

ASX Announcement 29 April 2024

Indicative funding appetite for the Ngualla Project of approximately US\$176.6m

- **Strong progress on the Ngualla Project debt funding process with indicative non-binding expressions of interest for funding of US\$176.6m**
- **Expressions of interest from a combination of Export Credit Agencies, African Development Finance Institutions and Commercial Banks including**
 - **Export Credit Insurance Corporation of South Africa SOC Limited**
 - **A South African Development Finance Institution**
 - **Development Bank of Southern Africa**
 - **CRDB Bank PLC Tanzania**
 - **An East African Commercial Bank**
- **Discussions are continuing with additional financiers**

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") is pleased to announce that as part of its project financing process for the Ngualla Rare Earth Project ("**Ngualla Project**") that it has received indicative, non-binding, expressions of interest from a combination of Export Credit Agencies ("**ECAs**"), African Development Finance Institutions ("**ADFs**") and commercial banks.

The aggregate funding appetite is currently at US\$176.6m and comprises of the following:

- Export Credit Insurance Corporation of South Africa SOC Limited ("**ECIC**") - indicative appetite to provide both Political Risk Insurance ("**PRI**") and Commercial Risk Insurance ("**CRI**") cover to support a senior debt tranche linked with the required level of South African content being achieved;
- A South African Development Financial Institution ("**SADFI**") - indicative funding appetite of US\$52.6m;
- Development Bank of Southern Africa ("**DBSA**") - indicative funding appetite of US\$65.0m;
- CRDB Bank PLC Tanzania - indicative appetite to arrange a tranche of US\$50.0m from local Tanzanian Banks; and
- An East African Commercial Bank - indicative funding appetite of US\$9.0m.

Discussions are continuing to be progressed with additional ADFIs and both South African and Tanzanian commercial banks that have shown an interest in participating in the financing with the aim of having a fully formed funding consortium by the end of the June 2024 Quarter.

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The aggregate funding appetite of US\$176.6m compares to an estimated upfront capital cost for the Ngualla Project of ~US\$287m¹. In support of a fully funded solution for the Ngualla Project and to minimise the need for Peak to contribute equity funding, a strategic partnering process focused on introducing a project level investor is also well underway.

Commenting on the financing process, Bardin Davis, the CEO of Peak, said:

"We are delighted by the strong support from some of Africa's leading development finance institutions and export credit agencies as well as Tanzanian and East African focused commercial banks. This is an important validation of the Ngualla Project and another major milestone as we progress towards a Final Investment Decision".

Financier profiles

A brief overview of the financiers is set out below.

ECIC:

The ECIC is South Africa's official export credit and foreign investment insurance provider. It provides Political Risk Insurance and Commercial Risk Insurance cover for financings to support South African and African content levels being achieved.

SADFI:

The SADFI in question is a prominent ADFI, committed to driving economic growth and industrial development in South Africa and Africa. It has a mandate to support industries and enterprises that contribute to job creation, technology advancement and competitiveness. It plays a pivotal role in fostering innovation and entrepreneurship.

DBSA:

The DBSA is wholly owned by the Government of South Africa and is another leading ADFI. The DBSA has a mandate to accelerate sustainable socio-economic development in South Africa, the Southern African Development Community ("SADC") and the wider African community.

CRDB:

CRDB Bank is headquartered in Dar es Salaam, Tanzania, and is a leading financial institution in East Africa. It offers a broad suite of banking solutions and operational capabilities across the personal, corporate, agricultural, and SME sectors. CRDB has a strategic network of branches, ATMs and agents across Tanzania. It also has operations in the Democratic Republic of Congo and Burundi.

This announcement is authorised for release by the Company's Executive Chairman and Chief Executive Officer.

¹ See 30 November 2023 ASX Announcement – Ngualla Rare Earth Project, Completion of FEED Study



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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 are expectations or beliefs of the Company based on information currently available to it. All references in this announcement to potential financing arrangements should be read subject to this cautionary statement.

Compliance Statement

This announcement references the ASX announcement dated 30 November 2023 "Completion of Feed Study" which is available to view at <https://www.peakrareearths.com/announcements/>. Other than changes to the FEED Study rare earth price assumptions set out in the Company's 31 December Half-Year Financial Report and December 2023 Quarterly Activities Report (which can also be accessed via the link above), the Company confirms at this time it is not aware of any other new information or data that materially affects the information included in the announcement and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.