

ASX Announcement 28 February 2022

Peak remains committed to being a non-Chinese aligned source of independent rare earth production

- **Peak remains focused on delivering an integrated Ngualla-Teesside rare earths project in the interests of its shareholders and aligned to its stated strategy**
- **Notwithstanding recent changes to its shareholder base, Peak remains committed to being an Australian-managed independent source of rare earth oxide production**
- **Peak's offtake strategy remains predominantly focused on Japan, Korea and Europe**
- **The Company is not currently considering any changes to its Board, governance or management structure**

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") is pleased to re-affirm its commitment to its stated strategy, focused on being an independent producer of rare earth oxide delivered through the development of the integrated Ngualla-Teesside project.

Shenghe Interest

As announced on 14 February 2022, Shenghe Resources Holding Co Ltd ("**Shenghe**"), a Chinese rare earth company, acquired a 19.9% interest in Peak from Appian Pinnacle Holdco Limited ("**Appian**"), through its subsidiary, Shenghe Resources (Singapore) Pte Ltd.

Whilst Peak was not consulted or involved in any discussions or negotiations between Appian and Shenghe, it does view the investment as a strong endorsement of the world-class nature and strategic value of the Ngualla-Teesside project.

As previously announced, Shenghe is not entitled to Appian's previous shareholder rights, which included director nomination rights. The Company confirms that it is not entertaining any changes to its board, governance or management structure at this time.

In response to current situation, Peak has retained legal and financial advisers.

Committed to an Integrated, Independent Ngualla-Teesside Project

Peak is aware of certain speculation that it may seek to change its strategy following Shenghe's investment. Peak confirms it remains committed to the development of an integrated Ngualla-Teesside project and to the production of an NdPr Oxide rather than a concentrate or mixed rare earth carbonate.



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Non-Chinese aligned source of rare earth production

Peak believes that the interests of the Company and its shareholders as a whole are best served by continuing to position itself as an Australian-managed independent source of rare earth oxide production.

The strategic importance of rare earths to economies and national security, continues to drive an appetite for diversity of supply and production outside of China.

China accounts for approximately 85–90% of global production of NdPr Oxide, which is the key element in high strength permanent magnets used in electric vehicles and wind turbines.

Chinese market dominance is being further strengthened through centrally coordinated consolidation initiatives, which include the recent formation of China Rare Earth Group through the merger of Ganzhou Rare Earth Group with the rare earth operations of major Chinese State-Owned Enterprises, Chinalco and Minmetals.

Peak believes its position as an independent source of production is important to offtakers, financiers and other stakeholders.

We remain committed to our key stakeholders in Tanzania and the United Kingdom and, in particular, communities within Ngwala and the broader Songwe Region of Tanzania.

Peak is continuing to progress NdPr Oxide offtake negotiations with prospective Japanese, Korean and European parties and engage with a broad suite of international development banks, export credit agencies and commercial banks.

This announcement is authorised for release by the Company's Managing Director.

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Managing Director

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