



ASX Announcement 16 September 2025

Peak rejects Letter of Intent from General Innovation Capital Partners

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") refers to its ASX announcement dated 5 September 2025 regarding the agreement by Shenghe Resources (Singapore) Pte Ltd ("**Shenghe**") to increase the consideration payable under its proposed scheme of arrangement to acquire 100% of Peak ("**Shenghe Scheme**"). The Shenghe Scheme values 100% of Peak at A\$195 million, which represents a price not less than \$0.443 cash per Peak share¹.

On 14 September 2025, Peak received an unsolicited, non-binding, conditional letter of intent ("**Letter of Intent**") from General Innovation Capital Partners ("**GICP**"), an alternative asset manager based in the United States, regarding the proposed acquisition of all of the issued and outstanding shares of Peak for A\$240 million, which represents a price not less than \$0.545 per Peak share².

The Letter of Intent is subject to a number of conditions, including:

- satisfactory completion of confirmatory due diligence over a three-week period;
- approval from the Mining Commission of Tanzania (and any other applicable Government of Tanzanian authorities);
- Peak Board and shareholders approvals;
- execution of transaction agreements and documentation; and
- a no material adverse change condition.

The Letter of Intent is expressed to remain in effect until 5:00pm United States Eastern Standard Time on Monday, 15 September 2025 (7:00am Sydney time on Tuesday, 16 September 2025) unless accepted or rejected by Peak, or withdrawn by GICP, prior to that time.

¹ The final Shenghe Scheme consideration will be announced on the date the Shenghe Scheme takes effect because, at that time, the fully diluted issued capital of Peak as at the date for determining the Peak shareholders that are Shenghe Scheme shareholders' will be known. Whilst Peak has no intention to issue any further securities prior to the date that the Shenghe Scheme takes effect, the fully diluted issued capital of Peak may decrease if any of the performance rights currently on issue were to lapse prior to the date that the Shenghe Scheme becomes effective. If any of the Peak performance rights on issue lapse prior to the date the Shenghe Scheme takes effect, then the Shenghe Scheme consideration will be higher due to a lesser number of Peak shares being on issue as at that time. If all of the Peak performance rights currently on issue were to lapse, the Shenghe Scheme consideration would increase to \$0.453 (rounded to three decimal places) per Peak share

² Based on the fully diluted capital of Peak of 440,111,880 shares.



ASX Announcement 16 September 2025

In accordance with its obligations under the scheme implementation deed entered into with Shenghe that was announced to ASX on 25 July 2025 ("**Shenghe SID**"), Peak has notified Shenghe of the receipt of the Letter of Intent.

The Peak Independent Board Committee³ has carefully assessed the Letter of Intent, with the assistance of its financial and legal advisers, as required by the terms of the Shenghe SID.

Based on the information contained in the Letter of Intent, the Peak Independent Board Committee has determined that the Letter of Intent is not, and could not reasonably be considered to become, a "Superior Proposal" as that term is defined in the Shenghe SID. In reaching this determination, the Peak Independent Board Committee had regard to a range of factors in relation to the Letter of Intent, including that:

- in Peak's view, GICP has not provided sufficient quantitative and qualitative information to support its proposal, including how it intends to complete due diligence in the proposed timeframe, gain the necessary support of the Tanzanian government and subsequently execute the proposed transaction outlined in the Letter of Intent;
- Shenghe has indicated that it is not willing to accept or support the proposal outlined in the Letter of Intent, such that the transaction is unlikely to be able to be completed in its current form (noting that Shenghe has voting power to ~19.7% of Peak's ordinary issued share capital);
- GICP has provided no indication of the form of the proposed transaction outlined in the Letter of Intent (whether a scheme or a takeover) or any of the substantive terms of a definitive agreement;
- the Letter of Intent is incomplete, non-binding and indicative in nature and represents a highly conditional proposal;
- the significant time risk associated with any engagement with GICP given that Peak believes any due diligence enquiries are likely to extend beyond the proposed three week period. This contrasts with the Shenghe Scheme which is expected to become

³ Comprised of all Peak directors excluding Non-Executive Director Dr Shasha Lu. Dr Lu has been nominated to the Peak board by, and is a director of, Shenghe and so abstains from making a recommendation. Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Shenghe Scheme which may differ from those of other Peak Shareholders. If the Shenghe Scheme is implemented, each Peak Director stands to receive the following amounts as Shenghe Scheme consideration. If all Performance Rights vest: Russell Scrimshaw will receive \$2,555,758.04, Abdullah Mwinyi will receive \$281,601.46, Nick Bowen will receive \$655,836.73, Hannah Badenach will receive \$465,618.72 and Shasha Lu will receive \$265,841.49. If all of the Performance Rights currently held by Peak Directors lapse (but all other Performance Rights remain on issue): Russell Scrimshaw will receive \$1,196,055.22, Abdullah Mwinyi will receive \$82,178.61, Nick Bowen will receive \$434,893.43, Hannah Badenach will receive \$242,453.20, and Shasha Lu will receive \$40,342.08.



ASX Announcement 16 September 2025

effective later this month (subject to the receipt of Tanzanian Fair Competition Commission approval);

- GICP has provided no indication whether it has received any advice from or retained any legal or financial advisers (including in Australia and Tanzania); and
- GICP has not provided any substantive evidence of its ability to fund the proposed transaction or provided information to support its ability to develop the Ngualla Rare Earth Project (which is likely to be a relevant consideration for the relevant Tanzanian regulatory authorities).

Accordingly, Peak will not be further engaging with GICP in respect of the Letter of Intent. Peak notes that:

- the GICP Letter of Intent has expired;
- the transaction with Shenghe remains in full force and effect in accordance with the Shenghe SID;
- the Peak Independent Board Committee has not changed its unanimous recommendation in support of the sale to Shenghe (as outlined below); and
- Peak shareholders do not need to take any action in relation to the Letter of Intent.

Peak Independent Board Committee recommendation

The Peak Independent Board Committee unanimously recommends that shareholders vote in favour of the Shenghe Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Shenghe Scheme is in the best interests of Peak shareholders not associated with Shenghe. Subject to those same qualifications, each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all Peak shares in which they have a relevant interest in favour of the Shenghe Scheme.

Further information

Peak shareholders who have any questions in relation to the Letter of Intent should contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside of Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays). Further information can also be obtained from Peak's website at www.peakrareearths.com.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.



ASX Announcement 16 September 2025

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

Bardin Davis

Chief Executive Officer

Media inquiries:

Michael Vaughan, Fivemark Partners
+61 422 602 720