Peak Resources Limited
ACN 72 112 546 700

ASX RELEASE

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PHOSPHATE JOINT VENTURE IN TANZANIA

- Peak Resources has executed an agreement to explore Ngualla Phosphate Project in southern Tanzania with Mauritius based Indian Resource and Investment Group, Minergy Tanzania Limited.
- JV Agreement provides Peak with the right to earn an 80% interest in Ngualla Phosphates as well as a 20% interest in uranium discoveries and 60% interest in other minerals within the project licence area.
- Historical data at Ngualla has identified phosphate concentrations of between 12 and 20% P_2O_5 in overlying soils
- Peak and Minergy agree to cooperative alliance
- In addition to the Ngualla JV, tenement applications have been made over an area of historical phosphate occurrences in SW Tanzania

TANZANIA PROJECT LOCATION MAP

Peak Resources Limited

Level 1
61 Kishorn Road
Mount Pleasant
Western Australia 6153

PO Box 1271
Canning Bridge
Western Australia 6153

Stock Exchange

Australian Stock Exchange
Symbol: **PEK, PEKO**

Issued Capital

59.5 m Shares
32.7 m Sept '09 Options
0.6m Dec '10 Options

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Base Metals:

Ashburton
- Mt Vernon
- Pingandy

Tanzanian:

Gold
- Lupa
- Geita
- North Mara
- Ikoma
- Igunga

Phosphate
- Ngualla Carbonatite
- Mbalizi Carbonatite

Australian Gold:

Menzies
Peak Hill
- Peak Hill West
- Mt Leake

Nickel:

Yellowdine

Peak Resources Limited (ASX:PEK) has reached an agreement to access a highly promising phosphate discovery in southern Tanzania. Peak has been conducting extensive research on Eastern African Carbonatites, that are considered to be highly prospective for phosphate and rare earth elements (REE). From this research, Peak has targeted two areas within the SW of Tanzania, including:

- The Mbalizi carbonatite which is located approximately 10km south of the city of Mbeya and
- The Ngualla Carbonatite located approximately 150km northwest of the city of Mbeya

Tenements covering the Mbalizi carbonatite have been applied for through the Company's Tanzanian managers.

The second carbonatite (Ngualla) is now subject to an agreement reached between Peak Resources and Minergy Tanzania Limited (Minergy) a Mauritian based Indian Resource & Investment Group. The Ngualla carbonatite was located within a priority tenement application that Minergy had acquired in order to pursue other minerals, namely uranium. Peak approached Minergy with a view to exploiting the phosphate potential as identified by Peak.

In addition to the *Ngualla Agreement*, Peak has entered into a strategic cooperation agreement with the Indian backed Minergy Group under which both companies will look to work together in developing opportunities initially within Tanzania and Australia. Minergy has a number of mineral resource interests located in the Democratic Republic of Congo, Tanzania and Brazil.

Ngualla Project

The Proterozoic Ngualla Carbonatite is located approximately 150km northwest of the city of Mbeya in the southwest of Tanzania. Ngualla is a plug like intrusive system with a surface diameter greater than 3km having various successive carbonatite phases. The Carbonatite was identified in the late 1980's by work undertaken by a Canadian non government organisation (NGO) as part of an agrogeology project.

Work completed by the NGO has reported that:

- Several exploration pits in residual soil have returned phosphate concentrations of between 12% and 20% P_2O_5 over the deposit
- Confirmed the existence of a late phase 15-20 metre wide magnetite-apatite vein that extends over several hundred metres. Apatite is a known source of phosphate containing between 41 to 42.3% P_2O_5.

Carbonatites are intrusive carbonate (mineral) rich igneous rocks, many of which contain distinctive abundances of apatite, magnetite, barite, and fluorite. Carbonatite hosted mineral deposits account for most of the world's production of rare earth metals, niobium and phosphate as well as other minerals including copper, iron, uranium, thorium, titanium, tantalum, barium, fluorine, zircon & mica or vermiculite. Carbonatites may form central plugs within zoned alkalic intrusive complexes, or as dykes, sills, breccias, and veins. Similar projects to that at Ngualla include Weld Range Western Australia (Lynas Corporation) and Palabora South Africa (Rio Tinto).

Successful exploration will place the Company in a strong position to fast track development of the project with the potential to service the increasing demand for phosphate fertilizers both within Africa as well as the rapidly expanding international market. The agreement also delivers to the Company upside should Peak identify potentially economic uranium occurrences or other mineralisation such as rare earths within the JV.

Minergy Agreement Summary

The agreement with Minergy provides Peak with:

- The right to earn an 80% interest in phosphate occurrences within the project tenement
- A 20% contributory interest in uranium occurrences identified by Peak; and
- A 60% interest in other forms of mineralisation as identified by Peak.

In respect of phosphate prospects Peak is required to free carry Minergy to completion of prefeasibility studies where after the parties will contribute to expenditures on a pro-rate basis. Minergy has the option to increase its interest to 40% through paying to Peak 2.5 times exploration expenditures. Peak will contribute to expenditure on uranium prospects on a pro rata basis. In respect of other mineralisation Peak will meet the first $500,000 of project exploration costs.

In consideration for granting Peak rights under the agreement Peak is to issue to Minergy, ordinary shares in the capital of Peak Resources to the value of $100,000 (based on a five day weighted average) upon grant of the mineral tenement.

Programme of Work for Ngualla

Peak is to undertake an initial recognisance programme on the projects in early October. The field site visit programme will be directed at verification of historical data and undertaking regional soil sampling prior to the commencement of the wet season. This data will then be evaluated in order to establish exploration priorities for the next field season.

Tanzanian Phosphate and Agrogeologial Potential

Peak has embarked on a process of using its established management and operational infrastructure within Tanzania to target agrogeological resources within eastern and central Africa as an adjunct to its existing gold exploration programme. Work to date has highlighted a range of opportunities which the Company is now in the process of pursuing. If successful this will result in Peak leveraging of its existing base to establish an expanded portfolio within the region with minimal additional cash outlay.

Gold Exploration Programme

At the same time as developing a agrogeological portfolio Peak is continuing to advance and is looking to expand its highly prospective gold tenement portfolio. The Company is currently waiting on initial assay results from regional work undertaken at its Lupa Gold Project with the exploration team now relocated to the Igunga Project in the Lake Victorian Goldfield region of Tanzania. The results of these programmes will be important to planning the next phase of exploration.

Additionally, Peak has been offered a further package of tenements within Tanzania's Lake Victorian Goldfield that the Company is currently examining and is expected to make a decision upon within the next seven days.

The information in this report is based on information compiled by Mr. Kell Nielsen, a Member of the Australian Institute of Mining and Metallurgy. Mr. Nielsen is a full-time employee of Peak Resources Limited and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nielsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.