

30 December 2022

Laura Gomme
Senior Advisor, Listings Compliance
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000,

Dear Laura

Response to Appendix 3Y Change of Director's Interest Notice Query

I refer to your letter dated 28 December 2022 in respect to the late lodgement of Appendix's 3Y's announced by Peak Rare Earths Limited (ASX: **PEK**) ("**PEK**" or the "**Company**") on 22 December 2022 for the issue of ordinary shares on 5 December 2022 (following the exercise of vested performance rights) to Directors, Tony Pearson and Abdullah Mwinyi.

The responses to the questions asked follow:

1. Please explain why the Appendix 3Y's were lodged late

The issue of the shares on exercise of vested performance rights was announced in the Application for quotation of securities (Appendix 2A) on the date of issue, 5 December 2022, with the issues to the individual Directors shown therein. The Appendix 3Y's were lodged late due to an administrative oversight. As soon as the oversight was identified, the Appendix 3Y's were lodged with ASX.

2. What arrangements does PEK have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

The Company's Share Trading Policy requires Directors to obtain approval before any securities transaction and, other than for the issue of shares under an employee scheme, to provide the Company Secretary with written details of securities transactions within 5 business days. Further, the Company's director appointment letter requires notification of dealings and changes in securities for compliance with the ASX Listing Rules.

In this instance, the Directors accepted offers from the Company to exercise their entitlement to be issued shares on the vesting of performance rights. There was no breach of policy or otherwise by the Directors.

3. If the current arrangements are inadequate or not being enforced, what additional steps does PEK intend to take to ensure compliance with Listing Rule 3.19B?

The Company considers the late lodgement to be an isolated occurrence and that its current practices are adequate to ensure compliance with the ASX Listing Rules.

Yours sincerely



Phil Rundell
Company Secretary



28 December 2022

Reference: 66070

Mr Philip Rundell
Level 9, 190 St Georges Terrace
Perth
WA 6000

By email: prundell@iinet.net.au

Dear Mr Rundell

Peak Rare Earths Limited ('PEK'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. PEK's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 22 December 2022 for Mr Tony Pearson and Mr Abdullah Mwinyi (the 'Notices');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notices indicates that a change in Mr Pearson and Mr Mwinyi's notifiable interest occurred on 5 December 2022. It appears that the Notices should have been lodged with ASX within 5 days of the change in notifiable interest. Consequently, PEK may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Pearson and Mr Mwinyi may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y's were lodged late.
2. What arrangements does PEK have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does PEK intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10 AM AWST Tuesday, 3 January 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PEK's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PEK to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PEK's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PEK's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PEK's obligations under Listing Rules 3.1 and 3.1A and also to *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PEK's obligation to

disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Laura Gomme
Senior Adviser, Listings Compliance