Peak and NdPr at the Heart of the Electrification Revolution
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Compliance Statement:

• Information relating to Infrastructure, project execution, cost estimating, metallurgical test work, exploration results, Mineral Resource estimates and Ore Reserve estimates is extracted from the report entitled “Lower price deck delivers similar BFS results for Ngualla” created on the 12th of October 2017 and is available to view on http://www.peakresources.com.au/asx-announcements/. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.
The Investment Proposition

- The **right commodity** at the **right time** – Neodymium (Nd) and Praseodymium (Pr)

- The **standout Ngualla Rare Earth Deposit** – high grade and rich in NdPr

- Potential to provide a **strategic ‘outside of China’ rare earth processing hub** – Teesside, UK

- Fully permitted and piloted process – Mining License pending

- The **right team** to deliver – real rare earth operations experience
The right commodity at the right time – NdPr

- **The supply demand balance** of NdPr is set to be disrupted by the electrification of our society, initiated by electric cars, buses and trucks becoming mainstream applications.

- The new EU emission standards indirectly represent an EV quota. Consequently, the market anticipates that **50% of total sales will need to be electrified by 2030**.

- **Demand is projected to exceed current supply capacity by 2021**, with increased consumption of 2,000t NdPr every year till 2040.
Rare Earth Market - Demand vs Supply Outlook

- Sustained increase in NdPr price expected due to increasing demand from EV and no new supply

Source: Peak Resources Limited based on individual company and industry announcements
2011 Trade Dispute
China ceased rare earth exports to Japan during trade dispute.
Price moved from $32/kg to $194/kg in approximately 6 months (+100% increase each month)

2017 Supply Tightening
Chinese government cracking down on plants with poor environmental performance, resulting in shortage of supply.
As plants conformed to enforced changes supply restored.
Price moved from $45/kg to $81/kg in less than 3 months

Source: Asian Metals
The standout Ngualla rare earth deposit - Tanzania

Ngualla rare earth project is one of the largest, highest grade & lowest Cost NdPr rare earth projects globally

- **Mineral Resource**: JORC 214.4mt at 2.15% REO
- **Ore Reserve**: JORC 18.5mt at 4.80% REO; 21.3% NdPr
- **Mining**: Low Strip Ratio of 1.77
- **Mine Life**: 26 years using 22% of the Resource
- **Ownership**: 100% owned by Peak Resources Ltd.

#The material assumptions underpinning Ore Reserve, production target, capital and operating costs are disclosed in the ASX Announcement dated 12 April 2017 "BFS positions Ngualla as one of the world’s lowest cost rare earth projects" continue to apply and have not materially changed. ## See ASX Announcement "Higher grade Resource for Ngualla nearly 1 million" and ASX Announcement "Ngualla Rare Earth Project – Updated Ore Reserve" as of 12 April 2017
Peer Comparison – Market Capitalisation

- Peer Comparison presented of advanced stage (DFS completed) NdPr-focussed companies
- Quality of the Ngualla deposit and strategic value of the Teesside Rare Earth Separator not reflected in Market Valuation

### Market Capitalisation
(A$ m, 31 December 2019)

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Capitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEAK</td>
<td>51</td>
</tr>
<tr>
<td>HASTINGS</td>
<td>117</td>
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<tr>
<td>ALKANE</td>
<td>312</td>
</tr>
<tr>
<td>ARAFURA</td>
<td>96</td>
</tr>
</tbody>
</table>

Note: Alkane Market Capitalisation higher due to additional operational projects (gold assets)

Source: Individual Companies ASX Announcements
Mineral Resources and Ore Reserves Comparison

The highest ore grade...

The Weathered Bastnaesite Zone, which makes up the Ore Reserve, is naturally enriched in REO.

The most NdPr...

Ore Reserve represents only 22% of the total Mineral Resources, supporting 26 year mine life. Development of remaining resources has significant future potential.

Source: Individual Companies ASX Announcements
A strategic ‘Outside of China’ Rare Earth Processing Hub – UK

- **The Teesside Rare Earth Separator** is a significant differentiator over Peak’s peers.

- **Low Capex and Opex** due to mild operating conditions and 70% Ce rejection. Unit operating cost for one kg NdPr oxide of US$ 32.24 (calculated from the total OPEX of US$91m divided only by the NdPr output). i.e. no credits have been included for Ce, La, SEG and Heavy rare earth products.

- **The Teesside Separator to become a rare earth separation hub.** Look to other sources of supply to supplement Tanzanian concentrate.

- **Annual Production (Phase 1);**
  - 2,810t NdPr Oxide
  - 7,995t La Carbonate
  - 3,475t Ce Carbonate
  - 625t SEG Carbonate

- **Phase 2 Operations** to include
  - Double production capacity
  - magnet recycle
  - heavy RE separation
  - metal conversion
  - magnet JV
Teesside Rare Earth Processing Hub

- Peak’s Teesside Rare Earth Separator will be located at Wilton International’s Teesside Industrial Zone in Tees Valley, North East England.

- Teesside benefits from existing site infrastructure located within a major UK exporting region which is home to existing heavy industries including mineral processing, automotive and advanced manufacturing.

- Existing infrastructure includes road, rail, air and sea connections providing access to European and Asian markets.

- Tees Valley is located alongside the UK’s 3rd largest port by volume within close proximity to competitively priced chemicals, water disposal and treatment facilities required for the refining process.

- Power is generated on-site and is also connected to the UK National Grid providing power security, avoiding the need for significant capital outlay.

- Teesside benefits from an available skilled workforce and local government and community support.

- CAPEX: US $165m incl. 10% contingency plus %5 owners costs

- OPEX: US $40m p.a.
Compelling Project Economics

US $32.24 is the breakeven point for positive cash flow only from the projected 2,810t p.a. NdPr sales; OCBRITDA = Operating cost before royalties, interest, tax, depreciation and amortisation.

*See ASX Announcement: “Lower price deck delivers similar BFS results for Ngualla” dated 12 October 2017

# See ASX Announcement: Process optimisation study boosts Ngualla’s operating margin” dated 28 August 2017

BFS Price deck: NdPr Mixed Oxide 2N Min 75% Nd2O3 US $77.50/kg; Cerium* US$ 02.20/kg; Lanthanum* US $03.70/kg; SEG & Mixed Heavy*US $08.00/kg
**NGUALLA ORE BODY**
- High grade 4.80% REO
- Large deposit
- Bastnaesite mineralogy
- Mineralisation from surface
- Very low U and Th (15 and 53 ppm)
- Thick blanket morphology
- Low in reagent consuming minerals

**NGUALLA MINE AND PROCESS PLANT**
- Soft, free dig Ore
- Simple, small open pit mine
- Low waste: Ore strip ratio (1.77)
- Zero offsite discharge + water recycle
- High Grade (45% REO), low mass concentrate
- Proven piloted process

**TEES VALLEY SEPARATOR**
- Selective leach process
- Low strength acids- no acid roast
- Modular plastic tanks
- Small SX separation plant
- Bulk, low-cost reagents available
- Pre-existing utilities
- Existing waste management facilities

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**NGUALLA RARE EARTH PROJECT: UNDERSTOOD – DE-RISKED – COMPETETIVE – MANAGABLE – READY TO BE DELIVERED**

- Low production cost
- Ethically sustainable
- Aligned to EV markets

- Long life
- High value, separated products

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See ASX Announcement: "BFS positions Ngualla one of world's lowest cost RE Projects" dated 12 April 2017 and ASX Announcement: "Process optimisation study boosts Ngualla’s operating margin" dated 28 August 2017
Corporate Snapshot

Capital Structure (as at 31 December 2019)

- Share Price (ASX:PEK): 3.9¢
- Shares on Issue (Undiluted): 1,305.3m
- 52 Week Range: 2.0¢/6.6¢

Market Capital
- A $50.9m

Cash As At 31 December 2019 Peak Resources
- A $2.9m

Enterprise Value
- $48.0m

Listed Options
(Exercisable at $0.06 expiring 14 June 2020)
- 61.1m

Unlisted Options Outstanding
(Exercise Price A$0.035- A$0.15)
- 160.8m

Unlisted Performance Rights
- 10m

1 Month Liquidity
- 20.5m shares for ~$0.8m

6 Month Liquidity
- 185m shares for ~$8.1m

12 Month Liquidity
- 430m shares for ~$19.6m

*ASX Volumes only

12 Month Share Price Performance

Top Shareholders

- Appian Pinnacle Holdco Limited: 435,488,554, 33.36%
- International Finance Corporation: 94,870,449, 7.27%
- J P Morgan Nominees Australia Limited: 47,476,639, 3.64%
- Sambold Pty Ltd: 16,325,000, 1.25%
- CRX Securities Pty Ltd: 14,500,000, 1.11%
- Directors and Management: 8,845,104, 0.68%
Why Peak Resources?

Peak Resources is set to become the leading rare earth operator outside of China

- The right Asset
- The right Market
- The right Team
- The right Investment

See ASX Announcement: “BFS positions Ngualla one of worlds lowest cost RE Projects” dated 12 April 2017 and ASX Announcement: “Process optimisation study boosts Ngualla’s operating margin” dated 28 August 2017
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