

## PEAK RESOURCES

## RESOURCESTOCKS

# NEW CHAIRMAN, NEW DIRECTIONS FOR JUNIOR

When Alastair Hunter joined Peak Resources as a non-executive director in 2008, it was a timely move in more ways than one.

**C**HARGED WITH providing leadership and direction to the fledgling junior explorer's African interests, he also brought with him the promise of new international beginnings in the form of a portfolio of assets in the east African nation of Tanzania that he had acquired through Tanzanian contacts.

The package – no doubt sweetened by \$500,000 funding through Hunter and his personal contacts and combined with Hunter's 20 year exploration record in Africa – provided a timely change of perspective for the Perth-based company which had, until his arrival, focused its attentions on a raft of Australian tenements.

Only one of those – the Three Rivers copper-gold tenement, 130 kilometres northeast of Meekatharra in Western Australia – showed enough potential to become a project and is still simmering away on Peak's backburner.

"At the time I joined Peak, Australia was getting tough for junior explorers," Hunter said. "Africa by comparison, was heating up as an exploration destination."

Hunter's tenement package was to be a foot in the door of the region and ultimately formed the basis of Peak's \$85 million market capitalisation.

"I described my vision of Peak in Africa to the board and insisted they did the due diligence before making up their minds," he said.

"I had worked for two decades in Africa so for me, the swing from Australia to Tanzania was not daunting.

"But I was asking a group of Australian-focused explorationists to take the gamble.

"The fact that I was also bringing capital into the company possibly made the decision easier, as it meant the risk was reduced for existing shareholders.

"It was a definite leap of faith and since then we have seen our share price rise from 3 cents to a high of 95 cents, which gives me great satisfaction that this was the right thing to do."

Once Peak made the move to Tanzania in 2009, the questions became about what – as opposed to where – the company would explore.

"We started to play around with some different ideas based on what we believed would be the growth commodities," Hunter said.

"Being in a third world country, the concept of fertilisers for economic development kept coming up so we initiated research into regional phosphate opportunities and within a fortnight we had identified 17 targets."

Of these, the previously-explored Ngualla prospect stood out "like a sore thumb" – but not for its phosphate content.

"A Canadian agrogeological group had carried out regional exploration

for phosphates and their sampling at Ngualla registered grades of more than 30 per cent which is considered very high," Hunter said.

"Our early field work showed there was also potential for a range of other mineralisation targets and that led us to do more investigation down the path of rare earths. It was expensive and challenging but we could see that there was a big prize."

Peak's flagship project, located 120km "as the crow flies" from the inland port city of Mbeya in southwest Tanzania, is centred on the Ngualla Carbonatite – a 3.8km diameter geological structure which has been compared to WA's Mt Weld project in terms of its size and mineralisation.

Initial drilling and geochemical soil sampling in 2010 confirmed the presence of widespread rare earth, niobium-tantalum and phosphate deposits and the potential for Ngualla to host large, near-surface mineralisation.

In May this year Peak kicked off a major drilling program over 73 square kilometres of the tenement, funded by an \$8.2 million bank balance and designed to provide



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**ALASTAIR HUNTER**  
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sufficient information for a maiden JORC-compliant resource estimate for the project's bedrock and alluvial ore zones by early 2012.

The program will also provide samples for ongoing beneficiation and metallurgical testwork, with a full feasibility study possible by 2014.

"We are only in the very early stages and have a lot of work ahead of us before we can say that we have a significant orebody on our hands," Hunter said.

"That said, the drilling we have completed to date and the intersections we have encountered provide encouraging results that could indicate the possibility of a very large, open pit operation."

Success in Africa though is a different ball game than in Australia and while Tanzania is one of the continent's politically-stable nations, factors such as infrastructure and the tyranny of distance can potentially impact an explorer's progress.

"The biggest challenge for us is getting things done," Hunter said.

"What you can achieve in Australia in a few weeks can take as long as two or three months in Africa.

"Infrastructure can also be tough – Ngualla is very remote and in the early days it was quite challenging accessing the project by road but it is getting easier.

"The Tanzanian government is progressive and they have made an ongoing commitment with the assistance of foreign aid to improving the infrastructure.

"The other thing we face being Perth-based, is the time it takes to travel to the project site.

"Getting from Perth to Dar es Salaam [the largest city in Tanzania and home to the country's main airport] involves a 20 hour-flight including five hours layover in Dubai.

"Until recently it was another two days from Dar es Salaam to Ngualla by road but thankfully there are now regular flights, so that leg of the journey has been cut to three hours.

"We can now do the trip in less than a day but it is still a long haul."

If patience is the key to doing business in Africa, Hunter believes passion is the driver that gets you there. "If you do not have a passion for what you are doing, then there is no point doing it," he said.

"[Travelling] does get tough at times – you do an extended trip and as soon as you come back, you are already thinking about the next one.

"Passion drives your ability to keep doing the long haul over and



over. If you run your exploration [programs] without passion and self-belief, life can get very difficult.

"In the early days I was a little concerned about what our shareholders would think of Peak's move to Africa, but that was outweighed by a commitment and belief that it was the right thing to do."

With Africa becoming increasingly popular in the search for rare earths in carbonatites and the commodity itself experiencing a surge in demand due to its use in a range of high technology applications, Hunter believes Peak made a well-timed entrance to Tanzania.

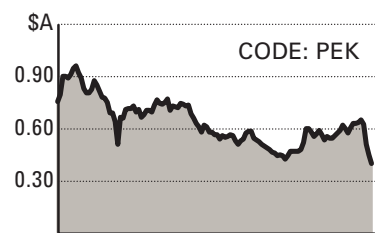
"Africa has always had an incredible mining future and I think the continent is now wising up to that potential," he said.

"We got in at a good time and are keeping our options open – in addition to Ngualla we have some regional gold opportunities in the pipeline and we will have to decide eventually where those fit into our strategy.

"We have taken Ngualla from a wing and prayer two years ago to the stage where we are now doing resource definition drilling and for a junior in the rare earths space in Africa, that is a pretty fantastic achievement." – **Imelda Cotton**

Peak Resources' drilling operations at the Ngualla project in Tanzania, looking southeast towards the drill pad

## PEAK RESOURCES AT A GLANCE



6 months ending August 9, 2011

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### DIRECTORS

Alastair Hunter, Dave Hammond,  
Jonathan Murray

### MARKET CAPITALISATION

\$A60.05 million (at press time)

### QUOTED SHARES ON ISSUE

155,979,600

### MAJOR SHAREHOLDERS

Hunter family interests 6.12%  
National Nominees 4.88%  
UBS Nominees 2.27%