

HIGHLIGHTS:

Peak Resources Limited (“Peak” or the “Company”) continues to progress the development of its 75% owned Ngualla rare earth project (“Project”) with the following events occurring during the Quarter:

- Transaction agreed for Peak to move to 100% ownership of the Ngualla Project
- A\$4.795m share placement completed and Appian loan fully repaid
- Tanzanian Cabinet's SML approval process underway
- US government focus continues to be directed towards security of rare earths supply

Peak set to move to 100% ownership of Ngualla Project

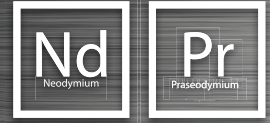
Peak was pleased to announce on 29 July 2019 and 30 August 2019 respectively that it has entered into conditional agreements to move to 100% ownership of the Ngualla Rare Earth Project. Peak has executed Binding Heads of Agreement (Appian BHoA and IFC BHoA) with Appian Pinnacle Hold Co Limited (Appian) and International Finance Corporation (IFC) to roll up their ownership interests in Mauritian registered company, Peak African Minerals (PAM) into Peak. PAM is the parent company of Tanzanian registered PR NG Minerals Limited which is the holder of the Project’s Exploration Licences and Special Mining Licence application.

The Company believes the proposed simplification of the PAM ownership structure and streamlining of the governance procedures will ensure that the interests of all shareholders will be aligned towards the development of the Project. The proposed simplified structure is intended to facilitate the introduction of additional institutional investors in Peak and development partners to the Project.

Under the terms of the Appian BHoA and the IFC BHoA, Appian and IFC will receive the following:

- Appian to receive 327,490,452 new fully paid ordinary shares in Peak (Peak Shares) in exchange for its entire (20%) ownership interests in PAM.
- IFC to receive up to 64,268,651 Peak Shares in exchange for its entire (post dilution 3.85%) ownership interests in PAM.

With the exception of the receipt of Peak shareholders’ approval for the transaction all other conditions for completion of the transaction (other than conditions to be satisfied on completion) have been satisfied. A General Meeting of Shareholders is to be held on 4 November 2019 to approve the transaction and other items, with completion expected to take place 5 business days thereafter.



Developing the Ngualla Project into an
– ethically sustainable
– long term
– high quality supplier of choice to the global high technology rare earth market

DIRECTORS

Non-Executive Chairman:
Peter Meurer

Non-Executive Directors:
John Jetter
Jonathan Murray
Tony Pearson

Chief Executive Officer:
Rocky Smith

Company Secretary:
Graeme Scott

CORPORATE DETAILS

AS AT 30 September 2019:

Ordinary Shares on issue:
919.1m

Listed Options:
PEKOC Listed:\$0.06 14 Jun 2020:
61.1m

52 week range: 2.0c – 6.6c

Market Cap: \$34.9 (at 3.8c)

ASX: PEK

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Peak ownership - current and post Transaction:

Current				Proforma			
	No of Shares	Ownership % Peak	Ownership % Project		No of Shares	Ownership % Peak	Ownership % Project
Peak Shares Outstanding	919,144,249	100.00%	75.00%	Peak Shares Outstanding	1,310,903,353	100.00%	100.00%
Appian	112,351,377	12.22%	9.17%	Appian	439,841,829	33.55%	33.55%
IFC	31,846,257	3.46%	2.60%	IFC	96,114,908	7.33%	7.33%
Other Shareholders	774,946,615	84.31%	63.23%	Other Shareholders	774,946,615	59.12%	59.12%

A\$4.795m share placement completed and Appian Loan fully repaid

Following the initial announcement of the Project ownership restructuring transaction above, the Company was pleased, on 8 August 2019, to complete a placement of 119,888,380 new fully paid ordinary shares to sophisticated, professional and other exempt investors. The placement was undertaken at \$0.04 per share raising gross funds, before fees, of \$4.795m.

Through participation in the placement Peak welcomed a number of new institutional investors to its share register.

Part of the proceeds from the placement were used to repay in full the balance of the outstanding loan due to Appian (repaid US\$1.314m on 10 September 2019). The balance of the funds are to be applied towards Teesside and Ngualla Project final permitting and development costs, marketing and negotiating offtake and project financing and general operating expenses.

Special Mining Licence Application Status - Tanzania

The Company continues to have open dialog with the Government on the granting of the Special Mining Licence (SML). The Licence remains pending Cabinet sign-off after the application was recommended for approval by the Mining Commission in October 2018.

Cabinet Approval Process Underway

Following the end of the Quarter the Company hosted a governmental site visit as part of the Cabinet approval process for the Project SML. The special delegation of government experts and officials spent 4 days at the Ngualla site visiting the licence area, exploration camp and meeting with the local community. The visit was an opportunity for the Company to highlight the positive impact the Project will have, not only on the local community but to Tanzania as a whole. The mine when operational will be the largest employer in the area and will contribute a considerable amount to the nations mining related gross domestic product and government revenues. The initial capital investment will also include a substantial upgrade to the access of the Ngualla area which will open up a large parcel of agricultural land to both domestic and international markets. The meeting with the local community followed a tour of some of the many community projects including school buildings, teacher's accommodation and medical facilities that the Company has undertaken since it started exploration in the area. The appreciation for the community projects and the desire to see the Project commence was evidenced by the unanimous support expressed by the local community to the delegation.

The visit is a positive move forward towards the issuing of the SML with the delegation left satisfied that their queries had been answered in an open and transparent manner.

The Mining Licence is the final regulatory requirement for the Ngualla Project, with the associated Teesside Refinery already fully permitted and land secured under option. Once granted the Ngualla Project will be the only rare earth development project that has a JORC Compliant Ore Reserve, completed definitive feasibility study and fully piloted process from ore to separated oxides that is fully permitted and ready to construct.

Agreement between Barrick and the Tanzanian Government

The move to gaining Cabinet approval for the SML has occurred during a time when there has been a number of recent positive developments in the Tanzanian mining sector. Not least of these is the agreement reached between Barrick Gold Corporation (Barrick) and the Government of Tanzania concluding a long term dispute that has had a large impact on the entire mining industry in the country. The agreement as published by Barrick includes a number of positive moves by the government that clarifies key areas in the 2017 legislation that were uncertain and is expected to facilitate easier access to international financing for Tanzanian mining projects. The key areas of the agreement from Peak's perspective include;

- The government of Tanzania will take no more than 50% of the economic benefits from the mine, which includes all free carried interest dividends, taxes, royalties, government fees and other fiscal levies.
- Dispute resolution will include access to UNCITRAL International Arbitration
- The company will be allowed to open and maintain bank accounts outside of Tanzania

Professor Palamagamba Kabudi Foreign Affairs and East African Cooperation Minister and head of the government's team in the Barrick negotiations has commented that the agreement should be seen as an example to other mining ventures who are investing in Tanzania.

Tanzanian Operations

The Project site remained open during the Quarter in order to maintain a presence in the area and to also facilitate investor, governmental and offtake partner visits to the deposit.

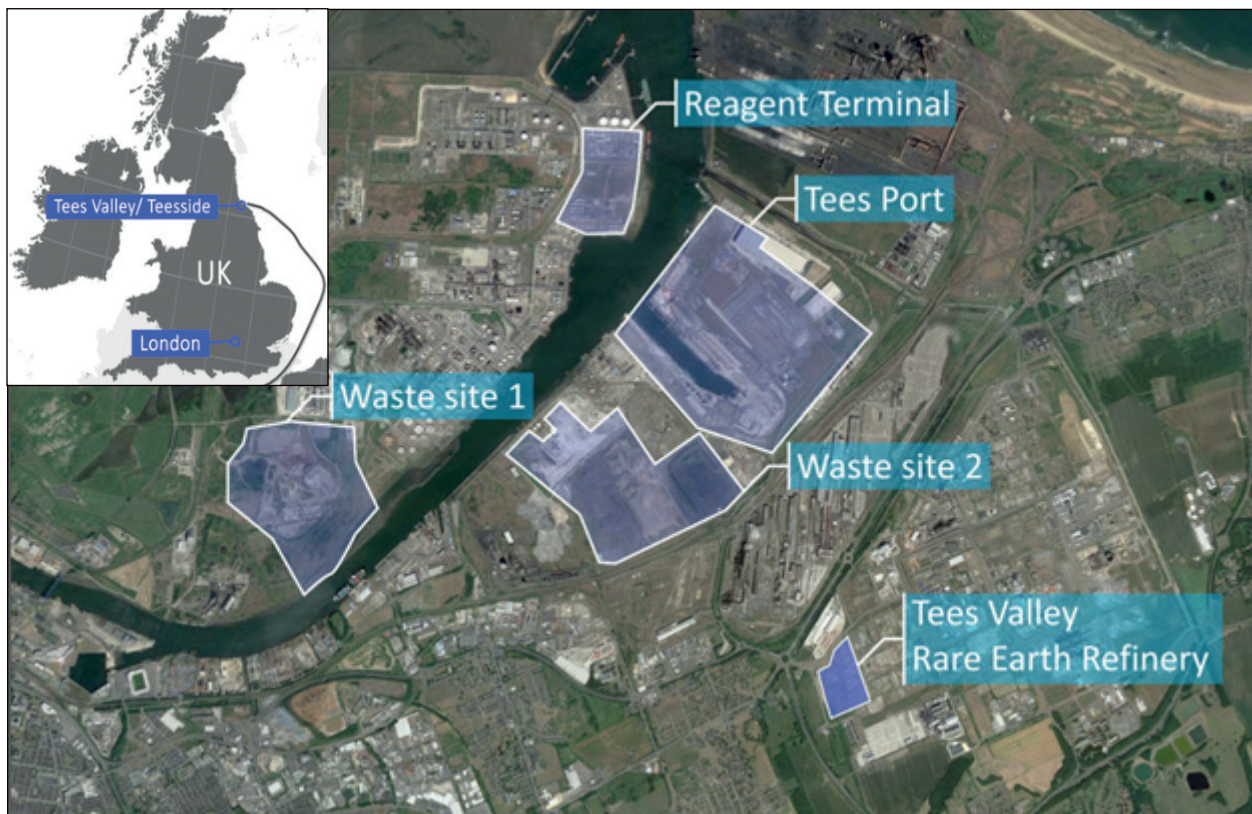
Due to the protracted application process of the SML the Company will not undertake any major Community Programmes this season. The staff on site continue to map the Fluorspar occurrence as well as undertake soil sampling on the altered transition zone between the carbonatite intrusion and the fenite rim. The total area of the two Prospecting Licences and the SML application area is over 50 square kilometres and large areas remain largely unexplored. As previously reported, in addition to rare earths and Fluorspar there is potential for further evaluation of Niobium, Barite and Phosphate mineralisation which was previously identified.

UK Teesside Refinery

Post Quarter end Peak's CEO visited the site and met with various stakeholder groups and potential suppliers of chemical reagents. The local Teesside community remain extremely supportive of Peak's development plans. The Company has a further two years on its option, over a 19 hectare parcel of land located in the Wilton International Site.

Planning permissions for the refinery and environmental licences for operation of the facility are all in place. Potential exists for Peak to create a go to rare earth processing hub at Teesside:

- Site fully permitted for construction and operation
- 250 year land option with room for expansion
- Excellent infrastructure and location to market
- Sustainable options for waste management and disposal
- Readily available low cost reagents



Teesside refinery site and surrounding area and facilities

Marketing and Offtake Updates

During the Quarter the Company successfully launched its multi-lingual company website. This is an integral part of the overall marketing and sales strategy. We believe accessibility and transparency are two core pillars for establishing a successful partnership with our industry stakeholders in the global rare earth industry. This launch underpins our commitment to our potential customers and partners.

The website is available in English, Swahili, Japanese and Chinese. Our Bankable Feasibility Study and latest Project Update, and the latest Company presentations are now available for download in English, Japanese and Chinese. In addition, the corporate, market and site videos for our Australia, Tanzania and the United Kingdom operations are available with Japanese, Chinese and English subtitles.

An extensive marketing and customer engagement trip is planned for the December 2019 quarter through Europe and Asia to progress existing and new discussion aimed at securing binding offtake agreements, which will set the foundations for finance enabling Peak to become the second outside of China fully integrated Rare earth oxide and metal supplier.

Market Update

Governmental and media focus on Rare Earths

The continuing trade tensions between the United States and China has been a catalyst for discussions between the Australian and US Government over how they can collaborate in securing the supply of critical raw materials. As widely reported in the global media recently, a number of meetings have been held between the respective governments and their delegations.

US Secretary of State, Mike Pompeo, said in a meeting held on Thursday, 26 September 2019 at the United Nations General Assembly. "We want to ensure that these important mineral commodities remain free from international coercion and control".

The Industry awaits with interest the publication of the US-Australia Critical Minerals Action Plan that aims to improve the security and supply of rare earths and other critical minerals. It appears it has become clear to the US government that it is not sustainable for downstream industries to rely on a single supplier (China) for 80% of a key critical raw material.

As we have previously reported, Peak believes it is imperative for the industry and the supply chain of e-mobility and green energy to act soon to diversify their supply chains before the increased demand situation eventuates.

Car manufacturers continue fast tracking their electric vehicle plans

In October 2019, Hyundai, South Korea's largest car company announced that it plans to invest 41 trillion won (US \$35 billion) into "future mobility technology" by 2025. This puts them on par with some of the industry's top manufacturers including Volkswagen which is spending €30 billion (US \$34 billion) over the next five years.

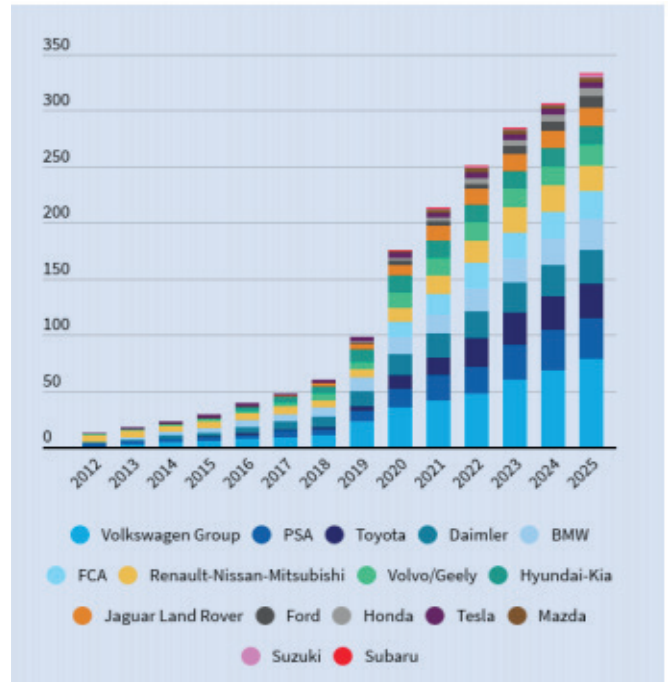
Hyundai stated that they plan to release 23 electric vehicle models by 2025 which represents roughly the half of its new model lineup. The announcement was backed by a pledge from South Korea's government to spend 2.2 trillion won (US \$1.9 billion) on innovative auto technology.

"Our goal is to become the number one country for future car competitiveness by 2030", President Moon Jae-in said, speaking at a Hyundai research center. "A third of the cars on the country's roads in the next decade should be electric or hydrogen-powered" he added.

Electric vehicle market projections

Europe July 2019 - According to the latest report published by the European Federation for Transport and Environment, AISBL electric vehicles will become mainstream with the tipping point expected to occur in 2020/2021. The current production forecasts show that most carmakers are actively driving electrification. From about 60 battery electric (BEV), plug-in hybrid (PHEV) and fuel cell (FCEV) models available at the end of 2018, up to a combined of 176 models in 2020, 214 models in 2021 and 333 models expected in 2025. This is no coincidence since 2020/21 is the year when the mandatory EU CO₂ target of 95g/km commences.

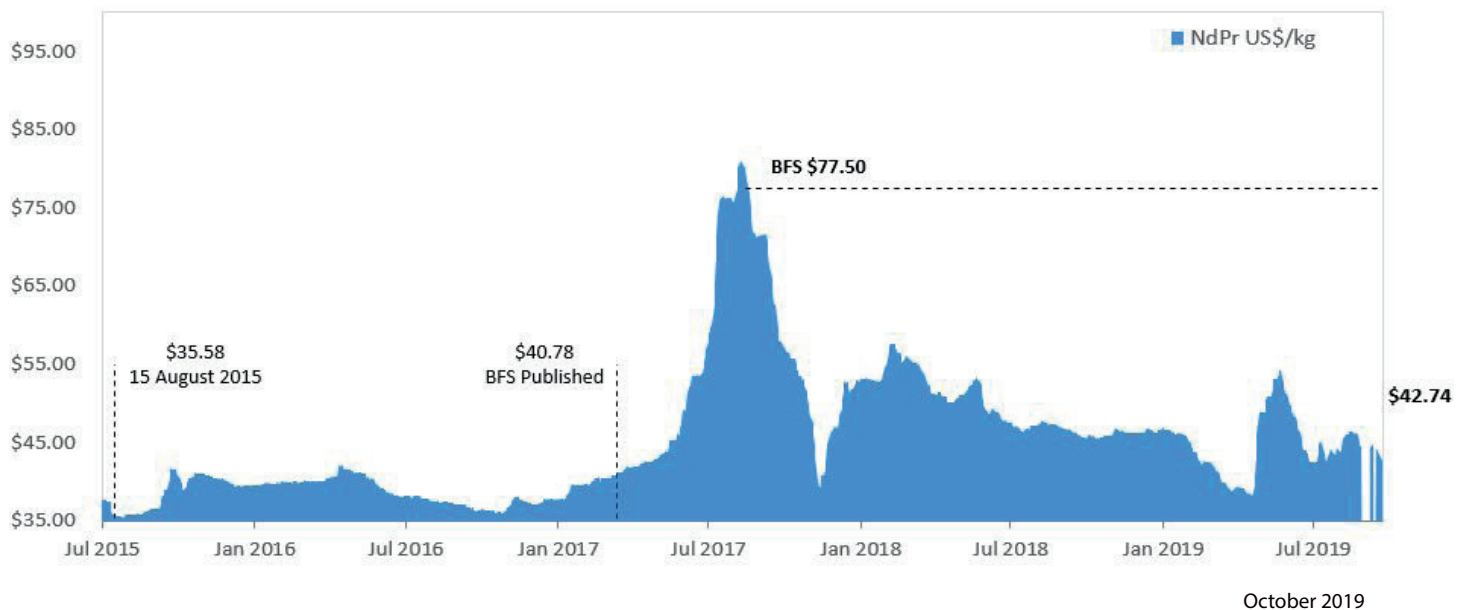
These developments are in line with our market research and projections which we have communicated in our comprehensive white paper (115 pages) available for [download](#) on our website.



Source: European Federation for Transport and Environment - Total number of available EV models on the market in Europe

Pricing Update

After the June 2019 quarter's stronger performance, which was mainly driven by the speculation around the trade tensions between US and China, the prices normalized again in a soft market.



NdPr Prices China in US\$/kg since July 2015. Source Asian Metal (China Domestic)

#Target price which is required to realise similar 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

Corporate

Fundraising Activities

As noted above pursuant to completion of the placement, 119,888,380 new fully paid ordinary shares were issued at \$0.04 per share raising gross proceeds of A\$4.795m, subsequently the Appian loan facility was repaid in full.

Contingent on receipt of shareholder approval, it is expected that up to an additional 391,759,103 new fully paid ordinary shares will be issued to Appian and IFC during the December 2019 quarter on completion of the Ngualla Project ownership restructuring transaction.

Shareholder Meetings

The Company will hold a General Meeting of Shareholders at 2pm on Monday, 4 November 2019 to approve the Ngualla Project ownership restructuring transaction and other agenda items.

This years Annual General Meeting is to be held at 10.30am on Tuesday, 19 November 2019.

Both meetings will be held at The Country Women's Association of WA, 1176 Hay Street, West Perth WA 6005. Shareholders are encouraged to attend these meetings and to submit their proxy votes.

Corporate Structure and Cash at Hand:

The corporate structure as at 30 September 2019 was:

ASX: PEK

Ordinary Shares on Issue: 919.1 million

PEKOC Listed \$0.06 14 June 2020 Options on Issue: 61.1 million

Unlisted Options outstanding: 123.8 million[†]
(exercise prices A\$0.03 to A\$0.15)

Unlisted Performance Rights: 10 million[#]

Cash at hand: \$3.927 million[^] (Peak Resources Limited only)

52 week range: 2.0c – 6.6c^{*}

Market Cap: \$34.9m (at 3.8c)

Liquidity: 0.957 million shares per trading day
(average over 3 months^{**})



Rocky Smith
Chief Executive Officer

* From 1 October 2018 to 30 September 2019 on ASX ** Average from 1 July 2019 to 30 September 2019 on ASX.

[^] PAM, 75% PEK ownership, also retained cash at bank of US\$14k at the end of the Quarter.

[†] Some subject to milestone and continuing service vesting criteria

[#] Vest subject to performance and continuing service criteria

Summary of Mining Tenements and Areas of Interest

As at 30 September 2019

Project	Tenement	End of June 2019 Quarter	End of September 2019 Quarter	Status	Arrangement/Comment
Mikuwo	PL 9157/2013	75%	75%	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd
Mlingi	PL10897/2016	75%	75%	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd
Ngualla	SML/00601/2017	75%	75%	Pending	Held by 100% Tanzanian associate company PR NG Minerals Ltd

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PEAK RESOURCES LIMITED

ABN

72112546700

Quarter ended ("current quarter")

SEPTEMBER 2019

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	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(351)	(351)
(c) production	-	-
(d) staff costs (net of development allocations)	(234)	(234)
(e) administration and corporate costs	(305)	(305)
(f) development costs recovered	88	88
(g) administration costs recovered	16	16
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	(55)	(55)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(831)	(831)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(8)
(b) tenements (see item 10)	-	-

+ See chapter 19 for defined terms
1 September 2016

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(c) investments in associate companies	(123)	(123)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to / from other entities – associate companies	(145)	(145)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(276)	(276)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	4,795	4,795
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(84)	(84)
3.5	Proceeds from borrowings – Appian loan	48	48
3.6	Repayment of borrowings	(1,872)	(1,872)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Restricted cash for debt repayment	-	-
3.10	Net cash from / (used in) financing activities	(2,887)	(2,887)
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	2,147	2,147
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(831)	(831)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(276)	(276)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,887	2,887

Mining exploration entity and oil and gas exploration entity quarterly report

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	-	-
4.6	Cash and cash equivalents at end of period	3,927	3,927

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	677	547
5.2	Call deposits	3,250	1,600
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)	3,927[#]	2,147[#]

[#]figure excludes cash at end of the Quarter retained by Peak's majority (75%) owned associate company Peak African Minerals (PAM). PAM had cash at bank at the end of Quarter of US\$14k (previous quarter US\$6k). Following completion of the announced Project ownership restructuring transaction, expected to occur in the December 2019 quarter, PAM will be consolidated into the Peak Group.

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	108
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 Directors fees paid to Directors and payments to Steinepreis Paganin Lawyers & Consultants (including legal fees for the Project ownership restructuring transaction), an entity related to Non-executive Director Jonathan Murray.		

Mining exploration entity and oil and gas exploration entity quarterly report

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Bank Guarantee re office rent	30	30
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

In September 2019 the outstanding balance due under the 3 year loan facility provided by Appian Pinnacle Holdco Limited was repaid in full. The final repayment including all accrued interest of US\$1,313,922 was made on 10 September 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs (net of recoveries)	204
9.5 Administration and corporate costs (net of recoveries)	265
9.6 Other – Company's share of PAM project evaluation and development costs	673
9.7 Total estimated cash outflows	1,142*

* The above figures are for Peak's costs and its share of the project development and evaluation expenditure only. Additional project development and evaluation expenditure will be incurred and should be funded proportionately by the other PAM investors. However, following completion of the announced Project ownership restructuring transaction Peak will revert to meeting 100% of Project costs. Completion of the transaction is expected to occur in the December 2019 quarter.

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer Quarterly Activities Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer Quarterly Activities Report		

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:*Graeme Scott*.....
Company secretary

Date: ...31 October 2019.....

Print name:Graeme Scott.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.