

25 October 2022

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM

The Annual General Meeting (**AGM**) of shareholders of Peak Rare Earths Limited (**the Company**) will be held at Heritage Conference Centre, 4th Floor Heritage Building, The Fullerton Hotel, 1 Martin Place, Sydney, on Wednesday, 30th November 2022 at 11.00am (AEDT).

The AGM will be held as a physical meeting and all shareholders are entitled to attend the AGM at the time, date and place set out above. The Company will also webcast the AGM to enable shareholders to view the meeting. Details on how to watch the AGM will be provided by emailing the Company at info@peakrareearths.com. Shareholders will not be able to vote, ask questions or otherwise participate in the AGM through the webcast.

In accordance with section 110D the Corporations Act 2001 (Cth), the Company will not be sending printed copies of the Notice of Annual General Meeting (**Notice of Meeting**) to shareholders, unless a shareholder has made a valid election to receive documents in hard copy.

Shareholders can access a copy of the Notice of Meeting, which sets out the agenda and resolutions being put to the meeting, as well as important voting information and an explanatory statement, at the Company's website at <https://peakrareearths.com/> or from the ASX market announcements platform website under the Company's code "PEK". You can also access a copy of the Company's 2022 Annual Report at the Company's website address at <https://peakrareearths.com/reports> or at the ASX Market Announcements Platform.

If you nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement. Shareholders are also encouraged to elect to receive all shareholder communication via email to help the environment and reduce printing and mailing costs. Please update your Shareholder details online at <https://peakrareearths.com/investor-centre/> and log in with your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) and postcode (or country for overseas residents), where you can find on your enclosed personalised proxy form, or log into your portfolio. Once logged in, click on Communication Preferences. You can also lodge your proxy vote online by clicking on the "Vote" tab.

Enclosed for your convenience is a copy of your personalised Proxy Form for the meeting.

Shareholders are encouraged to vote prior to the meeting by lodging the Proxy Form by no later than 11.00 am (AEDT) on 28 November 2022, as per the instructions on the Proxy Form.

All resolutions will be decided by a poll based on votes submitted by proxy, together with any votes cast at the AGM.

The Notice of Meeting and accompanying explanatory statement should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to the meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Phil Rundell", is positioned above the typed name.

Phil Rundell
Company Secretary
Peak Rare Earths Limited

PEAK RARE EARTHS LIMITED
ACN 112 546 700
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00am (AEDT)

DATE: Wednesday, 30 November 2022

PLACE: Heritage Conference Centre, 4th Floor Heritage Building, The Fullerton Hotel, 1 Martin Place, Sydney, New South Wales

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (Sydney) on 28 November 2022.

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BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – HON. ABDULLAH MWINYI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 14.4 and clause 14.2 of the Company's Constitution, and for all other purposes, Hon. Abdullah Mwinyi, a Director, retires by rotation, and being eligible, is re-elected as a Director.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RUSSELL SCRIMSHAW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 14.4 and clause 14.4 of the Constitution, and for all other purposes, Mr Russell Scrimshaw (who was appointed as an Executive Director on 15 August 2022) is elected as a Director.”

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MS SHASHA LU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 14.3 of the Constitution, and for all other purposes, Ms Shasha Lu is elected as a Director.”

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – RUSSELL SCRIMSHAW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue 4,000,000 Performance Rights to Mr Russell Scrimshaw (or his nominee) under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting prohibition and exclusion statements apply to this Resolution. Please see below.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – GILES STAPLETON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue 100,000 Performance Rights to Mr Giles Stapleton (or his nominee) under the Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting prohibition and exclusion statements apply to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL OF CHANGE TO TERMS OF PERFORMANCE RIGHTS (VESTING MILESTONES)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 6.23.4, and for all other purposes, Shareholders approve a change to the vesting milestones applicable to 1,587,117 of Performance Rights, on the terms and conditions set out in the Explanatory Statement.”

Voting prohibition and exclusion statements apply to this Resolution. Please see below.

8. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 25 October 2022

By order of the Board



**Russell Scrimshaw
Executive Chairman**

Voting Prohibition Statement

Resolution 1 – Adoption of Remuneration Report

In accordance with the Corporations Act, the Company will disregard any votes cast on this Resolution:

- a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on this:

- c) in accordance with a direction as to how to vote on the proxy; or
- d) by the Chair pursuant to an express authorisation to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on the Proxy Form, you will be expressly authorising the Chair to exercise your proxy even if the Resolution is connection directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote undirected proxies in favour of Resolution 1.

Resolutions 5, 6 and 7 – Issues of Performance Rights to Directors and Approval of Changes to Terms of Performance Rights (Vesting Milestones)

A vote on Resolution 5, 6 or 7(as applicable) must not be cast by a person appointed as a proxy if:

1. the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of a member of the Key Management Personnel; and
2. the appointment does not specify the way the proxy is to vote on the applicable Resolution.

However, the above prohibition does not apply if:

3. the proxy is the Chair; and
4. the appointment expressly authorises the Chair to exercise the proxy even though the applicable Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on the Proxy Form, you will be expressly authorising the Chair to exercise your proxy even if the Resolution is connection directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote undirected proxies in favour of Resolutions 5, 6 or 7.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

| | |
|---|--|
| Resolutions 5 and 6 – Issues of Performance Rights to Directors | <ol style="list-style-type: none">1. A person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Russell Scrimshaw and Giles Stapleton); or2. an associate of that person (or those persons). |
| Resolution 7 – Approval of Change to Terms of Performance Rights | <ol style="list-style-type: none">1. A person who holds a Performance Right that is the subject of the approval; or2. an associate of that person (or those persons). |
| Resolution 8 – Approval of 10% Placement Capacity | <ol style="list-style-type: none">1. Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or2. an associate of that person or those persons. |

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING

Voting Entitlement

Shareholders recorded on the Company's register of members at 7.00 pm (Sydney time) on 28 November 2022 will be entitled to vote on the items to be considered at the AGM.

Becoming a Shareholder

Persons who become registered Shareholders after this Notice has been dispatched, and wish to vote at the AGM by proxy, should call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) and request an additional personalised voting form.

Persons who become beneficial Shareholders after this Notice has been dispatched, and wish to vote at the AGM by proxy, should contact their broker or intermediary for instructions on how to do so.

Voting Procedure

Please note that all resolutions will be decided by a poll rather than by a show of hands.

In light of the easing of government restrictions in response to the COVID-19 pandemic, it is anticipated that the AGM will be held in person. The Company has taken steps to ensure that all attendees will be able to participate in the AGM while maintaining their health and safety in accordance with social distancing measures.

The Company will also webcast its AGM. However, Shareholders will not be able to vote, ask questions or otherwise participate in the AGM through the webcast. Rather, Shareholders who wish to vote on the Resolutions to be considered at the AGM but are not able to physically attend the AGM should appoint a proxy to vote at the AGM on their behalf. Instructions on how to join the webcast are set out in the section below titled "**Joining the Webcast**".

Voting Restrictions

The voting prohibitions under the Corporations Act, and voting exclusions under the Listing Rules, which apply to

certain Resolutions are set out above.

PROXY FORMS

Proxy Form

Shareholders will be provided with a personalised proxy form (**Proxy Form**). The Proxy Form allows Shareholders to appoint a proxy to vote on their behalf.

If you hold fully paid ordinary shares in the capital of the Company (**Shares**) in more than one capacity, please complete the Proxy Form that is relevant to each holding.

Shareholders who intend to appoint a proxy are encouraged to submit their Proxy Forms as early as possible. Lodgement instructions (which include the ability to lodge proxies electronically) are set out below and in the Proxy Form.

Appointing Proxies

Shareholders, who are entitled to attend and vote at the AGM, may appoint a proxy to act generally at the AGM and to vote on their behalf.

A proxy need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote at the AGM can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If you wish to appoint two proxies please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) and request an additional Proxy Form.

Undirected Proxies

The Chair intends to vote all valid undirected proxies for all Resolutions in favour of each Resolution.

Power of Attorney and Corporate Representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative,

written proof of the representative's appointment must be lodged with, or presented to, the Company prior to the AGM.

A body corporate appointed as a proxy must also lodge a certificate of appointment of a corporate representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 11.00 am (AEDT) on 28 November 2022.

How to lodge Proxy Forms

You can lodge your Proxy Form with the Company:

Online: visit
www.linkmarketservices.com.au

By Mail: Peak Rare Earths Limited
C/- Link Market Services Limited

Locked Bag A14
Sydney South NSW 1235 Australia

By Fax: +61 2 9287 0309

By Hand: Link Market Services Limited
Level 12, 680 George Street, Sydney NSW
2000

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

JOINING THE WEBCAST

To watch the AGM via the live webcast, please email the Company at info@peakresources.com.au to register your interest. You will then receive an email containing log in details for the webcast. Shareholders should note that they will not be able to vote, ask

questions or otherwise participate in the AGM through the webcast.

ATTENDING THE AGM IN PERSON

To attend the AGM and vote in person, attend the AGM at the time, date and place set out above.

Whilst Shareholders are entitled to physically attend the AGM, given venue capacity limitations [and social-distancing requirements], Shareholders should consider appointing a proxy to vote at the AGM on their behalf by following the instructions set out above and in the Proxy Form.

SHAREHOLDER QUESTIONS

Shareholders will be able to ask questions relevant to the business of the AGM. Shareholders are encouraged to ask questions in advance of the AGM by emailing the Company at info@peakrareearths.com

Shareholders will also be permitted to ask questions in person at the AGM once the Chair has read out each item of business.

ENQUIRIES

If you have any questions about this Notice or your Proxy Form please contact the Company's share registry, Link Market Services at 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

By order of the Board



Russell Scrimshaw
Executive Chairman
25 October 2022

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://peakrareearth.com/reports>

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote.

If required, the Spill Resolution must be put to vote at the second of those annual general meetings. If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – HON. ABDULLAH MWINYI

2.1 General

The Constitution sets out the requirements for which Directors are to retire by rotation at an annual general meeting.

In accordance with the Constitution, the Hon. Abdullah Mwinyi will retire by rotation at the 2022 AGM and, being eligible, will seek re-election as a Director.

Listing Rule 14.4 requires that a director of an entity must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer. If Resolution 2 is passed, Hon. Mwinyi will be re-elected as a director of the Company. If Resolution 2 is not passed, Hon. Mwinyi will not be re-elected as a director of the Company.

2.2 Qualifications and other material directorships

Abdullah Mwinyi is a member of the Tanzanian Parliament, having entered Parliament in 2007. He has also held roles as a Member of the East African Legislative Assembly (2007 – 2017), where he was Chair of the Legal, Privileges and Rules Committee and the Regional Affairs and Conflict Resolution Committee, and Chair of Swala Oil and Gas (Tanzania) plc.

Abdullah Mwinyi is a lawyer by profession, having been awarded a LLB and LLM from the University of Cardiff, and, in 2007, established Asyla Attorneys, where he specialised in corporate, commercial, labour and employment law.

2.3 Independence

Abdullah Mwinyi has informed the Company, and the Board (excluding Hon. Mwinyi) agrees, that he has no interests, positions or relationships that might influence, or reasonably be perceived to influence, in a material respect his ability to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole, rather than in the interests of an individual security holder or other party.

2.4 Board recommendation

The Board (with Abdullah Mwinyi abstaining due to his interest in the Resolution) recommends that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RUSSELL SCRIMSHAW

3.1 Background

On 15 August 2022, the Company appointed Mr Russell Scrimshaw to the Board as Executive Chair.

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing directors, but only where the total number of Directors does not at any time exceed the number of Directors specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office until the next annual general meeting and is then eligible for election by Shareholders. If the appointment is not confirmed by Shareholders at that meeting, the person will cease to be a director at the conclusion of the meeting.

3.2 Qualifications and other material Directorships

Mr Scrimshaw is a distinguished corporate executive and company director with experience in large scale mining project development and operations, product marketing, finance, business development and technology. Russell was a founding director of Fortescue Metals Group and served in executive roles including Deputy CEO and Executive Director.

He was a key part of the management team that developed Fortescue's mining, port and rail operations and was instrumental in establishing Fortescue's strong relationships with large steel mill groups across a vast Asian customer base.

More recently, Mr Scrimshaw was Chairman of UK-listed Sirius Minerals PLC (acquired by Anglo American in 2020) and has also held senior executive positions at the Commonwealth Bank of Australia and Optus. Mr Scrimshaw is currently Chairman of the Garvan Research Foundation, a Non-Executive Director of the Garvan Institute of Medical Research and Vice Chairman of Ignition Wealth.

3.3 Other material

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. The Company undertook such checks prior to the appointment of Mr Scrimshaw and is satisfied that no material adverse information has been revealed following these background checks.

3.4 Board recommendation

The Board (excluding Mr Scrimshaw) has reviewed the performance of Mr Scrimshaw since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role.

Accordingly, the Board (with Mr Scrimshaw abstaining in relation to Resolution 3 due to his interest in the relevant Resolution), supports the election of Mr Scrimshaw and recommends that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MS SHASHA LU

4.1 Background

Clause 14.3 of the Constitution provides the Company may elect a person as a director of the Company by resolution passed in general meeting.

One of the ways that a person is eligible for election as a director of the Company at a general meeting is if the person, or some Shareholder intending to propose their nomination, has at least 30 business days before the meeting, provided written notice signed by the nominee giving their consent to the nomination and signifying their candidature for the office or the intention of the Shareholder to propose the person.

On 19 October 2022, the Company announced that it had signed a non-binding offtake and strategic co-operation memorandum of understanding (**MOU**) to support the development of the Ngualla Rare Earth Project with Shenghe Resources (Singapore) Pte Ltd, a wholly owned subsidiary of global rare earths company, Shenghe Resources Holdings Co. (**Shenghe**).

Pursuant to the MOU, Shenghe has the right to appoint one Non-Executive Director to the Board of the Company, subject to Shenghe maintaining a shareholding of at least 10% in the Company. As at the Last Practicable Date, Shenghe held 19.9% of the Company's shares.

The Company has received a nomination and consent to act as Non-Executive Director from Ms Shasha Lu, with Ms Lu being nominated by Shenghe. A copy of the nomination is attached to this Explanatory Statement as Annexure A.

If Resolution 4 is passed, Ms Lu will be elected as a director of the Company. If Resolution 4 is not passed, Ms Lu will not be elected as a director of the Company.

4.2 Qualifications and other material Directorships

Since early 2014, Ms Shasha Lu has been the Managing Director of Shenghe Resources Overseas Development where she leads and manages overseas investment, cross-border corporate management, international trade and the building of a complete rare earth/monazite supply chain. Prior to that, Ms Lu was an Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd & Sino-Australia International Mineral Resources Limited, responsible for overseas investment, scientific research and management. Ms Lu has previous experience as a director of ASX-listed companies, having been an Executive Director of Arafura Resources Limited (ASX:ARU) and an Executive Director and Vice President of Globe Metals and Mining Corporation (ASX:GBE).

Ms Lu holds a Bachelor and a Masters of Medical Science from Nanjing University, a Doctorate of Medical Science (PhD) from Tianjin Medical University & Karolinska Institute, a Post-Doctorate of Medical Science from Karolinska Institute, and an Executive Master of Business Administration from Nanjing University. Ms Lu is also a graduate of the Australian Institute of Company Directors (GAICD).

4.3 Board recommendation

The Board has considered Ms Lu's resume and considers that Ms Lu's skills and experience will enhance the Board's ability to perform its role.

Accordingly, the Board supports the election of Ms Lu and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTIONS 5 AND 6 – ISSUES OF PERFORMANCE RIGHTS TO DIRECTORS

5.1 Background

The Company has established a Performance Rights Plan. The objective of the Performance Rights Plan is to provide the Company with a remuneration mechanism to motivate and reward the performance of Directors, employees and qualifying contractors in achieving specified performance milestones within a specified performance period, through the issue of securities in the capital of the Company.

The Board seeks to ensure that any performance milestones attaching to securities issued pursuant to the Performance Rights Plan are aligned with the successful growth of the Company's business activities.

The purpose of the issue of Performance Rights to the Company's Directors is to assist in their reward and retention, and to align the interests of Directors with Shareholders.

The grant of the Performance Rights forms part of the Company's remuneration strategy for Directors. In this regard, if the relevant performance condition is satisfied, the Performance Rights that have been issued subject to that performance condition confer the right on the holder to be issued a Share without the requirement to pay any exercise price. Accordingly, the grant of Performance Rights subject to the satisfaction of performance conditions provides Directors with the flexibility and incentive to benefit in circumstances where Shareholders are also likely to benefit, without the Directors needing to provide any additional cash consideration.

The Board acknowledges that the grant of Performance Rights to a non-executive director is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to Mr Stapleton (being the subject of Resolution 6) to be reasonable in order to further align his interests with that of Shareholders and to provide him with cost-effective consideration for his ongoing commitment and contribution to the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- 4,000,000 Performance Rights to Russell Scrimshaw (or his nominee) – Resolution 5; and
- 100,000 Performance Rights to Giles Stapleton (or his nominee) – Resolution 6,

(Related Parties) pursuant to the Company's Performance Rights Plan and on the terms and conditions set out below.

The milestones and other material terms attaching to the different classes of Performance Rights are set out in Schedule 2. The number of Performance Rights to be issued to each Director in each respective class (as described in Schedule 2) are set out in the table below:

| Class | Mr Russell Scrimshaw | Mr Giles Stapleton |
|----------------------------|-----------------------------|---------------------------|
| Class A Performance Rights | 250,000 | 15,790 |
| Class B Performance Rights | 250,000 | 15,790 |
| Class C Performance Rights | 325,000 | 5,263 |
| Class D Performance Rights | - | 15,790 |
| Class E Performance Rights | - | 15,789 |
| Class F Performance Rights | - | 10,526 |
| Class G Performance Rights | 325,000 | 10,526 |
| Class H Performance Rights | 1,250,000 | 5,263 |
| Class I Performance Rights | 1,100,000 | 5,263 |
| Class J Performance Rights | 250,000 | - |
| Class K Performance Rights | 250,000 | - |
| Total | 4,000,000 | 100,000 |

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Performance Rights to each of Mr Scrimshaw and Mr Stapleton under the Performance Rights Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to each of Mr Scrimshaw and Mr Stapleton under the Performance Rights Plan and will be required to consider providing other forms of remuneration to them.

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to each of Mr Scrimshaw and Mr Stapleton constitutes the giving of a financial benefit and each of Mr Scrimshaw and Mr Stapleton is a related party of the Company for the purposes of the Corporations Act by virtue of being a Director.

The Board (excluding Mr Scrimshaw and Mr Stapleton in respect of the Resolution that relates to the issue of Performance Rights to them) has determined that the proposed issue of the Performance Rights the subject of Resolutions 5 and 6 constitutes reasonable remuneration having regard to the respective position of the Company and the relevant Related Party, including the duties and responsibilities of the Related Party in relation to the Company.

Accordingly, the Board (excluding Mr Scrimshaw and Mr Stapleton in respect of the Resolution that relates to the issue of Performance Rights to them) has determined that the issue of these rights falls within an exception to the need to obtain the approval of the Company's Shareholders for the purposes of Chapter 2E of the Corporations Act.

5.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- a director of the entity (Listing Rule 10.14.1);
- an associate of a director of the entity (Listing Rule 10.14.2); or
- a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders (Listing Rule 10.14.3).

The issue of Performance Rights to each of Mr Scrimshaw and Mr Stapleton, being the Related Parties, falls within Listing Rule 10.14.1 because each Related Party is a Director, and therefore requires the approval of Shareholders under Listing Rule 10.14.

Accordingly, Resolutions 5 and 6 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

5.4 Technical Information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolutions 5 and 6:

1. Name of the person

The Performance Rights will be issued to the following persons:

- Russell Scrimshaw (or his nominee) pursuant to Resolution 5; and
- Giles Stapleton (or his nominee) pursuant to Resolution 6.

2. Category the person falls within

Each of Mr Scrimshaw and Mr Stapleton falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director.

3. Number and class of securities proposed to be issued

The maximum number of Performance Rights to be issued to the Related Parties is 4,100,000 comprising:

- 4,000,000 Performance Rights to Mr Russell Scrimshaw (or his nominee) pursuant to Resolution 5; and
- 100,000 Performance Rights to Mr Giles Stapleton (or his nominee) pursuant to Resolution 6.

4. Current total remuneration packages

The total current remuneration package for each proposed recipient of the Performance Rights the subject of Resolutions 5 and 6 is as follows:

- Mr Russell Scrimshaw was appointed Executive Chair on 15 August 2022. His current total remuneration is \$120,000 per annum, exclusive of statutory superannuation. He is also contractually entitled to be offered the Performance Rights the subject of Resolution 5, subject to the receipt of shareholder approval the subject of Resolution 5.
- Mr Giles Stapleton was appointed a Non-Executive Director on 29 November 2021. His current total remuneration is \$50,000 per annum, exclusive of statutory superannuation.

5. The number of securities previously issued

No securities have previously been issued to either Mr Scrimshaw or Mr Stapleton under the Performance Rights Plan.

6. Material terms of the securities, an explanation of why that type of security is being used and the value attributed to that security

Summary of material terms

A summary of the material terms of the Performance Rights Plan (being the plan pursuant to which the Performance Rights will be issued) is set out in Schedule 1.

The specific milestones and other material terms attaching to the different classes of Performance Rights are set out in Schedule 2.

Explanation of why Performance Rights are being used

The purpose of the issue of the Performance Rights is to provide a retention or performance linked incentive component in the remuneration packages for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors, and to provide a cost effective way for the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties.

Value of the Performance Rights

The number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:

- current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- the role and responsibilities of the relevant Related Party;
- the remuneration of the Related Parties; and
- incentives required to attract and ensure continuity of service and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

For accounting purposes, the Performance Rights are valued at the Company's Share price at the date the Shareholders approve the issue of the Performance Rights. Assuming Resolutions 5 and 6 are passed at the AGM, each Performance Right the subject of those Resolutions will be valued at the Company's Share price on the date of the AGM (being 30 November 2022). The Company's Share price as at Last Practicable Date was \$0.47.

7. Date of issue

The Performance Rights will be issued to each of Mr Scrimshaw and Mr Stapleton as soon as practicable following Shareholder approval and in any event no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

8. Issue price

The issue price of the Performance Rights will be nil. As such, no funds will be raised from the issue of the Performance Rights.

9. Material terms of the scheme

A summary of the material terms and conditions of the Performance Rights Plan is set out in Schedule 1.

10. Loans

No loans are being made to the Related Parties in connection with the acquisition of the Performance Rights.

11. Required statements

Details of any securities issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Performance Rights Plan after Resolutions 5 and 6 are approved and who were not named in this Explanatory Statement will not participate until approval is obtained under Listing Rule 10.14.

12. Voting exclusion statement

A voting exclusion statement for Resolutions 5 and 6 is included in the Notice of Meeting preceding this Explanatory Statement.

5.5 Additional information

Although the Board has determined that the Company will not seek approval for the proposed issue of the Performance Rights to each of Mr Scrimshaw and Mr Stapleton pursuant to Chapter 2E of the Corporations Act, the Board provides the following additional information in relation to Resolutions 5 and 6 as a matter of good corporate governance:

- (a) The relevant interests of each of Mr Scrimshaw and Mr Stapleton in securities of the Company as at the Last Practicable Date are set out below:

| Related Party | Shares | Options | Performance Rights |
|-------------------|---------|---------|--------------------|
| Russell Scrimshaw | Nil | Nil | Nil |
| Giles Stapleton | 110,976 | Nil | Nil |

- (b) If the milestones attaching to the Performance Rights issued to each of Mr Scrimshaw and Mr Stapleton are met and the Performance Rights are converted, a total of 4,100,000 Shares would be issued. This will increase the number of Shares on issue from 207,348,537 (being the total number of Shares on issue as at the Last Practicable Date) to 211,448,537, assuming that no Shares are issued and no other

convertible securities vest or are exercised after the Last Practicable Date) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 2%.

- (c) The trading history of the Shares on ASX in the 12 months before the Last Practicable Date is set out below:

| | Price | Date |
|---------|------------|--|
| Highest | 92.5 cents | 19 January 2022 |
| Lowest | 29 cents | 30 June 2022 1 July 2022 and 4 July 2022 |
| Last | 47 cents | 25 October 2022 |

- (d) Russell Scrimshaw has a material personal interest in the outcome of Resolution 5 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (e) Giles Stapleton has a material personal interest in the outcome of Resolution 6 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (f) The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.
- (g) The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 and 6.

5.6 Board recommendation

Having considered all relevant matters, and the alternatives to an issue of the Performance Rights (such as a higher cash-based component of remuneration), the Directors (other than Mr Scrimshaw in relation to Resolution 5 and Mr Stapleton in relation to Resolution 6), support the issue of the Performance Rights to Mr Scrimshaw and Mr Stapleton and recommend that Shareholders vote in favour of Resolutions 5 and 6.

Mr Scrimshaw makes no recommendation to Shareholders in relation to Resolution 5 because he has an interest in the outcome of that Resolution.

Mr Stapleton makes no recommendation to Shareholders in relation to Resolution 6 because he has an interest in the outcome of that Resolution.

6. RESOLUTION 7 – APPROVAL OF CHANGE TO TERMS OF PERFORMANCE RIGHTS

6.1 Background

Until late August 2022, the Company had been pursuing an integrated strategy of developing the Ngualla Rare Earth Project in Tanzania (**Ngualla Project**) for the production of rare earth concentrate for processing into NdPr oxide at a refinery intended to be constructed at Teesside in the United Kingdom (**Integrated Strategy**).

During discussions on the finalisation of a Framework Agreement with the Special Presidential Government Negotiating Committee formed by the Government of Tanzania, the Company tabled the potential to defer any decision to proceed with the construction of the refinery at Teesside until an independent assessment of the technical, economic

and environmental feasibility of a Tanzanian rare earth refinery had been completed (**Independent Assessment**). Under this approach, the Company will implement the following staged development approach:

- initially develop the Ngualla Project to produce and export rare earth concentrate to offshore third-party refineries; and
- depending upon the outcome of the Independent Assessment, develop a refinery either in Tanzania or at Teesside,

(Staged Development Strategy).

The benefits of this approach include the following:

- maintaining optionality around the potential of a Tanzanian rare earth refinery;
- significantly reducing the up-front capital expenditure and funding requirements;
- lowering commissioning and technical risk around the concurrent development of the Ngualla Project and a rare earth refinery; and
- taking advantage of offtake appetite for Ngualla's high-grade rare earth concentrate.

Peak has now determined to proceed with the Staged Development Strategy in relation to the development of the Ngualla Project.

The Company has previously issued a number of Performance Rights under the Company's Performance Rights Plan. These Performance Rights provide the holder with a right to receive a Share at a future date, subject to any applicable vesting milestones being satisfied. If the relevant vesting milestones are satisfied, the holder can exercise the Performance Right and in return receive one Share for no further consideration. The Performance Rights were issued pursuant to the Performance Rights Plan, a summary of the material terms and conditions of which is set out in Schedule 1.

The Performance Rights to which Resolution 7 relates have vesting milestones aligned with the Integrated Strategy. The Board is of the view that, while these vesting milestones were appropriate when the Company was pursuing the Integrated Strategy, these milestones are no longer appropriate now that the Company is pursuing the Staged Development Strategy.

Resolution 7 seeks Shareholder approval to amend certain vesting milestones attaching to 1,587,117 of Performance Rights on issue (**Affected Performance Rights**) on the basis that the proposed vesting milestones are more appropriate in light of the Company's adoption of the Staged Development Strategy.

Details of the current and proposed vesting milestones attaching to the Affected Performance Rights, as well as the holders of the Affected Performance Rights, are set out in Schedule 3.

6.2 Listing Rule 6.23

The Company understands that ASX treats the Performance Rights as options for the purposes of the Listing Rules.

Listing Rule 6.23.4 provides that a Company must obtain Shareholder approval to make a change to the terms of options on issue which is not prohibited under Listing Rule 6.23.3. Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect of

reducing the exercise price, increasing the period for exercise or increasing the number of securities on exercise.

The proposed amendments to the vesting milestones are not prohibited under Listing Rule 6.23.3, as the proposed amendments do not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities to be received on exercise of the Performance Rights.

Accordingly, the Company is seeking Shareholder approval to amend certain vesting milestones attaching to the Affected Performance Rights on issue, in the manner set out in Section 6.1 and Schedule 3.

6.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposal to change certain vesting milestones attaching to the Affected Performance Rights as contemplated by Resolution 7 may constitute the giving a financial benefit to Bardin Davis, Tony Pearson, Abdullah Mwinyi and Giselle Collins (each being a related party of the Company for the purposes of the Corporations Act by virtue of being a Director or, in the case of Mr Davis, by virtue of having been a Director within the previous six months).

The Board (excluding Tony Pearson, Abdullah Mwinyi and Giselle Collins) has determined that, because the Performance Rights were issued to the relevant current or former Directors (or their respective nominee) as part of the remuneration package provided by the Company, the proposal to now change certain vesting milestones as contemplated by Resolution 7 constitutes the Company giving reasonable remuneration to each of Bardin Davis, Tony Pearson, Abdullah Mwinyi and Giselle Collins. The Board (excluding Tony Pearson, Abdullah Mwinyi and Giselle Collins) has determined that it is reasonable to do so having regard to the respective position of the Company and Bardin Davis, Tony Pearson, Abdullah Mwinyi and Giselle Collins (as applicable), including the duties and responsibilities of Bardin Davis, Tony Pearson, Abdullah Mwinyi and Giselle Collins (as applicable) in relation to the Company.

Accordingly, the Board (excluding Tony Pearson, Abdullah Mwinyi and Giselle Collins) has determined that the proposal to change certain vesting milestones attaching to the Affected Performance Rights as contemplated by Resolution 7 falls within an exception to the need to obtain the approval of the Company's Shareholders for the purposes of Chapter 2E of the Corporations Act.

6.4 Board recommendation

As a majority of the Directors have an interest in Resolution 7 (by virtue of them holding Affected Performance Rights), the Directors decline to give a recommendation to Shareholders as to how to vote on Resolution 7.

7. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

Listing Rule 7.1A provides that an eligible entity (as defined below) may seek shareholder approval, by way of a special resolution passed at an annual general meeting, to have the capacity to issue up to that number of equity securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under Listing Rule 7.1.

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation equal to or less than \$300 million.

As at the date of this Explanatory Statement, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$97 million (based on the number of Shares on issue and the closing price of Shares on the ASX on the Last Practicable Date).

For the purposes of Listing Rule 7.1A, an **Equity Security** includes, amongst other securities, a share, an option or a convertible security. Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the Last Practicable Date, the Company had one class of quoted Equity Securities on issue, being Shares (ASX Code: PEK).

If Shareholders approve Resolution 8, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 and the Company's total placement capacity will increase to 25% of its issued capital pursuant to Listing Rule 7.1 and 7.1A.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed. If Resolution 8 is not passed, the Company will not have approval to issue Equity Securities under the additional 10% Placement Capacity.

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 8.

(a) Minimum Price

The minimum price at which the Equity Securities may be issued under the 10% Placement Capacity is 75% of the volume weighted average market price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date specified in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Meeting;
- (ii) the date of the Company's next annual general meeting; and

- (iii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

(c) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Shares on issue as at the Last Practicable Date. The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A.2)* | Dilution | | | |
|--|---|---|-----------------------|--|
| | Issue price (per Share) | \$0.24 50% decrease in issue price | \$0.47 Issue price | \$0.71 50% increase in issue price |
| 207,348,537 Shares (Current Variable A) | Shares issued - 10% voting dilution | 20,734,854 | 20,734,854 | 20,734,854 |
| | Funds raised | \$4,872,691 | \$9,745,381 | \$14,618,072 |
| 311,022,806 Shares (50% increase in Variable A) | Shares issued - 10% voting dilution | 31,102,281 | 31,102,281 | 31,102,281 |
| | Funds raised | \$7,309,036 | \$14,618,072 | \$21,927,108 |
| 414,697,074 Shares (100% increase in Variable A) | Shares issued - 10% voting dilution | 41,469,707 | 41,469,707 | 41,469,707 |
| | Funds raised | \$9,745,381 | \$19,490,762 | \$29,236,144 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 207,348,537 existing Shares on issue as at the Last Practicable Date.
2. The issue price set out above is the closing price of the Shares on the ASX on 25 October 2022.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1.

5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no convertible securities convert into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals obtained under Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may only issue Equity Securities under the 10% Placement Capacity for cash consideration. The Company intends to use any funds raised by utilising the 10% Placement Capacity for funding activities in respect of the Ngualla Rare Earths Project and to provide general working capital and meet corporate costs.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 upon the issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous issues under Listing Rule 7.1A

The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting.

(g) Voting exclusion

A voting exclusion statement is included in the Notice. As at the Last Practicable Date, the Company is not proposing to make an issue of Equity Securities under the 10% Placement Capacity. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Saving time as observed in Sydney, New South Wales

Annual General Meeting, AGM or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% than of the voting Shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Peak** means Peak Rare Earths Limited (ACN 112 546 700).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means this explanatory statement, which accompanies the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Last Practicable Date means the last practicable date prior to finalising the Notice, being 25 October 2022.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means the notice convening the Annual General Meeting.

Performance Rights a performance right issued or proposed to be issued by the Company (as the context requires).

Performance Rights Plan means the Company's performance rights plan, a summary of the material terms and conditions of which is set out in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the Remuneration Report contained in the Directors' report section of the Company's annual financial report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF PERFORMANCE RIGHTS PLAN

The material terms and conditions of the Performance Rights Plan approved by Shareholders at the Company's Annual General Meeting held on 21 December 2020 are summarised below. Capitalised terms not otherwise defined in this Schedule or in the Explanatory Statement have the meaning given to those terms in the Performance Rights Plan.

- (a) **Eligibility:** Participants in the Performance Rights Plan include:
- (i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**);
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above; or
 - (v) a person who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan,
- (Eligible Participant).**
- (b) **Offer:** The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must ensure that offers of Performance Rights to Eligible Participants made in reliance on the Class Order do not exceed the limit set by the Class Order.
- (d) **Vesting conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).
- (e) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (the Eligible Person in either case being the **Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:
- (i) the Relevant Person ceasing to be an Eligible Participant as a result of:
 - (A) death or total or permanent disability; or
 - (B) retirement or redundancy;
 - (ii) the Relevant Person suffering severe financial hardship;
 - (iii) the Relevant Person or an immediate family member of the Relevant Person suffering a terminal illness; or
 - (iv) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

- (f) **Issue of Shares:** Subject to the Corporations Act, the Listing Rules and the Performance Rights Plan, the Company must issue to a Participant the number of Shares the person is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- (g) **Lapse of a Performance Right:** A Performance Right will lapse in certain circumstances, including upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;
 - (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (e);
 - (iii) the Relevant Person ceasing to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (e);
 - (iv) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
 - (v) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right;
 - (vi) the expiry date of the Performance Rights; and
 - (vii) the seven year anniversary of the date of grant of the Performance Rights.
- (h) **Not transferrable:** Performance Rights are only transferrable:
- (i) with the consent of the Board (which may be withheld in its absolute discretion); or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Ranking:** All Shares issued under the Performance Rights Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (j) **Sale restrictions:** Subject to certain exceptions, disposal of a Share acquired by a Participant on the exercise of a Performance Right may be restricted at the discretion of the Board acting reasonably, in which case the Share must not be disposed of by that Participant until the earlier of:
- (i) the Relevant Person ceasing to be an Eligible Participant;
 - (ii) the Board approving the release of the restriction in relation to those Shares due to the Participant suffering severe financial hardship;
 - (iii) there is a change in control of the Company, or the Company passes a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company; or
 - (iv) the seven year anniversary of the date of grant of the Performance Right, **(Restriction Period)**.

- (k) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the issue of Shares on exercise of a Performance Right would otherwise fall within a Blackout Period or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 business days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares.
- (l) **Quotation of Shares:** If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within the later of 10 business days after:
- (i) the date the Shares are issued; and
 - (ii) the date any Restriction Period applying to the Shares ends.

The Company will not apply for quotation of any Performance Rights on the ASX.

- (m) **No participation rights:** There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.
- (n) **No change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Performance Rights Plan and to the Corporations Act and the Listing Rules:
- (i) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Rights granted under the Performance Rights Plan; and
 - (ii) any amendment may be given retrospective effect.

Subject to the Listing Rules, the Board will have the power to make adjustments to or vary the terms of a Performance Right.

SCHEDULE 2 – MILESTONES AND OTHER MATERIAL TERMS OF PERFORMANCE RIGHTS

Unless expressly defined in this Schedule, capitalised terms have the same meaning as given to them in the Performance Rights Plan.

- (a) **(Milestones):** The Performance Rights shall have the following vesting criteria (each, a **Milestone**) attached to them:

Class A Performance Rights: Class A Performance Rights shall vest subject to the Eligible Participant remaining an Eligible Participant as at the date that is 12 months from the later of the date of acceptance of the Offer or if applicable, the date that shareholder approval to the grant of the Class A Performance Rights to the Eligible Participant is received.

Class B Performance Rights: Class B Performance Rights shall vest subject to the Eligible Participant remaining an Eligible Participant as at the date that is 24 months from the later of the date of acceptance of the Offer or if applicable, the date that shareholder approval to the grant of the Class B Performance Rights to the Eligible Participant is received.

Class C Performance Rights: Class C Performance Rights shall vest when the Company receives a completed study in relation to Front End Engineering and Design (**FEED**) for the construction of the Ngualla Rare Earth Project processing plant and infrastructure at Ngualla, Tanzania (**Ngualla Project**).

Class D Performance Rights: Class D Performance Rights shall vest on the Company, or a subsidiary of the Company, executing a binding agreement with the Government or an authority, or delegate, of the Government of the United Republic of Tanzania that sets out the economic parameters (**Framework Agreement**) for the development of Ngualla Project.

Class E Performance Rights: Class E Performance Rights shall vest on the Company entering into a binding contract for the construction of the Ngualla Project processing plant and infrastructure at Ngualla, Tanzania.

Class F Performance Rights: Class F Performance Rights shall vest on the date that shareholder approval to the grant of the Class F Performance Rights to the Eligible Participant is received (noting that the proposed vesting Milestone for this tranche, being the completion of an updated Bankable Feasibility Study (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) in respect of the Ngualla Project) has recently been satisfied.

Class G Performance Rights: Class G Performance Rights shall vest on the execution of a binding and unconditional agreement between the Company and a third party whereby the third party undertakes:

- (i) to provide equity funding of not less than US\$25 million for the development of the Ngualla Project; or
- (ii) to purchase a minimum of 10% of the annual production from the Ngualla Project over the first five years of operations as disclosed in the Bankable Feasibility Study (as updated).

Class H Performance Rights: Class H Performance Rights shall vest on:

- (i) the execution by the Company of a binding agreement(s) with a third party(s) whereby the third party(s) undertakes to provide funding that is sufficient to enable the Company to develop the Ngualla Project in accordance with the Bankable Feasibility Study (as updated); and

- (ii) the provision of the funding referred to in paragraph (i) above becoming unconditional and available to the Company for drawdown.

Class I Performance Rights: Class I Performance Rights shall vest on:

- (i) the vesting conditions that relate to the Class H Performance Rights having been satisfied; and
- (ii) the Company announcing to ASX that construction activities in accordance with the Bankable Feasibility Study (as updated) have commenced at the Ngualla Project.

Class J Performance Rights: Class I Performance Rights shall vest on Company's Share price achieving a volume average weighted price (VWAP) of greater than \$0.80 over 20 consecutive trading days.

Class K Performance Rights: Class I Performance Rights shall vest on Company's Share price achieving a volume average weighted price (VWAP) of greater than \$1.50 over 20 consecutive trading days.

All Classes of Performance Rights: The Eligible Participant must be an Eligible Participant at the dates the Performance Rights are granted, issued, vest, exercised and the Shares issued on exercises.

- (b) **(Notification to holder):** The Company shall notify the holder of Performance Rights in writing when a Milestone applicable to those Performance Rights has been satisfied. Vested Performance Rights may be exercised at any time during the period ending one year after the Board notifies the holder that the Performance Right has vested. Any vested Performance Rights that are not exercised within this one year period will automatically lapse.
- (c) **(Conversion):** Subject to paragraph (e), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share.
- (d) **(Lapse of a Performance Right):** A Performance Right will automatically lapse if the applicable Milestone to that Performance Right has not been satisfied within 48 months of the date of issue of the relevant Performance Right.
- (e) **(Adjustment for bonus issue)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- (f) **(Dividend and Voting Rights):** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (g) **(Change in Control):** Subject to paragraph (e), upon:
 - (i) in the case of a Takeover Bid (being a takeover bid (as defined in the Corporations Act) to acquire the Company's Shares), an offeror who previously had Voting Power (as that term is defined in section 9 of the Corporations Act) of less than 50% in the Company obtaining Voting Power of more than 50%;
 - (ii) shareholders of the Company approving a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act;
 - (iii) any person becoming bound or entitled to acquire shares in the Company under:

- (A) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or
 - (B) Chapter 6A of the Corporations Act (compulsory acquisition of securities);
- (iv) a selective capital reduction being announced in respect of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or
 - (v) in any other case, a person obtaining Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the applicable Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

- (h) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (i) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (j) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms, the Performance Rights Plan and those provided at law where such rights at law cannot be excluded by these terms.
- (k) **(Plan):** The terms of the Performance Rights are supplemented by the terms of the Performance Rights Plan, the material terms of which are summarised in Schedule 1 .
- (l) **(No Restriction Period):** Clause 9 of the Performance Rights Plan (which permits the Board to restrict the disposal of Shares acquired on the exercise of a Performance Right) shall not apply to the Shares acquired by the holder on exercise of the Performance Rights.

SCHEDULE 3 – CURRENT AND PROPOSED VESTING MILESTONES

| Current Vesting Milestone | Proposed Vesting Milestone | Total No. of Performance Rights Affected | Holder | No. of Performance Right held by Eligible Participants or Nominee |
|---|---|--|--|---|
| On the Company announcing the commencement of Front End Engineering and Design activities by the Company in relation to a rare earths processing hub. | The Company receiving a completed study in relation to Front End Engineering and Design for the construction of the Ngualla Rare Earth Project processing plant and infrastructure at Ngualla, Tanzania. | 232,500 | Directors/Related Parties Bardin Davis Tony Pearson Abdullah Mwinyi | 187,500 37,500 7,500 |
| On the Company announcing that it has commenced construction of a rare earth processing hub. | The Company entering into a binding contract for the construction of the Ngualla Rare Earth Project processing plant and infrastructure at Ngualla, Tanzania. | 232,500 | Directors/Related Parties Bardin Davis Tony Pearson Abdullah Mwinyi | 187,500 37,500 7,500 |
| When the Company receives a completed study in relation to Front End Engineering and Design (FEED) for the construction of the Teesside rare earth processing and separation plant in the Tees Valley, United Kingdom (Teesside). | When the Company receives a completed study in relation to Front End Engineering and Design (FEED) for the construction of the Ngualla Rare Earth Project processing plant and infrastructure in Ngualla, Tanzania. | 169,092 | Directors/Related Parties Nominee of Bardin Davis Tony Pearson Abdullah Mwinyi Nominee of Giselle Collins Other Eligible Participants | 50,000 25,000 3,509 5,263 85,320 |
| On the Company entering into a binding construction contract for the construction of a rare earth refinery at Teesside. | On the Company entering into a binding construction contract for the construction of the Ngualla Rare Earth Project processing plant and infrastructure in Ngualla, Tanzania. | 279,754 | Directors/Related Parties Nominee of Bardin Davis Tony Pearson Abdullah Mwinyi Nominee of Giselle Collins Other Eligible Participants | 150,000 75,000 10,526 15,789 28,439 |
| On the Company completing an updated Feasibility Study (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)) in respect of the Ngualla | No Vesting Milestone (noting that a Bankable Feasibility Study (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)) in respect of the Ngualla Project | 212,425 | Directors/Related Parties Nominee of Bardin Davis Tony Pearson Abdullah Mwinyi Nominee of Giselle Collins Other Eligible Participants | 100,000 50,000 7,018 10,526 44,881 |

| | | | | |
|--|--|---------|--|--|
| Project and the refinery at Teesside. | has recently been completed). | | | |
| On the execution of a binding and unconditional agreement between the Company and a third party whereby the third party undertakes: (i) to provide equity funding of not less than US\$25 million for the development of the refinery at Teesside and/or the Ngualla Project; or (ii) to purchase a minimum of 10% of the annual production of the refinery at Teesside over the first five years of operations as disclosed in the Bankable Feasibility Study (as updated). | On the execution of a binding and unconditional agreement between the Company and a third party whereby the third party undertakes: (i) to provide equity funding of not less than US\$25 million for the development of the Ngualla Project; or (ii) to purchase a minimum of 10% of the annual production from the Ngualla Project over the first five years of operations as disclosed in the Bankable Feasibility Study (as updated) at the Ngualla Project. | 224,425 | Directors/Related Parties Nominee of Bardin Davis Tony Pearson Abdullah Mwinyi Nominee of Giselle Collins Other Eligible Participants | 100,000 50,000 7,018 10,526 56,881 |
| On: (i) the execution by the Company of a binding agreement(s) with a third party(s) whereby the third party(s) undertakes to provide funding that is sufficient to enable the Company to develop both the refinery at Teesside and the Ngualla Project in accordance with the Bankable Feasibility Study (as updated); and (ii) the provision of the funding referred to in paragraph (i) above becoming unconditional and available to the Company for drawdown. | On: (i) the execution by the Company of a binding agreement(s) with a third party(s) whereby the third party(s) undertakes to provide funding that is sufficient to enable the Company to develop the Ngualla Project in accordance with the Bankable Feasibility Study (as updated); and (ii) the provision of the funding referred to in paragraph (i) above becoming unconditional and available to the Company for drawdown. | 124,211 | Directors/Related Parties Nominee of Bardin Davis Tony Pearson Abdullah Mwinyi Nominee of Giselle Collins Other Eligible Participants | 50,000 25,000 3,509 5,263 40,439 |

| | | | | |
|---|---|----------------|---|---|
| <p>On:</p> <p>(i) the execution by the Company of a binding agreement(s) with a third party(s) whereby the third party(s) undertakes to provide funding that is sufficient to enable the Company to develop both the refinery at Teesside and the Ngualla Project in accordance with the Bankable Feasibility Study (as updated); and</p> <p>(ii) the provision of the funding referred to in paragraph (i) above becoming unconditional and available to the Company for drawdown; and</p> <p>(iii) the Company announcing to ASX that construction activities in accordance with the Bankable Feasibility Study (as updated) have commenced at the Ngualla Project.</p> | <p>On:</p> <p>(i) the execution by the Company of a binding agreement(s) with a third party(s) whereby the third party(s) undertakes to provide funding that is sufficient to enable the Company to develop the Ngualla Project in accordance with the Bankable Feasibility Study (as updated); and</p> <p>(ii) the provision of the funding referred to in paragraph (i) above becoming unconditional and available to the Company for drawdown; and</p> <p>(iii) the Company announcing to ASX that construction activities in accordance with the Bankable Feasibility Study (as updated) have commenced at the Ngualla Project.</p> | <p>112,210</p> | <p>Directors/Related Parties</p> <p>Nominee of Bardin Davis</p> <p>Tony Pearson</p> <p>Abdullah Mwinyi</p> <p>Nominee of Giselle Collins</p> <p>Other Eligible Participants</p> | <p>50,000</p> <p>25,000</p> <p>3,508</p> <p>5,263</p> <p>28,439</p> |
|---|---|----------------|---|---|

ANNEXURE A – DIRECTOR NOMINATION

Pursuant to Clause 14.3 of the Constitution of Peak Rare Earths Limited (Peak), Shenghe Resources (Singapore) Pte. Ltd. (Shenghe), a shareholder of Peak holding 19.9% of the issued shares of Peak as at the dated hereon, herby nominates Shasha Lu for election as a Non-Executive Director of Peak at the Peak Annual General Meeting scheduled to be held on 30 November 2022.

Shasha Lu consents to her nomination by Shenghe by her signature hereon.

Dated this 18 Day of October 2022



Shasha Lu

LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
Peak Rare Earths Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Peak Rare Earths Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Wednesday, 30 November 2022 at Heritage Conference Centre, 4th Floor Heritage Building, The Fullerton Hotel, 1 Martin Place, Sydney, New South Wales (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 5, 6 & 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 5, 6 & 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

| | For | Against | Abstain* | | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5 Issue of Performance Rights to Director – Russel Scrimshaw | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of director – Hon. Abdullah Mwinyi | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 Issue of Performance Rights to Director – Giles Stapleton | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Election of Director – Mr Russell Scrimshaw | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7 Approval of Change to Terms of Performance Rights (Vesting Milestones) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Election of Director - Ms Shasha Lu | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Monday, 28 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Peak Rare Earths Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**