

ASX Announcement 5 November 2024

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Equity Placement of \$6 Million and a Planned \$2 Million Shareholder Purchase Plan

- **Firm commitments received for a \$6 million two-tranche institutional placement**
 - **Tranche 1 Placement raised approximately \$4 million; and**
 - **A conditional Tranche 2 Placement to raise an additional \$2 million**
- **Strong demand from a combination of existing and new investors**
- **Peak's largest shareholder, Shenghe, has subject to shareholder and regulatory approval, committed to top-up its shareholding to 19.9% through the Tranche 2 Placement**
- **Eligible shareholders will also be able to acquire Peak shares at the placement price through a Share Purchase Plan to raise an additional amount of up to \$2 million, subject to shareholder approval**
- **The primary use of funds will be to cover transaction costs associated with the finalisation of a proposed investment, funding and development agreement with Shenghe and to progress the Ngualla Project to a Final Investment Decision**

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") is pleased to announce that it has received commitments to complete a two-tranche institutional placement for the issue of approximately 60 million new fully paid ordinary shares ("**New Shares**") to raise \$6 million (before costs) at an offer price of \$0.10 per New Share ("**Placement**"). Tranche one of the Placement ("**Tranche 1**") is set to raise approximately \$4 million and Tranche two of the Placement ("**Tranche 2**") is set to raise approximately \$2 million.

Peak's largest shareholder, Shenghe Resources (Singapore) Pte Ltd ("**Shenghe**"), has committed to top-up its shareholding to 19.9% (currently at 19.85%) through the Placement. Given Shenghe holds more than 10% of the Company's issued capital and has a nominee director on the Peak Board, its participation will be in Tranche 2 and subject to receipt of shareholder approval under ASX Listing Rule 10.11 as well as any required Chinese regulatory approvals.

Certain of the Company's Directors, being Russell Scrimshaw, Ian Chambers, Nick Bowen, and Hannah Badenach, have also committed to participate in the Placement under Tranche 2, subject to the approval of the Company's shareholders. The Company's Chief Executive Officer, Bardin Davis, has also committed to participate in the Placement under Tranche 2.

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To provide existing shareholders with the opportunity to increase their investment in the Company at the same price as New Shares issued under the Placement, the Company intends to make an offer to all eligible shareholders to participate in a Share Purchase Plan (“SPP”) to raise up to a further \$2 million (before costs).

Following completion of the SPP and subject to the receipt of shareholder approval at the EGM and any required Chinese regulatory approvals, Shenghe has committed to subscribe for a further placement in Peak at an offer price of \$0.10 per New Share to offset the dilutionary impact of the SPP and to top-up its shareholding back to 19.9%.

The capital raising follows the signing of a non-binding Term Sheet with Shenghe in late July 2024, covering an integrated investment, funding and development solution for the Ngualla Rare Earth Project (“**Ngualla Project**”).

Since the signing of the Term Sheet with Shenghe, significant progress has been made with respect to the following:

- Transaction documentation – negotiation and drafting of legally binding agreements have been substantially progressed (covering a Subscription Agreement, Shareholders Agreement and Articles of Association); and
- Confirmatory due diligence – in support of Shenghe’s regulatory and shareholder approval processes, Shenghe and its legal, accounting and valuation advisers have been completing a confirmatory due diligence exercise. This has extended to the review of a virtual data room and visits to Mamba Minerals office in Dar es Salaam and the Ngualla Project.

The Placement will provide funding to cover transaction costs associated with the completion of a binding transaction with Shenghe, expenditure to progress the Ngualla Project to a Final Investment Decision and broader project and corporate costs. Upon completion of the proposed transaction with Shenghe, Peak will not have to contribute any further equity funding to the development of the Ngualla Project¹.

Peak is also progressing a sales process with respect to its non-core Teesside site in the United Kingdom. Proceeds from a sale would provide an additional source of funding.

Commenting on the Placement, the Executive Chairman of Peak, Dr Russell Scrimshaw, said:

“This capital raising will support a continuation of Peak’s strong momentum as we progress our planned investment, funding and development transaction with Shenghe and the Ngualla Project towards a Final Investment Decision.

¹ See 24 July 2024 ASX Announcement – Signed Term Sheet with Shenghe for A\$96m Investment and Fully Funded Project Solution for Ngualla.

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I would like to welcome our new shareholders and thank Shenghe and other major shareholders for strongly supporting the raising. I am also pleased that other eligible shareholders will be provided an opportunity to invest at the same issue price through a Shareholder Purchase Plan."

Use of Proceeds

Proceeds from the Placement are intended to be applied for the following purposes:

1. Nguala Project Costs:

- Early and enabling works;
- Land relocation and compensation payments;
- Nguala camp costs; and
- Local community and sustainability programs.

2. Transaction Costs:

- Capital Raising transaction costs; and
- Legal and financial advisory fees relating to the completion of the planned Shenghe transaction.

3. Corporate and Other Costs:

- General corporate overheads; and
- Working capital requirements.

Placement Details

New Shares under the Placement will be issued in two tranches:

1. the Company will issue up to approximately 40 million New Shares at an offer price of \$0.10 per New Share, raising a total of up to \$4 million before costs ("**Tranche 1 Placement**"); and
2. subject to shareholder approval, the Company proposes to issue up to approximately 20 million New Shares at an offer price of \$0.10 per New Share, raising a total of up to \$2 million before costs ("**Tranche 2 Placement**").

The offer price of \$0.10 per New Share represents a:

- ~47% discount to the last closing price of \$0.19 per share on 31 October 2024, being the last date that Peak's shares traded on the ASX prior to the date of this announcement; and
- ~45% discount to the 15-day volume weighted average price of \$0.182 per share up to and including 31 October 2024.

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New Shares under the Tranche 1 Placement will be issued within the Company's existing placement capacity in accordance with ASX Listing Rule 7.1. Settlement of the Tranche 1 Placement is expected to occur on 8 November 2024, with New Shares expected to be allotted on 11 November 2024.

Completion of the Tranche 2 Placement is subject to shareholder approval, which will be sought at an Extraordinary General Meeting ("**EGM**") expected to be held in December 2024. Settlement and allotment of New Shares under the Tranche 2 Placement are expected to occur shortly after approval is obtained at the EGM. However, the Company notes that Shenghe's participation in the Placement is subject to the receipt of any required Chinese regulatory approvals, which may in turn impact the timing of completion of Tranche 2.

New Shares issued under the Placement will rank equally with the Company's existing fully paid ordinary shares ("**Shares**") from the date of issue.

Share Purchase Plan

In addition to the Placement, the Company intends to offer eligible existing shareholders on the Company's share register as at 7.00pm (Sydney time) on 4 November 2024 with registered addresses in Australia and New Zealand ("**Eligible Shareholders**") the opportunity to apply for Shares in the Company by participating in the SPP. Under the SPP, Eligible Shareholders will have the opportunity to increase their investment in the Company by acquiring Shares at the same price as New Shares issued under the Placement. The Company is targeting to raise up to \$2 million (before costs) through the SPP.

The application for Shares under the SPP will be capped at a maximum of \$30,000 per Eligible Shareholder, across all their holdings (subject to a scale back policy which will be set out in the SPP offer booklet).

Any funds raised under the SPP will be used for the same purposes as described above for the Placement.

Completion of the SPP is subject to shareholder approval which will be sought at the EGM.² Settlement and allotment of New Shares under the SPP are expected to occur shortly after approval is obtained at the EGM.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to Eligible Shareholders in the SPP offer booklet to be dispatched on or about 21 November 2024.

² The Company will seek a standard waiver from ASX Listing Rule 7.3.9 to seek to ensure that Eligible Shareholders are not excluded from voting on the resolution to approve the SPP at the EGM (and a concurrent standard waiver from ASX Listing Rule 10.11 to permit directors and their associates (who are Eligible Shareholders) to participate in the SPP without shareholder approval). There is no certainty that such waivers will be granted.

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New Shares issued under the SPP will rank equally with the Company's existing fully paid ordinary shares from the date of issue.

Lead Manager

Neither the Placement nor the SPP is underwritten. Taylor Collison Limited is acting as Lead Manager to the Placement.

Indicative Timetable

Event	Date
Record date for eligibility to participate in SPP	7.00pm (Sydney time) on Monday, 4 November 2024
Announcement of Capital Raising	Tuesday, 5 November 2024
Settlement of New Shares under the Tranche 1 Placement	Friday, 8 November 2024
Allotment and normal trading of New Shares issued under the Tranche 1 Placement	Monday, 11 November 2024
Despatch of SPP offer documents and notice of EGM	Thursday, 21 November 2024
SPP opening date	Thursday, 21 November 2024
EGM to approve the Tranche 2 Placement and SPP	Friday, 20 December 2024
Settlement of New Shares under the Tranche 2 Placement	Monday, 23 December 2024
Allotment and normal trading of New Shares issued under the Tranche 2 Placement	Tuesday, 24 December 2024
Closing date for SPP	Tuesday, 24 December 2024
Announcement of results of SPP and issue of shares under the SPP	Friday, 3 January 2024

This timetable is indicative only and the Company may, at its discretion and without notice, vary any of the above dates or withdraw the Placement and/or SPP at any time before relevant new Shares are issued, subject to the ASX Listing Rules and the Corporations Act and other applicable laws. The commencement of trading and quotation of Shares is subject to ASX confirmation.



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All amounts are in Australian dollars unless otherwise specified.

This announcement is authorised for release by the Company's Board of Directors.

Bardin Davis

Chief Executive Officer

Peak Rare Earths

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Forward Looking Statements

This announcement contains forward-looking information which is based on the assumptions, estimates, analysis and opinions of management and engaged consultants made in light of experience and perception of trends, current conditions and expected developments, as well as other factors believed to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Assumptions have been made by the Company regarding, among other things: the commodity prices, the timely receipt of required approvals, the accuracy of capital and operating cost estimates, the completion of studies on its exploration and development activities, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Readers should not place undue reliance on forward-looking information. Neither the Company nor its directors undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Not an offer in the United States

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