

Ngualla SML being considered by Mining Commission

Peak Resources Limited (“**Peak**” or “**the Company**”) is pleased to provide an update on the progress of the Special Mining Licence (“SML”) application for the Ngualla rare earth project.

Highlights:

- Ngualla SML being processed by the Mining Commission
- Peak executives meet with the Minister for Minerals
- Peak executive meets the new Chairman of the Mining Commission
- Clarification provided by the Minister on the use of Local Banks

Peak’s General Manager of Development Lucas Stanfield met with the Honorable Minister for Minerals Angellah Kairuki in Dar Es Salaam last week to discuss the progress of the Company’s SML application. The Minister confirmed that following the official inauguration of the Mining Commission on the 30 May 2018 she has instructed the Commission to commence processing the pending SML application as quickly as possible. Minister Kairuki informed Mr. Stanfield that she is expecting to be able to present the applications to the cabinet for final approval in a matter of weeks. While the Minister did not confirm an exact date, she did state that the Commission is under her instruction to fast track all SML’s and that it would be weeks and not months before licences are granted. She noted the ability of the Mining Commission to act quickly has been proven with some 7,000 mineral licences having been approved since the Commission started operating at the beginning of May as evidence of this.



Peak’s General Manager for Development Mr Lucas Stanfield meeting with the Tanzanian Minister of Minerals Honorable Angellah Kairuki and PRNG Minerals’ Commercial Manager Mr Ismail Diwani

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The meeting with the Minister also gave Peak the opportunity to gain clarity on the requirement to use an indigenous Tanzanian bank as set out in The Mining (Local Content) Regulations, 2018. The Minister confirmed that it will be acceptable for companies to use locally registered banks, not just indigenous Tanzanian banks, and that the Ministry was in the process of amending this requirement. This amendment is welcomed by the Company and will allow for easier access to the international financial institutions for project funding. The move is also representative of the government's willingness to listen and to work with mining companies to encourage investment. This willingness was also made public by both Deputy Ministers for Minerals at a meeting with stakeholders in Arusha on the 14 February 2018. *"The law is not a bible, so whenever we find shortcoming on the law and confirm (satisfy ourselves) that it is an obstacle we will sure be ready to amend it with no doubt."* said Deputy Minister Biteko as quoted in the news bulletin on the Ministry website.

The meeting with the Minister for Minerals in Dar es Salaam followed a number of productive meetings the week prior in Dodoma held by PRNG Minerals Commercial Manager Ismail Diwani. Mr Diwani's meetings included those with the newly appointed Chairman of the Mining Commission Prof Idris Kikula as well as with Professor Abdulkarim Mruma also a member of the Mining Commission and the CEO of the Tanzanian Geological Survey, both echoed the statement by the Minister that the SML's are expected to be issued soon.

For and on behalf of Peak Resources Limited.

Rocky Smith
CEO