tesla, of which production recently commenced, will consume a minimum of 600 tonnes incremental new demand of NdPr oxide per year. This is equivalent to 2% of the world's global legal annual produced Nd/Pr oxide - and that's just the beginning! According to Bloomberg, more than 120 additional new electric cars are in the pipeline to be launched during the next 2.5 years to join the Model 3.
The Market

1 Megawatt from 200 kg NdPr Oxide

Each direct drive wind turbine uses a permanent magnet motor that generates between 2-6 MW of performance. Each megawatt requires approx. 200kg pure neodymium and praseodymium.
With the improvements from the process optimisation study, Ngulla requires a lower commodity prices to deliver the original projected financial BFS results.

<table>
<thead>
<tr>
<th></th>
<th>BFS April 2017#</th>
<th>Process Opt. ^</th>
<th>Improvements</th>
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</thead>
<tbody>
<tr>
<td>NdPr Mixed Oxide 2N Min 75% Nd2O3</td>
<td>US$ 85.00/kg</td>
<td>US$ 77.50/kg</td>
<td>US$ 07.50/kg</td>
</tr>
<tr>
<td>Lanthanum*</td>
<td>US$ 04.41/kg</td>
<td>US$ 03.70/kg</td>
<td>US$ 00.63/kg</td>
</tr>
<tr>
<td>Cerium*</td>
<td>US$ 02.25/kg</td>
<td>US$ 02.20/kg</td>
<td>US$ 00.05/kg</td>
</tr>
<tr>
<td>SEG &amp; Mixed Heavy*</td>
<td>US$ 08.00/kg</td>
<td>US$ 08.00/kg</td>
<td>US$ 00.00/kg</td>
</tr>
</tbody>
</table>

* Oxide equivalent
# See ASX Announcement: “BFS positions Ngulla one of worlds lowest cost RE Projects” dated 12 April 2017
^ ASX Announcement: “Process optimisation study boosts Ngulla’s operating margin” dated 28 August 2017 + applying the indicated price deck, Ngulla delivers same financial performance as communicated in the BFS
As a result of the recent project optimisation, Ngualla has further improved its already compelling economics.

- **US $ 1.13 B**
  - **US $ 200 Million** vs original BFS
  - NPV$_8$ – Pre Tax and Royalties

- **US $ 126 m p.a.**
  - **US $ 22 Million** vs original BFS
  - Average Annual Post Tax Cash flow

- **29%**
  - +4% vs original BFS
  - IRR – Pre Tax and Royalties

- **26 yrs**
  - - 4 Years vs original BFS
  - Life of Mine

- **US $ 776 M**
  - **US $ 143 Million** vs original BFS
  - NPV$_8$ – Post Tax and Royalties

- **24%**
  - +3% vs original BFS
  - IRR – Post Tax and Royalties

US $ 32.24 is the breakeven point for positive cash flow only from the projected 2,810t p.a. NdPr sales; OCBRITDA = Operating cost before royalties, interest, tax, depreciation and amortisation.

*See ASX Announcement: “Process optimisation study boosts Ngualla’s operating margin” dated 28 August 2017*
The Asset - Peak No1 Among Its Peers

Peak - a unique proposition where world class rare earth expertise meet with a world class deposit and a perfect alignment with the market

FILTERING THROUGH TO THE #1 PROJECT

Globally we have identified 58 rare earth projects. If a project does not fit within the following 4 criteria ... it falls out of the bucket

Filter 1: “Does the project have an Ore Reserve or Mineral Inventory?”
Filter 2: “Are the project’s REEs hosted by a mineral that has been commercially produced and processed in the past (i.e. bastnaesite, monazite, or xenotime)”?
Filter 3: “Does the project aim to separate and purify REE products to market-desired specifications in-house, or are they reliant on a third party to make their products”
Filter 4: “Can the project be developed for less than US $500 million?”

Source: Benchmarking data provided by: Adamas Intelligence
Leading the pack – set to become one of the lowest cost NdPr producers worldwide

Peak has one of the lowest OPEX as a full integrated producer per kg of NdPr among 58 development projects worldwide*3

Peak has one of the lowest CAPEX as a full integrated producer per kg of NdPr among 58 development projects worldwide*3

**OPEX INTENSITY**

US$/kg NdPr*2 Oxide LoM

32.24

**CAPEX INTENSITY**

US$/kg NdPr Oxide LoM

5.00

*NdPr = Nd2O3 /Pr6O11 Mixed Oxide 2N – min 75% Nd2O3.  
* Benchmarking data provided by: Adamas Intelligence.

# US $ 32.24 is the breakeven point for positive cash flow only from the projected 2,810t p.a. NdPr sales; OCBRITDA = Operating cost before royalties, interest, tax, depreciation and amortisation.

NGUALLA RARE EARTH PROJECT:
UNDERSTOOD - DE-RISKED - COMPETITIVE
MANAGEABLE - READY TO BE DELIVERED!
Getting the final green lights for Ngualla and looking at additional opportunities

- With the recent receipt of the Environmental Certificate and submission of the Mining Licence application actively engage with the Government of Tanzania to rapidly advance Ngualla through the final permitting process to seek further clarity on recent legislative changes in Tanzania
- Ramp up discussions with potential offtake partners with special focus on magnet manufacturers
- Continue to work on opportunities to further improve the economics of Ngualla
- Continue to evaluate other commodity potential of Ngualla
- Seek strategic partner to fund development of Ngualla

Peak is perfectly positioned with the rising market for NdPr driven by e-mobility and other low carbon technologies. Peak has a project with a comprehensive BFS showing lowest quartile Capex and Opex which positions us as the go-to company for exposure to this exciting sector

NGUALLA UNDERSTOOD – DE-RISKED – COMPETITIVE – MANAGEABLE – READY TO BE DELIVERED
The Investment Proposition

Peak Resources
The Team - The Asset - The Market
The investment proposition
Peak Resources - where top class rare earth experience meets with a world class deposit and a perfect alignment with the market

- Peak is the only rare earth developer who has both deep in-house rare earth manufacturing and sales expertise and has infused this know-how into the engineering design and BFS.
- Peak has de-risked the mine to product supply chain through extensive pilot plant operation and testing (> $5M AUD) combined with real life operational know how and rare earth expertise.
- Peak has delivered a BFS and optimised project update that show Ngualla is the leading NdPr development project with its low capital and operating cost and long life.
- Peak’s track record shows that it has a steady, conservative and deliverable approach.
- The management team is well connected in the industry and has a good understanding who the customers are and their requirements.

Positioning Ngualla for the surge in NdPr demand driven by Electric Vehicles
Peak Resources

Peak - where top class rare earth expertise meet with a world class deposit and a perfect alignment with the market
PEAK RESOURCES:
AN ETHICAL, SUSTAINABLE AND INTEGRATED RARE EARTH SUPPLY CHAIN SOLUTION
Appendices
Track Record of Delivery

2013
- Completion of separation test work
- Commenced of Pre-Feasibility Study
- Successful completion of SX Pilot Plant
- Revised Scoping Study and economic assessment reduces Opex
- Revised Mineral Resource Estimate indicates higher grades

2014
- Positive PFS completed
- Proof of processing
- Beneficiation breakthrough
- Process Optimisation
- BFS financing secured with long-term partners: Appian and the IFC
- Completion of large, high grade Maiden Ore Reserve

2015
- Appointment of AMEC FW as BFS lead Engineering firm
- Beneficiation pilot plant
- Advancement of ESIA
- BFS Drilling Program
- $23.4M investment from Appian and IFC
- Optimisation studies:
  - Location of downstream plant
  - Stockpiling of Cerium
  - Beneficiation improvement
- Results from pilot plant test work complete
- New mineral resource estimate
- Project economics updated
- Operational and Marketing team recruited
- Commence financing discussions
- Advance offtake discussions
- Advance engineering
- Advance Environmental Permitting

2016
- BFS financing secured with long-term partners: Appian and the IFC
- Completion of large, high grade Maiden Ore Reserve
- Positive PFS completed
- Proof of processing
- Beneficiation breakthrough
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- BFS financing secured with long-term partners: Appian and the IFC
- Completion of large, high grade Maiden Ore Reserve
- Optimisation studies:
  - Location of downstream plant
  - Stockpiling of Cerium
  - Beneficiation improvement
- Results from pilot plant test work complete
- New mineral resource estimate
- Project economics updated
- Operational and Marketing team recruited
- Commence financing discussions
- Advance offtake discussions
- Advance engineering
- Advance Environmental Permitting
- Bankable Feasibility Study complete delivering US $35m (30% reduction) p.a. saving in operating cost compared to Pre Feasibility Study
- Environmental Certificate received
- Addition of US $29m p.a. margin from Project Optimisation
- Mining Licence Application submitted

2017
The Team

CONFIDENCE THROUGH EXPERIENCE

Peak Resources’ management team has extensive operational and commercial rare earth experience and industry networks.
The Team - Confidence Through Experience

Rocky Smith
Chief Operating Officer
Development & Interim CEO

Chemist with over 35 years’ operations and senior management experience in the mineral processing and chemical engineering sectors. Previously Managing Director of Molycorp’s Mountain Pass Rare Earth Complex from 2009 to 2015. Achievements include the delivery of successful expansions resulting in a 230% increase in production capacity over a three year period as well as managing of operation budget in excess of US$150 million.

Graeme Scott
Chief Financial Officer/Company Secretary

Fellow of the Association of Chartered Certified Accountants (UK)
More than 20 years’ experience in professional and corporate roles in both Australia and the UK. Has spent the last 10 years working in the resources sector in CFO and Company Secretarial roles for both ASX and TSX listed companies.

Darren Townsend
Managing Director & transitioning to Non Executive Director

Mining Engineer with 20 years’ mining and corporate experience
Extensive experience in managing ASX and TSX listed companies. East African experience incl. development of tantalum mine in Mozambique and resource drill out and permitting a niobium project in Kenya.

Michael Prassas
General Manager - Sales, Marketing & Business Dev

Over 15 years’ experience in sales and business development. Former Global Account Manager Automotive Catalysis /Sales Manager of Rare Earth Systems for Solvay/ Rhodia. Has been responsible for sales of Rare Earth Mixed Oxides in EMEA
Management skills include budget responsibility, project management, building stakeholder relationships and competing priorities in deadline-driven environments.

Dave Hammond
Technical Director

Exploration Manager with +25 years’ technical and management experience in leading teams in Africa and Australia in areas of exploration, resource definition, feasibility studies, permitting and government liaison. Formerly held senior roles with De Grey Mining Ltd and Sons of Gwalia. Previously with Billiton/Gencor in Africa. MSc in Mineral Exploration, DIC, BSc (Hons) Geology.
Directors & Advisors - Depth Of Experience And Skills

Peter Harold
Non-Executive Chairman
Chemist with almost 30 years’ operational and corporate experience in the minerals industry specialising in financing, marketing and business development
Currently Managing Director of Panoramic Resources. Previous senior roles with Spectrum Rare Earths, Shell Australia, Australian Consolidated Minerals Limited and Normandy Mining Limited

Jonathan Murray
Non-Executive Director
Partner at independent corporate law firm Steinepreis Paganin
Specialising in equity capital raisings, acquisitions and divestments, governance and corporate compliance
Bachelor of Law and Commerce (majoring in accounting)

John Jetter
Non-Executive Director
Extensive international finance and M&A experience. Former Managing Director, CEO and head of investment banking of JP Morgan in Germany and Austria, and a member of the European Advisory Council of JP Morgan in London Experience in negotiating and executing rare earth off-take agreements

Paul Rupia
Special Adviser
Non-Executive Director PR NG Minerals
Currently Chairman of DCB Commercial Bank Plc and has held this role since 2002. He has served in the Government of Tanzania at senior levels as Chief Secretary in the President’s Office, Secretary to the Cabinet, Head of Civil Service, Principal Secretary in the Ministry of Foreign Affairs, Permanent Representative of Tanzania to the United Nations, Ambassador to Ethiopia and Deputy High Commissioner in the United Kingdom.

Kibuta Ongwamuhana
Non-Executive Director PR NG Minerals
Leading Tanzanian legal practitioner who specialises in taxation and corporate law. Managing partner of the legal firm, Ako Law in Dar es Salaam and an Advocate of the High Court and Court of Appeal as well as legal consultant to a number of government, non-government and private business organisations.
Peak is the go to Magnet Metal Rare Earth opportunity on the ASX.

Key Statistics

- Share Price: $0.037
- Number Of Shares (Undiluted): 547.5M
- 52 Week Range: $0.13 - $0.035
- Market Capital: $20.0M
- Cash As At 30 June 2017 Peak Resources*: $2.1M
- Appian Debt due September 2019 (US$3.5M)*: $4.6M
- Enterprise Value: $22.5M
- Unlisted Performance Rights: 8M
- Unlisted Options Outstanding: 20.6M

The Share Price

Top Shareholders

<table>
<thead>
<tr>
<th>Rank</th>
<th>Shareholder</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Appian Pinnacle Holdco Limited</td>
<td>76,965,767</td>
<td>14.06</td>
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<tr>
<td>2</td>
<td>International Finance Corporation</td>
<td>31,846,257</td>
<td>5.82</td>
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<tr>
<td>3</td>
<td>J P Morgan Nominees Australia Limited</td>
<td>27,043,381</td>
<td>4.94</td>
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<td>4</td>
<td>Crx Investments Pty Ltd</td>
<td>13,000,000</td>
<td>2.37</td>
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<tr>
<td>5</td>
<td>ERP Strategic Minerals, LLC</td>
<td>12,500,000</td>
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<td>6</td>
<td>HSBC Custody Nominees (Australia) Limited</td>
<td>12,679,574</td>
<td>2.32</td>
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<td>7</td>
<td>Sambold Pty Ltd</td>
<td>12,125,000</td>
<td>2.21</td>
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<td>8</td>
<td>Wisevest Pty Ltd</td>
<td>10,536,557</td>
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<td>9</td>
<td>Ashabia Pty Ltd</td>
<td>9,200,000</td>
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<td>10</td>
<td>Bushell Nominees Pty Ltd</td>
<td>8,572,401</td>
<td>1.57</td>
</tr>
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Board Members Shareholdings

3,646,867 shares are held collectively by board members Darren Townsend, David Hammond and Jonathan Murray.

*$2.8M placement at $0.04 per share completed in September 2017 accompanied with a 1 for 2 free attaching 12 month $0.06 option (subject to shareholder approval).
1 for 8 entitlement issue in progress to raise up to a further $2.7M together with a 1 for 2 attaching option on the same terms as the placement options. Some repayment of debt is due to Appian, amount dependent on total funds raised.
Overview – Appian and IFC Investment

- Stage 1: received A$20.3M*
- Stage 2: received A$3.1M*
- Appian and IFC have invested on a 80:20 basis
- Appian and IFC now hold +20% of ASX:PEK, 25% of PAM and have a 2% Gross Revenue Royalty

Appian and IFC

- Collaborative long-term partners
- Provides financial certainty
- Enables 100% focus on project development and value growth
- Deep operating expertise, including 30+ mines built and managed in Africa
- Tier-one social and environmental practices

* US$ components of the transaction converted at exchange rate of A$1=US$0.7222 (RBA rate 22 December 2015)
The Asset

NGUALLA - ONE OF THE WORLD’S LARGEST AND HIGHEST GRADE UNDEVELOPED NEODYMIUM (Nd) & PRASEODYMIUM (Pr) RARE EARTH PROJECTS
A unique combination of physical attributes and selected processes drive Ngualla’s low operating costs and sustainable credentials

<table>
<thead>
<tr>
<th>NGUALLA ORE BODY</th>
<th>NGUALLA MINE AND PROCESS PLANT</th>
<th>TEES VALLEY REFINERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High grade 4.80% REO</td>
<td>• Soft, free dig Ore</td>
<td>• Selective leach process</td>
</tr>
<tr>
<td>• Large deposit</td>
<td>• Simple, small open pit mine</td>
<td>• Low strength acids- no acid roast</td>
</tr>
<tr>
<td>• Bastnaesite mineralogy</td>
<td>• Low waste: Ore strip ratio (1.77)</td>
<td>• Modular plastic tanks</td>
</tr>
<tr>
<td>• Mineralisation from surface</td>
<td>• Zero offsite discharge + water recycle</td>
<td>• Small SX separation plant</td>
</tr>
<tr>
<td>• Very low U and Th (14 and 55 ppm)</td>
<td>• High Grade (45% REO), low mass concentrate</td>
<td>• Bulk, low-cost reagents available</td>
</tr>
<tr>
<td>• Thick blanket morphology</td>
<td>• Proven piloted process</td>
<td>• Pre-existing utilities</td>
</tr>
<tr>
<td>• Low in reagent consuming minerals</td>
<td></td>
<td>• Existing waste management facilities</td>
</tr>
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</table>

- Right sized project
- Low production cost
- Long life - 26 years
- Ethically sustainable
- High value, separated products
- NdPr drives 90% of revenue
- Aligned to permanent magnet and EV markets

See ASX Announcement: “BFS positions Ngualla one of worlds lowest cost RE Projects” dated 12 April 2017 and ASX Announcement: “Process optimisation study boosts Ngualla’s operating margin” dated 28 August 2017
The Asset - Ngualla The High Quality Rare Earth Project

One of the highest grade and largest rare earth deposits in the world with favourable mineralogy supporting its low cost position expected to be in line with the low cost producers from China

**Highlights**

- **Location:** Tanzania
- **Geology:** Weathered carbonatite with a high grade bastnasite-rich zone, low in phosphate and carbonate
- **Ore Reserve:**
  - 18.5 Mt at 4.80% REO
  - Ore Reserve only 22% of Total Mineral Resource
  - 38,800m of drilling (649 holes)
  - 40 x 50m spacing, depth of 120m
- **Mining:** Low strip ratio open-pit
- **Processing:** Proven high grade concentrate 45% REO and selective leach / SX
- **Environmental Certificate:** Received Mar 2017
- **Mining licence:** Expected in 2017, Environmental Certificate received
- **Estimated Capex:** US$ 196 M incl. 15% contingency and 5% owners costs
- **Life of Mine:** 30 years
- **Mill feed rate:** 556,000 tpa dry ore
- **Rare Earth Concentrate:** 28,300 tpa at 45% REO
- **Mine to harbour:** 980 km

The material assumptions underpinning Ore Reserve, production target, capital and operating costs are disclosed in the ASX Announcement dated 12 April 2017. "BFS positions Ngualla as one of the world’s lowest cost rare earth projects" continue to apply and have not materially changed. See ASX Announcement "Higher grade Resource for Ngualla nearly 1 million" and ASX Announcement "Ngualla Rare Earth Project – Updated Ore Reserve" as of 12 April 2017.
Tees Valley cost structures compare favourably with those in China

Wilton Int. Site, Tees Valley- A “plug and play” solution close to European markets

- **Option on the site**
- **5th largest UK port** by volume 40Mt of cargo p.a.
- **Competitive chemical (HCL)** costs and availability
- **Local and National Government Support**
  - Corporate tax rate reduced to 18% from 2020
  - Enhanced capital allowance for up to Euro 125 million on qualifying plant and machinery
- **Available Waste Disposal and Treatment Facilities**
- **Excellent Location**: Road, Rail, Air and Sea Connections and long heritage and industry expertise, ready-skilled, affordable workforce
- Close to UK & European markets (important for the lower value Cerium + Lanthanum); NdPr shipped to Asia and Europe
- **Capex**: US$ 160 million incl. 15% contingency plus 5% owners costs
NGUALLA RESOURCE TABLE

## Classification of Mineral Resources for the Weathered Bastnaesite Zone (WBZ) mineralisation at a 1.0% REO cut-off grade#

<table>
<thead>
<tr>
<th>Lower Cut-Off Grade</th>
<th>JORC Resource Category</th>
<th>Tonnage (Mt)</th>
<th>REO (%)*</th>
<th>Contained REO t</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0% REO</td>
<td>Measured</td>
<td>18.9</td>
<td>4.75</td>
<td>900,000</td>
</tr>
<tr>
<td></td>
<td>Indicated</td>
<td>1.9</td>
<td>4.85</td>
<td>90,000</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>0.5</td>
<td>4.43</td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>21.3</strong></td>
<td><strong>4.75</strong></td>
<td><strong>1,010,000</strong></td>
</tr>
</tbody>
</table>

## Classification of Mineral Resources for Total All Ngualla Resources at a 1.0% REO cut-off grade

<table>
<thead>
<tr>
<th>Lower Cut-Off Grade</th>
<th>JORC Resource Category</th>
<th>Tonnage (Mt)</th>
<th>REO (%)*</th>
<th>Contained REO t</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0% REO</td>
<td>Measured</td>
<td>86.1</td>
<td>2.61</td>
<td>2,250,000</td>
</tr>
<tr>
<td></td>
<td>Indicated</td>
<td>112.6</td>
<td>1.81</td>
<td>2,040,000</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>15.7</td>
<td>2.15</td>
<td>340,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>214.4</strong></td>
<td><strong>2.15</strong></td>
<td><strong>4,620,000</strong></td>
</tr>
</tbody>
</table>

# The Weathered Bastnaesite Zone Mineral Resource >=1% REO is contained within and is a subset of the total All Resources Ngualla Mineral Resources >=1% REO.

* REO (%) includes all the lanthanide elements plus yttrium oxides. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision. See ASX announcement “Higher grade Resource for Ngualla nearly 1M tonnes REO” dated 22 February 2016 for further details. There have been no material change to the rare earth Mineral Resource estimate since this announcement.

The information in this statement that relates to the Mineral Resource estimates is based on work conducted by Rod Brown of SRK Consulting (Australia) Pty Ltd, and the work conducted by Peak Resources, which SRK has reviewed. Rod Brown takes responsibility for the Mineral Resource Estimate. Rod Brown is a Member of The Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as Competent Person in terms of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). Rod Brown consents to the inclusion of such information in this report in the form and context in which it appears.
The Market

When we leave the ground, the sky’s the limit.
In October 2016, China’s Ministry of Industry and Information Technology released its Rare Earth Industry Development Plan which aims to restrict rare earth production, refining and raw mineral exports.

- China’s total annual rare earth mining output to be restricted to no more than 140,000 tpa REO by 2020
- No new mining rights to be issued to companies other than the selected Six State Owned Enterprises
- China solvent extraction refining capacity to be cut by 33% to 200ktpa REO (from 300ktpa REO in 2015)
- Rare earth industry profit margins to be increased to 12 percent
- High end downstream rare earth product market penetration to be increased from 25% to 50%
- Environmental compliance to be increased from 40% to 90% for rare earth operations
- Primary export of rare earth raw materials to be reduced from 57% to 30% of total Chinese production
- Announcement of launching a new environmental tax by 2018

Combined with increasing demand for the magnet metals, these internal China policies and the targeted expansion of high value downstream industry applications, China may well become a net importer of NdPr by 2025. China today supplies more than 90% of the global demand of rare earth.

A component of China’s 5 Year Plan is to encourage the use and development of offshore rare earth resources and strengthen international co-operation.
UBS confirms that NdPr are critical enablers for the low carbon industry and poised for growth. We believe significant demand increases from e-mobility have yet to hit the market.

**+655% NdPr growth projected**

in a 100% EV world (% of today’s global production)

<table>
<thead>
<tr>
<th>Material</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium</td>
<td>2898%</td>
<td>4628%</td>
</tr>
<tr>
<td>Cobalt</td>
<td>1928%</td>
<td>2478%</td>
</tr>
<tr>
<td>Rare earths</td>
<td>655%</td>
<td>524%</td>
</tr>
<tr>
<td>Graphite</td>
<td>100%</td>
<td>122%</td>
</tr>
<tr>
<td>Nickel</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>Copper</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Manganese</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Aluminium</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Silicon</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Steel</td>
<td>-1%</td>
<td>-3%</td>
</tr>
<tr>
<td>PGM</td>
<td>-53%</td>
<td>-53%</td>
</tr>
</tbody>
</table>

**E-Mobility +46% CAGR**

Between 2020-2025 EV sales by region (million units)

Source: [UBS Evidence Lab Electric report](#) global research report dated 18 May 2017
The rare earth market by value is projected to grow from today’s ~US$ 2 billion p.a., of which ~80% is permanent magnets, to ~US$ 8 billion p.a by 2025*

+100% incremental demand

is projected. A strong uplift in the demand for NdPr/ permanent magnet motors required by the rapidly expanding electric vehicle market, which has been the main catalyst for significant increases in the price of lithium and cobalt since late 2015. Additionally, we see also significant growth contributors in the areas of drones, magnetocaloric fridges, wind energy and robotics. *

~99% market share

With Tesla’s move to adopt the permanent magnet motor technology for it’s Tesla Model 3, NdFeB permanent magnet Motors (PMM) reached now close to 99% market share. The NdFeB PMM technology is now clearly the leading engine technology and industry standard. Below Chart shows the Market status by end of the year 2016 before the Model 3 launch, representing model X and S.

Source: data from Adamas Intelligence April 2017

Source: data from Hybridecars.com 2016 YTD August
Peak’s proposed annual NdPr output of 2,810t is less than one year’s incremental demand growth and is equivalent to ...

**2.8 million E-cars**

under the assumption that each combustion vehicle which is converted to an electrified vehicle represents 1kg of incremental NdPr oxide demand. Of the [91.5 m vehicles](#) sold in 2016, approx. 2 to 3 million were electrified.

**14,050 megawatts**

each direct drive permanent magnet wind turbine generates between 2 to 6 megawatts of performance. Each megawatt represents on average a demand of 200kg NdPr oxide. In other words, with Peak’s annual output, 7,025 x 2 MW or 3,512 x 4 MW or 2,341 x 6 MW Direct Drive Wind Turbines could be built. In 2015 the annual [new installations was 63 GW](#), 17% increase, resulting in a global installation base of 433 GW.

**462,000 Industrial Robots**

under the assumption that each robot requires 5kg NdPr oxide. Considering that today, China’s penetration rate is [10 times](#) lower than that of Japan, we see significant market potential for this application.

**7 million Home Fridges**

under the assumption that each [NdPr magnetocaloric fridges](#) represents 0.40kg NdPr oxide demand. Peak Assumptions: 7.5 billion people on the planet. 1 fridge per 7 people.; Each fridge gets replaced every 10 years. (7.5bn people / 7 people per fridge) / 10 years = 107 million refrigerators sold per year. In conjunction with the Kigali agreement and the phase out of HFC we see a significant market potential for NdPr magnetocaloric fridges.

**15.6 million E-Scooters**

under the assumption that each scooter requires 0.180 kg NdPr oxide. Considering estimated annual sales of [46 million combustion two-wheelers](#) worldwide, we believe this application has significant potential.

**16.9 million Car Air Conditioners**

under the assumption that each car air conditioner represents 0.166 kg incremental NdPr oxide demand. Considering that today 90 million vehicles are sold annually, we believe this application has significant market potential.