PEAK RESOURCES LIMITED

ASX Announcement

DEVELOPING A LOW COST RARE EARTH PROJECT

1st February 2017

High grade fluorite mineralisation discovered at Ngualla

Peak Resources Limited (**"Peak"**; ASX Code: **PEK**) is pleased to report the discovery of high grade fluorite and a new area of rare earth mineralisation at its Ngualla Rare Earth Project in Tanzania.

Highlights:

- Outcropping high grade (up to **96%**) fluorite mineralisation identified from reconnaissance rock sampling and geological mapping
- Fluorite mineralisation occurs within a zone of brecciation that can be traced over a strike length of 3.8km within the alteration zone surrounding the Ngualla Carbonatite
- New occurrences of rare earth mineralisation were identified within the same zone. Rock grab samples returned assays up to **4.54%** rare earth oxide (REO)
- The discovery reinforces the multi commodity endowment of the Ngualla Carbonatite and the potential for supplementary value add products for a future rare earth operation at Ngualla
- Rare Earths remain the Company's focus and value driver, with the Bankable Feasibility Study for the Ngualla Rare Earth Project on schedule for completion late in the first quarter or early in the second quarter of 2017

With the Rare Earth Bankable Feasibility Study nearing completion, the Company continues to assess the potential for additional economic minerals within the Ngualla Carbonatite. Recent field programs in the previously unexplored alteration zone that forms a ring of hills around the carbonatite have identified zones of high grade fluorite mineralisation as well as new occurrences of rare earth mineralisation.

Early stage reconnaissance rock sampling and geological mapping has identified a 3.8km long, largely soil covered, zone of brecciation and carbonatite dykes containing fluorite and rare earth mineralisation that warrants further evaluation.

Peak's Managing Director Mr. Darren Townsend said "**This new discovery of high grade fluorite underscores the geological endowment of the project in other commodities. We continue to assess the potential of occurrences of fluorite, barite, niobium and phosphate at Ngualla that may have economic potential, especially once the Rare Earth Project and associated infrastructure are established.**"

Technical Report

Field reconnaissance programs consisting of geological mapping and rock sampling in the hills surrounding the Ngualla Carbonatite have identified occurrences of high grade fluorite mineralisation as well as a new zone of rare earth mineralisation. The mineralisation occurs within the high temperature alteration zone that surrounds the intrusive carbonatite body.

Geological mapping and the collection and analysis of 65 rock samples has to date identified fluorite mineralisation within a structural zone of brecciation intruded by carbonatite dykes that can be traced over a strike length of 3.8km within the alteration zone to the carbonatite. (Figure 1).

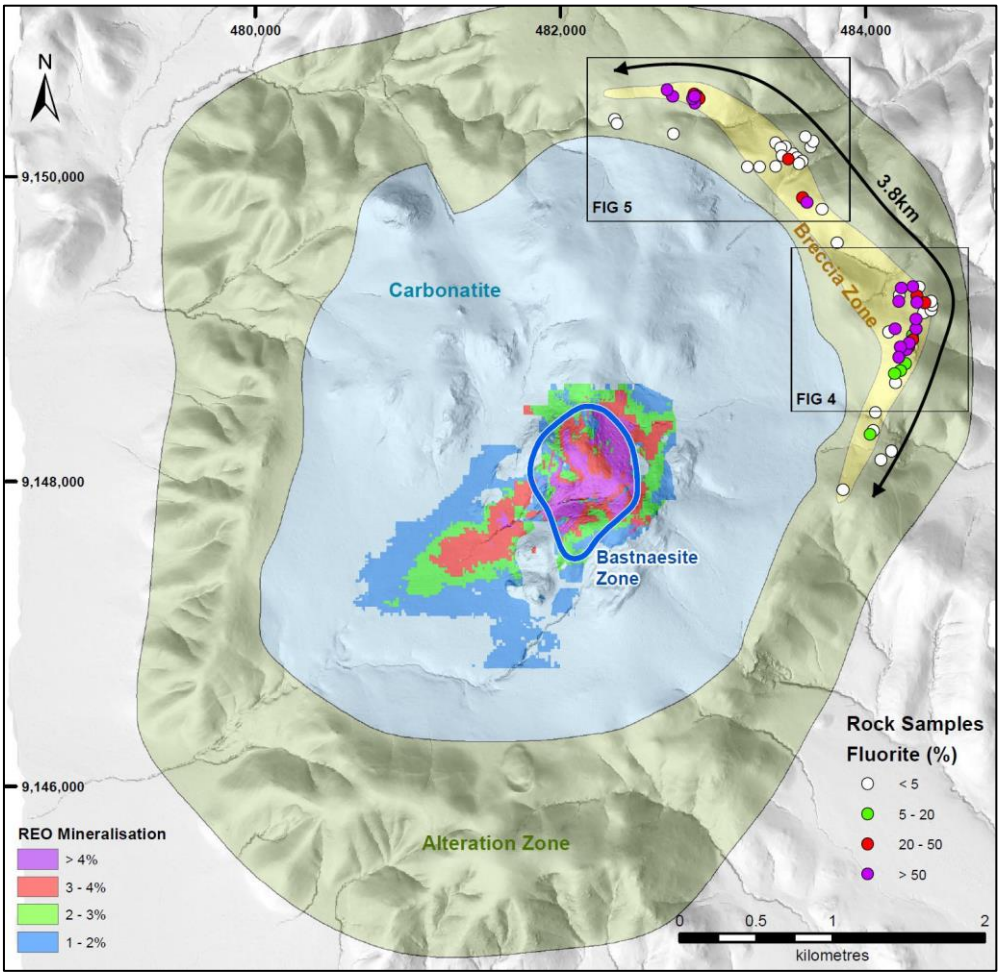

Figure 1: Location of recent rock samples within the alteration zone surrounding the Ngualla Carbonatite in relation to the Bastnaesite Zone rare earth mineralisation. Geological interpretation draped over topography.

The precise width and strike continuity of the fluorite mineralisation has yet to be established as outcrop is sporadic through the largely soil covered hills. However, high grade purple fluorite mineralisation frequently grading over 40% occurs in multiple discrete bands several metres in width and traceable intermittently over several hundred metres along strike (Figures 2 and 3).

Figure 2 and 3: Multiple bands of strong fluorite mineralisation outcropping through soil cover within the breccia zone.

Rock samples, chosen to evaluate a range of alteration and mineralisation styles returned high grades of up to **96%** fluorite and **4.54%** rare earth oxide (REO). Table 1, Appendix 1 lists all fluorite and rare earth assay results from the reconnaissance sampling program. Further sampling and assay details are provided in Appendix 2. Figures 4 and 5 show the location of the high grade fluorite samples.

Of the 65 rock samples collected within the breccia zone, 23 returned assay values above 40% fluorite and 17 above 1% REO.

Fluorite mineralisation is variably weathered at surface. Field observations and geochemistry indicate that fluorite is associated with dolomitic carbonatite, quartz, apatite or barite within the brecciated zone.

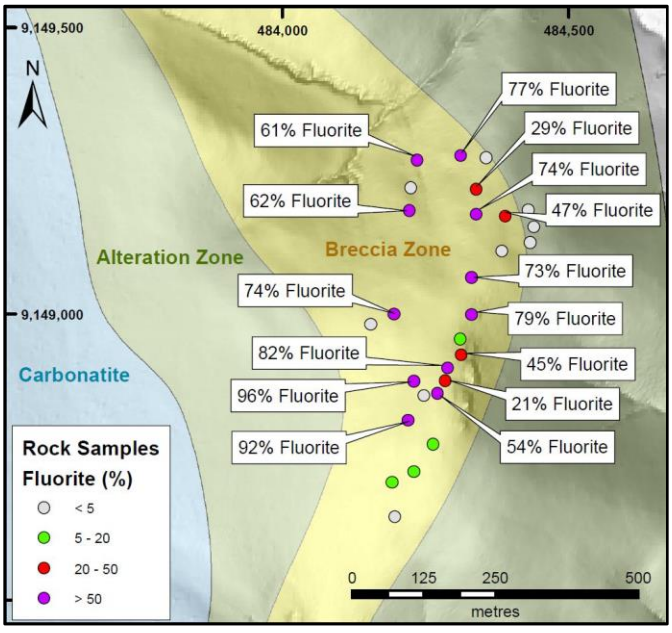

Figure 4: Rock sample results with fluorite assay highlights over summary geology draped over topography (eastern area).

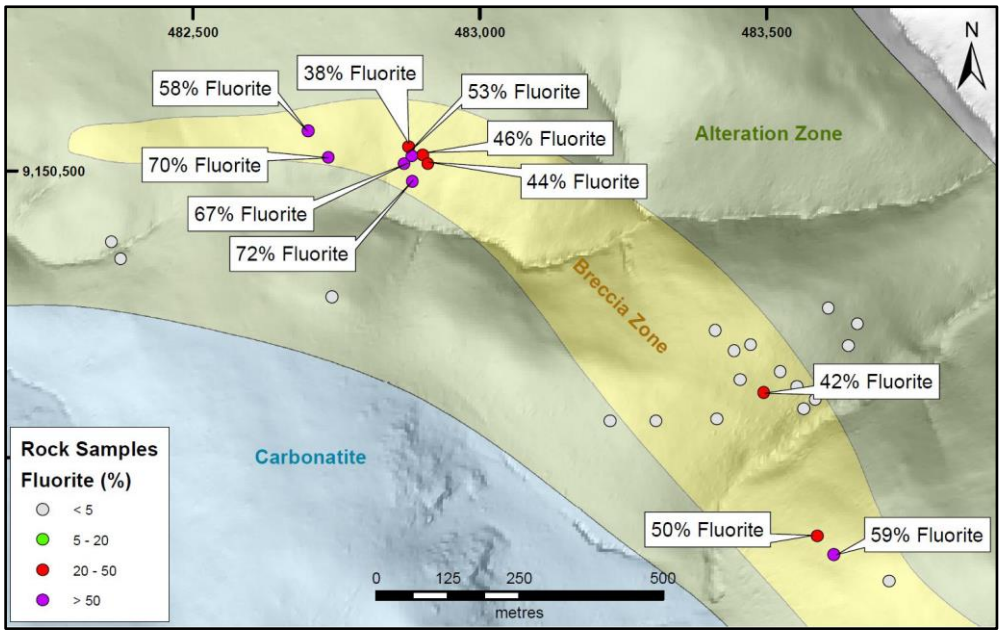

Figure 5: Rock sample results with fluorite assay highlights over summary geology drapped over topography (northern area).

New occurrences of rare earth mineralisation are also identified by the reconnaissance rock sampling within the breccia zone (Figure 6). Rare earth mineralisation occurs with some of the fluorite and in ferruginous saprolite and quartz veins associated with the carbonatite dykes that intrude the structural zone.

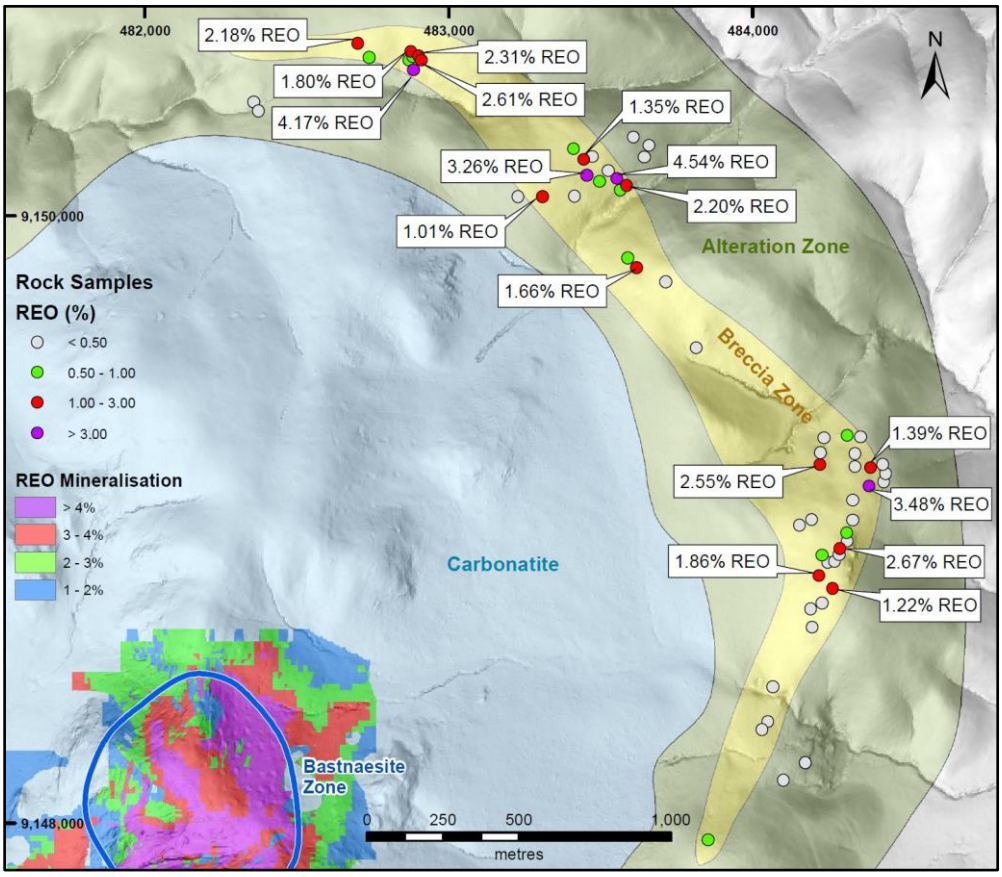

Figure 6: Rock sampling assay results highlights for rare earths along the 3.8km long breccia zone

Next Steps

Peak is on track to complete the Bankable Feasibility Study for the Ngualla Rare Earth Project late in the first quarter or early second quarter 2017 and this remains the Company's priority focus and the main value driver for the project.

The discovery of occurrences of high grade fluorite mineralisation reinforces the potential for supplementary value add commodities that may allow the company to diversify the products from a future rare earth operation at Ngualla, especially once on site infrastructure and an access road have been established.

The Company will continue to assess the economic potential of known occurrences of other commodities and which include phosphate, niobium and barite as well as fluorite.

Preliminary trenching and sampling is planned to define the width and continuity of the fluorite mineralisation identified to date, together with initial mineralogical studies. The Company will continue to provide updates on any additional results as they come to hand.

For and on behalf of Peak Resources Limited.

Darren Townsend

Managing Director

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by David Hammond, who is a Member of The Australian Institute of Mining and Metallurgy. David Hammond is the Technical Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person in terms of the 2012 Edition of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Hammond consents to the inclusion in the report of the matters based on his information in the form and contest in which it appears.

APPENDIX 1

Table 1: Reconnaissance rock chip sampling assay results for fluorite* and rare earth oxide (REO)

Sample Number	Easting	Northing	Fluorite %*	REO%
173961	484,248	9,148,857	2	0.43
173962	484,271	9,148,861	**54**	0.46
173963	484,285	9,148,883	21	0.39
173964	484,289	9,148,905	**82**	**2.67**
173965	484,313	9,148,928	**45**	0.45
173966	484,311	9,148,956	7	0.68
173967	484,331	9,148,998	**79**	0.20
173968	484,331	9,149,063	**73**	0.40
173969	484,230	9,148,882	**96**	0.91
173970	484,220	9,148,814	**92**	1.86
173971	484,264	9,148,772	10	1.22
173972	484,230	9,148,724	16	0.22
173973	484,197	9,148,645	1	0.09
173974	484,192	9,148,705	18	0.41
173975	484,384	9,149,109	2	**3.48**
173976	484,433	9,149,124	0	0.06
173977	484,440	9,149,151	1	0.03
173978	484,430	9,149,181	1	0.03
173979	484,356	9,149,272	2	0.38
173980	484,312	9,149,276	**77**	0.54
173981	484,236	9,149,268	**61**	0.37
173982	484,225	9,149,220	4	0.20
173983	484,222	9,149,180	**62**	**2.55**
173986	483,525	9,150,149	0	0.29
173987	483,554	9,150,123	1	**4.54**
173988	483,586	9,150,100	1	**2.20**
173989	483,566	9,150,084	0	0.99
173990	483,644	9,150,194	0	0.05
173991	483,660	9,150,232	0	0.06
173992	483,609	9,150,260	0	0.04
173993	483,473	9,150,196	0	0.02
173994	483,412	9,150,221	0	0.80
173995	483,445	9,150,186	0	1.35
173996	483,455	9,150,135	0	**3.26**
173997	483,414	9,150,066	0	0.02
173998	483,308	9,150,063	1	1.01
173999	483,228	9,150,063	1	0.05
174000	482,358	9,150,375	2	0.22
174002	482,374	9,150,346	0	0.10
174003	483,854	9,147,943	3	0.95
174004	484,174	9,148,198	0	0.02
174005	484,174	9,148,198	0	0.31
174006	484,103	9,148,141	0	0.35
174007	484,051	9,148,333	2	0.38
174008	484,032	9,148,308	5	0.44
174009	484,067	9,148,449	3	0.48
174012	484,339	9,149,217	29	0.47
174013	484,390	9,149,170	**47**	1.39

Sample Number	Easting	Northing	Fluorite %*	REO%
174015	482,743	9,150,280	1	0.17
174016	482,737	9,150,523	**70**	0.93
174018	482,883	9,150,481	**72**	**4.17**
174019	482,869	9,150,512	**67**	0.63
174020	482,882	9,150,525	**53**	0.83
174021	482,876	9,150,541	**38**	1.80
174022	482,901	9,150,527	**46**	**2.31**
174023	482,910	9,150,512	**44**	**2.61**
174024	482,701	9,150,569	**58**	**2.18**
174026	483,816	9,149,565	4	0.49
174027	483,715	9,149,783	1	0.34
174028	483,618	9,149,830	**59**	1.66
174029	483,589	9,149,862	**50**	0.83
174030	483,496	9,150,113	**42**	0.79
174031	484,339	9,149,173	**74**	0.32
174032	484,195	9,148,999	**74**	0.36
174033	484,155	9,148,981	0	0.12

*Fluorite grade is reported from laboratory fluorine analyses on the assumption that all fluorine (F) is present as fluorite (CaF_2), which is supported by field observations and calcium: fluorine geochemistry and ratios. REO = total rare earth oxides including yttrium. See Table 2 for relative distribution of individual rare earth oxides. Analysis by Bureau Veritas laboratories, Perth, by long read XRF for fluorine and by LA100 (fused bead laser ablation ICP-MS) for rare earths except for La, Ce and Nd which were analysed by fused bead XRF. Co-ordinate system is Arc 1960 UTM zone 36S.

Table 2: Average individual REO ratios for rock samples >1% REO

Rare Earth Oxides		% of Total REO
Lanthanum	La_2O_3	24.0
Cerium	CeO_2	49.0
Praseodymium	Pr_6O_{11}	4.77
Neodymium	Nd_2O_3	17.4
Samarium	Sm_2O_3	1.95
Europium	Eu_2O_3	0.39
Gadolinium	Gd_2O_3	0.72
Terbium	Tb_4O_7	0.06
Dysprosium	Dy_2O_3	0.22
Holmium	Ho_2O_3	0.03
Erbium	Er_2O_3	0.05
Thulium	Tm_2O_3	0.00
Ytterbium	Yb_2O_3	0.02
Lutetium	Lu_2O_3	0.00
Yttrium	Y_2O_3	0.92
Total REO*		**100.00**

*Figures may not sum due to rounding.

APPENDIX 2 – JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Peak Resources Ltd (PEK) has collected surface rock chip samples from a range of sparsely outcropping lithologies that occur along a zone of brecciation within the fenite alteration zone to the Ngualla Carbonatite. A range of rock types were sampled including fluorite mineralisation, ferruginous saprolite and quartz veining as part of reconnaissance field work. The rock chip samples are preliminary in nature (due to the reconnaissance nature of the fieldwork and limited outcrop), and hence are not deemed representative of the entire zone sampled. A total of 65 samples were collected to confirm the presence of fluorite and the geochemical signature of other mineralisation styles that may be present in this zone of brecciation and alteration. Sample preparation and assaying procedures are described below.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Not applicable as no drilling results are discussed.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Not applicable as no drilling results are discussed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant*	Samples were qualitatively geologically logged by the geologist collecting the sample. Photographs of each sample were not taken

Criteria	JORC Code explanation	Commentary
	intersections logged.	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	A total sample weight of at least 2kg was collected at each sample site. Several chip samples were collected by the geologist and combined to be representative of the particular outcrop sampled. A pulp sample for analysis was prepared from the 2kg sample collected by ALS laboratories Mwanza. The entire 2kg sample was oven dried at 105^0C and crushed to a nominal size of 75% passing 2mm and pulverising to 85% passing 75µm. A 150g aliquot was split from each pulp and despatched to Bureau Veritas Minerals Pty Ltd, Perth for geochemical analysis. Sample sizes are considered appropriate for this style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Samples were analysed by Bureau Veritas laboratories, Perth (BV) for XRF202 (fused bead XRF) for SiO_2, Fe_2O_3, MnO, MgO, P_2O_5, Th, U, Na_2O, BaO, TiO_2, Nb, Cr, Cu, Zn, Zr), La, Ce, Nd, CaO, Al_2O_3, PbO and F. F was analysed by long read XRF and by LA100 (fused bead laser ablation ICP-MS for Pr, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Sc, U, Th, Lu, Y and Ta. The assay techniques are considered appropriate and total. Quality Control procedures include the insertion of certified reference materials at a nominal 1:30 samples for rare earths, and the use of laboratory reference materials for fluorine.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	No independent verification has been completed. The Company's Technical Director has verified through field work the occurrence of fluorite identified by onsite geologists. Data is collected in the field using ticket books and entered into an Excel spreadsheet on site by the field personnel. Data is merged and checked by a Senior Geologist. Laboratory results are received digitally and entered into a master database managed by an independent professional database management service provider. BV reports F rather than fluorite. Fluorite % reported is calculated assuming all F is present as Fluorite (CaF_2) using a calculation of Fluorite % = F% x 2.054773. Ca assays and visual field observation by experienced geologists support the general validity of this assumption. Mineralogical studies have yet to be completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	The spatial data for Ngualla are reported using the ARC 1960 UTM, Zone 36S coordinate system.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Sample locations were determined by hand held Garmin GPS with sub 5 metre accuracy.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Rock chip samples were selected by the geologist to assist with the identification of the nature of the mineralisation present at each location and also depended on the availability of outcrop. No set sample spacing was used. The sampling is reconnaissance in nature and not sufficient or intended to be used for Mineral Resource estimation. All sample locations are shown in the Figures provided in this report. Sample compositing was not applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Surface samples are points only and do not provide orientation or width information. No drilling results are discussed.
Sample security	• *The measures taken to ensure sample security.*	The chain of custody of samples is managed by Peak. The samples are kept in sealed bags at an onsite storage facility prior to being trucked to the ALS laboratory Mwanza by Peak personnel. The Mwanza laboratory checks the received samples against the sample despatch forms and issues a reconciliation report. Following sample preparation, the numbered and securely packaged pulp samples are transported to the Bureau Veritas, Perth by air freight.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	None necessary at this early stage of exploration.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The results reported lie wholly within the Tanzanian Prospecting Licences PL6079/2009 and PL10897/2016. The licences are 100% owned by PR NG Minerals Ltd. Peak has entered into a financing transaction with Appian Natural Resources Fund and IFC, a member of the World Bank Group. As a result, Peak holds a 75% beneficial interest in PL6079/2009 and PL10897/2016 with Appian and IFC holding a 20% and 5% interest respectively through their equity interest in Peak African Minerals. The financing agreement with Appian and IFC includes the sale of a 2% Gross Sales Royalty. There is no habitation or farming on the mineralised area and there are no wilderness, historical sites, national parks or environmental settings.

Criteria	JORC Code explanation	Commentary
		The licences are current and in good standing and there are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	No systematic exploration for fluorite or rare earths had been undertaken at Ngualla prior to Peak Resources acquiring the project in 2009. Limited reconnaissance exploration and surface sampling for phosphate had been undertaken by a joint Tanzanian-Canadian university based non-government organisation in the early 1980s.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The new discoveries of fluorite and rare earth mineralisation are magmatic in origin and associated with the Ngualla Carbonatite, the host to the Bastnaesite Zone rare earth mineralisation previously discovered by the Company and the subject of current development studies. The fluorite mineralisation occurs in a linear, 200m wide structural zone of brecciation associated with carbonatite dykes, quartz and apatite within the fenite alteration zone that surrounds the carbonatite. The rare earth mineralisation occurs within this zone associated with fluorite, quartz veining or iron oxides thought to be the weathered equivalent of ferroan dolomite carbonatite dykes within the structural zone.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		Not applicable as no drilling results are discussed.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No aggregation or grade cut offs have been used or applied. The rock chip surface samples reported are all point data. No metal equivalent values are reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Not applicable, rock chip sample results are individual point data surface samples and no widths are reported. No drilling has been completed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Supporting figures have been included in the body of this release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Fluorite and rare earth assay results for all samples collected are reported in Appendix 1 Tables 1 and 2 and shown in Figures 1 and 4 to 6 of this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful data is reported at this early stage of exploration.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	At the time of reporting, the results are still being evaluated but it is envisaged that in the short term initial surface trenching and sampling over the sub cropping zones of interest is warranted to determine the potential thickness of the mineralised zones, together with mineralogical studies and further geological mapping and reconnaissance rock sampling of the fenite rim aimed at locating additional zones of interest. In the longer term, further surface trenching, mineralogical studies and drilling to test the width and grade of mineralisation at depth and in fresh rock will be required.