

# Powering the green transformation

## Annual General Meeting

November 2021



**ASX: PEK**

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## Compliance Statement

Information contained in this presentation relating to financial forecasts, production targets, infrastructure, project execution, cost estimating, metallurgical test work, exploration results, Mineral Resource estimates, Ore Reserve estimates and studies are taken from the Company's ASX announcements dated 22 February 2016, 2 March 2017, 12 April 2017, 28 August 2017, 12 October 2017, 25 August 2021 and 28 October 2021. The ASX announcements are available to view on <https://www.peakresources.com.au/asx-announcements/>. The Company confirms that at this time it is not aware of any new information or data that materially affects the information included in the relevant announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that at this time the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. The Company also advises that it is undertaking a Bankable Feasibility Study Update and negotiating an Economic Framework Agreement with the Government of Tanzania, and the outcome of one or both, may confirm new information or data that materially affects the information included in the relevant announcement.

# 1. The opportunity



# 2021 ... global decarbonisation builds momentum

Commitments from COP26 will further expedite global transition to green energy



1

## Governments continue to pledge to emissions targets...

- **100+ countries** have signed a pledge to reduce methane emissions by 30% by 2030
- **190 countries and organisations** have committed to phasing out coal generated power
- **20 countries** have committed to cease funding oil, coal and gas projects by the end of 2022. **Five large public banks**, including the European Investment Bank, have committed to the same pledge
- **30+ countries** and **dozens of states and cities**, have committed to the **phase-out** of the sale of new **internal combustion engine** (ICE) vehicles by 2035

2

## ...with growing funding for decarbonisation initiatives



Biden Administration has pledged **US\$555b** in incentives and investments aimed at the deployment of renewable energy and electric vehicles in the U.S



UK Government has committed to **£3.2b** in funding towards EV and offshore wind development plus **£350m** to its Automotive Transformation Fund



Canadian Government has committed **C\$964m** to support smart renewable energy and grid modernisation aimed at lowering emissions



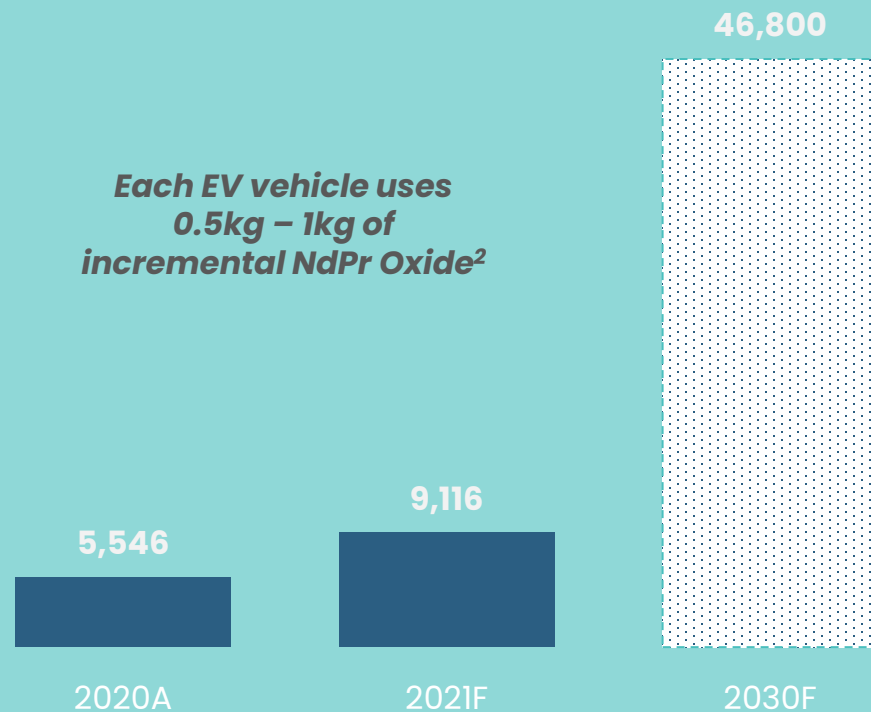
Japanese Government has committed to a **US\$17.6b** fund to assist ambitious green projects over the next decade

# 2021 ... EV growth continues to accelerate

Governments and auto brands commit to the phase-out of ICE vehicles

## EV Growth<sup>1</sup>

(global registrations, thousands)



## 1

### Manufacturer EV Targets



+1m EV capacity



40% EV sales by 2030



ICE phase-out by 2035



100% EV by 2025



ICE phase-out by 2030



ICE phase-out by 2030



ICE phase-out by 2036



ICE phase-out by 2030



70% EV Europe by 2030



ICE phase-out by 2030



15x new BEV in 2025



50% sales EV/hybrids by 2030



ICE phase-out by 2040

## 2

### Government / State EV Targets



Ban ICE sales by 2030



Ban ICE sales by 2040



Ban ICE sales by 2040



Ban ICE sales by 2025



Ban ICE sales by 2030



Proposed ban ICE sales 2035



Proposed ban ICE sales 2035



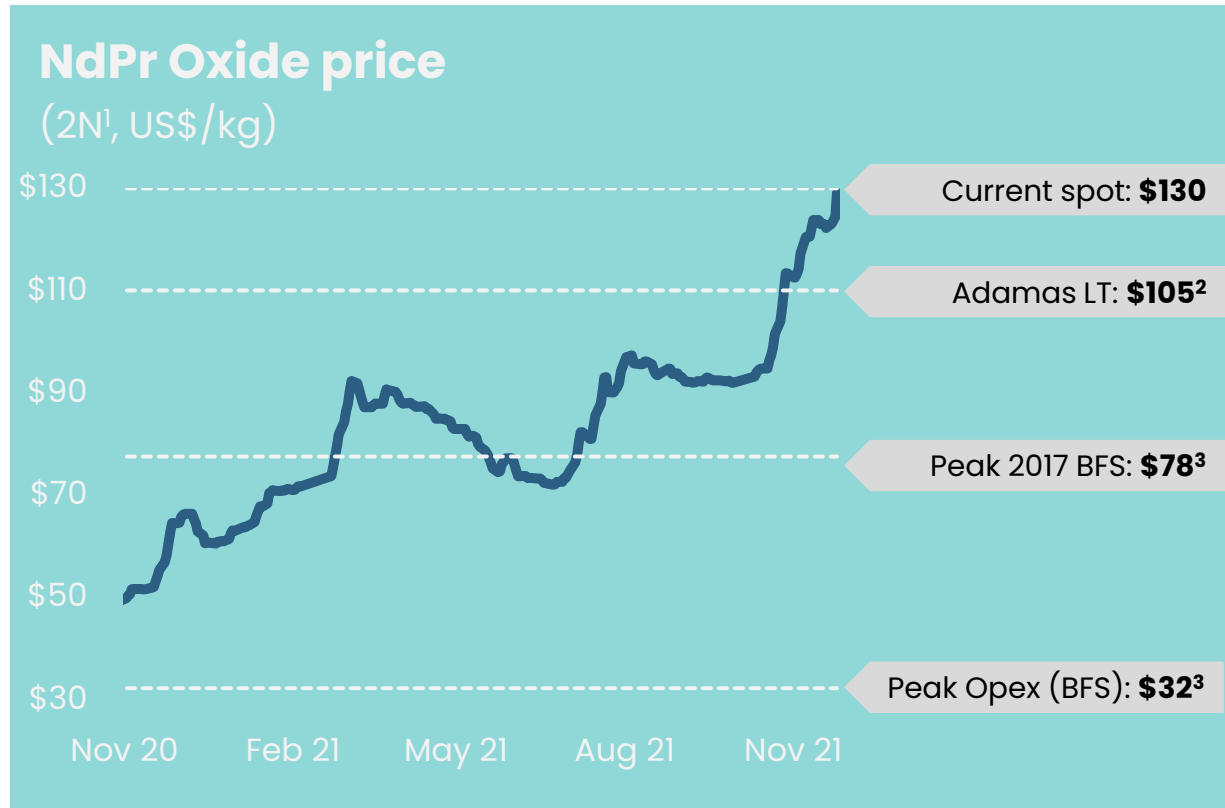
Ban ICE sales by 2035



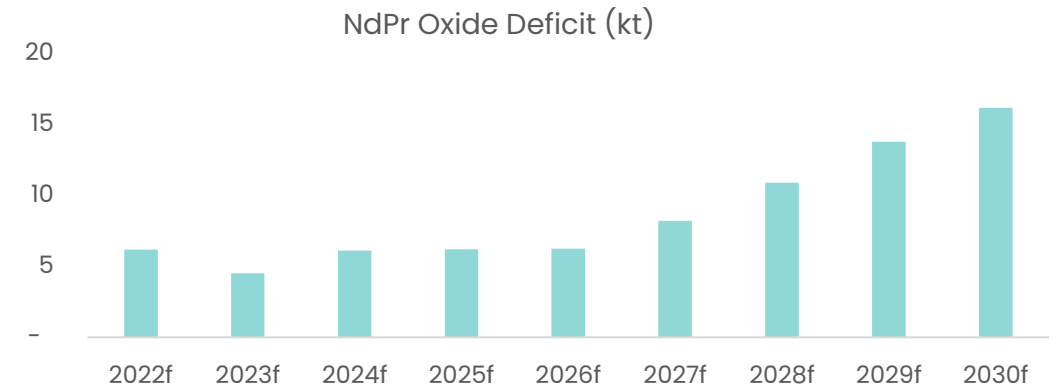
# 2021 ... EV penetration continues to drive NdPr price

Since November 2020, the spot price for NdPr Oxide has risen 159%

## Rising NdPr Oxide Prices



## Emerging Market Deficit



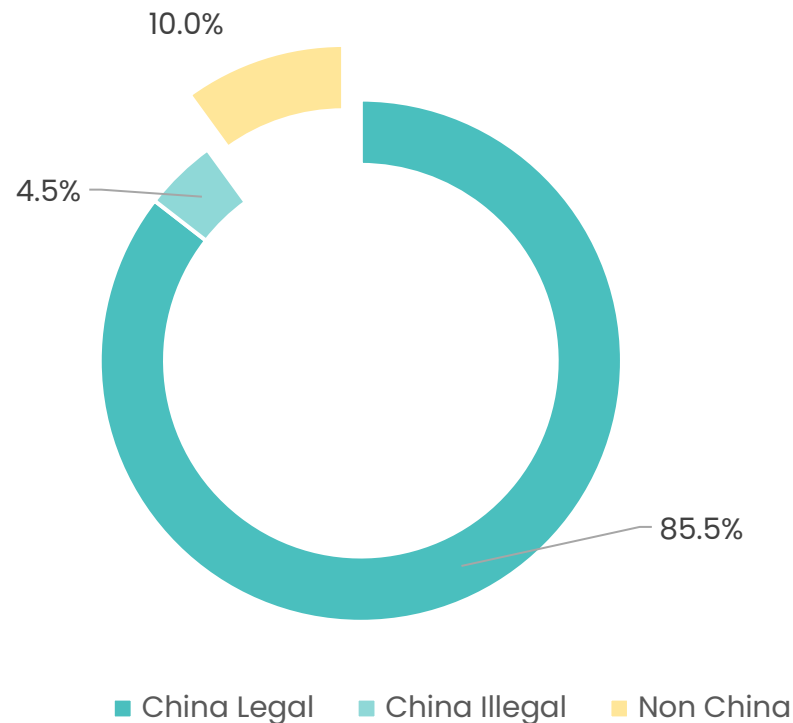
## Green transformation driving demand

- **Behind each EV battery is a motor**
  - Each EV requires ~2kg of NdPr Oxide
- **Transition to renewable energy**
  - Each 1MW from direct drive wind turbines requires ~200kg of NdPr Oxide
- **Emergence of hydrogen vehicles**
  - Hydrogen vehicles also use NdFeB magnets

# The need for diversity of supply

Increasing international focus on the need for diversity of supply and supporting rare earths production outside of China

Global Rare Earth Production



## Need for Diversity of Supply... Key Points

- China's dominance in supply
- Strategic importance of rare earths
- Rumoured further Chinese consolidation
- Nexus with e-mobility and decarbonisation
- Increasing market tightness
- COVID-19 related supply disruptions
- Rising geo-political and trade tensions

## International Developments... Recent Initiatives

- **Australian Government** – “Resources Technology and Critical Minerals Processing National Manufacturing Priority” road map
- **European Union** – European Commission President, Ursula von der Leyen, warning against over-reliance on China for rare earths
- **United States** – President Biden issuing an executive order to review critical material supply chains including rare earths

## 2. Who we are





# Positioned to be the next integrated NdPr producer

A unique Tanzanian-UK opportunity to develop integrated world-class rare earth operations to support global decarbonisation



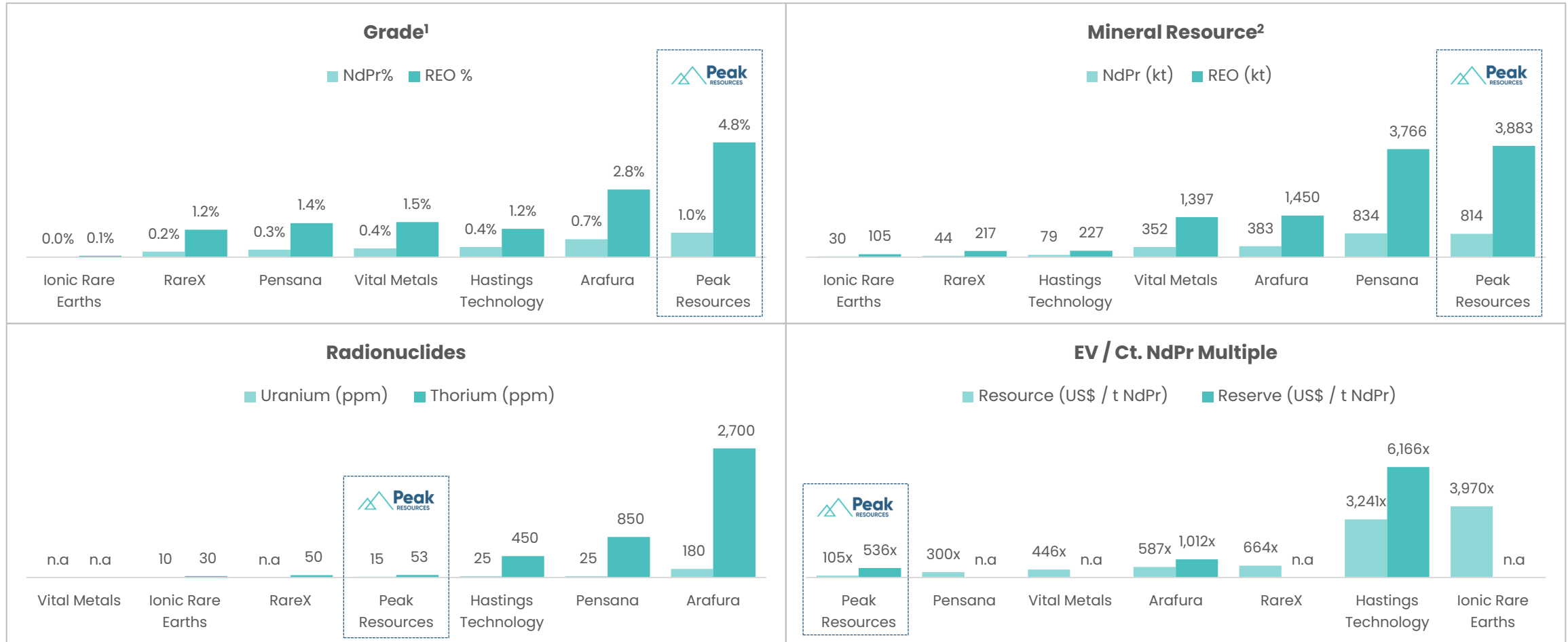
# Peak's investment thesis

## Differentiated rare earth exposure...world class high-grade deposit with de-risked integrated strategy

1.	<b>Compelling NdPr / market outlook</b>	<ul style="list-style-type: none"><li>• Strong nexus to global decarbonisation initiatives</li><li>• Rapid growth in EV and wind turbines</li><li>• Increasing prices and market tightness</li></ul>
2.	<b>World class high-grade deposit<sup>1</sup></b>	<ul style="list-style-type: none"><li>• High grade (4.8% TREO) with low radionuclides and acid consuming elements</li><li>• +20 year mine life (based on Reserves)</li><li>• Low opex and capex intensity</li></ul>
3.	<b>Vertically integrated</b>	<ul style="list-style-type: none"><li>• Integrated operation from Ore-to-NdPr Oxide</li><li>• Optimised margins across value-chain</li><li>• Reduced reliance on Chinese refiners</li></ul>
4.	<b>"Plug &amp; Play" refinery solution<sup>2</sup></b>	<ul style="list-style-type: none"><li>• Strategic location with 250-year lease</li><li>• Proximity to infrastructure and utilities</li><li>• Benefits from "Freeport" status</li></ul>
5.	<b>De-risked execution strategy<sup>1,3</sup> and compelling value</b>	<ul style="list-style-type: none"><li>• SML approved by Tanzanian Cabinet with all key approvals in place</li><li>• Flowsheet based on extensive pilot plant work</li><li>• Robust BFS completed in 2017 with BFS update underway</li><li>• Supporting robust economics and returns</li></ul>
6.	<b>Experienced Board and Management</b>	<ul style="list-style-type: none"><li>• Well-rounded Board with combined technical, commercial, governance and Tanzanian experience</li><li>• Management team with extensive international and African mining, marketing and rare earth expertise</li></ul>

# Compelling peer positioning

Peak contains the highest grade and largest resource endowment of all rare earth developers and low radionuclides, whilst also trading at a significant multiples discount



# 3. Where we've come from



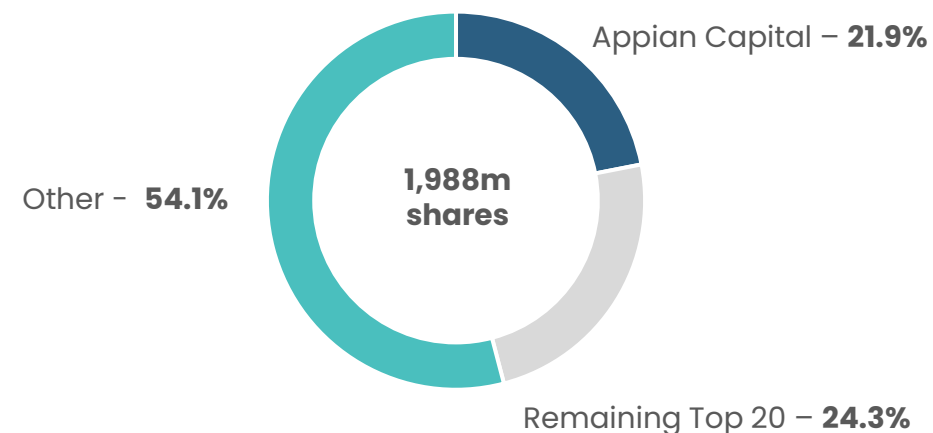
# 2021 Performance ... momentum building

Share price has appreciated 109% YoY as positive progress continues to be made in advancing the Ngualla–Teesside Project

## I. Share Price Performance



## II. Corporate Snapshot



Share Price <sup>1</sup>	0.07	A\$/sh
52 Week Range	0.041 – 0.155	A\$/sh
Market Capitalisation <sup>1</sup>	137	A\$m
Cash <sup>2</sup>	20.6	A\$m
Debt <sup>2</sup>	–	A\$m

# 2021 ... momentum and milestones

## Significant de-risking and major milestones achieved

1	Senior hires	<ul style="list-style-type: none"><li>✓ Head of Operations and Development – Lello Galassi</li><li>✓ Head of Technical Services – Mark Godfrey</li><li>✓ Head of Marketing and Sales – Andrea Cornwell</li></ul>
2	Approval of SML application	<ul style="list-style-type: none"><li>✓ Special Mining Licence (SML) application approved by Tanzanian Cabinet in July</li><li>✓ Negotiations are underway with Tanzanian Government on finalising the Framework Agreement</li></ul>
3	Buyback and termination of royalty	<ul style="list-style-type: none"><li>✓ Repayment and termination of 2.0% life-of-mine royalty facility</li><li>✓ Enables Peak to meet its commitments to the Tanzanian Government</li><li>✓ Enhances shareholder exposure to project earnings and project financeability</li></ul>
4	Equity raising completed	<ul style="list-style-type: none"><li>✓ Completion of two-tranche equity placement (A\$30m) and SPP (~A\$1.7m)</li><li>✓ Proceeds used to repay royalty facility, expand team and progress project development</li></ul>
5	BFS Update underway	<ul style="list-style-type: none"><li>✓ BFS Update commenced in August and led by the Wood Group</li><li>✓ Several opportunities identified to enhance project returns including a change in flotation collector and shorter Ngualla access road</li></ul>
6	Capacity increase	<ul style="list-style-type: none"><li>✓ Since commencement of BFS update opportunity identified to increase Ngualla mill throughput to 800ktpa</li><li>✓ Supports an increase in NdPr Oxide production capacity from 2.8ktpa to 3.0-3.5ktpa</li><li>✓ Expected to support a material increase in the value for the Project</li></ul>



# 4. Where we're going



# Framework Agreement update

Laying the foundations for a long-term sustainable agreement that supports robust returns, financeability and strong benefits to Tanzania

## 1 Our Objectives

- Peak is targeting a mutually beneficial Framework Agreement that supports:
  - robust returns to Peak shareholders
  - attractive long-term project and export financing
  - delivers long-term and sustainable benefits to the community and Tanzania



## 2 Status

- Government 16% free carried interest agreed
- Strong negotiation team in place including Tanzanian country team, international / Tanzanian lawyers, and financial / tax / country advisers
- Advanced negotiations underway with respect to :
  - MemArts (Company Constitution)
  - Shareholders Agreement
  - Framework Agreement



## Key team members



### NON-EXECUTIVE DIRECTOR: HON. ABDULLAH MWINYI

- Member of Tanzanian Parliament since 2007,
- Chairman of Swala Oil and Gas (Tanzania) Plc
- Lawyer by profession
- LLB, LLM



### COUNTRY MANAGER: ISMAIL DIWANI

- Background in accounting, government relations and administration
- Commenced with Peak in 2015
- B.BusAdmin, CPA (Tanzania)



### SENIOR ADVISER: PATRICK RUTABANZIBA

- Country Chair of PanAfrican Energy Tanzania Ltd
- Former Permanent Secretary, Minister of Energy & Minerals
- B.Sc (Chemical Engineering), M.Sc (Chemical Engineering)

# Technical progress ... BFS Update

A team with a track-record in the development and optimisation of African and international mining and rare-earth projects

## 1 BFS Update

- Significant historical technical studies:
  - extensive pilot plant testwork
  - BFS – April 2017
  - internal optimisation study – August 2017
- Objectives of BFS Update:
  - update opex / capex
  - change flotation collector and shorter access road
  - further optimisation progress

## 2 Progress and next steps

- BFS Update being led by Wood Group
- Internal team bolstered by senior hires
- Positive progress with respect to testwork on flotation collector and assessment of alternative access road
- Team identified further opportunity to optimize project by expanding mill capacity from 711ktpa to 800ktpa

## Key team members



### HEAD OF OPERATIONS: LELLO GALASSI

- 20+ years managing and developing large international mining projects
- Previous roles with Sabina Gold & Silver, ICL, Rio Tinto, Freeport McMoran and Phelps Dodge
- MSAE, Aerospace Engineering & Computational Fluid Dynamics



### HEAD OF TECHNICAL SERVICES: MARK GODFREY

- 40+ years metallurgical experience across numerous large mining companies
- Extensive experience in feasibility studies, pilot plant test work, flow sheet optimisation and project commissioning
- BSc (Chemical Engineering)



### CONSULTING METALLURGIST: GAVIN BEER

- 30+ years technical and operational experience across rare earth and critical metal sectors
- Previously GM, Metallurgy for Peak between 2015 and 2017,
- BSc Extractive Metallurgy

# Commercial update

## Close alignment of ongoing offtake negotiations with financing initiatives

### 1 Offtake strategy

- Marketing initiatives ramping-up following appointment of Andrea Cornwell
- Strong momentum in Japan with support from a dedicated marketing agent
- Progress also being made in Korea and Europe
- Targeting near-term MOU

### 2 Funding initiatives

- Financial adviser engaged in February
- Significant progress with respect to:
  - financial model
  - debt information memorandum
  - early engagement with Export Credit Agencies (ECA), Development Banks and Commercial Banks
- Indicative financing structure:
  - two-tranche structure (Tanzania & UK)
  - target debt gearing 60 – 70%
- Offtake discussions being aligned to potential ECA financing support

### Key team members



#### HEAD OF MARKETING: ANDREA CORNWELL

- 25+ years marketing experience across numerous commodities
- Most recently VP Marketing for South 32, based in Singapore
- Prior roles with Vale, Anglo American, Shell and BHP
- B IntBus, MBA



#### GENERAL MANAGER – CORPORATE DEVELOPMENT AND FINANCE: MATTHEW HORGAN

- 10 years at Alcoa across a variety of technical and commercial roles
- Most recently at M&A advisory firm Azure Capital
- B Eng, Chemical (Hons), MBA, GAICD

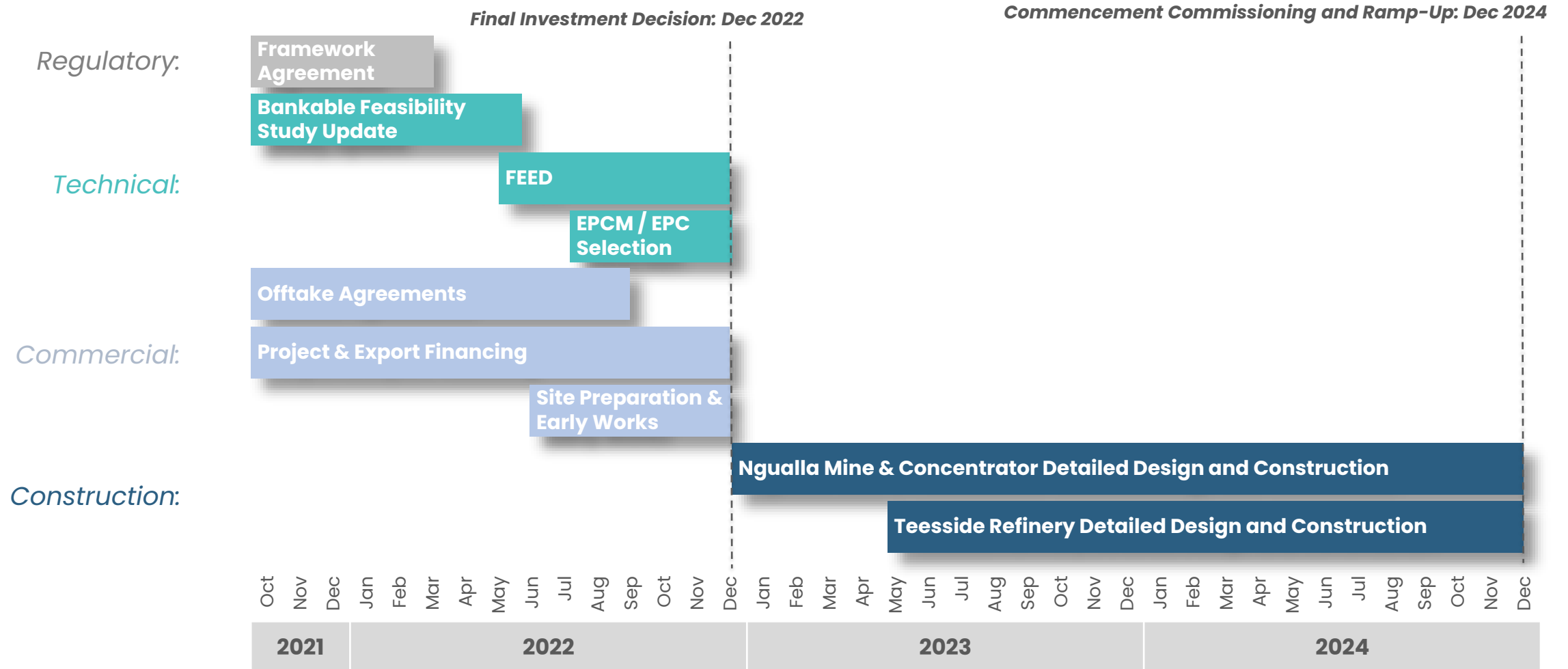


#### COMPANY SECRETARY & CFO: PHILIP RUNDELL

- 30+ years accounting experience and 10+ years secretarial and compliance experience
- Former Partner at Coopers & Lybrand (now PwC) and Director at Ferrier Hodgson
- B.Com, CA

# Execution and timeline

Construction is currently targeted to commence by the end of December 2022





# Looking forward ... potential growth options

## Multi-commodity potential at Ngualla and scope for third party tolling and downstream expansion at Teesside

### Ngualla

1

#### Monazite Concentrate

Ngualla contains significant monazite mineralisation within its Southern Rare Earth Zone which could support a direct concentrate export operation

2

#### Heavy Rare Earths

Peak has identified heavy rare earth rich apatite mineralisation within the Northern region of the Ngualla deposit including Dysprosium and SEG

3

#### Commodity Adjacencies

The Ngualla deposit is highly prospective for a range of commodities including niobium, fluorspar and phosphate

### Teesside

4

#### Tolling of 3<sup>rd</sup> Party Concentrate

Expansion of the Teesside refinery and subsequent tolling and/or offtake of 3<sup>rd</sup> party rare earth concentrate

5

#### Downstream Development

Further downstream integration into Rare Earth supply chain including development of alloy and/or magnet facilities

6

#### Rare Earth Recycling

Development of a Rare Earth recycling facility which extracts metal content from used magnets and other electrical components



# Appendices



# Appendix – peer positioning

## Information Sources

### Radionuclides

Company	Update
<b>Vital Metals</b>	n/a
<b>Ionic Rare Earths</b>	<a href="https://ionicre.com.au/wp-content/uploads/post/210303.pdf">https://ionicre.com.au/wp-content/uploads/post/210303.pdf</a>
<b>RareX</b>	<a href="https://www.rarex.com.au/post/high-neodymium-praseodymium-enrichment-confirmed-at-cummins-range-rare-earths-project">https://www.rarex.com.au/post/high-neodymium-praseodymium-enrichment-confirmed-at-cummins-range-rare-earths-project</a>
<b>Hastings Technology</b>	<a href="https://www.epa.wa.gov.au/sites/default/files/Referral_Documentation/Hastings%20APPENDIX%205-6.pdf">https://www.epa.wa.gov.au/sites/default/files/Referral_Documentation/Hastings%20APPENDIX%205-6.pdf</a>
<b>Pensana</b>	<a href="https://www.asx.com.au/asxpdf/20140124/pdf/42m93lvmv1kv4q.pdf">https://www.asx.com.au/asxpdf/20140124/pdf/42m93lvmv1kv4q.pdf</a> (previous asset owner, Rift Valley Resources)
<b>Arafura</b>	<a href="https://www.arultd.com/images/NEW_RADIATION_FACT_SHEET.pdf">https://www.arultd.com/images/NEW_RADIATION_FACT_SHEET.pdf</a>

### Ore Reserves & Mineral Resources

Company	Update
<b>Vital Metals</b>	<a href="https://vitalmetals.com.au/resources/">https://vitalmetals.com.au/resources/</a>
<b>Ionic Rare Earths</b>	<a href="https://ionicre.com.au/wp-content/uploads/post/210303.pdf">https://ionicre.com.au/wp-content/uploads/post/210303.pdf</a>
<b>RareX</b>	<a href="https://www.rarex.com.au/post/rarex-delivers-major-resource-upgrade-at-cumminsrange-rare-earths-project-wa">https://www.rarex.com.au/post/rarex-delivers-major-resource-upgrade-at-cumminsrange-rare-earths-project-wa</a>
<b>Hastings Technology</b>	<a href="https://hastingstechmetals.com/projects/yangibana/yangibana-jorc-resource/">https://hastingstechmetals.com/projects/yangibana/yangibana-jorc-resource/</a>
<b>Pensana</b>	<a href="https://pensana.co.uk/wp-content/uploads/2020/09/longonjo-mineral-resource-estimate-upgraded-14-Sept-2020.pdf">https://pensana.co.uk/wp-content/uploads/2020/09/longonjo-mineral-resource-estimate-upgraded-14-Sept-2020.pdf</a>
<b>Arafura</b>	<a href="https://www.arultd.com/projects/nolans.html">https://www.arultd.com/projects/nolans.html</a>

# Appendix – peer positioning

## Information Sources

### Shares on Issue

Company	Update
<b>Vital Metals</b>	<a href="https://wcsecure.weblink.com.au/pdf/VML/02431215.pdf">https://wcsecure.weblink.com.au/pdf/VML/02431215.pdf</a>
<b>Ionic Rare Earths</b>	<a href="https://wcsecure.weblink.com.au/pdf/IXR/02407706.pdf">https://wcsecure.weblink.com.au/pdf/IXR/02407706.pdf</a>
<b>RareX</b>	<a href="https://wcsecure.weblink.com.au/pdf/REE/02436325.pdf">https://wcsecure.weblink.com.au/pdf/REE/02436325.pdf</a>
<b>Hastings Technology</b>	<a href="https://www.investi.com.au/api/announcements/has/1b153a11-7f7.pdf">https://www.investi.com.au/api/announcements/has/1b153a11-7f7.pdf</a>
<b>Pensana</b>	<a href="https://pensana.co.uk/shareholder-information/">https://pensana.co.uk/shareholder-information/</a>
<b>Arafura</b>	<a href="https://wcsecure.weblink.com.au/pdf/ARU/02448843.pdf">https://wcsecure.weblink.com.au/pdf/ARU/02448843.pdf</a>

### Financials

Company	Update
<b>Vital Metals</b>	<a href="https://wcsecure.weblink.com.au/pdf/VML/02444810.pdf">https://wcsecure.weblink.com.au/pdf/VML/02444810.pdf</a>
<b>Ionic Rare Earths</b>	<a href="https://wcsecure.weblink.com.au/pdf/IXR/02443925.pdf">https://wcsecure.weblink.com.au/pdf/IXR/02443925.pdf</a>
<b>RareX</b>	<a href="https://wcsecure.weblink.com.au/pdf/REE/02444773.pdf">https://wcsecure.weblink.com.au/pdf/REE/02444773.pdf</a>
<b>Hastings Technology</b>	<a href="https://www.investi.com.au/api/announcements/has/0625762a-53d.pdf">https://www.investi.com.au/api/announcements/has/0625762a-53d.pdf</a>
<b>Pensana</b>	<a href="https://pensana.co.uk/wp-content/uploads/2021/11/Pensana_AR_Final.docx.pdf">https://pensana.co.uk/wp-content/uploads/2021/11/Pensana_AR_Final.docx.pdf</a>
<b>Arafura</b>	<a href="https://wcsecure.weblink.com.au/pdf/ARU/02442292.pdf">https://wcsecure.weblink.com.au/pdf/ARU/02442292.pdf</a>

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