

NGUALLA RARE EARTH PROJECT, TANZANIA

Developing a Low Cost Rare Earth Project

1st JULY 2014 – GENERAL MEETING

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Competent Person Statement

The information in this report that relates to infrastructure, project execution and cost estimating is based on 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 in the report of 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 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 Oreology 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 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 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 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.

Capital Structure

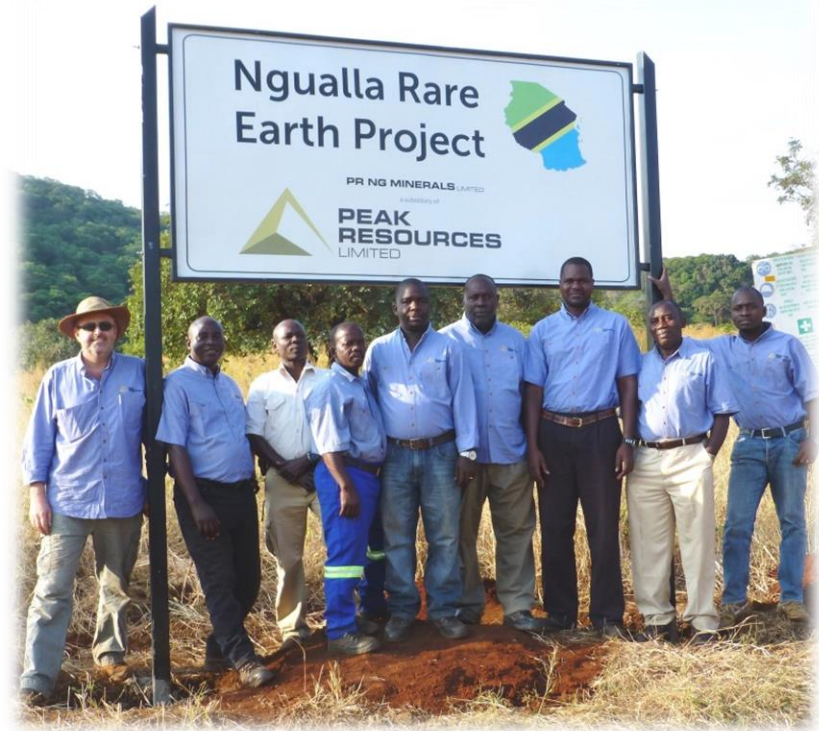


ASX: PEK At 27 June 2014
Ordinary Shares on Issue: 334.2m
1 year range: 5.4c to 16.2c

Market Cap at 0.066c: \$22.1m
Listed Options: PEKO: 51.7m (25c, expire 31 July 2014)
 PEKOA: 58.7m (10c, expire 30 June 2015)

Since the discovery of the Ngualla Rare Earth Deposit in August 2010, Peak has only expended AU\$16.0m on the Ngualla Project to complete the Resource Drill Out, Scoping Study and Preliminary Feasibility Study (March 2014).

This rapid, cost effective progress shows Peak has the deposit and the team to deliver positive results for stakeholders.



NEODYMIUM – PRASEODYMIUM



MID+HEAVY



LANTHANUM



CERIUM

Board & Management



Key Senior Staff

Alastair Hunter

Non- Executive Chairman

- 40+ years experience in exploration and management
- Formerly a Director of Peninsula Minerals NL, Matlock Mining NL and Anglo Australian Resources NL

Lucas Stanfield

Chief Development Officer

Darren Townsend

Managing Director

- 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

Gavin Beer

Consulting Metallurgist

Dave Hammond

Technical Director

- 25 years technical and management experience
- Former Exploration Manager with De Grey Mining Limited and Sons of Gwalia. Previously with Billiton/Gencor in Africa

Kibuta Ongwamuhana

Director, Peak Resources (Tanzania) Ltd.

Jonathan Murray

Non- Executive Director

- Partner at independent corporate law firm Steinepreis Paganin specialising in equity capital raisings, acquisitions and divestments, governance and corporate compliance

James Wheeler

Country Manager, Tanzania

Jeff Dawkins

CFO/Company Secretary

- 20 years in corporate roles in Perth, London and Singapore. Senior Finance experience with listed resource companies

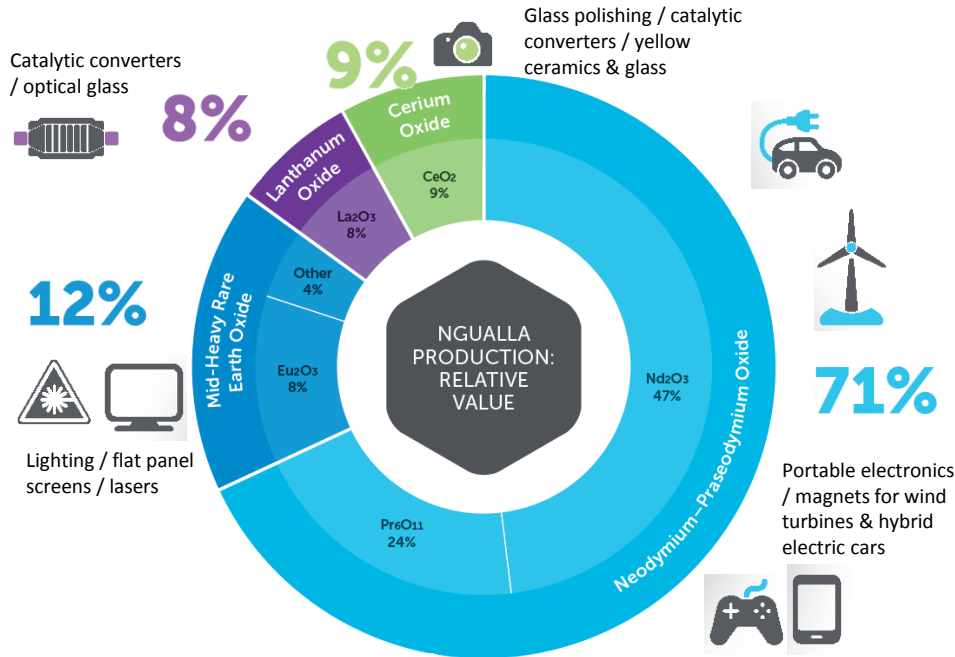
Patrick Ochieng

Project Manager, Ngualla

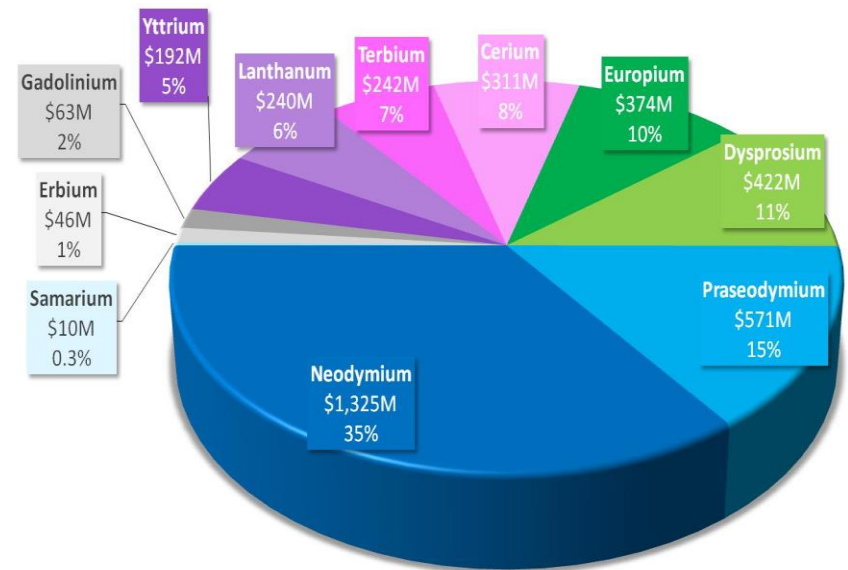
Rare Earth Applications

- Green technologies and consumer electronics
- 2013: \$3-4B market, ~108,500tpa REO (2014, IMCOA)
- **The magnet industry** (Nd – Pr) is the largest consumer of rare earths (>35% by value) and is forecast to show the highest growth at 10%pa driven by increasing demand from the wind turbine, automobile and personal electronics sectors

Peak Resources Ngualla Project relative value contributors by product type and constituent REO's



2016 Forecast Consumption by Sector

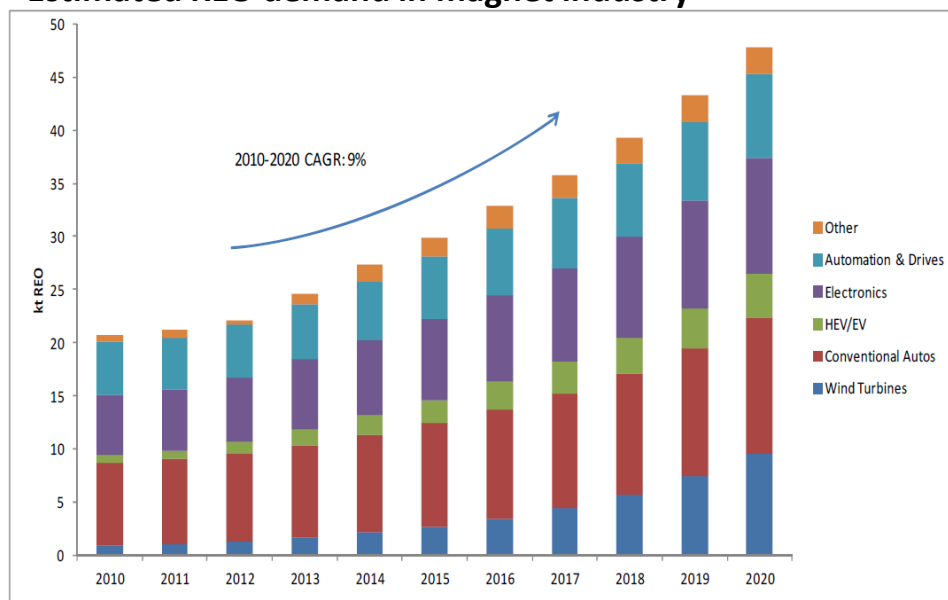


Rare Earth Magnets

- Growth driven by automotive industry, wind farms and hybrid and electric vehicles
- NdFeB magnets the largest market at 23,000t in 2013
- Hybrid and electric vehicles: 15-20% forecast growth 2012-20
- Direct drive technologies for large new offshore wind turbines rely on NdFeB magnets



Estimated REO demand in magnet industry

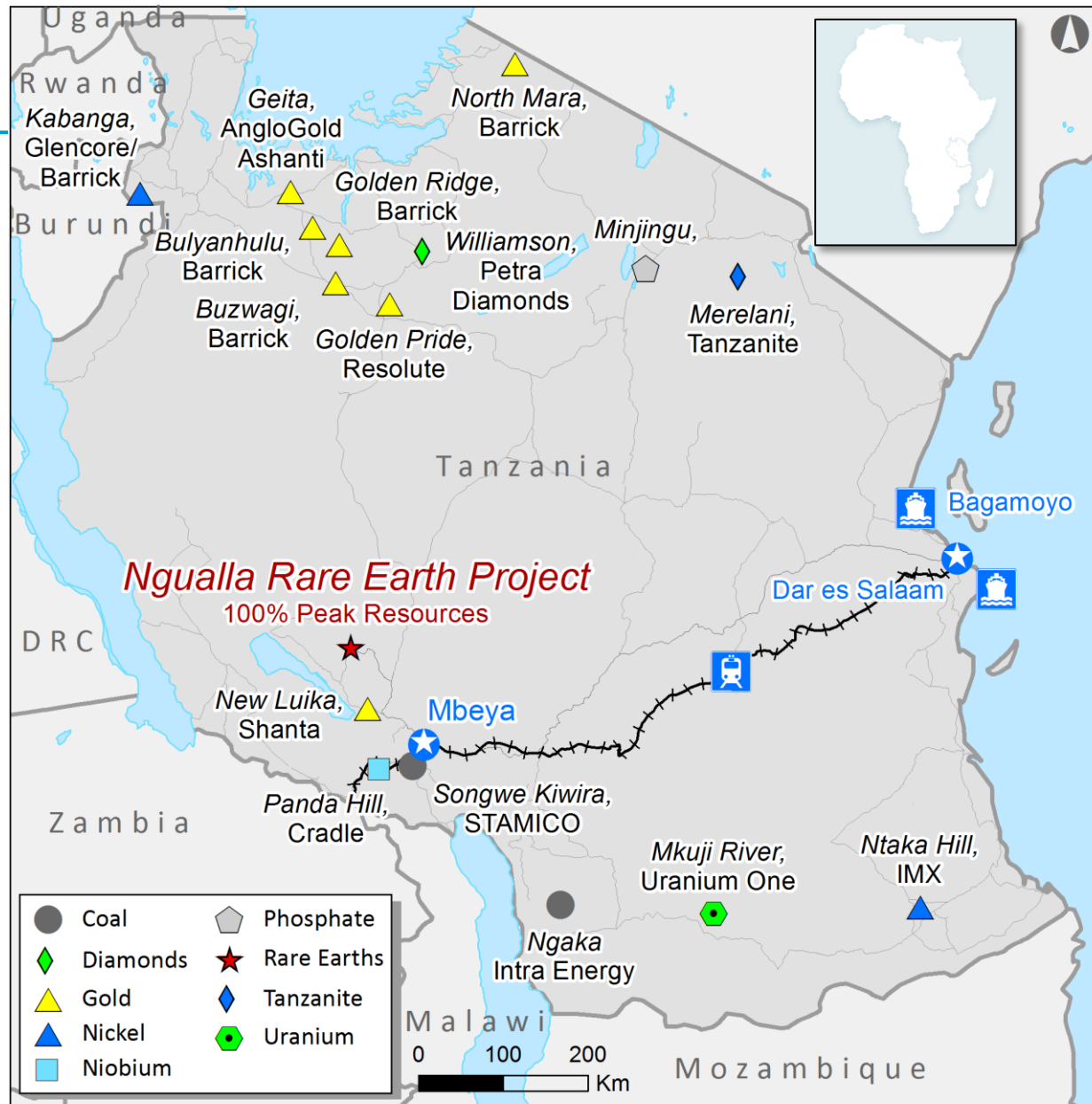


Source: Lynas Corporation Presentation 30 April 2014



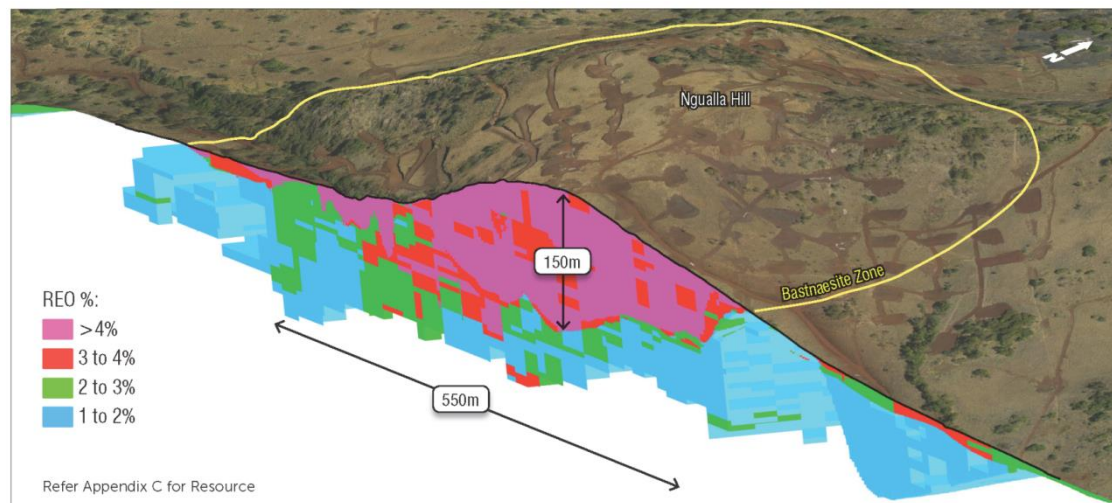
Tanzania

- Established mining culture
- Third largest gold producer in Africa
- Politically stable
- Government investment incentives and guarantees
- Transportation infrastructure



Ngualla Resource

- 195Mt at 2.26% REO containing 4.4Mt REO including:
 - Bastnaesite Zone weathered: 21.6Mt at 4.54% REO for 982,000t contained REO
- One of the highest grade undeveloped Rare Earth projects in the world (See Appendix D for project comparison)
- Open pit mining, low strip
- 58 year mine life in Bastnaesite Zone alone
- Simple logistics- low tonnage high value product



Ngualla Ore Reserve

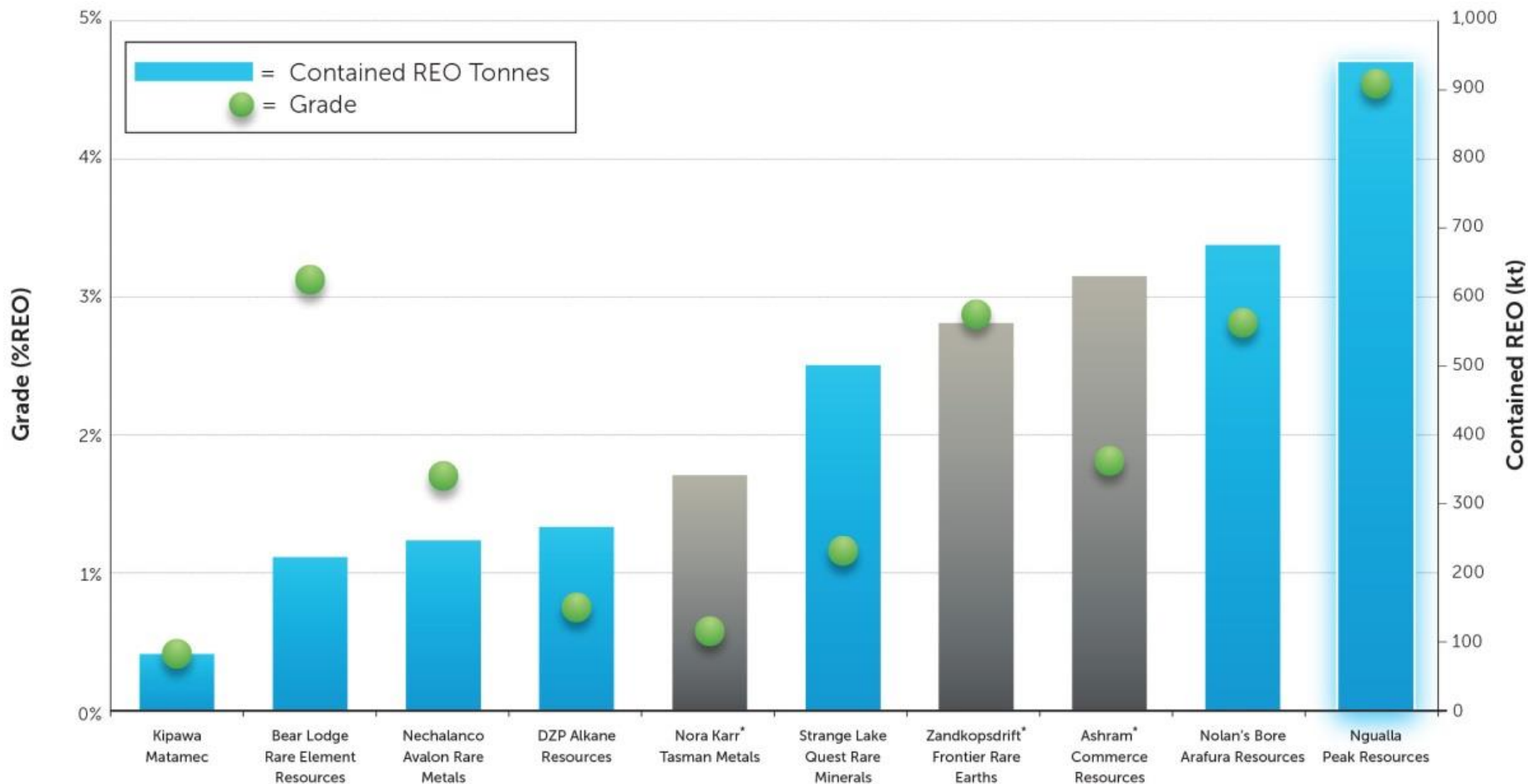
- 86% of Reserve is highest category of Proved
- Reserve positions Ngualla as one of the largest in the world outside of China
- Reserve represents only 22% of Resource (contained REO tonnes)

Reserve Summary and Classification

Classification	Ore Tonnes (Mt)	REO %	Contained REO tonnes
Proved	18.0	4.53	817,000
Probable	2.70	4.62	124,000
Total	20.7	4.54	941,000

A 3% cut-off grade is applied. Reported according to the JORC Code and Guidelines in ASX announcement 'Ngualla Rare Earth Project - Maiden Ore Reserve' of 19 March 2014.

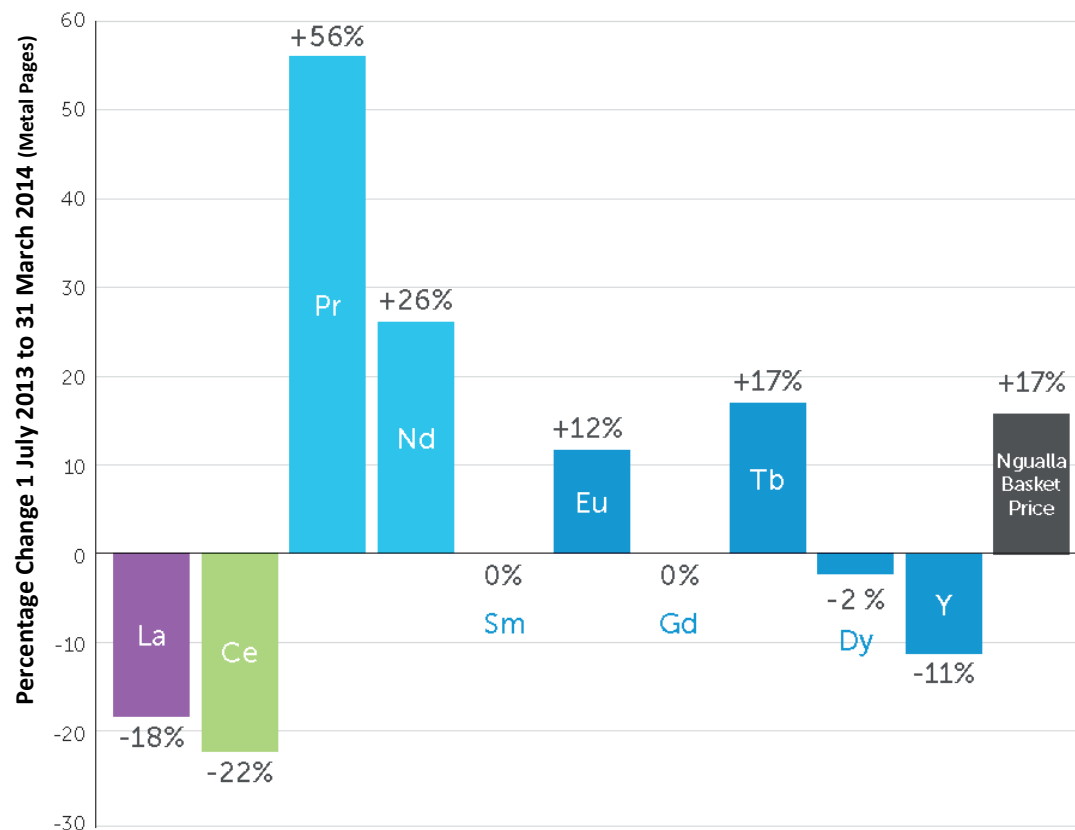
Ngualla a Giant Deposit



Ore Reserves (blue) or life of mining schedules (grey) from Company filings

Ngualla's Value drivers – Nd, Pr, Eu

Recent price movements



- Rare earth price movements since 1 July 2013
- Ngualla's main value drivers show large price increases
- Ngualla's forecast annual production of Nd and Pr is equal to just **73%** of one year's forecast demand growth
- Aligned with Rare Earth market value, demand and growth
- 83% revenue underpinned by high value Magnet and Critical rare earths
- Increasing demand will support prices

Mineralogy – key to low risk and costs

Mineralogy distinguishes a quality deposit

- Weathered Bastnaesite Zone – simple mineralogy
- Host rock leached of carbonates
- No phosphate or monazite
- Non radioactive – U 16ppm, Th 59ppm in Ore Reserve

Enables simple 3 stage metallurgical process



Diamond core NDD006:

Weathered iron oxide- barite carbonatite containing high grade mineralisation, **3 to 8 % REO**.

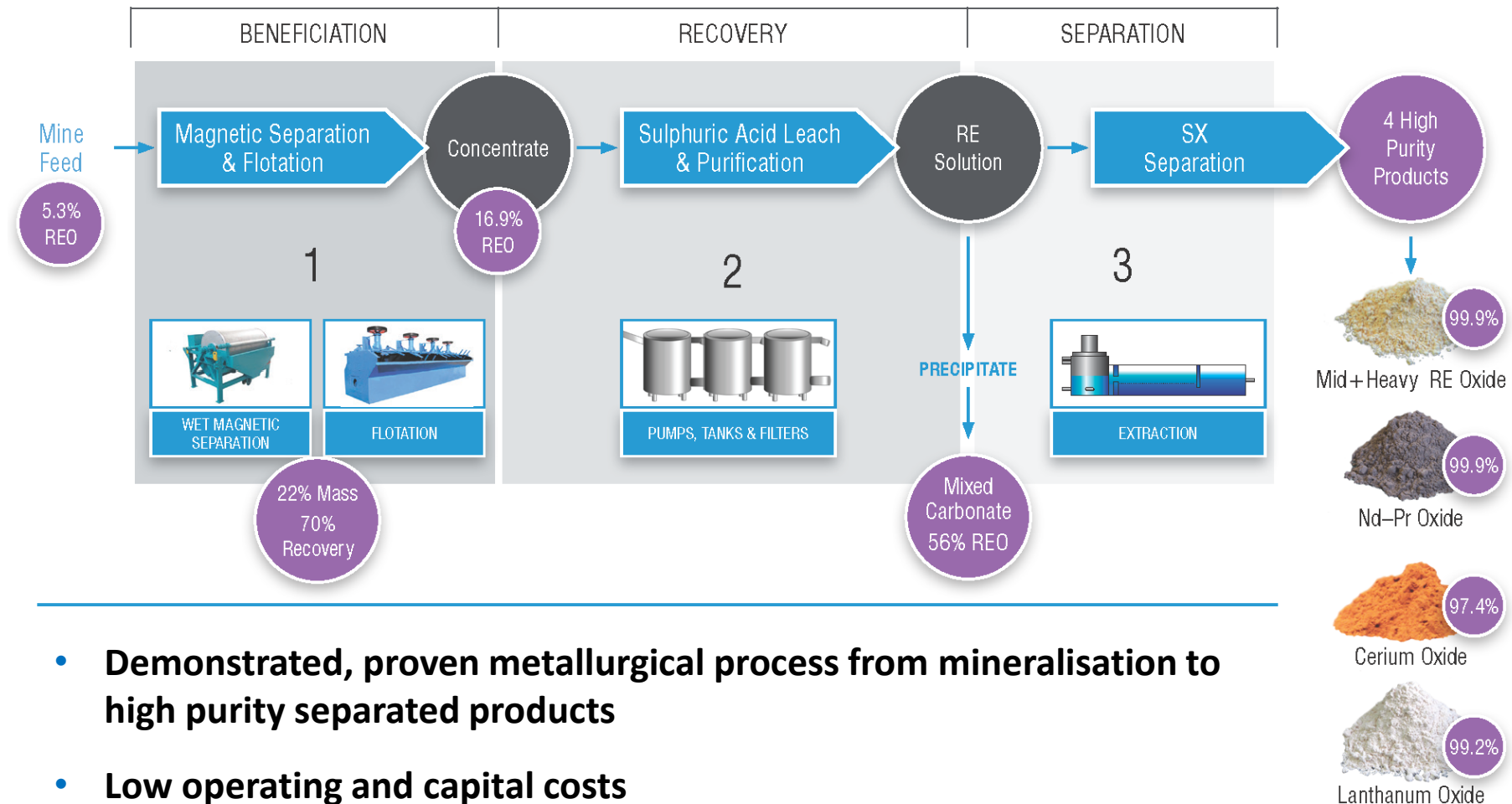
Amenable to simple sulphuric acid leach as majority of carbonate minerals removed through weathering.

Sharp karstic surface contact between weathered and fresh carbonatite.

Fresh carbonatite rock containing primary mineralisation **1 to 2.5% REO**.

Metallurgy - Overview

- **Simple three stage process**



- **Demonstrated, proven metallurgical process from mineralisation to high purity separated products**
- **Low operating and capital costs**

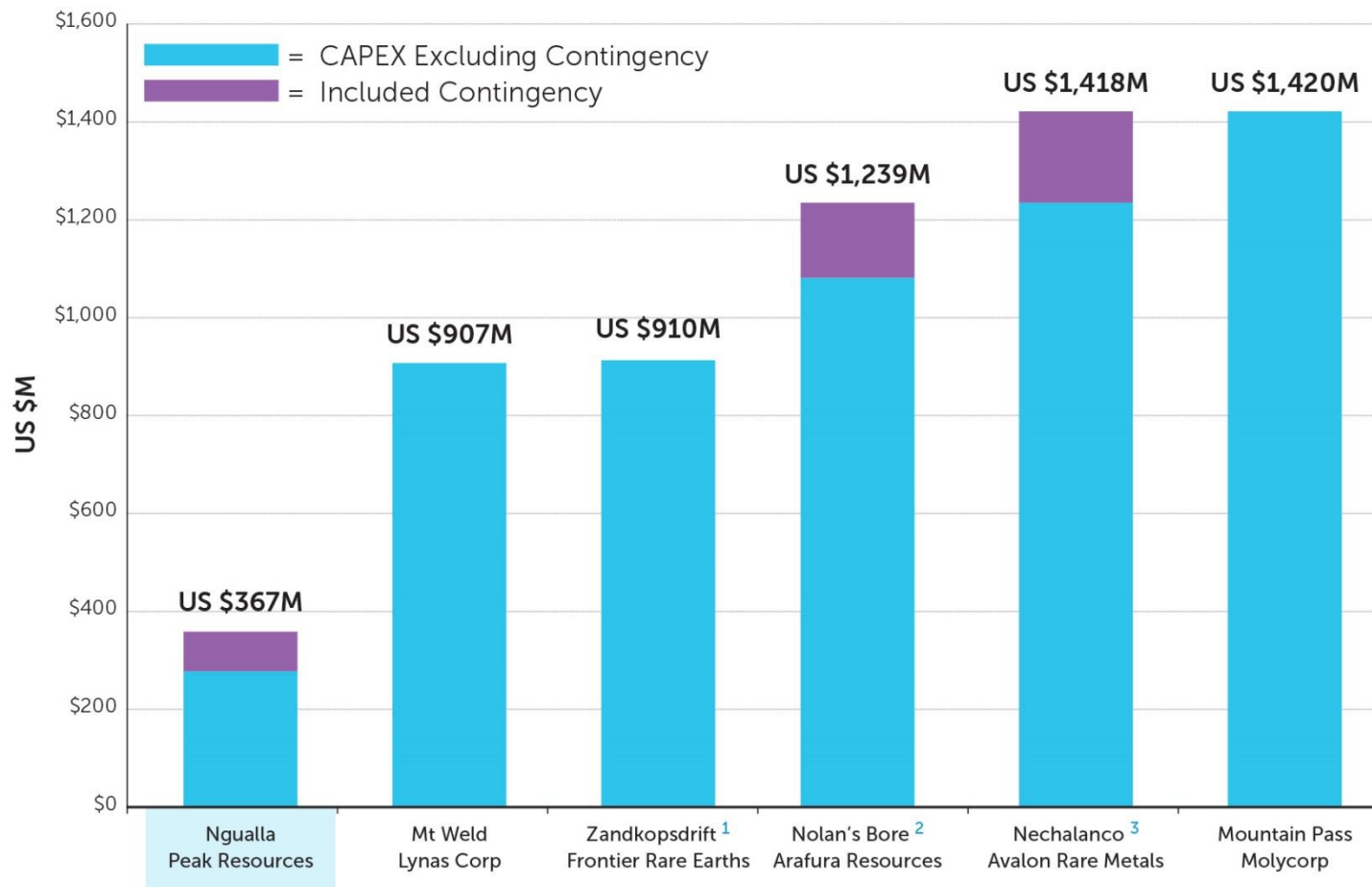
Economic Assessment – (Preliminary Feasibility Study March 2014)

NPV & IRR	NPV @ 10% discount rate (Post-tax and Royalties)	US\$ 1.005 billion
	IRR (Post-tax and Royalties)	39%
Capital Expenditure	Capital cost (including 30% contingency)	US\$ 367 million
	Pay back from production start up	In 3 rd Year
Cash Cost	Average (LoM) Cash Cost (FOB) (excluding amortisation, depreciation and royalties)	US\$ 11.74 / kg
Financial KPIs	Average Annual Revenue (after Ramp Up)	US\$ 295 million
	Average Annual Post-Tax and Royalties Cashflow	US\$ 121 million
	In-Ground Basket Price (FOB)	US\$ 29.29 / kg
	Average Annual REO Production	10,069 tonnes

The Economic Assessment assumptions are contained within the 'Peak Resources Delivers Robust PFS for Ngualla' ASX announcement of 19 March 2014

Please refer to safe-harbour statement at beginning of this presentation

CAPEX Comparisons – US\$M

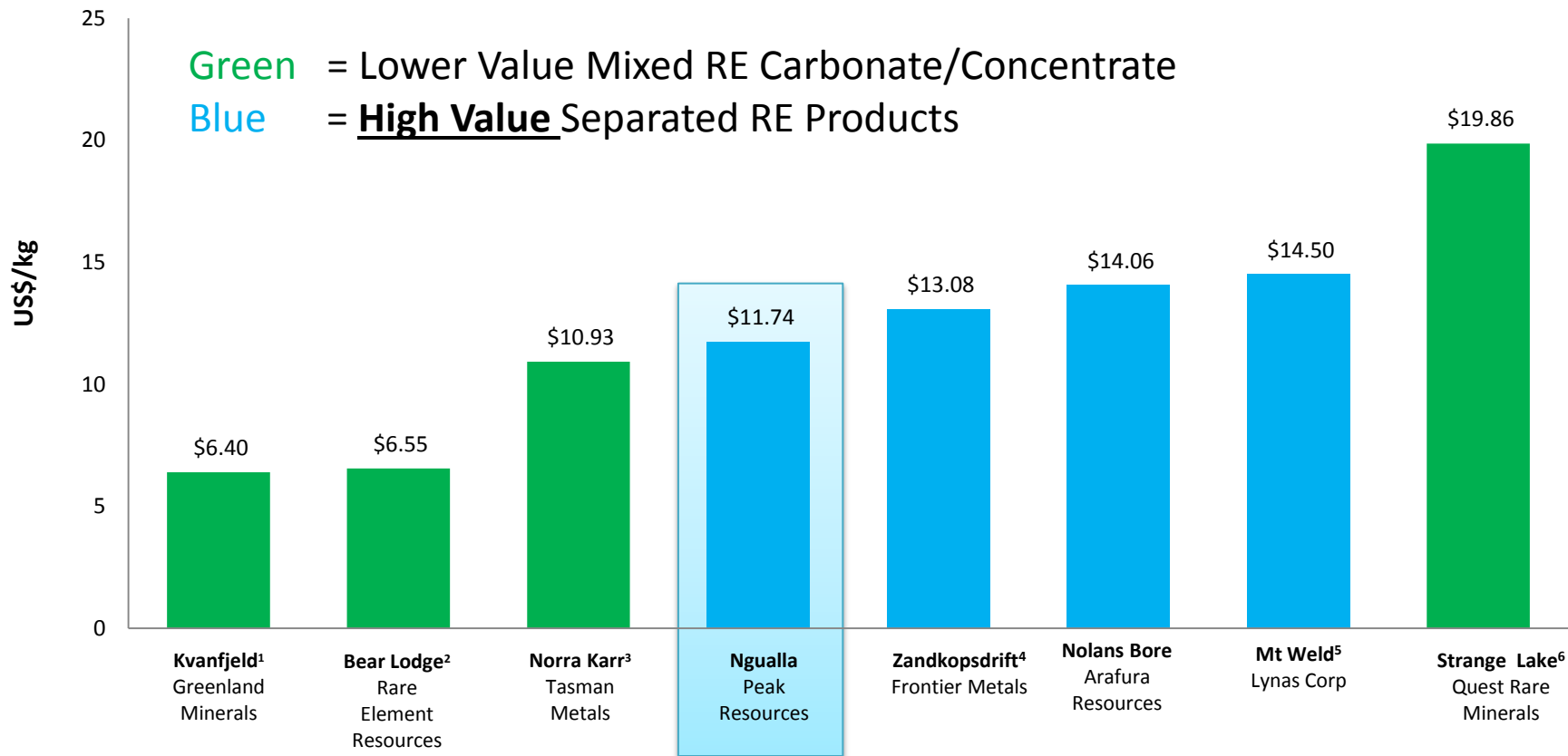


1. Production of 20,000t of separated rare earth oxides
2. Production of 20,000t of separated rare earth oxides. Uranium, gypsum, phosphate by-products
3. Production of 20,000t of separated rare earth oxides. Zirconium by-product

Source: Company filings

Capital cost comparisons of major rare earth development and production projects

OPEX Comparisons – US\$/kg contained REO Product



1. Mixed rare earth carbonate. After uranium and zinc by product credits 'Mine and Concentrator Study 26th March 2013'
2. Mixed rare earth concentrate (+90% REO) 'Technical Report 43-101 26th June 2013'
3. Mixed rare earth carbonate, grade unknown (50-60% REO?) 'PEA 43-101 9th July 2013'
4. Opex per saleable RE product 'PEA 30th March 2012'
5. Production cost target at 22,000tpa REO production rate \$14-15/kg 'Quarterly Reports 2013'
6. Opex for REO based on relative values of REO to by-products (niobium & zirconium)

Source: Company filings

Development Pathway

- **Secure strategic investor, technical and off take partners**
 - MOU with Chinese end user signed 12 December 2013
 - Discussions are progressing positively with a number of potential strategic partners in China, the Middle East, as well as financial institutions in the United Kingdom, Europe and Australia with the objective of funding the development of the Ngualla Rare Earth Project.
 - Aim is to secure a Strategic Investor to further enhance project credibility, minimise dilution for existing shareholders.
 - Asset retains full strategic appeal with no marketing/off take currently in place.
 - Strong expression of interest from a party in relation to a potential off take agreement for a portion of Peak's planned 10,000 tonne per annum Separated Rare Earth Production.
 - Prefer solutions that have strategic benefits such as technical expertise, access to low cost (semi) government debt, cradle to the grave financing solutions.

Current Development Work

- Trenching on site to obtain 16 tonne bulk sample for beneficiation pilot plant operation
- Flotation test work in progress at IMO in Perth targeting increased REO recoveries and concentrate grades to further reduce OPEX
- Baseline environmental surveys commencing to support ESIA for regulatory approvals



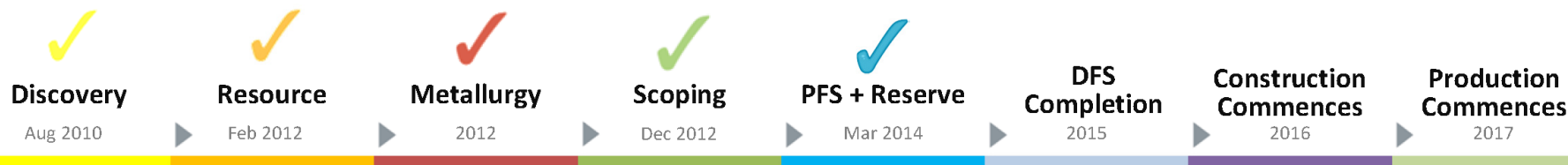
Development Pathway

- **Metallurgical process optimisation**

- Optimisation of beneficiation- A visit to a specialist rare earth mineral processing institution in China was recently completed to investigate the potential to use Chinese technology and experience to further optimise the beneficiation process. This will be completed parallel with further beneficiation work in Australia.
- Acid leach optimisation
- Acid recycling

- **Definitive Feasibility Study**

- Beneficiation and acid leach pilot plants



Investment Highlights of Ngualla Project- Tanzania

Economic Assessment – (Preliminary Feasibility Study)

- Magnet and Critical Rare Earths
- High value Growth Markets



83%
OF
ANNUAL
REVENUE

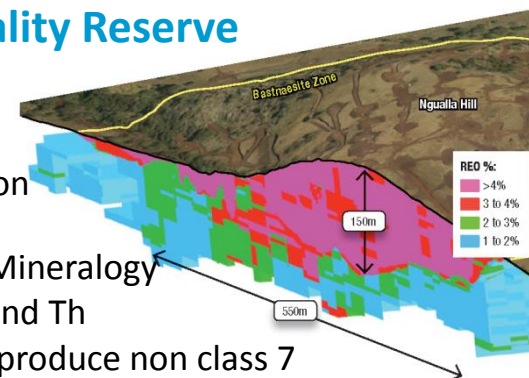


Robust Project Economics (Preliminary Feasibility Study)

- Low OPEX US\$11.74/kg separated rare earth products
- Low CAPEX US\$367M (including SX Plant and 30% contingency)
- Average Annual Revenue US\$295M
Payback in 3rd year
- >50 year mine life

Large Quality Reserve

- High grade
- Mineralisation at surface
- Favourable Mineralogy
- Very low U and Th
- Potential to produce non class 7 concentrate



Metallurgical Process

- Demonstrated low cost processing route from mineralisation to high purity separated rare earth oxides



Developing a low cost rare earth project in Tanzania

Thank you

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Appendix A – Product and value splits

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

These include the higher value ‘Critical RE’s’ 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 are relative by-products at only 17% of the total revenue.

Product	Status of production of high purity REO products	Total equivalent REO Production t/y*	Relative Value Contribution
Nd – Pr Oxide	✓ Completed	2,250	71%
Mid+Heavy Oxide	✓ Completed	245	12%
La Oxide	✓ Completed	3,042	8%
Ce Oxide	✓ Completed	4,542	9%
Total		10,069	100%

Appendix B – JORC Resource Estimates

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

Lower cut-off grade	Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	TOTAL	21.6	4.54	982,000

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

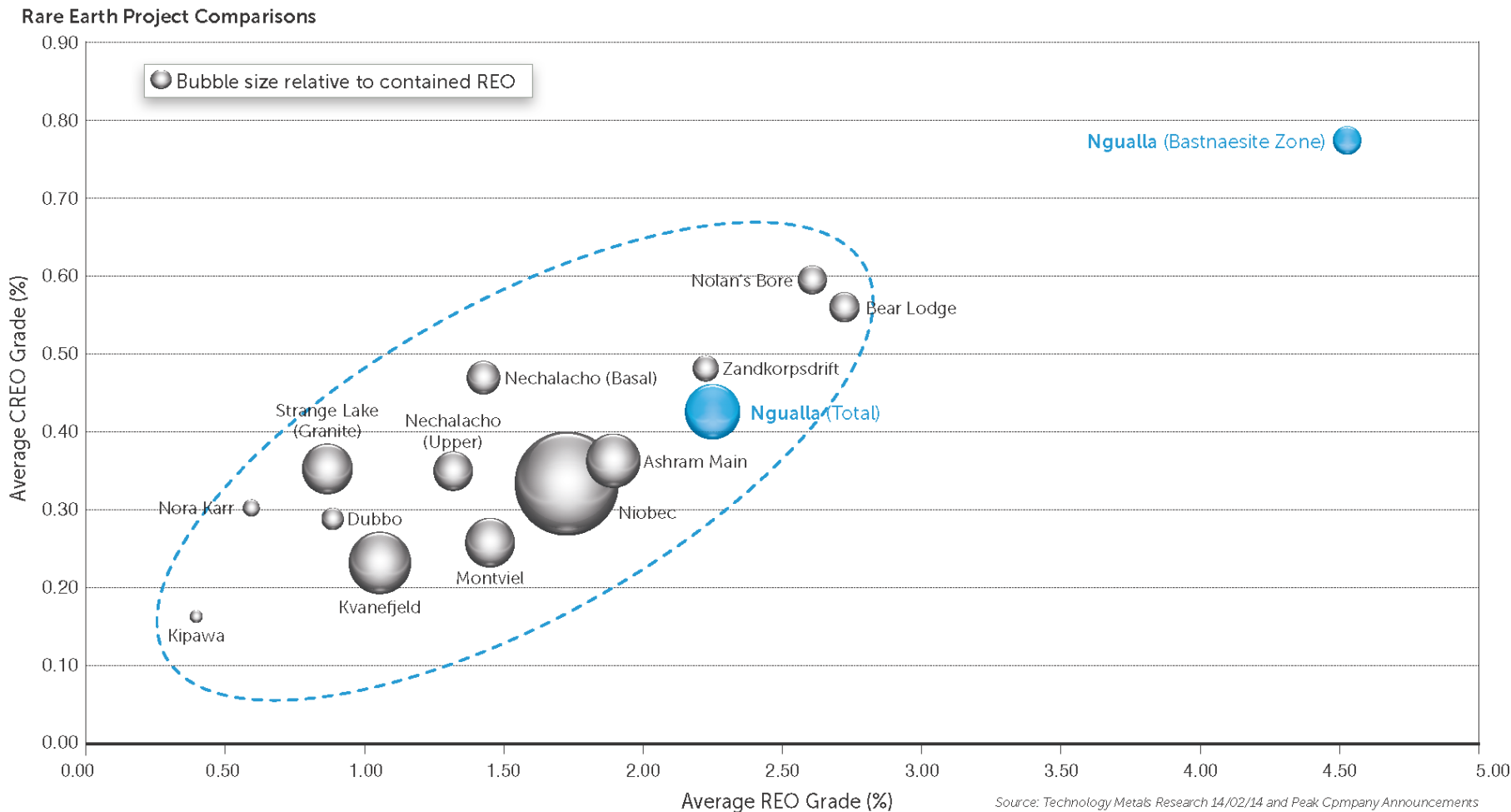
Lower cut-off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
1.0% REO	Measured	81	2.66	2,100,000
	Indicated	94	2.02	1,900,000
	Inferred	20	1.83	380,000
	TOTAL	195	2.26	4,400,000

* 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.

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Appendix C – Globally significant RE Deposits – Grade is King

- Critical rare earths and head grade have Ngualla ‘outside the pack’



Appendix D – Demand versus Peak Planned Supply

		2013 WORLD MARKET			Forecast	Peak Planned Annual Production
Rare Earth Oxide		2013 Demand (tonnes)^	Price (US\$/kg)*	Value (US\$ M)	Average Annual Growth to 2017 (tonnes p.a)	(tonnes p.a)
Light Rare Earths	Lanthanum	31,700	\$7.56	240	2,275	3,042
	Cerium	39,850	\$7.80	311	2,861	4,542
	Praseodymium	6,075	\$93.96	571	3,081	2,240 combined
	Neodymium	18,925	\$70.01	1,325		
	Samarium	730	\$14.12	10	168	
Heavy Rare Earths	Europium	330	\$1,132.60	374	706	245 combined
	Gadolinium	1,360	\$46.50	63		
	Terbium	255	\$949.04	242		
	Dysprosium	780	\$540.38	422		
	Erbium	780	\$59.50	46		
	Yttrium	7,585	\$25.27	192		
	Ho-Tm-Yb-Lu	130	-	-	34	-
Total		108,500		\$3,795	9,125	10,069

* Average Metal Pages Price for Calendar Year 2013 except for Erbium which is based on Ngualla PFS Price

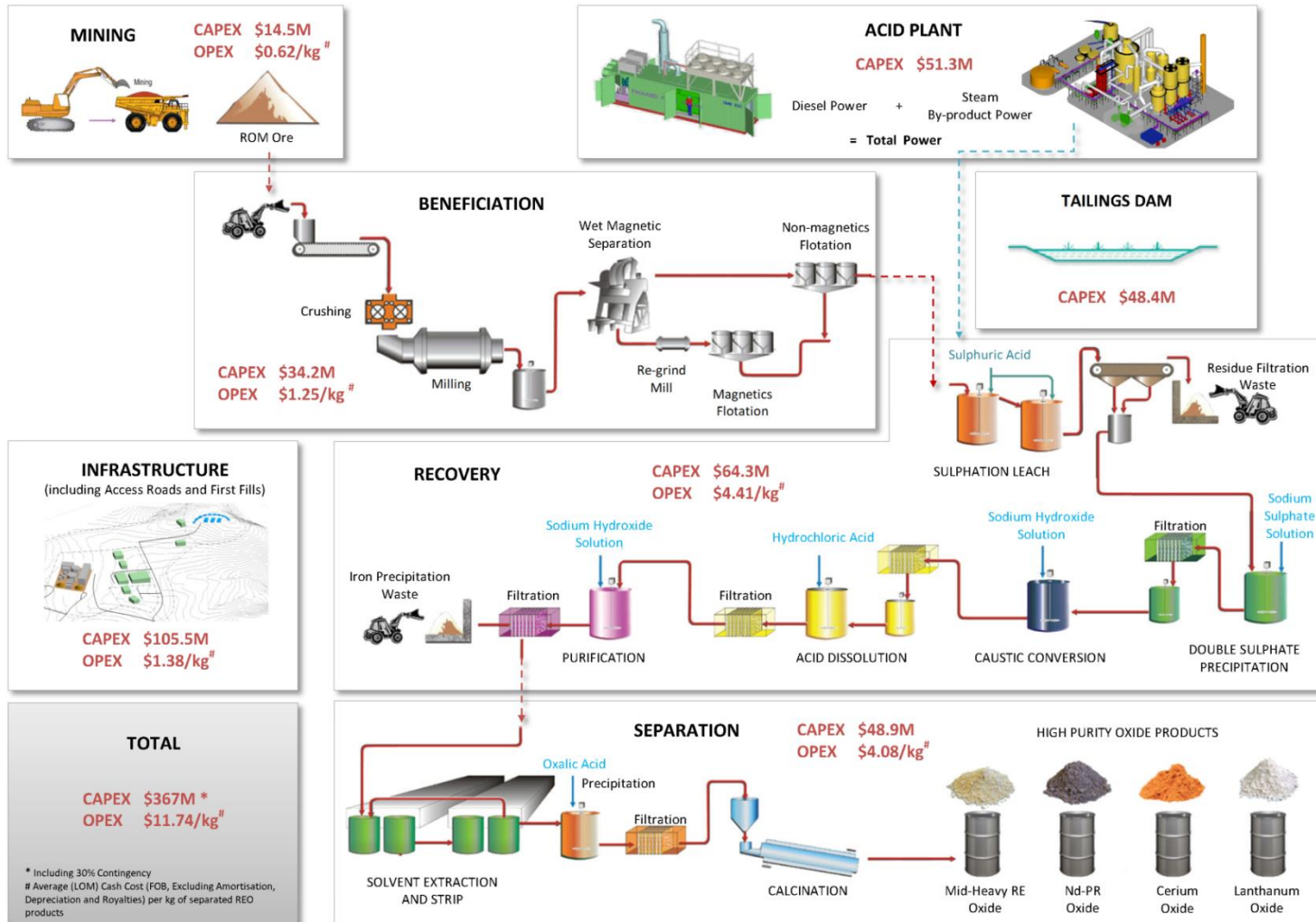
^ IMCOA, Rare Earths Quarterly Bulletin 6, 5 February 2014

• Critical Rare Earth, US DoE 'Critical Materials Strategy report, December 2011'

- **Light RE:** \$2.4billion or 65% annual market value. **Heavy RE:** 35%
- **Magnet metals:** Nd – Pr are 50% of 2013 world market value and forecast to grow to 54% in 2016

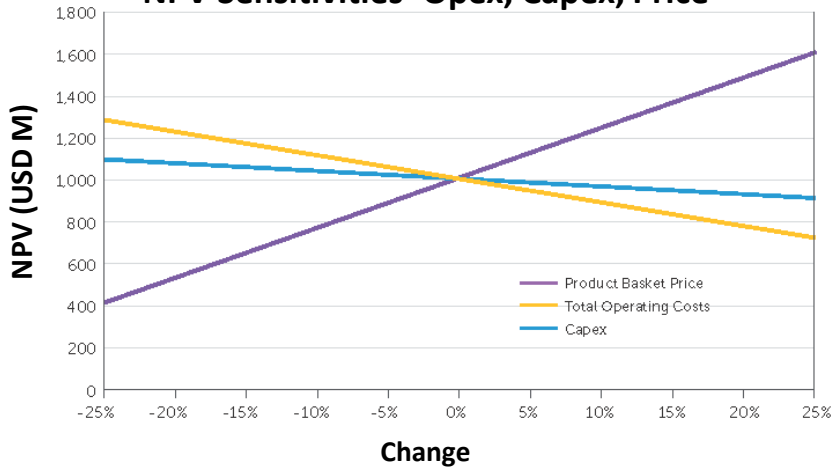
Appendix E - Segment Capital and Opex

Preliminary Feasibility Study

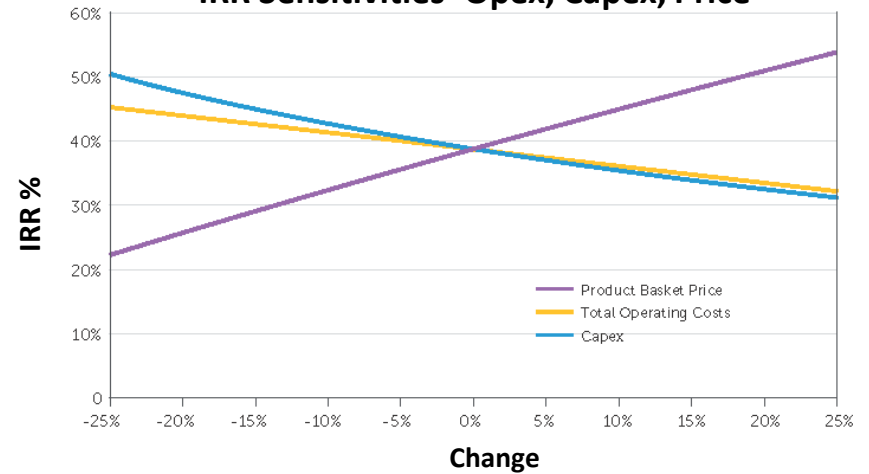


Appendix F - Economic Sensitivity – PFS

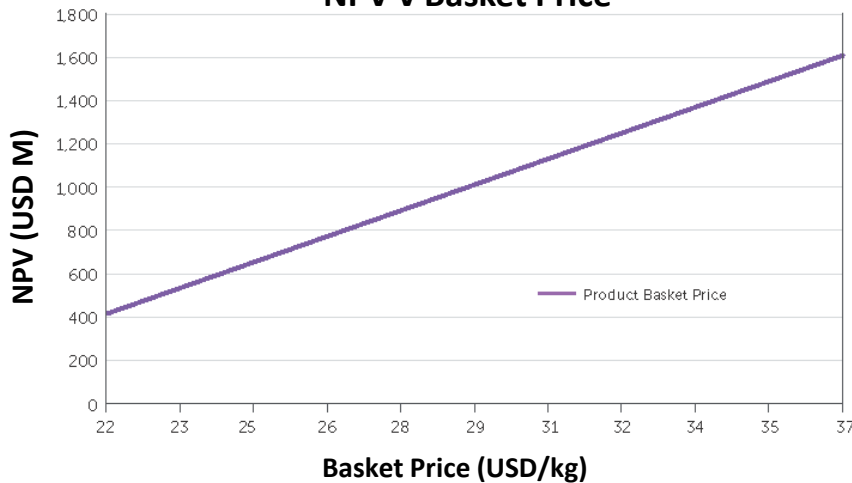
NPV Sensitivities- Opex, Capex, Price



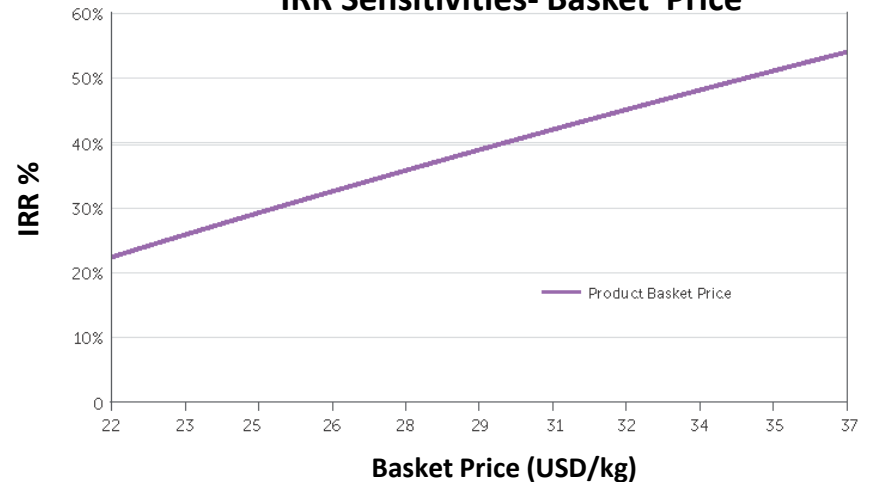
IRR Sensitivities- Opex, Capex, Price



NPV v Basket Price



IRR Sensitivities- Basket Price



Appendix G

List of specialist consultants behind the Peak team

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