

HIGHLIGHTS:

Peak Resources Limited (“Peak” or the “Company”) continues to progress the development of its 100% owned Ngualla Rare Earth Project (“Project”) with the following events occurring during the Quarter:

- Post Quarter end Peak strengthened its financial position through completion of a A\$1.5m Placement
- Steps being taken to reduce costs and conserve cash pending receipt of SML and Covid-19 recovery
- SML application technical review completed and nearing final determination
- Minimal disruption encountered related to Covid-19 – Offtake and Project Finance

A\$1.5m Placement strengthens balance sheet

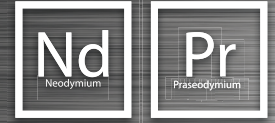
On 14 April 2020, Peak completed a \$1.5m Placement, which was well supported by current qualifying investors of the Company. Due to the Covid-19 Pandemic the current equity market environment is extremely uncertain and volatile, and likely to be that way for some time. The Board determined to act swiftly and decisively to strengthen the Company’s financial position to provide a secure financial platform pending receipt of the SML and improved equity market conditions.

A total of 100,000,000 fully paid ordinary shares at an issue price of \$0.015 were issued to the Placement participants. Participants also received one attaching listed Option, exercisable at A\$0.03 on or before 14 April 2022 for every two Placement shares issued. An additional 38m listed Options were issued to brokers (or their nominees) who assisted with the Placement.

Expenditure management and cash conservation

To conserve cash, the Company’s Directors will defer a 100% of their Directors’ fees. In addition the Company’s executive team has agreed to a 50% deferral in their contracted cash remuneration. The deferrals will be settled in equity, details of which are still to be finalised by the Company and will be subject to shareholder approval as applicable. These arrangements seek to ensure that the interests of shareholders, Directors and the executive team are strongly aligned.

All other expenditure has been minimised and the management team continues to work on identifying additional savings that can be made or any government assistance which may be available, whilst maintaining its operational capacity.



Developing the Ngualla Project into an
– ethically sustainable
– long term
– high quality supplier of choice to the global high technology rare earth market

DIRECTORS

Non-Executive Chairman:
Peter Meurer

Non-Executive Directors:
Jonathan Murray
Tony Pearson
Robert Sennitt

Chief Executive Officer:
Rocky Smith

Company Secretary:
Graeme Scott

CORPORATE DETAILS

AS AT 31 March 2020:

Ordinary Shares on issue:
1,305.3m

Listed Options:
PEKOC Listed: \$0.06 14 Jun 2020:
61.1m

52 week range: 1.5c – 6.6c

Market Cap: \$33.9 (at 2.6c)

ASX: PEK

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Impact of Covid-19

Whilst the Covid-19 pandemic has caused some initial disruption to the Company's activities it continues to be active on all fronts.

In Australia, in keeping with the Australian Governments advice, staff are working from home as much as possible and have adapted well to the conditions all businesses currently face. Through utilisation of the various conferencing and communication platforms available the day to day activities are largely unaffected.

Fortunately, at this time, in Tanzania the number of confirmed cases in the country are minimal and the government has acted early to slow the spread of the virus. Current measures implemented include the closing of schools, quarantining international visitors, restriction on travel and the implementation of social distancing. Previous threats such as the Ebola outbreaks over recent years in neighbouring countries has meant the country is well prepared. In order to keep essential processes progressing, the government has moved to teleconferencing rather than face to face meetings which should allow for the SML application process to continue.

The Company's operations in the country remain largely unaffected as the Ngualla site remains closed for the wet season.

Tanzania Special Mining Licence (SML) status

Following the recommendation for grant by the Mining Commission the SML application was presented to the Cabinet in early October 2019. Following the Cabinet's deliberation, a Presidential delegation comprised of a number of officials from all relevant government departments were tasked with undertaking a full technical due diligence of the country's two pending SML applications. As part of this due diligence the delegation visited the Ngualla site in the middle of October, as reported in the Company's ASX release titled "Project Update - Tanzania" dated 30 October 2019. The main focus of the delegation was to validate the Company's JORC compliant resource model and to independently sample available diamond and RC drill core held at the site. During this process the Company has been commended on a number of occasions for its open and transparent approach to sharing information with the government. The Company has recently been informed that this technical due diligence is complete, and the final report is due be made to the Cabinet. Although the Company is not privy to the Presidential delegation's report it understands that the due diligence process has been satisfied.

The Company maintains frequent communication with the Tanzanian government and continues to have unanimous support from all levels of the government. We have been informed by the government that the assessment process is nearly complete. This was reported by the Tanzanian, The Citizen daily newspaper on 30 January 2020 and at the Tanzanian Mining Investment Forum held in Dar es Salaam in February 2020, with the Minister for Minerals, Hon. Dotto Biteko, publicly stating that the government is soon to issue the Company's Rare Earth SML.

The Mining Licence is the final regulatory requirement for the Ngualla Project, with the associated Teesside Refinery already fully permitted and land secured under option. Once granted the Ngualla Project will be the only rare earth development project that has a JORC Compliant Ore Reserve, completed definitive feasibility study and fully piloted process from ore to separated oxides that is fully permitted and ready to construct.

Positive Mining industry developments in Tanzania

The Tanzanian government has taken a number of steps during the Quarter to encourage investment and reinvigorate the country's mining industry. In January 2020 Barrick Gold Corp (Barrick) concluded its negotiations with the Tanzanian government. The Company has been informed that the terms of the agreement, which broadly implement mechanisms that will see a 50/50 split of the economic benefits from Barrick's mining operations between Barrick and the Tanzanian Government, will form the blueprint for all future SML's, something that Peak welcomes. The granting of the pending SMLs is important to the Tanzanian Government as they are viewed as signalling a new beginning for the country's mining industry after the legislation changes announced in July 2017. The future will see mining companies working in partnership with the government to share equally in the economic benefits.

The first piece of updated legislation, The Arbitration Act, was signed by the President and gazetted on the 21 February 2020. The Act allows for International arbitration to take place, provided the venue for the arbitration is held in Tanzania. It

is anticipated that further proposed legislative changes are to be tabled in parliament in the near future and include an update to the Investment Act, and a new Business Facilitation Act (bill), which will amend a number of current acts to improve the general business environment in Tanzania.

Tanzanian Operations

The Project site remained closed for the Quarter in the midst of the Tanzanian wet season. The rains have been unusually heavy this season with some road washouts on the route to site. No damage to the site and its infrastructure has been incurred due to the water run-off and management measures in place.

Community Social Responsibility

Peak takes its community and social responsibilities very seriously and is proud of its record to date. The projects undertaken in the past and the manner in which it engages with the local community has resulted in widespread support for the Project.

As previously reported, due to the protracted SML application process and current site closure the Company is not undertaking any Community Programmes at present.

UK Teesside refinery

Peak maintained regular contact with the various UK stakeholder groups. The local Teesside community remain extremely supportive of Peak's development plans. The Company has option, over a 19 hectare parcel of land located in the Wilton International Site until June 2021.

Planning permissions for the refinery and environmental licences for operation of the facility are all in place. Potential exists for Peak to create a go to rare earth processing hub at Teesside:

- Site fully permitted for construction and operation
- 250 year land option with room for expansion
- Excellent infrastructure and location to market
- Sustainable options for waste management and disposal
- Readily available low cost reagents

Marketing and Offtake Updates

Peak was able to conduct a visit to Japan which commenced at the end of February to continue with ongoing discussions with potential off-takers and partners. After the Japan trip, Peak visited Europe in mid-March to follow up with potential European off-take partners. Due to the implementation of travel restrictions Peak returned to Australia earlier than anticipated, but did manage to carry out all planned meetings. Since the Covid-19 lockdown situation in Australia discussions continue via video conference calls and telephone conference calls.

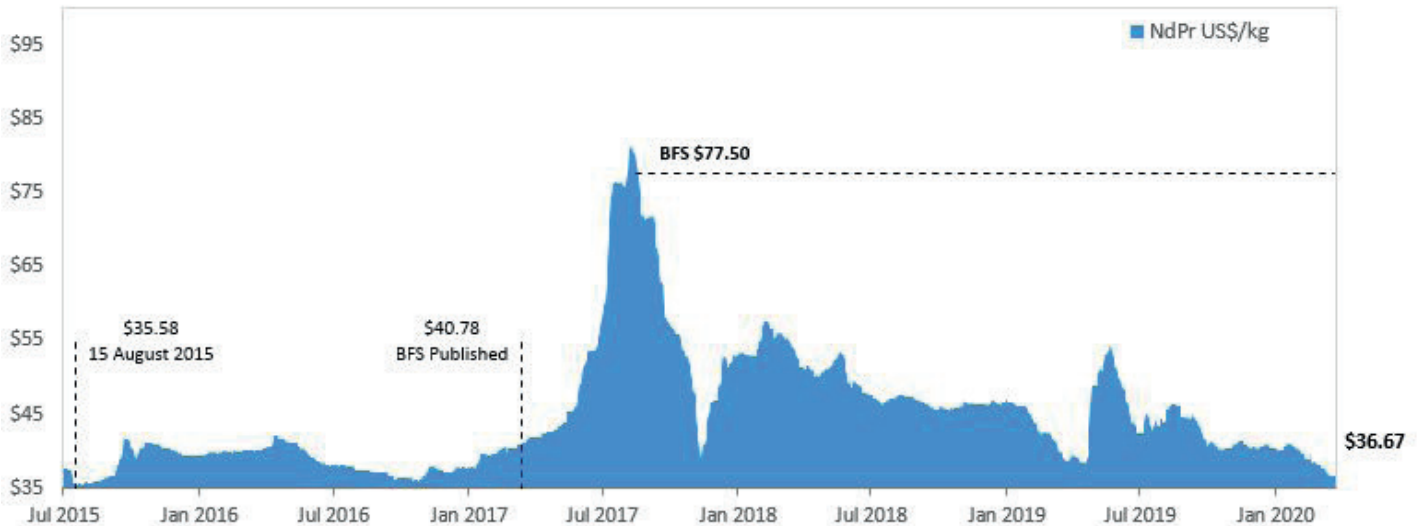
The Covid-19 pandemic has provided another stark reminder to western governments and industry of the importance of secure and diversified supply chains. Peak is well positioned to assist these groups with their rare earth requirements.

Rare Earth Pricing and Market Update

It appears that the overall Chinese economy and rare earth industry is starting to recover from the Covid-19 impact following the shut down during January and part of February. The industry is now getting back to full operation and is working on fulfilling their backlog orders as evidenced by the uptick of the March export figures.

China's total rare earth exports rose 19.2% in March year-on-year, according to Reuters, hitting their highest levels since

2014. Shipments totalled 5,551.4 tonnes in March, more than the total for January and February 2020 combined and the highest monthly total in Reuters records going back to January 2015. However, given the global lockdown situation and announced implementation of reduced productions by car manufacturers in Europe, North America, and Japan, overall market sentiment is subdued and this can be expected to be reflected in the data over subsequent quarters until conditions normalise.



NdPr Prices China in US\$/kg since July 2015. Source Asian Metal (China Domestic)

April 2020

#Target price which is required to realise similar financial performance as communicated in the BFS incorporating the process improvements of the "Process optimisation study boosts Ngualla's operating margin" dated 28 August 2017

Automotive Update

As noted above, due to the impact of Covid-19, many of the global vehicle manufacturers have announced temporary shutdowns or severe curtailments in their manufacturing operations:

China - Original Equipment Manufacturers (OEMs) reported shutdowns in production in mid-to-end of January, with vehicle production, resumed between the mid-to-end of February. This was quite a short period compared with what is anticipated in North America and Europe. The industry is now in a ramp-up phase.

Europe and North America - Plant shut-downs began in Mid-March alongside government imposed lock-down strategies. Based on the individual OEM announcements it is clear, on current information, that most of these closures will remain in place until at least the beginning of May.

Japan and South Korea - In Japan and South Korea, some closures have been comparatively late in coming, with some major OEMs waiting until as late as early April before shutting down or reducing their production.

We believe that disruption caused by Covid-19 will eventually accelerate the E-mobility implementation and adoption as vehicle manufacturers will face huge financial constraints necessitating them to shrink their model portfolios and to focus their R&D effort on future proof technologies and vehicles which comply with the upcoming environmental legislations.

Each NEV unit represents an additional +1kg of incremental demand for NdPr. Peak's proposition is well positioned to help meet this increasing demand

Corporate

Share issues

As noted above, post the end of the Quarter, the Company issued 100m fully paid ordinary shares and an additional 88m Options pursuant to completion of the Placement. The Options have been listed under the code PEKOD.

Robert Sennitt appointed as Non Executive Director

As reported in the December quarter report, on 15 January 2020 Robert Sennitt joined the Peak Board as Appian Pinnacle Holdco Limited's (Appian) 2nd Nominee Director. Appian is the Company's largest shareholder with a 30.99% shareholding interest. Robert is a Senior Advisor to Appian in Australia. He has been involved in the resources sector in Australia for over thirty years as an investment banker with J.P. Morgan, Macquarie Bank and RBC Capital Markets and more recently as Managing Director of Mineral Deposits Limited (MDL). At MDL he sat on the Executive Committee that had responsibility for the management of the TiZir Mineral Sands Joint Venture, comprising the Grande Cote mining operation in Senegal and the TTI smelting operation in Norway.

Robert's African project operations experience adds to the Board's skillset. The Company continues to regularly review the composition of the Board to ensure it retains the appropriate skillsets for its activities and corporate objectives.

Corporate Structure and Cash at Hand:

The corporate structure as at 31 March 2020 was:

ASX: PEK

Ordinary Shares on Issue: 1,305.3 million

PEKOC Listed \$0.06 14 June 2020 Options on Issue: 61.1 million

Unlisted Options outstanding: 152.8 million[†]
(exercise prices A\$0.03 to A\$0.15)

Unlisted Performance Rights: 2 million

Cash at hand: \$1.944 million

52 week range: 1.5c – 6.6c*

Market Cap: \$33.9m (at 2.6c)

Liquidity: 1.496 million shares per trading day
(average over 3 months**)

This announcement has been authorised for release by the Company's Board of Directors



Rocky Smith
Chief Executive Officer

* From 1 April 2019 to 31 March 2020 on ASX ** Average from 1 January 2020 to 31 March 2020 on ASX.
> Some subject to milestone and continuing service vesting criteria

Summary of Mining Tenements and Areas of Interest

As at 31 March 2020

Project	Tenement	End of December 2019 Quarter	End of March 2020 Quarter	Status	Arrangement/Comment
Mikuwo	PL 9157/2013	100%	100%	Granted	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd
Mlingi	PL10897/2016	100%	100%	Granted	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd
Ngualla	SML/00601/2017	100%	100%	Pending	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Rule 5.5

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAK RESOURCES LIMITED

ABN

72 112 546 700

Quarter ended ("current quarter")

MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	(500)	(1,617)
(c) production	-	-
(d) staff costs (net of project allocations)	(222)	(688)
(e) administration and corporate costs	(225)	(825)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	31
1.5 Interest and other costs of finance paid	-	(61)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	110
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(938)	(3,050)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(8)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(8)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,795
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(116)
3.5	Proceeds from borrowings	-	48
3.6	Repayment of borrowings	-	(1,872)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,855
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,882	2,147
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(938)	(3,050)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,855

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,944	1,944

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	444	882
5.2	Call deposits	1,500	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,944	2,882

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
54
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 Directors fees paid to Directors and payments to Steinepreis Paganin Lawyers & Consultants (including general corporate legal fees), an entity related to Non-executive Director Jonathan Murray.

Mining exploration entity and oil and gas exploration entity quarterly report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – Bank Guarantee re office rent	30	30
7.4 Total financing facilities	30	30
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(938)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(938)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,944
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,944
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Some reductions in cash expenditure expected due to executive salary (50%) and director fee (100%) deferrals. In addition, other cost saving measures have been implemented.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes - \$1.5m capital raising completed on 14 April 2020

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, sufficient funding available

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 April 2020.....

Authorised by: ...Graeme Scott – Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.