



ASX Announcement 16 September 2025

Scheme Meeting – Amended Chairperson’s address

Peak Rare Earths Limited (ASX: **PEK**) (“**Peak**” or the “**Company**”) refers to its ASX announcement earlier today attaching the Chairman’s address to Peak shareholders in respect of the meeting of Peak shareholders (“**Scheme Meeting**”) being held to consider the proposed acquisition by Shenghe Resources (Singapore) Pte. Ltd. of all the shares in Peak that Shenghe does not hold, by way of a scheme of arrangement (“**Scheme**”).

Attached is an amended copy of the Chairman’s address to the Scheme Meeting, which is provided in accordance with ASX Listing Rule 3.13.3.

This announcement is authorised for release by the Company’s Chief Executive Officer and Company Secretary.

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Peak Rare Earths Limited
Tuesday, 16 September 2025
Chairman's address

Introductory Remarks

Welcome

Good morning, ladies and gentlemen. I am Russell Scrimshaw, the Executive Chairman of Peak Rare Earths Limited.

I would like to welcome you to today's scheme meeting and thank you for your attendance. I would also like to acknowledge my fellow board members, the management, staff, and shareholders for their commitment to the company over the past few years.

In the event of an emergency please take direction from the Marriott staff.

I would be grateful if you could all please check that your mobile phone is switched off and note that the taking or recording of photographs, video or audio of the meeting or its proceedings (by whatever means) is not permitted without my consent as Meeting Chair.

For ease of reference and brevity, the use of any defined terms at today's meeting, including in the presentation slides, are, unless the context otherwise requires, references to the corresponding term as defined in the Scheme Booklet.

Today shareholders will be asked to vote on the proposed scheme of arrangement in relation to the proposed acquisition of Peak.

Company representatives

In addition to myself, the following representatives from Peak are in attendance at today's meetings and join me up the front:

- Ms Hannah Badenach, Non-Executive Director;
- Mr Bardin Davis, CEO;
- Mr Phil Rundell, CFO and Company Secretary; and
- Mr Justin Grincer, Deputy CFO.

Three of Peak's Non-Executive Directors being the Hon. Mr Abdullah Mwinyi, Dr Shasha Lu and Nick Bowen are currently overseas and unable to join us today and have given their apologies.

Overview of the Scheme

Before we formally commence the meeting, I'd like to briefly provide some background to the Scheme.

As you will be aware, Peak has been focused on delivering an integrated funding solution for the Ngualla rare earths project in Tanzania for some time.

Following a comprehensive evaluation of strategic and funding options, Peak explored a potential joint-venture transaction with Shenghe Resources. Shenghe Resources is a major rare earths company listed on the Shanghai Stock Exchange and has been a long-standing supporter of Peak and the Ngualla Rare Earth Project.

Under the potential transaction, it was proposed that Shenghe would invest approximately A\$96 million in new funding to subscribe for 50% of the shares on issue in Peak's wholly owned subsidiary, Ngualla Group UK Limited, being the entity which holds Peak's 84% interest in the Ngualla Project. It was also contemplated that the remaining development costs for the Ngualla Project being funded through a Shenghe Resources-arranged debt facility. The proposed transaction implied a valuation of approximately A\$96 million for Peak's interest in the Ngualla Project.

I will refer to this as the NGUK Transaction.

Despite making progress towards finalising the binding terms of the NGUK Transaction, recent geopolitical and regulatory developments increased the risks of being able to successfully establish a joint venture between Peak and Shenghe Resources. Consequently, Peak and Shenghe Resources explored alternate transaction structures that could support greater transaction and project certainty, and a superior outcome for both companies and their shareholders.

After careful consideration, on 14 May 2025, Peak entered into a Scheme Implementation Deed in relation to the proposed acquisition of 100% of the Peak Shares by Ganzhou Chenguang Rare Earths New Material Co., Ltd., which is a wholly owned subsidiary of Shenghe Resources, by way of a scheme of arrangement. Peak subsequently agreed to the novation of the Scheme Implementation Deed to Shenghe Resources (Singapore) Pte. Ltd. in place of Chenguang. Shenghe Singapore is an existing 19.70% shareholder in Peak and is also a wholly-owned subsidiary of Shenghe Resources.

As announced to the ASX on 5 September 2025, Peak and Shenghe have entered into an amendment deed to vary the original Scheme Implementation Deed and the original Scheme to increase the Scheme consideration.

The Scheme now values 100% of Peak at \$195,000,000 and based on Peak's existing fully diluted issued capital of 440,111,880, Scheme Shareholders will receive a cash amount of \$0.443 per Peak Share if the Scheme is implemented, assuming no existing Peak performance rights lapse prior to the Scheme becoming effective.

Based on the cash consideration of no less than \$0.443 per Peak Share, the Scheme Consideration represents approximately:

- a 23% increase in the minimum cash consideration payable under the original Scheme proposal of \$0.359;
- a 32% premium to the closing price of Peak shares on the ASX on 4 September 2025 (being the last day on which Peak shares traded before announcement of the increased Scheme Consideration) of \$0.335 per share; and
- a 269% premium to Peak's last closing share price on the ASX prior to the announcement of the Scheme of \$0.12 per share on 9 May 2025.

Shenghe has confirmed that the consideration proposed to be paid under the Scheme is now its best and final proposal and that Shenghe will not increase the consideration further, subject to no competing proposal for Peak emerging. Peak will be seeking orders at the Second Court Hearing amending the Scheme to reflect the increase in the Scheme consideration.

On 14 September 2025, Peak received an unsolicited, non-binding, conditional Letter of Intent from 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 share.

The Peak Independent Board Committee has carefully assessed the Letter of Intent, including with the assistance of its financial and legal advisers, as required by the terms of the Scheme Implementation Deed. Based on the information contained in the Letter of Intent, the Peak Independent Board Committee has concluded that the terms offered by GICP do not constitute a superior proposal to the Scheme and do not satisfy the "fiduciary out" obligations that would permit discussions with GICP. Reasons for this conclusion include:

- 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 transaction;
- 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 transaction (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 due diligence will likely extend beyond the proposed 3 weeks. This contrasts with the Scheme which is expected to become 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 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. GICP stated that the Letter of Intent would remain in effect until 5pm Eastern Standard Time on Monday, 15 September 2025 (7am (Sydney time) on Tuesday, 16 September 2025) unless accepted or rejected by Peak, or withdrawn by GICP, prior to that time. Peak responded to GICP prior to 7 am (Sydney time) to confirm that Peak was not able to engage further in relation to GICP's proposal.

Independent Board Committee's recommendation and Independent Expert's conclusion

The Peak Independent Board Committee, being the Peak directors excluding Dr Lu, has carefully considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.

Peak commissioned RSM Corporate Australia Pty Ltd to act as the independent expert in connection with the Scheme.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Peak Shareholders not associated with Shenghe, in the absence of a Superior Proposal.

This remains the Independent Expert's conclusion today.

I can also confirm that, at present, no Superior Proposal has been received by Peak and the Board is not aware of any Competing Proposal that is likely to emerge.

A copy of the Independent Expert's Report is included in Appendix 1 of the Scheme Booklet. A supplemental letter to the Independent Expert's Report is included in Peak's ASX announcement titled "Confirmation of independent expert's opinion in relation to the Shenghe Scheme" dated 5 September 2025.

Reasons to vote for or against the Scheme

The Peak Independent Board Committee has identified several reasons for why you should support the Scheme and, for balance, factors which may lead you to vote against it. These are all explained in detail in the Scheme Booklet.

Having regard to the Peak Independent Board Committee's responsibility to act in the best interests of all shareholders, the members of the Independent Board Committee believe the advantages of the Scheme outweigh the disadvantages.

In considering the unanimous recommendation of the Peak Independent Board Committee, Peak shareholders should have regard to the interests of the Peak Independent Board Committee members in the outcome of the Scheme vote, which may differ from those of other Peak shareholders. These interests are disclosed in section 10.1 of the Scheme Booklet and in Peak's ASX announcement titled "Confirmation of independent expert's opinion in relation to the Shenghe Scheme" released to the ASX on 5 September 2025 in relation to the increased Scheme consideration.

Status of Conditions

Implementation of the Scheme remains conditional upon (among other things):

- approval by Peak Shareholders not associated with Shenghe of the Scheme Resolution to be considered at this Scheme Meeting;
- receipt of regulatory approvals from the Fair Competition Commission of Tanzania; and
- the Supreme Court of New South Wales approving the Scheme.

There are a number of other customary conditions to the Scheme set out in the Scheme Implementation Deed and the Scheme Booklet. As at the date of this meeting, the other customary conditions have either been satisfied or are expected to be satisfied before the Second Court Hearing.

Procedures

[Proceed to formal business of meeting]