

Quarterly Activities Report and Appendix 5B

March 2023 Quarter

HIGHLIGHTS

Peak Rare Earths Limited (ASX:PEK) (“**Peak**” or the “**Company**”) continues to progress towards the development of its Ngualla Rare Earth Project (“**Ngualla Project**”) with the following recent milestones and events occurring:

- Signing of a binding Framework Agreement with the Government of Tanzania
- Grant of a Special Mining Licence for the Ngualla Rare Earth Project
- Registration of Tanzanian Entities
- Appointment of Ian Chambers to the Board
- Tanzania’s rising international profile and rapidly advancing mining sector
- Expanding research coverage
- Continued strong growth in EV production

Signing of Framework Agreement

On Monday 17 April 2023, Peak and the Government of Tanzania executed the binding Framework Agreement for the Ngualla Project, at a signing ceremony that was presided over by Her Excellency, the President of Tanzania, Dr. Samia Suluhu Hassan at the State House in Dodoma, Tanzania.

The Framework Agreement sets out the basis of co-operation between Peak and the Government of Tanzania with respect to the development and operation of the Ngualla Project and covers matters such as licencing, development, economic benefit sharing and governance. It represents a landmark milestone for the Ngualla Project and enables Peak to now move forward development activities at Ngualla.

All key agreements related to the Ngualla Project have now been secured by Peak following the execution of the Framework Agreement.

Peak is now well positioned to increase its focus on completing key technical and commercial workstreams ahead of a targeted Final Investment Decision by the end of September 2023 and the commencement of construction in October 2023.



Her Excellency, the President of Tanzania, Dr Samia Suluhu Hassan, overseeing the exchange of Framework Agreement documentation between the Tanzanian Registrar, Mr. Nehemiah Kyando Mchechu, and Peak Executive Chairman, Russell Scrimshaw, and Chief Executive Officer, Bardin Davis



The signing of Framework Agreement documentation by the Tanzanian Minister for Minerals, Dr. Dotto Biteko and the Attorney General, Dr. Eliezer Mbuki Feleshi, and Peak Executive Chairman, Russell Scrimshaw, Chief Executive Officer, Bardin Davis, and Country Manager, Ismail Diwani



Peak's management team celebrating with members of the Ngualla Community outside the gates of State House

Grant of a Special Mining Licence

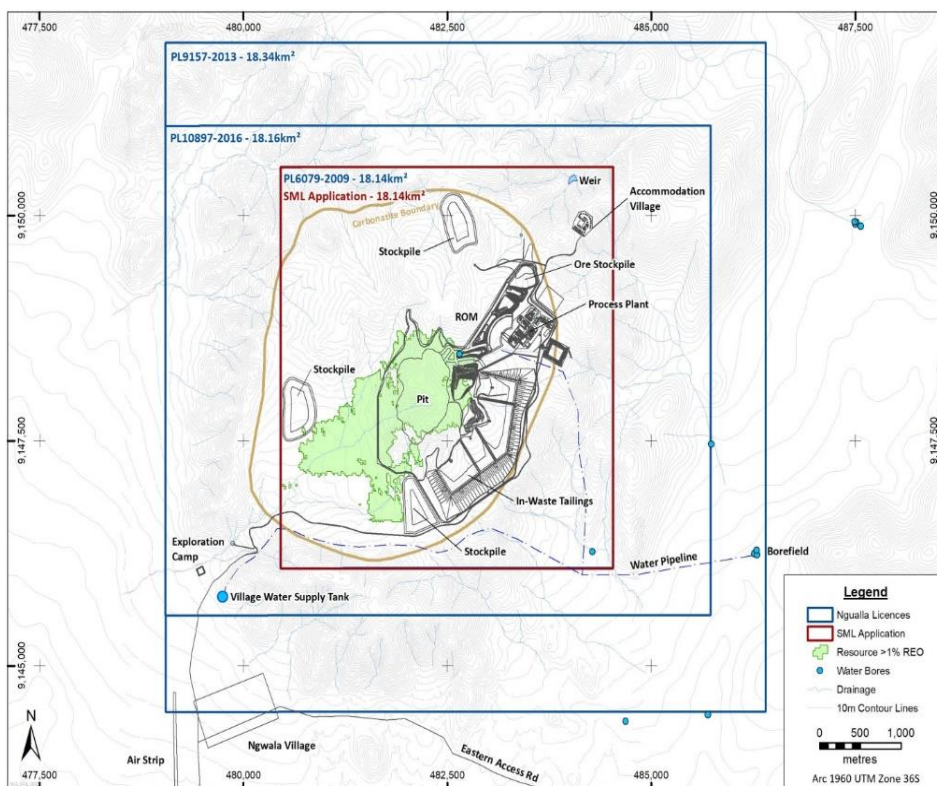
On Tuesday 25 April 2023, the Government of Tanzania formally granted a Special Mining Licence ("SML") for the Ngualla Project.

The SML has been granted to Mamba Minerals Corporation Limited ("**MML**"), which as stipulated in the Framework Agreement is owned 84% by Peak (via a 100% owned UK subsidiary, Ngualla Group UK Limited) and 16% by the Government of Tanzania (via the Treasury Registrar).

The SML will initially be over the area set out in the original SML application, which covers ~18.14km² and contains the Ngualla Project deposit, and for a term of up to 30 years.

In accordance with the terms of the Framework Agreement, the SML area will be expanded in the future to include an existing Prospecting Licence (PL 10897/2016) and a recently expired Prospecting Licence (PL 9157/2013). The initial term will also be amended to be the shorter of 33 years and the life of the mine, with the ability to extend on application in accordance with the law at the time.

Special Mining Licence Area



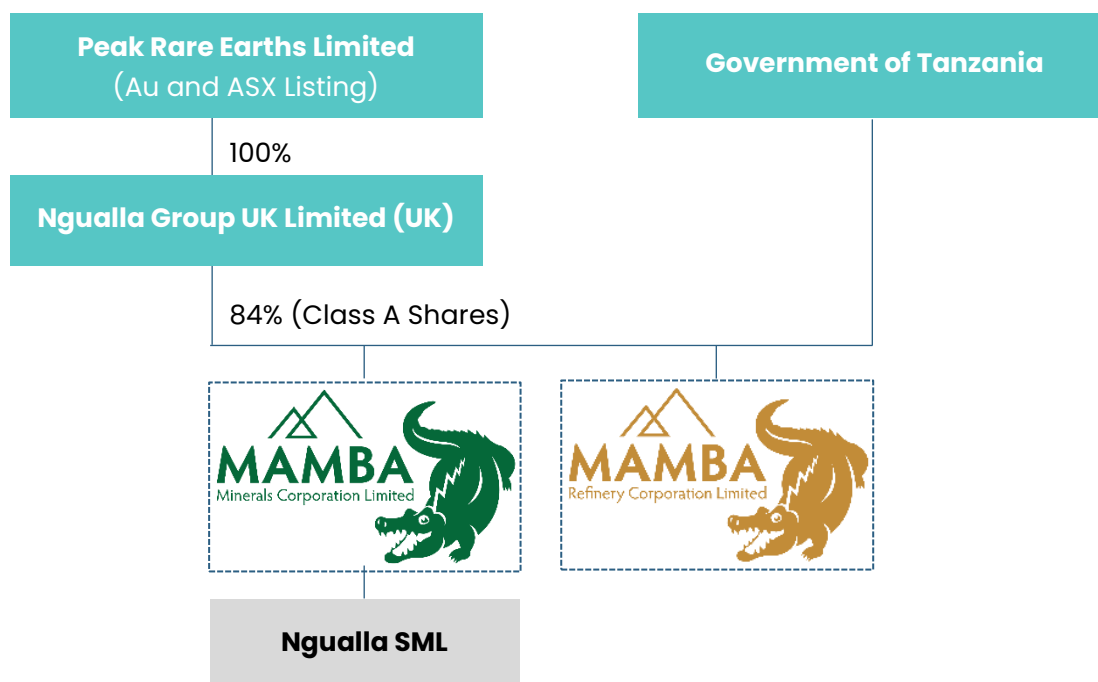
Registration of Tanzanian Entities

Ahead of signing the Framework Agreement, the following entities were jointly registered and incorporated by Peak and the Government of Tanzania on 20 February 2023:

- **Mamba Minerals Corporation Limited (“MML”)** – which holds the SML for the Ngualla Project; and
- **Mamba Refinery Corporation Limited (“MRL”)** – which will own and operate any future Tanzanian refining and downstream operations

Both entities are owned 84% by Peak (via wholly owned subsidiaries) and 16% by the Government of Tanzania (via the Treasury Register). Mamba is the Swahili name for crocodile. The Ngualla Project is located approximately 80km from Lake Rukwa, which is the third largest inland lake within Tanzania and home to an extensive population of crocodiles.

Newly formed Tanzanian entities



As has been agreed with the Government of Tanzania within the recently executed Memorandum and Articles of Association, Peak has the right to appoint three of the five directors to the boards of both MML and MRL. Directors elected by Peak to the Board of MML are Patrick Rutabanziba (Chairman), Bardin Davis (Director) and Ismail Diwani (Director).

Ian Chambers appointed to the Board



During the quarter Peak announced the appointment Mr Ian Chambers as a Non-Executive Director.

Mr Chambers is a distinguished executive and company director with more than 35 years of experience in international financial markets including institutional securities, wealth management and capital markets. Mr Chambers has a proven record in organisational development, governance, operational management and financial performance.

Ian spent approximately 24 years with Morgan Stanley Australia where he was Managing Director, Head of Institutional Equities and Head of Wealth Management Australia. Mr Chambers is a member of Australian Securities and Investments Commission's ("ASIC") Financial Services Credit Panel and Markets Disciplinary Panel. He was inducted into the Australian Stockbrokers Foundation Hall of Fame in 2015.

Tanzania's rising international profile and rapidly advancing mining sector

Under the Presidency of Her Excellency, Dr Samia Suluhu Hassan, Tanzania is continuing to increase its international profile from both a diplomatic and foreign investment perspective.

In late March 2023, the Vice President of the United States, Kamala Harris, completed a three-day state visit to Tanzania. One of the major initiatives announced during the trip included a Memorandum of Understanding between Tanzania and the Export-Import Bank of the United States to facilitate US\$500m of export financing. Other funding initiatives included support for economic development, broadband coverage, biodiversity, agriculture and health.

In relation to investment, Vice President, Kamala Harris commented that *"working together, it is our shared goal to increase economic investment in Tanzania and strengthen our economic ties."*

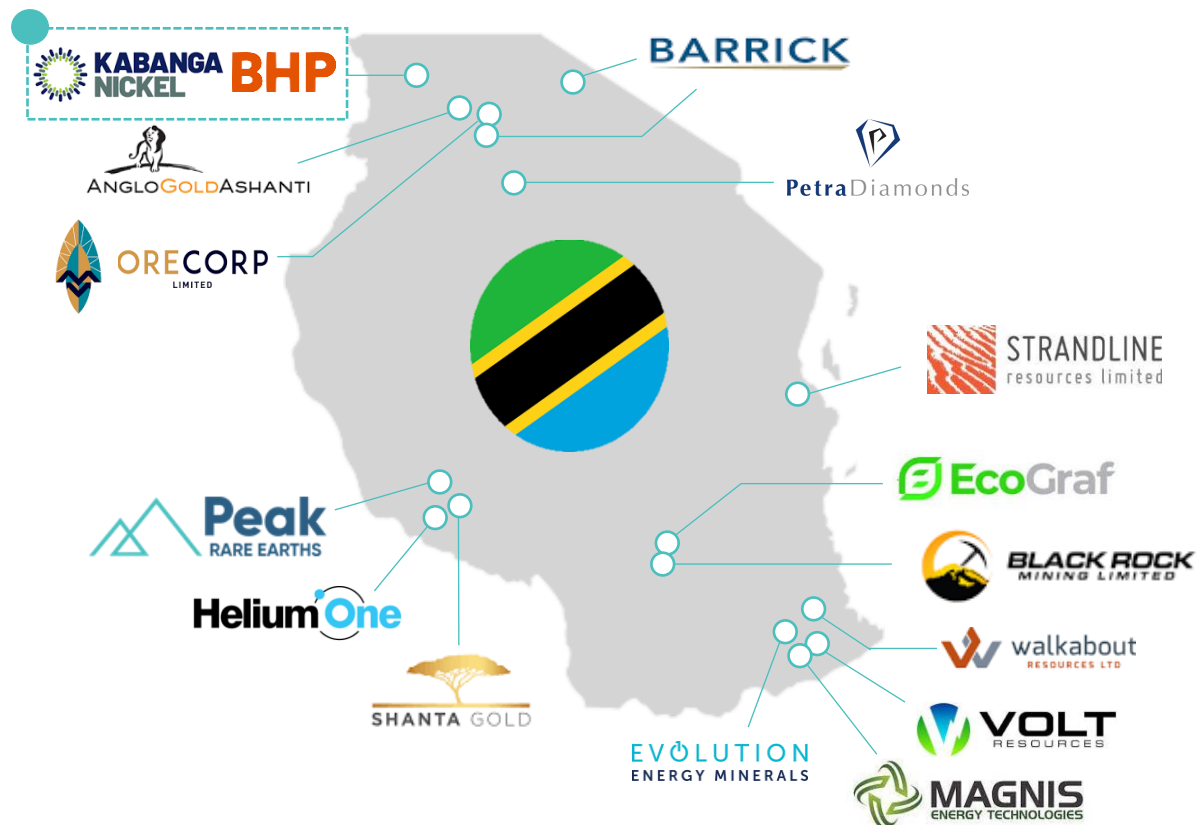
The Vice President also acknowledged the democratic reforms underway in Tanzania *"Madam President, under your leadership, Tanzania has taken important and meaningful steps, and President Joe Biden and I applaud you"*.

US Vice President Kamala Harris's visit to Tanzania, March 2023



Tanzania's already established mining sector is undergoing rapid growth and transformation. The Government of Tanzania is prioritising the development of the mining sector with an aim of increasing its GDP contribution to 10% by 2025. A total of eight mining related Framework Agreements have now been executed under the oversight of Her Excellency, Dr. Samia Suluhu Hassan.

Tanzanian Mining and Development Projects



Expanded research coverage

Equities research coverage of Peak has continued to expand. Canaccord Genuity initiated research coverage of Peak in February 2023 and Orior Capital published a commissioned research report on Peak in April 2023.

Electric Vehicle Sales

Global adoption of EV continued to accelerate through the March Quarter of 2023. Adamas Intelligence estimates that between February 2023 and the corresponding month in 2022 that global passenger EV sales increased by 39%, global motor power deployed in all newly sold passenger EVs increased by 54% and NdFeB consumption in passenger EV traction motors and generators increased by around 51%.

During the quarter, India announced an additional Rs. 51.72billion (US\$631m) of funding for its Faster Adoption and Manufacturing of Electric Vehicles Scheme (FAME-II) as part of the 2023 Union Budget. The FAME-II scheme aims to accelerate electrification of public and shared transportation within India and includes subsidies for electric vehicles and development of charging infrastructure.

**Each NEV unit represents an additional +1kg of incremental demand for NdPr Oxide.
Peak's proposition is well positioned to help meet this increasing demand**

Pricing Update

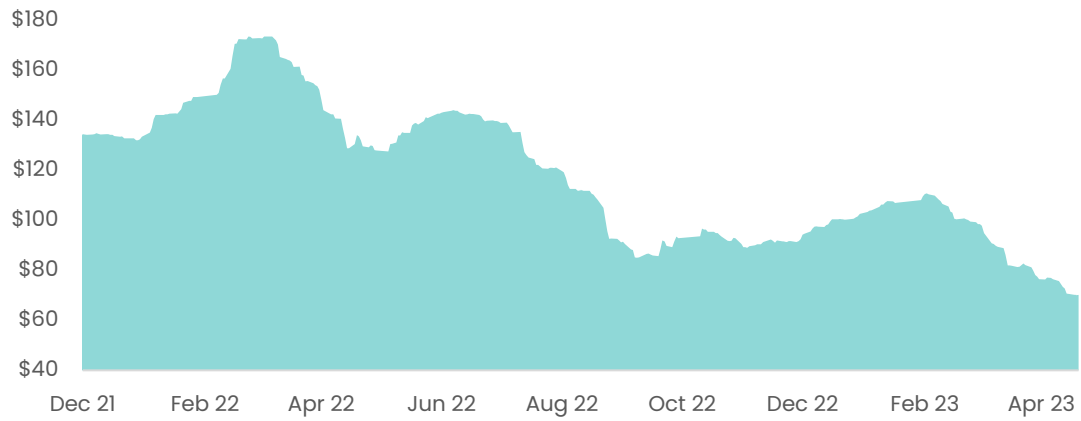
Rare earth prices through the quarter were impacted by weakness in the Chinese manufacturing sector, which continues to recover from COVID-related impacts, as well as a softening in EV sales through the lunar new year holiday. NdPr Oxide prices decreased over the March Quarter finishing the quarter at US\$76.4/kg having started the quarter at US\$103.2/kg. Prices as at 20 April 2023 were also at US\$70.2/kg.

It is anticipated that Chinese manufacturing and electric vehicle production will accelerate in coming months which will support stronger demand for NdPr Oxide and higher rare earth prices in the near-term. The supply-demand balance for rare earths continues to be very favourable over the medium-to-longer term with price appreciation expected to be supported by:

- Accelerated growth in EV and green energy sectors, with the majority of global automotive brands committing to complete phase-out of ICE vehicles;
- Growing global commitments to decarbonise and to increase funding and subsidies for the green transition;
- Ongoing consolidation of the Chinese rare earth sector;
- Rising sector capital and operating costs;
- Ongoing depletion of global rare earth feedstock; and
- Increasingly stringent EHS standards and growing crackdown on illegal mining within China.

NdPr Oxide Prices China in US\$/kg over the 12 months ended 20 April 2023

NdPr Oxide Price
(US\$/kg)



Source: Asian Metal (China Domestic)

Forward-Looking Statements

This announcement contains forward-looking information and prospective financial material, which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Such forward-looking statements, including those with respect to permitting and development timetables, mineral grades, metallurgical recoveries, and potential production reflect the current internal projections, expectations or beliefs of the Company based on information currently available to it. All references to future production, production targets and resource targets and infrastructure access are subject to the completion of all necessary permitting, construction, financing arrangements and infrastructure-related agreements. Where such a reference is made, it should be read subject to this cautionary statement

CORPORATE

Cash at Hand and Securities Information as at 31 March 2023

ASX: PEK

Cash at hand: \$2.814 million

Ordinary Shares on Issue: 208.3 million

52-week range: \$0.29 – \$0.83*

Unlisted Options outstanding: 0.5 million
(exercise price of A\$1.50)'

Market Cap: \$101.0m (at \$0.485/share)

Unlisted Performance Rights

Liquidity: 215k shares per trading day

outstanding: 9.198 million[#]

(average over 3 months**)

* From 1 April 2022 to 31 March 2023 on ASX **Average from 1 January 2023 to 31 March 2023 on ASX.

' Some subject to milestone and continuing service vesting criteria [#]subject to performance vesting criteria

Additional Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) attached for the period ending 31 March 2023 provides details of the Company's financial activities.

The Quarterly operating expenditure included \$0.130 million to related parties, being executive and non-executive directors' remuneration.

The exploration, evaluation or development expenditure during the March Quarter totalled \$0.5 million predominantly incurred on Ngualla early works, testwork and permitting.

The closing cash and cash equivalents balance as at 31 March 2023 was \$2.814 million.

Summary of Mining Tenements and Areas of Interest

As at 28 April 2023.

Project	Tenement	End of Dec 2022 Quarter	End of Mar 2023 Quarter	Status	Arrangements / Details
Ngualla	SML 693/2023	100%	100%	Granted	Held by 84% owned Tanzanian subsidiary company, Mamba Minerals Corporation Ltd
Mlingi	PL 10897/2016	100%	100%	Granted	Held by 100% owned Tanzanian subsidiary company PR NG Minerals Ltd

**All tenements held are located in the Songwe Region of the United Republic of Tanzania.*



This announcement has been authorised for release by the Chief Executive Officer.

DIRECTORS**Executive Chairman – Russell Scrimshaw****Non-Executive Deputy Chair – Tony Pearson****Non-Executive Director – Hon. Abdullah Mwinyi****Non-Executive Director – Shasha Lu****Non-Executive Director – Giles Stapleton****Non-Executive Director – Ian Chambers****Chief Financial Officer/Company Secretary – Philip Rundell****SENIOR MANAGEMENT****Chief Executive Officer – Bardin Davis****ASX:PEK****Peak Rare Earths Limited**

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAK RARE EARTHS LIMITED

ABN

72 112 546 700

Quarter ended ("current quarter")

MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(500)	(3,863)
	(c) production	-	-
	(d) staff costs	(695)	(2,015)
	(e) administration and corporate costs	(432)	(2,254)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	23
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	586	586
1.8	Other (GST/VAT and other taxes)	1	813
1.9	Net cash from / (used in) operating activities	(1,033)	(6,710)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(33)	(38)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(33)	(38)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	83	83
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	83	83

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,797	9,479
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,033)	(6,710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(38)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	83	83

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,814	2,814

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,814	3,797
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,814	3,797

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	130
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Bank Guarantee (Office Lease)	64	64
7.4	Total financing facilities	64	64
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,033)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,033)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,814
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,814
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.72
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Print Name: Phil Rundell
Company Secretary

Date: 28 April 2023

Authorised by: the Audit & Risk Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.