“It’s all about the magnet metals”
Disclaimer

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Competent Person Statements

The information in this report that relates to infrastructure, project execution and cost estimating is based on and fairly represents information compiled and / or reviewed by Lucas Stanfield who is a Member of the Australian Institute of Mining and Metallurgy. Lucas Stanfield is the Chief Development Officer for Peak Resources Limited and is a Mining Engineer with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Lucas Stanfield consents to the inclusion of the report in the matters based on his information in the form and context in which it appears.

The information in the announcement that related to Ore Reserves and estimated mine operating costs was based on and fairly represents information compiled by Mr Ryan Locke, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Locke is a Principal Planner and is employed by Orelogy Pty Ltd, an independent consultant to Peak Resources. Mr Locke has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Ryan Locke consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical Test Work Results based on and fairly represents information compiled and / or reviewed by Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional. Gavin Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Robert Spiers, who is a member of The Australasian Institute of Geoscientists. Robert Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Robert Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Robert Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on and fairly represents information compiled and/or reviewed by Dave Hammond who is a Member of The Australasian Institute of Mining and Metallurgy. Dave Hammond is the Technical Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dave Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
Overview – a unique opportunity
A Compelling Investment Case

• Ngualla Project - world class scale and quality; potential to become a globally significant producer
• Unrivalled exposure to a high growth segment of the market – focussed on Magnet Metal Rare Earths
• Strong demand fundamentals
  • Praseodymium and neodymium – the “magnet metals” leveraged to key growth sectors including consumer electronics, mobile communications, conventional and hybrid vehicles and wind turbines
• Focussed on technically de-risking Ngualla and unlocking shareholder value as the Company moves towards Bankable Feasibility Study (BFS)
• Attractive risk profile:
  • Fully funded to complete BFS
  • Confidence in resource base and project economics already achieved
  • High level of deliverability
• Strong interest from potential offtakers; marketing manager recruitment in progress to progress offtake agreements
• Strategic partners secured; strong vote of confidence in the quality and potential of the project through investments and partnership with Appian Natural Resources Fund (Appian), a leading international mining focused private equity company, and International Finance Corporation (IFC)
Depth of expertise and skills

- A top class team with a proven reputation of delivery in the rare earth and mining space
- In conjunction with strategic partners, a combination of experience drawing on geological and exploration capabilities, track record in successfully building and operating mines in Africa, and significant corporate and capital markets expertise

Board of Directors

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

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

Dave Hammond
Technical Director
- Geologist with 25+ years technical and management experience in Africa and Australia
- Former Exploration Manager with De Grey Mining Limited and Sons of Gwalia. Previously with Billiton in Africa
- MSc in Mineral Exploration, DIC, BSc (Hons) Geology

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

Robin Mills
Non-Executive Director
- Global mining career of 40+ years as an engineer, operating manager, former Global Technical Director of De Beers and Director of Mining for Anglo Platinum.
- Developed and managed 30+ successful mines globally over a range of commodities
- Senior partner in the London based APPIAN Capital Advisory LLP
Ngualla – the next major REO mine

**Highlights**

- Location: Tanzania
- Geology: Weathered bastnaesite
- High quality Ore Reserve: 20.7Mt @ 4.54% REO
- Mining: Low strip ratio open-pit
- Processing: Proven hydro-met route
- Low capex: US$367m (30% contingency)
- Low cost: US$11.74/kg REO
- Payback: In 3rd year
- Team built 30+ mines in Africa alone
- Partners bring African development expertise and de-risk the project
- Provide financing and operational solutions
- Fully financed AUS$29.3m BFS program*

*See 3rd February 2015 ASX release titled “BFS Funding of “A$29.3m finalised as formal agreements with Appian and IFC are executed”

The material assumptions underpinning the production target and the economic assessment were first disclosed in the announcement dated 19 March 2014 “Peak Resources Delivers Robust PFS for Ngualla” continue to apply and have not materially changed.
Rapidly de-risking Ngualla

Key medium term catalysts:

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

2015
- Team expansion
- Appointment of BFS lead Engineering firm
- Bulk sample for pilot plant
- Results from pilot plant test work
- Preliminary financing discussions
- Advance offtake discussions
- Optimisation studies:
  - Location of downstream plant
  - Stockpiling of Cerium
  - Beneficiation improvement
  - Capital cost efficiencies
- Advancement of ESIA
- Drilling Program

2016-17
- Advance engineering
- Construction decision
- Permitting and MDA
- Construction financing

2018
- Plant commissioning and first production

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Development Timeline

Peak has proven itself as the leading developer having advanced through to PFS faster than its peers.

Understanding Peak’s development timeline:
- Proven management team with first-rate execution track record
  - Fast developer – $17m spent to get to PFS over 5 years
- Financial backing from institutional investors
- Simple mineralogy enabling faster study
- 2nd mover advantage lowering development risk

Major development steps for rare earth projects

- **Discovery / Acquisition**
  - Initial discovery in 1949
- **Resource**
- **Scoping Study / PEA**
- **DFS**
- **PFS**
- **Construction**
- **Production**

Source: SNL and Company press releases
Peak Supported by strong drivers for Magnet Metals Rare Earths
Favourable market dynamics

Light Rare Earths and Heavy Rare Earths

- LREO’s (Nd, Pr, La and Ce) represent 91% of the market by volume and 80% by value
- HREO market is very niche (11.6 kt)
  - One new project may disrupt prices
- Magnet driven demand represents 75% of market value
- Nd and Pr are the key inputs for the industry
  (30% of market by volume but 71% by value)
- Dy being reduced/designed out of high-end magnet applications
- Phosphors demand in structural decline
- Other rare earths of minor importance due to low volume and / or value

Production and value – 2014

- Ngualla leveraged to demand growth and visible pricing mechanisms
- Larger market reducing sensitivity to growth in supply
- Excellent liquidity reducing volatility in prices

Source: IMCOA, World Consumption Data for 2014
Note: Values are based China FOB prices (Metal Pages) for ROW Consumption and China Domestic Prices for Chinese Consumption (IMCOA)
Rare Earth Market Value by Sector

2011
- 47%

2012
- 54%

2013
- 68%

2014
- 74%

Source: Professor Dudley Kingsnorth – Curtin IMCOA, Value is calculated using China FOB and Chinese Domestic Pricing.
Magnet demand drivers

- Magnets are fastest growing REO segment, driven by green technology
- Critical, non-substitutable input for lightweight non-ferrite magnets
  - Weight reduction increasingly important for the automotive industry
  - Size / efficiency of magnets key for portable electronics (smart phones)

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<tr>
<th>Magnet Use</th>
<th>Standard Automotive</th>
<th>Electronic</th>
<th>Wind Turbines</th>
<th>Electric Bikes</th>
<th>Electric and hybrid vehicles</th>
<th>Other</th>
<th>Total</th>
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<tr>
<td>Motors, actuators, sensors</td>
<td>Voice coils, hard drives</td>
<td>Gear free turbines</td>
<td>Motors</td>
<td>Main motor</td>
<td>Air conditioning, MRI, Motors</td>
<td>-</td>
<td>$2.3bn</td>
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<th>Share of market</th>
<th>c.40%</th>
<th>c.21%</th>
<th>c.19%</th>
<th>c.5%</th>
<th>c.4%</th>
<th>c.11%</th>
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<tr>
<th>Intensity of use</th>
<th>250g / Car</th>
<th>10g / Hard drive</th>
<th>600kg / MW</th>
<th>300g / Bike</th>
<th>2kg / Car</th>
<th>-</th>
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<table>
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<th>Substitution risk</th>
<th>Medium (Electromagnets early stage R&amp;D)</th>
<th>Low (Weight reduction key)</th>
<th>Low (Weight reduction key)</th>
<th>Medium (Induction motors under high price)</th>
<th>Low (Weight reduction key)</th>
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<table>
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<tr>
<th>Recycling</th>
<th>Low (long life cycle)</th>
<th>Low (Early stage pilot plants)</th>
<th>Medium (High cost but long life cycle)</th>
<th>Medium (High cost but long life cycle)</th>
<th>Medium (High cost but long life cycle)</th>
<th>Medium</th>
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<tr>
<th>Growth (CAGR 14-20)</th>
<th>7% (increasing intensity of use)</th>
<th>2%</th>
<th>11%</th>
<th>7%</th>
<th>11%</th>
<th>c.5%</th>
</tr>
</thead>
</table>

Source: Roskill report 2011, JP Morgan “Addressing the Rare Earth Issue” July 2013 and Pike research
Ngualla: Quality, Scale, Deliverability
High quality Ore Reserve

Large, high grade Mineral Resource

Well defined (40 x 50m spacing, depth of 120m)

Mineral Resource is based on over 40,000m of drilling (781 holes)

Wide consistent zone; highest grade at surface

Open pit mining with low strip (PFS Case LoM: 58 years)

Ore Reserve only 22% of Mineral Resource

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Ore Reserve classification

<table>
<thead>
<tr>
<th></th>
<th>Ore Tonnes (Mt)</th>
<th>REO % (3.0% cut-off)</th>
<th>Contained REO (kt)</th>
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<tr>
<td>Proved</td>
<td>18.0</td>
<td>4.53</td>
<td>817</td>
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<td>Probable</td>
<td>2.7</td>
<td>4.62</td>
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<tr>
<td>Total</td>
<td>20.7</td>
<td>4.54</td>
<td>941</td>
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Continuous, wide high-grade zone

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1. A 3% cut off is applied. Reported according to the JORC Code and Guidelines in ASX Announcement ‘Ngualla Rare Earth Project - Maiden Ore Reserve’ of 19 March 2014. See Slide 2 for competent person’s statement.
Absolute Grade and Nd-Pr grade is key REO value driver

Key considerations:
- Grade and rare earth mix (value)
- Sizing (ability to absorb supply)

Ngualla:
- **Highest proportion of Nd-Pr relative to peers**
- Low radiation levels in deposit
- Absolute grade: Leading developer
- High cut-off grade: 3.0% REO
- Sizing: Less of issue - Nd-Pr undersupply

Source: Company Reports and Technology Metals Research
Bubble size: Mineral Resources Tonnes (M+I) except for ‘E’ which includes 5.3Mt of inferred resources as no M&I resource defined
Mineralogy key to cost and risk

- Key considerations:
  - Geology and process implications
  - Acid consumption (opex)
  - Radioactivity

- Ngualla:
  - Weathered bastnaesite – favourable mineralogy
  - Leached of key acid consuming minerals
  - Leached of carbonates lowering reagent consumption and processing cost
  - Enabling 3 stage, proven metallurgical process
  - Low radio nuclei levels in deposit

Diamond core NDD006:
Weathered iron oxide- barite carbonatite containing high grade mineralisation, 3 to 8 % REO.
Amenable to simple sulphuric acid leach as majority of carbonate minerals removed through weathering.

Sharp karstic surface contact between weathered and fresh carbonatite.

Fresh carbonatite rock containing primary mineralisation 1 to 2.5% REO.
Industry leading capital efficiency

- Key considerations:
  - Capital intensity / financeability
  - Operating cost

- Ngualla:
  - Unique geology driving low capital cost
  - Defensive cost position
  - Optimisation potential
  - Manageable capex requirement (US$367m)
  - Two large, well funded strategic investors

Source: Company releases
Proven PFS flowsheet

Three stage process

- Demonstrated, proven metallurgical process from mineralisation to high purity separated products (Australian Nuclear Science and Technology Organisation – “ANSTO”)
- Low operating and capital costs
- Considering optimisation through potential relocation of recovery and separation plants
PFS highlights and BFS opportunities

**PFS highlights**
- Annual REO Production: 10kt REO
  - Potential to improve margin with Cerium removal
- LoM Cash Cost: US$11.74/kg REO FOB (excludes amortisation, depreciation and royalties)
- Capex: US$367m (including 30% contingency)

**BFS optimisation**
- Although the PFS has robust economics, Peak is focused on optimising returns and is therefore investigating the following:
  - Higher REO recoveries
  - High grade concentrate
  - Reduced transport costs
  - Lower reagent costs
  - Lower power costs
  - Cerium stockpiling
  - Acid plant trade off
  - Utilisation of contractors

The material assumptions underpinning the production target and the economic assessment were first disclosed in the announcement dated 19 March 2014 “Peak Resources Delivers Robust PFS for Ngualla” continue to apply and have not materially changed. Please refer to safe-harbour statement at beginning of this presentation.
Why Peak Resources?

The most attractive project...

- Clear Path to Production
- Unique World-Class Asset
- Magnet Metals Exposure
- Proven Metallurgical Process
- Fully Funded DFS
- Low Capex/Opex
- Strong Financial Partners

...at a low valuation

Comparison of REO Development Projects

Source: Company releases and Capital IQ as at 10 October 2014
Appendices
Recent Achievements

**January 2014**
Peak executes MOU with Chinese Rare Earth Producer  
Peak Resources appoints new Managing Director  
Peak Resources Entitlement Issue Closes Oversubscribed

**March 2014**
Ngualla Rare Earth Project Maiden Ore Reserve  
Peak delivers robust PFS for Ngualla

**August 2014**
Ngualla Rare Earth Project Beneficiation Breakthrough

**September 2014**
Peak secures BFS funding for Ngualla Rare Earth Project with Appian Natural Resources Fund

**October 2014**
Peak attracts IFC as potential Cornerstone Investor

**January 2015**
Further Beneficiation Breakthrough- China  
Appointment of Environmental Consultant for Project Permitting

**March 2015**
AMEC Foster Wheeler appointed as BFS Lead Engineer

**April 2015**
Addition of extra development and marketing skill sets to the board
Beneficiation breakthrough achieved

- Further improvement on already robust PFS
- Important Deslime Process added (Deslime + magnets reject 53% of mass pre flotation cells)
- High grade mineral concentrate **52.9% REO** more than triple the PFS concentrate grade of 16.3% (ninefold upgrade versus feed grade)
- Ability to lower operating costs
- Reduction in acid consuming minerals to processing plants (Fe 25% of PFS level)
- Flexibility on recovery and solvent extraction plant location
- Saving on reagent transportation
- Potential capex saving due to reduced volumes in downstream processing from increased mass rejection (94% rejected)

Note: See ASX announcement “Further Advances in Beneficiation, Ngualla Rare Earth Project” 15 January 2015
Transaction with Appian & IFC

Overview

- Total transaction size: US$23.5m
- Staged but expected to fully finance Peak through BFS
- Appian and IFC to invest on a 80:20 basis
- Total: 19.99% in ASX:PEK, 37.5% in PAM and has an option to purchase 2% Gross Smelter Royalty

Appian and IFC

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

Investment structure\(^{(1)}\)

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1. Post completion of the full 3 stage investment, see 3rd February 2015 ASX release titled “BFS Funding of ~A$29.3m finalised as formal agreements with Appian and IFC are executed”
**Investment thesis**

**Key conclusions**
- 17 metals with different drivers
- Magnet REOs (Nd-Pr) undersupplied
- Strong Nd-Pr demand growth:
  - 7% CAGR (2014-2020)
  - Driven by magnet demand
  - High value and difficult to substitute
  - Strategic for many countries

- Exposure to ‘right’ REOs (high value mix) along with recoverable grade key to project economics
- Mineralogy / impurities drive process design
  - Feasibility, capex and opex
  - Radioactivity increases design complexity

- Positive PFS released
- Processing proof completed
- BFS fully financed
- Process optimisation underway

**Implications for Ngualla**
- Potential for REO value reallocation to incentivise Nd-Pr production
- Ngualla’s unique geology gives higher exposure to more favourable metals
- Nd-Pr represents 71% of Ngualla value
- Cerium exposure can be managed
- Ngualla ranks favourably on CREO grade / in-site ore value
  - Grade is king
- Weathered zone key to low opex (acid consumption) and capex (simple design)
- Beneficiation breakthrough x2
- Low Uranium / Thorium
- Management 100% focused on advancing project towards construction decision
- Financing no-longer constraint
  - Able to ramp-up development and team
- Appian and IFC supportive and experienced partners
- Manageable capex

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Source: IMCOA and JP Morgan “Addressing the Rare Earth Issue” July 2013
Capital structure

**Key statistics**

- Number of shares (undiluted): 334.2m
- Share price: A$0.08 as at 13 April 2015
- 52 week range: A$0.105-0.064
- Market cap: A$26.4m
- Cash: A$2.22m at 31 December 2014 (A$29.5m investment agreed)
- Debt: Interim debt funding received of US$3m (Oct - Dec 2014) and A$5m (March 2015)(repayable on close of financing)
- Listed Options outstanding: 58.7m @ A$0.10 (expire 30 June 2015)
- Unlisted Performance Rights: 10.5m*
- Unlisted Options outstanding: 25.6m* (exercise prices A$0.10-A$0.55)

*some subject to performance & vesting criteria

**Share price performance**

Graph source: Miracle data as at 12 April 2015
Specialist consultants behind Peak

<table>
<thead>
<tr>
<th>Company</th>
<th>Responsibility</th>
</tr>
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<tbody>
<tr>
<td>AMEC Foster Wheeler</td>
<td>BFS Lead Engineer</td>
</tr>
<tr>
<td>ANSTO</td>
<td>SX pilot plant</td>
</tr>
<tr>
<td>Amdel B.V</td>
<td>Comminution test work</td>
</tr>
<tr>
<td>P.D.C</td>
<td>Scoping study project management, infrastructure, tailings, services, environmental, civil engineering, logistics and independent technical report preparation</td>
</tr>
<tr>
<td>Hatch</td>
<td>Mineral Process engineering, including sulphuric acid plant, comminution and beneficiation circuits, rare earth recovery and solvent extraction plants</td>
</tr>
<tr>
<td>H&amp;S Consulting Pty Ltd</td>
<td>Independent specialists for Mineral Resource model and estimation</td>
</tr>
<tr>
<td>Independent Metallurgical Operations Pty Ltd (IMO)</td>
<td>Beneficiation process design and test work</td>
</tr>
<tr>
<td>MDM Engineering</td>
<td>BFS Support Engineer</td>
</tr>
<tr>
<td>Met-Chem Consulting Pty Ltd</td>
<td>Beneficiation and hydrometallurgical process flow sheet studies and development</td>
</tr>
<tr>
<td>Nagrom</td>
<td>Beneficiation and metallurgical test work</td>
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<tr>
<td>Orelogy</td>
<td>Mine engineering, geotechnical, pit optimisation and scheduling</td>
</tr>
<tr>
<td>Roger Townend</td>
<td>Mineralogy</td>
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<tr>
<td>Simulus Engineers</td>
<td>Process modelling including mass and energy balance</td>
</tr>
<tr>
<td>SGS Australia Laboratories</td>
<td>Analytical laboratory for drill samples</td>
</tr>
<tr>
<td>Dr Wally Witt</td>
<td>Geological specialist consultant</td>
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</table>
## JORC Mineral Resource estimates

### Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut-off grade

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Tonnage (Mt)</th>
<th>REO (%)*</th>
<th>Contained REO (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>19.0</td>
<td>4.53</td>
<td>840</td>
</tr>
<tr>
<td>Indicated</td>
<td>2.9</td>
<td>4.62</td>
<td>140</td>
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<tr>
<td>Inferred</td>
<td>0.1</td>
<td>4.10</td>
<td>4</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>21.0</strong></td>
<td><strong>4.54</strong></td>
<td><strong>982</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>JORC Resource Category</th>
<th>Tonnage (Mt)</th>
<th>REO (%)*</th>
<th>Contained REO (kt)</th>
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<tr>
<td>Measured</td>
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<td>2.66</td>
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<td>Indicated</td>
<td>94</td>
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<td>Inferred</td>
<td>20</td>
<td>1.83</td>
<td>380</td>
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<td><strong>Total</strong></td>
<td><strong>195</strong></td>
<td><strong>2.26</strong></td>
<td><strong>4,400</strong></td>
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* REO (%) includes all the lanthanide elements plus yttrium oxides. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

The information in this report that relates to Mineral Resource is based on information compiled by Rob Spiers, who is a member of The Australian Institute for Geoscientists. Rob Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Rob Spiers has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve’. Rob Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
Product volume and value split

The value drivers for Ngualla are the Nd-Pr and Mid+HRE >99% purity products

These include the higher value ‘Critical REOs’ forecast to be in undersupply

83% of the annual revenue (March 2014 Preliminary Feasibility Study) is from the high purity Nd-Pr and Heavy Rare Earth products

The lower value Ce and La represent only 17% of the total revenue

Ability to stockpile Cerium to improve economics

<table>
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<tr>
<th>Product</th>
<th>Status of production of high purity REO products</th>
<th>Total equivalent REO Production t/y</th>
<th>Relative Value Contribution (PFS pricing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nd-Pr Oxide</td>
<td>✔️ Completed</td>
<td>2,240</td>
<td>71%</td>
</tr>
<tr>
<td>Mid+Heavy Oxide</td>
<td>✔️ Completed</td>
<td>245</td>
<td>12%</td>
</tr>
<tr>
<td>La Oxide</td>
<td>✔️ Completed</td>
<td>3,042</td>
<td>8%</td>
</tr>
<tr>
<td>Ce Oxide</td>
<td>✔️ Completed</td>
<td>4,542</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>10,069</td>
<td>100%</td>
</tr>
</tbody>
</table>
The rare earth market

Industry breakdown – LREO vs. HREO

Source: Values are based on FOB prices (Metal Pages) for ROW consumption and China Domestic Prices for Chinese consumption (IMCOA)
PFS flowsheet and cost breakdown

**MINING**
- **CAPEX**: $14.5M
- **OPEX**: $0.62/kg

**INFRASTRUCTURE**
- **CAPEX**: $105.5M
- **OPEX**: $1.38/kg

**TOTAL**
- **CAPEX**: $367M
- **OPEX**: $11.74/kg

- *Including 30% Contingency
- #Average (LOM) Cash Cost (FOB, Excluding Amortisation, Depreciation and Royalties) per kg of separated Rare Earth Oxide products

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**ACID PLANT**
- **CAPEX**: $51.3M

**TAILINGS DAM**
- **CAPEX**: $48.4M

---

**BENEFICIATION**
- Wet Magnetic Separation
- Non-magnetics Flotation

**RECOVERY**
- Sodium Hydroxide Solution
- Hydrochloric Acid

**SEPARATION**
- Oxalic Acid

**SOLVENT EXTRACTION AND STRIP**

---

**HIGH PURITY OXIDE PRODUCTS**
- Mid-Heavy RE Oxide
- Nd-PR Oxide
- Cerium Oxide
- Lanthanum Oxide
## Demand Growth vs. Planned Supply

<table>
<thead>
<tr>
<th>Rare Earth Oxide</th>
<th>2014 Demand (tonnes)</th>
<th>Value (US$M)</th>
<th>Forecast Average Annual Growth to 2017 (tpa)</th>
<th>Peak PFS Average Annual Production (tpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Light Rare Earths</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lanthanum</td>
<td>33,240</td>
<td>$132M</td>
<td>2,953</td>
<td>3,042</td>
</tr>
<tr>
<td>Cerium</td>
<td>49,125</td>
<td>$174M</td>
<td>3,242</td>
<td>4,542</td>
</tr>
<tr>
<td>Praseodymium</td>
<td>8,315</td>
<td>$778M</td>
<td>3,745</td>
<td>2,240</td>
</tr>
<tr>
<td>Neodymium</td>
<td>32,550</td>
<td>$1655M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samarium</td>
<td>1,135</td>
<td>$6M</td>
<td>105</td>
<td>-</td>
</tr>
<tr>
<td><strong>Heavy Rare Earths</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europium</td>
<td>210</td>
<td>$123M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gadolinium</td>
<td>2,160</td>
<td>$55M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terbium</td>
<td>245</td>
<td>$130M</td>
<td>590</td>
<td>245</td>
</tr>
<tr>
<td>Dysprosium</td>
<td>1,000</td>
<td>$277M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erbium</td>
<td>780</td>
<td>$21M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yttrium</td>
<td>7,070</td>
<td>$78M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ho-Tm-Yb-Lu</td>
<td>170</td>
<td>-</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136,000</td>
<td>$3,430M</td>
<td>10,667</td>
<td>10,069</td>
</tr>
</tbody>
</table>

- **Light RE:** $2.75 billion or 80% annual market value. **Heavy RE:** 20%
- **Magnet metals:** Nd-Pr are 71% of 2014 world market value

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(1) IMCOA
(2) Value is calculated using China FOB and Chinese Domestic Pricing
Tanzania

Politically stable

Government investment incentives and guarantees

Steady 6-8% GDP growth (historic and forecast)

Good infrastructure links

Established mining culture

Significant oil and gas investment
Peak Resources Limited

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Fax: +61 8 9226 3831

ASX Code: PEK

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