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NGUALLA RARE EARTH PROJECT

More wide intersections from surface

Highlights:

Peak Resources Limited (Peak) is pleased to report further assay results from the Ngualla Rare Earth Project in southern Tanzania, where a maiden resource drilling program is in progress.

The latest results include wide intersections from surface from the Southern Rare Earth Zone and the first assays from the South West Alluvial Zone.

Intersection highlights received from eleven new holes within the Southern Rare Earth Zone include:

NRC077: 170m at 4.18% REO from surface
NRC075: 24m at 4.48% REO from surface
NRC094: 129m at 3.19% REO from 24m

Intersections from the first twelve holes received from the South West Alluvial Zone confirm REO mineralisation from surface in unconsolidated gravel, including:

NAC476: 24m at 3.27% REO from surface to EOH
NAC477: 28m at 3.20% REO from surface
NAC479: 10m at 3.18% REO from surface

Niobium – tantalum and phosphate mineralisation is also wide spread in the same area and includes:

NAC477: 24.5m at 0.68% Nb₂O₅ and 156ppm Ta₂O₅ from 24m and
18m at 15.9% phosphate from 30m
NAC473: 22m at 0.43% Nb₂O₅ and 185ppm Ta₂O₅ from and
24m at 15.7% phosphate from surface

Results continue to demonstrate that Ngualla is one of the largest and better grade new rare earth discoveries of recent years

Drilling on site is well advanced and a maiden JORC compliant rare earth resource will be released in the first quarter of 2012 for both the Southern Rare Earth and the South West Alluvial Zones.

*REO = Total Rare Earth Oxide including yttrium. EOH = end of hole. See Tables 1 to 4 for full drill intersection details.

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Background

Mineralisation at Ngualla in southern Tanzania is similar in style to Mt Weld (Lynas Corporation Ltd) in Western Australia, being rare earth enrichment in the deeply weathered regolith profile of a large carbonatite.

Ngualla is a virgin discovery by Peak, with the first holes completed in June 2010. It is one of the largest and better grade new rare earth discoveries of recent years, with mineralisation from surface and extending over a large area. Drilling is progressing well and a maiden JORC resource for this mineralisation is scheduled for the first quarter of 2012.

The project also has potential to host large, near surface deposits of niobium – tantalum and phosphate. Currently, Peak as operator and manager is earning 80% equity in the Ngualla Project by carrying Joint Venture partner Zari Exploration Ltd (Zari) through to completion of a bankable feasibility study. On 26th August 2011 Peak announced it had entered into a conditional agreement to take 100% ownership of the Ngualla Project through the acquisition of Zari.

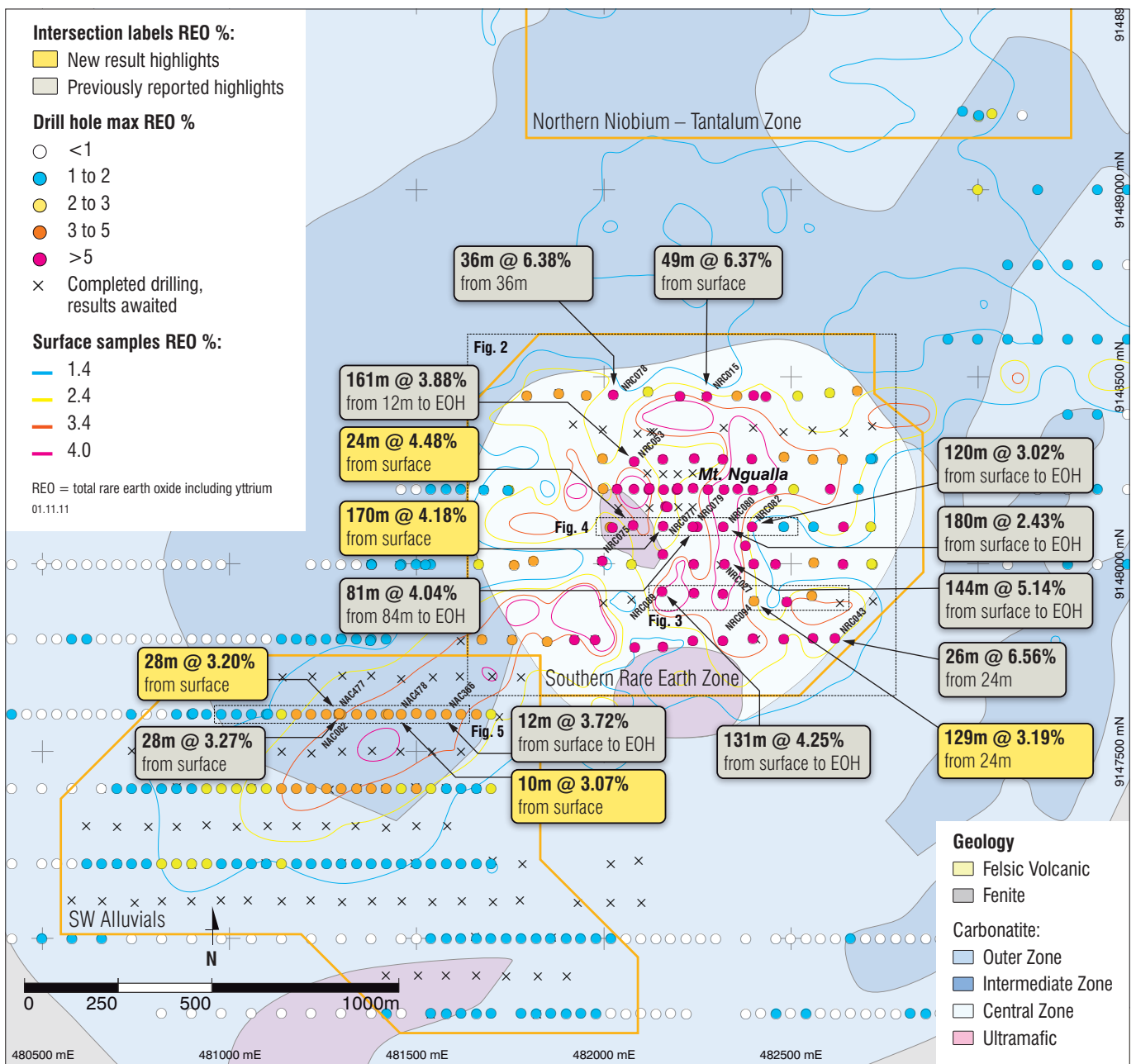


Figure 1: Location of new drilling and assay results over simplified geology map of the Ngualla Carbonatite showing areas of drilling with selected key intersections and surface sampling results.

Southern Rare Earth Zone

Assay results from a further 11 RC holes of the resource drilling program in the Southern Rare Earth Zone (Figure 1) have been received and include:

DRILL HOLE	INTERSECTION	DRILL HOLE	INTERSECTION
NRC077:	170m at 4.18% REO from surface	NRC094:	129m at 3.19% REO from 24m
NRC075:	24m at 4.48% REO from surface	NRC096:	34m at 3.45% REO from surface

Full drill hole intersection details included in Table 1. Distribution of individual REO's shown in Figure 6.

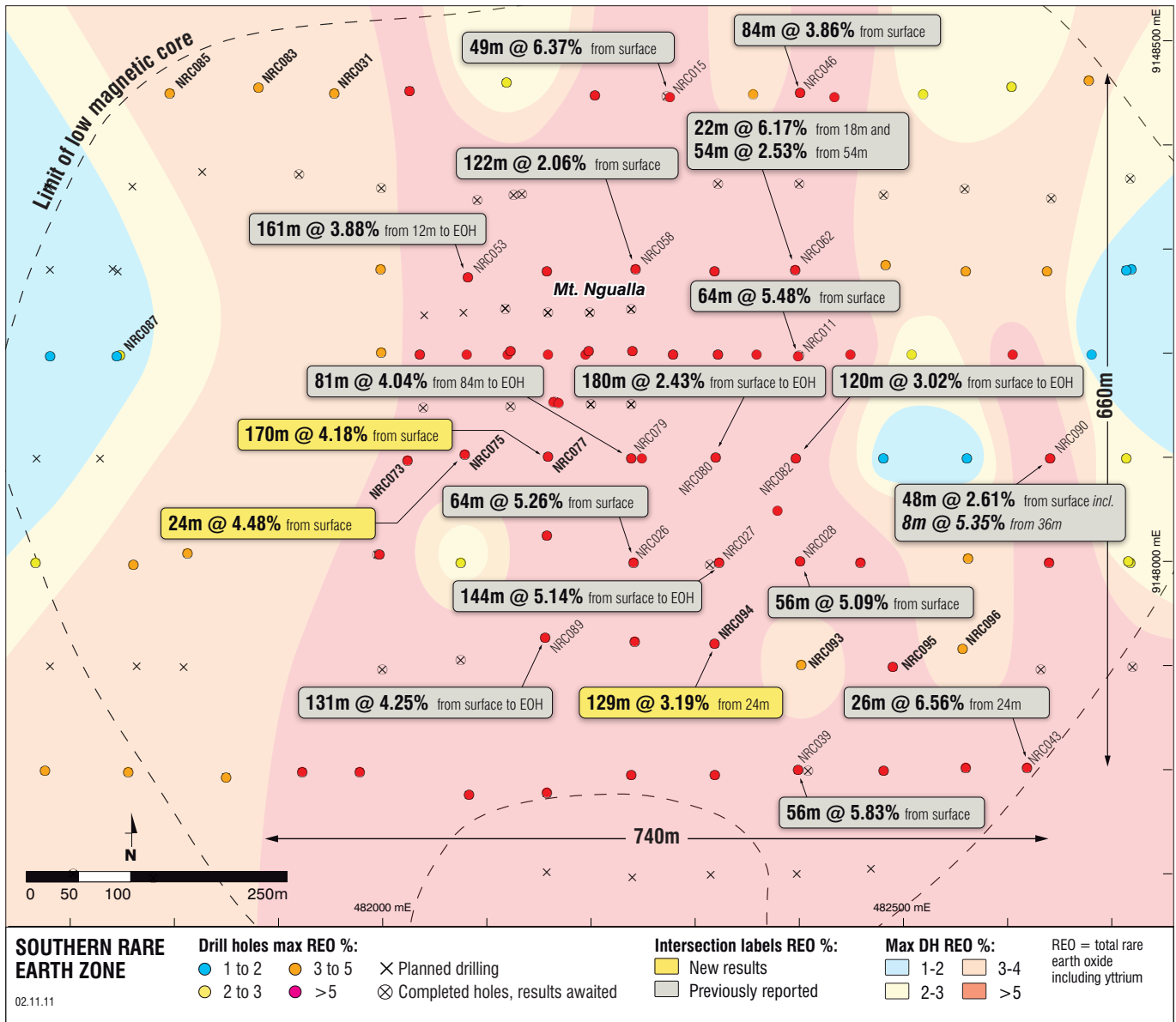


Figure 2: Plan of new rare earth intersections and RC drilling completed to date, with previous drilling, key intersections and surface sampling contours, Southern Rare Earth Zone.

The intersection in drill hole NRC077 includes a higher grade interval of 40m at 6.02% REO from 126m (using a 3% REO lower grade cut) within bedrock carbonatite that is weathered and enriched in rare earths from surface to a vertical depth of 140m (see drill section, Figure 4).

These new wide intersections continue to confirm the internal continuity of higher grade, mineralisation the Southern Rare Earth Zone within deeply weathered zones of the carbonatite and also demonstrate the potential for a large tonnage in the primary fresh rock. The +5% REO mineralisation extends for 660m in a north – south direction and 740m east - west on the most southern drill traverse completed to date. Mineralisation has been tested to a maximum vertical depth of 155m.

Typical grades range from 3% to 7% REO from surface in the ferruginous weathered zone, which varies in thickness from zero to over 120m vertical (see cross sections, Figures 3 and 4). Widespread primary rare earth mineralisation extends to depth within fresh rock carbonatite beneath the weathered zone, with typical grades of 1% to 2.5% REO. Rare earth mineralisation remains open to the north, south, east, and with depth (Figure 2).

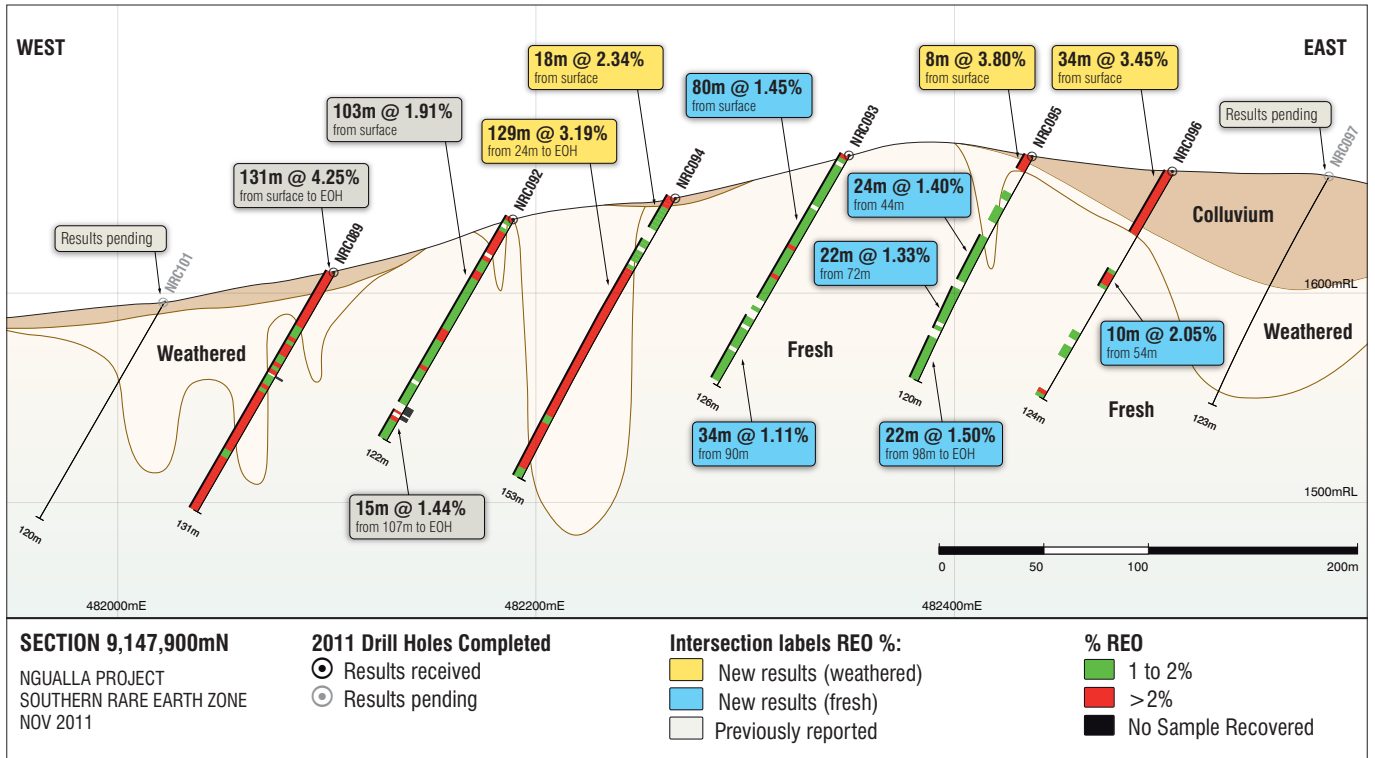


Figure 3: Drill hole cross section 9,147,900mN, Southern Rare Earth Zone, with new drill results and geology

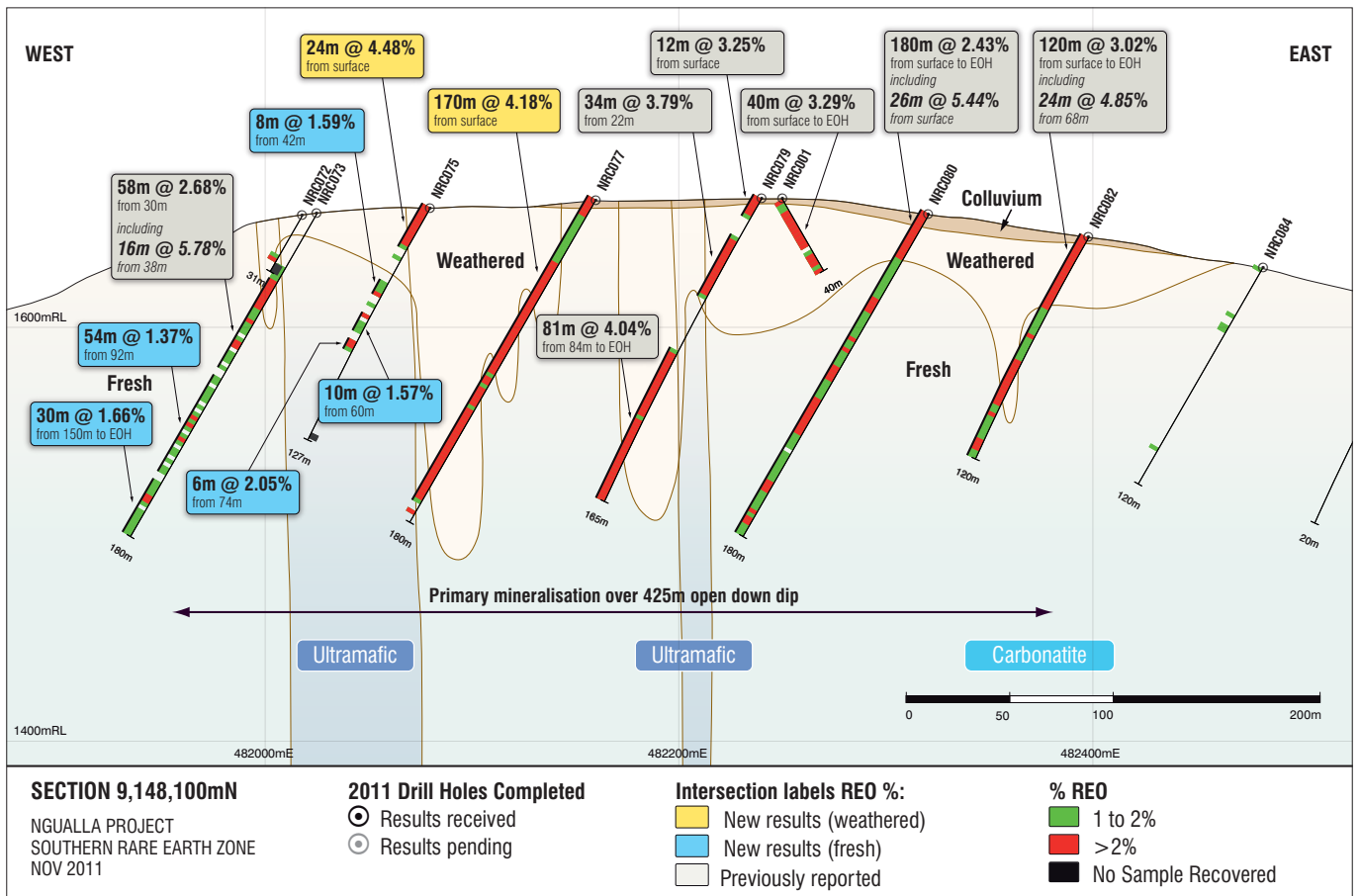


Figure 4: Drill hole cross section 9,148,100mN, Southern Rare Earth Zone, with new drill results and geology

South West Alluvial Zone

Rare Earth mineralisation occurs over a large area, from surface, in unconsolidated gravels and soil that has been eroded and transported to the South West Alluvial Zone (Figure 1) from the bedrock source of the Southern Rare Earth Zone on Ngualla Hill.

Reconnaissance drilling in 2010 demonstrated +2% REO mineralisation extends over an area of at least 550m x 350m to an average depth of 12m. The current drilling program will infill this area to a minimum 100m x 80m vertical hole spacing, extend some of the original holes that ended in mineralisation and test the area between the 2010 alluvial aircore drilling and the Southern Rare Earth Zone.

Assay results from the first 12 aircore and tricone holes in the South West Alluvial Zone (Figure 1) have been received. Rare earth intersections include:

DRILL HOLE	INTERSECTION	DRILL HOLE	INTERSECTION
NAC476:	24m at 3.27% REO from surface to EOH	NAC478:	12m at 2.75% REO from surface
NAC477:	28m at 3.20% REO from surface	NAC479:	10m at 3.18% REO from surface

Full drill hole intersection details included in Table 2.

The new results confirm the grade and widths of rare earth mineralisation intersected from surface by the 2010 reconnaissance program (Figure 5).

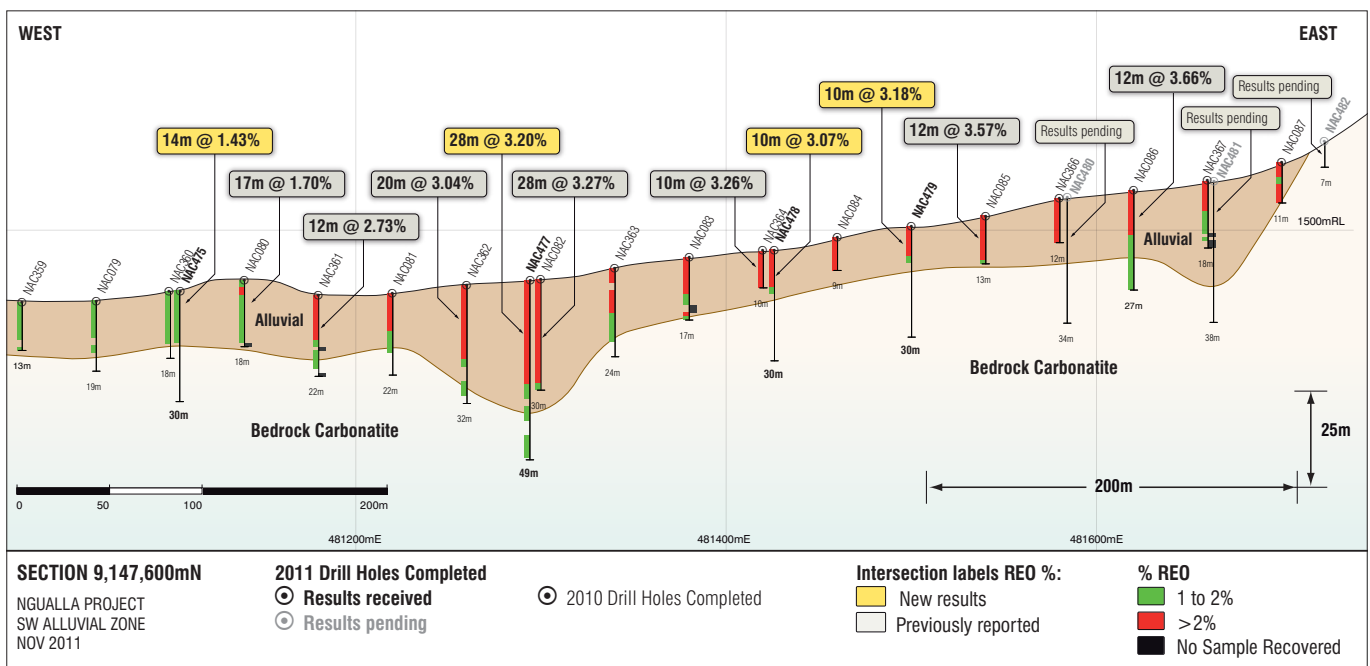


Figure 5: Drill hole cross section 9,147,600mN, South West Alluvial Zone, with new drill results and geology

In addition to rare earth mineralisation, the new drilling has intersected potentially significant zones of phosphate and niobium – tantalum in the same unconsolidated surficial sediments. Intersections include:

DRILL HOLE	INTERSECTION
NAC477:	24.5m at 0.68% Nb₂O₅ and 156ppm Ta₂O₅ from 24m and 18m at 15.9% phosphate from 30m
NAC473:	22m at 0.43% Nb₂O₅ and 185ppm Ta₂O₅ and 24m at 15.7% phosphate from surface
NAC470:	12m at 0.54% Nb₂O₅, 149ppm Ta₂O₅ and 13.8% phosphate from surface
NAC468:	16m at 0.41% Nb₂O₅, 148ppm Ta₂O₅ and 10m at 14.4% phosphate from surface

Full drill hole intersection details included in Tables 3 and 4.

Peak will investigate the economic significance of this widespread mineralisation, which represents a large tonnage exploration target in addition to the main priority rare earth mineralisation. To this end, a diamond drill hole has been completed to provide a suitable bulk sample for metallurgical and beneficiation test work.

Resource Drilling Program Progress

Drilling operations are continuing on schedule with a total of 212 holes for 15,348m completed within the Southern Rare Earth and South West Alluvial Zones (Figure 1). Diamond drilling for beneficiation and metallurgical test work and density measurements for the resource estimation has now been completed with 6 holes completed for 862m. The diamond drill rig has been converted back to RC capability and will continue in the Southern Rare Earth Zone. With an estimated one month of drilling activity remaining before the expected onset of rains at the end of November, the second drill rig has commenced the exploration RC traverses in the Northern Niobium – Tantalum – Phosphate Zone.

Many additional samples, including most of those from the South West Alluvial Zone drilling program and 21 RC holes from the Southern Rare Earth Zone are currently in the laboratory and the Company will continue to provide regular updates regarding progress and results as they come to hand.

Beneficiation and metallurgical test work managed by consultants Bateman Engineering Ltd is in progress on a series of rare earth mineralised bulk core samples from the Southern Rare Earth Zone at Amdel Laboratories in Perth. Work will also commence shortly on a bulk core sample of phosphate, niobium and tantalum mineralisation from the Northern Zone.

A maiden JORC resource to be completed by consultants Hellman and Schofield Ltd will be released for the rare earth mineralisation in the Southern Rare Earth and South West Alluvial Zones in the first quarter of 2012.



Alastair Hunter Executive Chairman

The information in this report that relates to Exploration Results is based on 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 2004 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.

Table 1: RC drill results, Central Bedrock Zone - Intersections +1% REOSelected intersections +2% REO in *italics*

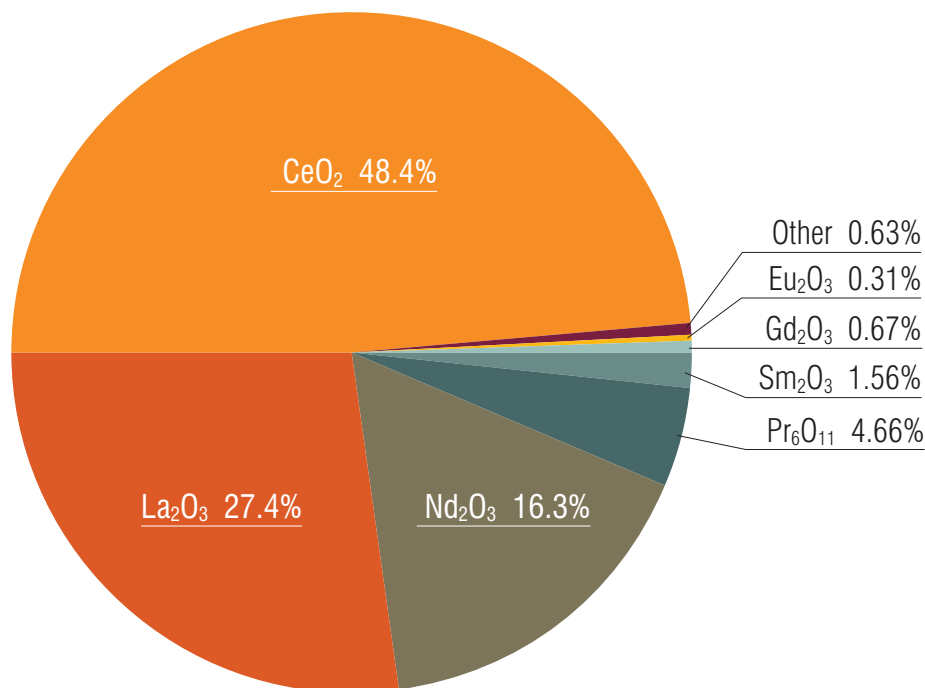
Hole ID	East	North	Hole Depth (m)	From (m)	To (m)	Interval (m)	REO %
NRC073	482,025	9,148,098	180	92	146	54	1.37
				150	180	30*	1.66
NRC075	482,080	9,148,104	127	0	24	24	4.48
				28	30	2	1.31
				42	50	8	1.59
				54	56	2	1.08
				60	70	10	1.57
				74	80	6	2.05
NRC077	482,160	9,148,102	180	0	170	170	4.18
				174	176	2	2.01
NRC081	481,955	9,148,451	120	0	2	2	2.31
				6	30	24	1.75
				42	44	2	1.10
				80	112	32	1.65
				116	120	4*	2.09
NRC083	481,882	9,148,456	120	0	16	16	2.06
NRC085	481,797	9,148,451	124	0	6	6	3.31
NRC087	481,749	9,148,199	120	22	24	2	1.02
				78	82	4	2.46
				94	96	2	1.27
				106	108	2	1.15
NRC093	482,403	9,147,902	126	0	80	80	1.45
				84	86	2	1.05
				90	124	34	1.11
NRC094	482,320	9,147,922	153	0	18	18	2.34
				24	153	129*	3.19
NRC095	482,491	9,147,900	120	0	8	8	3.80
				20	24	4	1.14
				28	36	8	1.23
				44	68	24	1.40
				72	94	22	1.33
				98	120	22*	1.50
NRC096	482,558	9,147,917	124	0	34	34	3.45
				54	64	10	2.05
				88	92	4	1.80
				96	102	6	1.54
				120	124	4*	1.90

Note: REO = Total Rare Earth Oxides including Yttrium. See Figure 4 for relative distribution of individual rare earth oxides. Samples are 2m composites from angled -60° west RC drilling. Intersections calculated using 1% REO lower cut and a maximum of 2m internal dilution. Analysis by SGS laboratory, Perth, by 4 acid digest and ICP or XRF. Co-ordinate system is Arc 1960 UTM zone 36S. *=hole ended in mineralisation.

Table 2: Aircore drill results, South West Alluvial Zone - Intersections +1% REOSelected intersections +2% REO in *italics*

Hole ID	East	North	Hole Depth (m)	From (m)	To (m)	Interval (m)	REO %
NAC468	481,380	9,148,000	16	0	8	8	1.09
NAC469	481,456	9,147,998	14	0	12	12	1.25
NAC470	481,524	9,147,999	12	0	6	6	1.17
NAC471	481,377	9,147,796	5	0	2	2	1.46
NAC472	481,300	9,147,801	24	0	6	6	1.33
				10	12	2	1.07
NAC473	481,219	9,147,797	24	0	20	20	1.18
NAC474	480,904	9,147,602	24	0	10	10	1.38
NAC475	481,103	9,147,601	30	0	14	14	1.43
NAC476	481,293	9,147,600	24	0	24	24*	3.27
NAC477	481,294	9,147,602	49 <i>(Incl.)</i>	0	38	38	2.65
				0	28	28	3.20
				42	48	6	1.35
NAC478	481,426	9,147,600	30	0	12	12	2.75
NAC479	481,500	9,147,602	30	0	10	10	3.18

Note: REO = Total Rare Earth Oxides including Yttrium. Samples are 2m composites from vertical aircore or tricone drilling. Intersections calculated using 1% REO lower cut and a maximum of 2m internal dilution. Analysis by SGS laboratory, Perth, by 4 acid digest and ICP or XRF. Co-ordinate system is Arc 1960 UTM zone 36S. *=hole ended in mineralisation.

Figure 6: Individual rare earth oxides at Ngualla as a percentage of total Rare Earth Oxides (REO)

Note: Average relative REO components are calculated using individual rare earth grades in samples above 1% REO from the Southern Rare Earth Zone RC and diamond drilling.

Table 3: Central Bedrock Zone – Niobium Oxide intersections

Intersections with a minimum width of 8m at >0.25% niobium oxide are shown

Hole ID	East	North	Hole Depth (m)	From (m)	To (m)	Interval (m)	Nb ₂ O ₃ %	Ta ₂ O ₃ ppm
NAC468	481,380	9,148,000	16	0	16	16*	0.41	148
NAC469	481,456	9,147,998	14	0	12	12	0.43	147
NAC470	481,524	9,147,999	12	0	12	12*	0.54	149
NAC471	481,377	9,147,796	5	0	5	5*	0.59	135
NAC472	481,300	9,147,801	24	0	12	12	0.38	126
				18	24	6*	0.59	73
NAC473	481,219	9,147,797	24	0	22	22	0.43	185
NAC474	480,904	9,147,602	24	0	16	16	0.41	130
				20	22	2	0.43	76
NAC475	481,103	9,147,601	30	0	14	14	0.40	116
NAC476	481,293	9,147,600	24	0	24	24*	0.34	77
NAC477	481,294	9,147,602	48.5	0	20	20	0.36	78
				24	48.5	24.5*	0.68	156
NAC478	481,426	9,147,600	30	0	4	4	0.29	63
				10	12	2	0.47	322
				20	22	2	0.36	74
NAC479	481,500	9,147,602	30	8	10	2	0.36	217
				14	16	2	0.29	31

Note: Samples are 2m composites from vertical aircore and tricone drilling. Intersections calculated using a 0.25% Nb₂O₅% lower cut and a maximum of 2m internal dilution. Analysis by SGS laboratory, Perth, by XRF fusion for Nb and pressed powder for Ta. Co-ordinate system is Arc 1960 UTM zone 36S. *=hole ended in mineralisation.

Table 4: South West Alluvial Zone – Phosphate Intersections

Intersections >10% phosphate are shown

Hole ID	East	North	Hole Depth (m)	From (m)	To (m)	Interval (m)	P ₂ O ₅ %
NAC468	481,380	9,148,000	16	0	10	10	14.4
NAC469	481,456	9,147,998	14	0	14	14*	14.3
NAC470	481,524	9,147,999	12	0	12	12*	13.8
NAC471	481,377	9,147,796	5	0	5	5*	12.9
NAC472	481,300	9,147,801	24	0	18	18	13.5
NAC473	481,219	9,147,797	24	0	24	24*	15.7
NAC474	480,904	9,147,602	24	0	14	14	13.2
NAC475	481,103	9,147,601	30	0	18	18	13.5
NAC477	481,294	9,147,602	48.5	30	48	18	15.9
NAC478	481,426	9,147,600	30	8	14	6	15.8
NAC479	481,500	9,147,602	30	8	10	2	14.1

Note: Samples are 2m composites from vertical aircore or tricone drilling. Intersections calculated using 10% phosphate lower cut and a maximum of 2m internal dilution. Analysis by SGS laboratory, Perth, by 4 acid digest and ICP or XRF. Co-ordinate system is Arc 1960 UTM zone 36S. *=hole ended in mineralisation.