



10 August 2012

Dear Shareholder

Invitation to Participate in Peak Resources Limited's Share Purchase Plan

On 27 July 2012, Peak Resources Limited (ACN 112 546 700) (**Peak** or the **Company**) announced a A\$5.5 million two tranche placement (**Placement**) and its intention to offer existing eligible shareholders the opportunity to participate in a share purchase plan to subscribe for ordinary, fully paid shares in the Company (**Plan**).

The board of directors of the Company (**Board**) is now pleased to make that offer to eligible shareholders on the terms and conditions (**Terms and Conditions**) enclosed with this letter.

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is optional and is available to all shareholders who were registered as holders of fully paid ordinary shares in the issued capital of Peak (**Shares**) at 5.00pm (WST) on the **Record Date** of 26 July 2012 (**Eligible Shareholders**).

Share Purchase Plan

The Plan is intended to raise a maximum of A\$2,000,000 and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to A\$15,000 worth of Shares.

The issue price of 17 cents (the same price as the Placement) represents a 14.4% discount to the volume weighted average price (**VWAP**) of the Company's Shares traded on the Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of the Offer, and is free of brokerage and commission (**Offer**).

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was 19.858 cents.

An outline of the Plan is set out in this letter and the details are set out in the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply paid envelope are included in this package.

Additional Free Options

In addition to the Offer, the Company intends, subject to shareholder approval, to separately offer shareholders who subscribe for Shares under the Plan one free option for every one new Share issued to them under the Plan (**Free Option**). The Company also intends to offer one Free Option for each Share subscribed for by investors under any placement of a shortfall under the Plan (**Shortfall**). The Free Options will be exercisable at 25 cents each and have an expiry date of 31 July 2014.

The Free Options are subject to shareholder approval at a general meeting of the Company to be held on 10 September 2012.

The Company intends to offer the Free Options by prospectus shortly after the Offer closes (**Prospectus**). The Prospectus will be sent to each shareholder who accepts the Offer and to each investor who subscribes for Shares under the Shortfall (if applicable).

Current Projects

Details of the Company's current activities are set out in the announcements made by Peak to the ASX and are available from the ASX or Peak's website (www.peakresources.com.au).

The funds raised from the Placement and the Plan will be used for:

- exploration drilling programs at Ngualla (A\$4.1 million);
- further metallurgical studies and completion of a scoping study at Ngualla (A\$1.0 million); and
- general working capital and other corporate purposes.

How much can you invest?

Eligible Shareholders may only acquire a maximum of up to A\$15,000 worth of Shares under the Plan. Eligible Shareholders with multiple holdings may only acquire a maximum aggregate of A\$15,000 worth of Shares under the Plan.

Can I transfer my right to purchase the Shares (with Free Options)?

The offer under the Plan is non-renounceable. This means that you cannot transfer your right to acquire Shares (with Free Options) under the Plan to anyone else.

Will the Shares issued under the Plan rank equally with my existing Shares?

All Shares issued under the Plan will rank equally with your existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the issue date.

Will the Free Options be listed?

The Company intends to offer the Free Options by Prospectus shortly after the Offer closes. The Company intends to seek listing of the Free Options on the ASX. Investors should note that listing of the Free Options will only occur subject to approval from the ASX including certain listing conditions being met. Should the Free Options not become listed investors will be issued with unlisted options.

What happens if the Free Options are not approved by Shareholders?

In the event that the Free Options are not approved for issue by Shareholders, subscribers under the Plan will receive Shares subscribed and allocated under the Plan only with no Free Options. By participating in the Plan your vote as a shareholder will be disregarded in relation to the approval of the Free Options.

Subscription and Application Procedure

If you would like to participate in the Offer, the following payment options are available:

(a) Application Form and Accompanying Cheque or Money Order

Eligible Shareholders wishing to pay by cheque or money order must follow the instructions on the Application Form (enclosed) and complete the Application Form, provide a cheque or money order that is payable to "**Peak Resources Limited Share Issue Account**" and crossed "**Not Negotiable**" and return the completed Application Form and cheque or money order to:

Mailing Address

Peak Resources Limited
c/-Link Market Services Limited
Reply Paid 3560
Sydney NSW 2001

Hand Delivery

Peak Resources Limited
c/-Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Applications (together with payment) must be received by the share registry no later than 5.00pm (AEST) on 14 September 2012 (**Closing Date**).

(b) Payment by BPAY®¹

Eligible Shareholders wishing to pay by BPAY must use the specific biller code and customer reference numbers detailed on their personalised Application Form.

If you choose to pay via BPAY you are not required to submit your Application Form.

Your payment will not be accepted after 5:00pm (AEST) on the Closing Date and no Shares will be issued to you in respect of that application. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Shares under the Offer in respect of that holding, you must use the specific biller code and the Customer Reference Number shown on each personalised Application Form when paying for any Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied only for the application to which that Customer Reference Number applies and any excess amount will be refunded.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

¹ ® Registered to BPAY Pty Ltd, ABN 69 079 137 517

(c) Payment by international wire transfer

If you wish to pay by international wire transfer please register with the Company on +61 8 9200 5360, or by email at info@peakresources.com.au to receive International Deposit details.

If you have not received your Offer documentation and personalised Application Form, or require a replacement via post or email, please call Peak on +61 8 9200 5360.

Eligible Shareholders may participate by selecting one of the following offers to purchase Shares under the Plan:

	Subscription amount	Shares to be allotted
Offer A	A\$14,999.95	88,235
Offer B	A\$9,999.91	58,823
Offer C	A\$4,999.87	29,411
Offer D	A\$1,999.88	11,764

Once an application under the Plan has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date of 5:00pm (AEST) on 14 September 2012.

The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand as permitted by the Company in light of applicable foreign laws, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the 5 day VWAP of the Company's Shares, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares.

under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the directors of the Company (**Directors**) reserve the right to reject any application over A\$15,000. Shares allotted under the Plan will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The approximate number of Shares that may be issued pursuant to this Offer is 11,764,705. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis. Scale-back for Shares held by a Custodian will be applied at the level of the underlying Beneficiaries.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

The approximate number of Free Options that may be granted under the Prospectus is 11,764,705. The Company, however, reserves absolute discretion regarding the final amount of Free Options issued under the Prospectus.

Foreign offer restrictions

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement

In the event that less than 11,764,705 Shares are applied for pursuant to this Offer, the Shortfall may be placed at the discretion of the Directors.

The Company intends to offer Free Options to investors who subscribe for any Shortfall on the same terms as the Free Options to be offered to Eligible Shareholders. The Prospectus will be sent to each investor who subscribes for Shortfall Shares.

Indicative Timetable

Record Date (5:00pm WST)	26 July 2012
Announcement Date of Plan	27 July 2012
Opening Date of Offer	10 August 2012
Closing Date of Offer (5.00pm AEST)	14 September 2012
Issue of Shares under the Plan	20 September 2012
Dispatch date for holding statements	20 September 2012
Quotation of Shares on ASX	20 September 2012

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Enquiries in Relation to the Application Form or the Plan

If you have any enquiries in relation to your Application Form or the Plan, please call Peak Resources Limited on 08 9200 5360 (within Australia), or +61 8 9200 5360 (outside Australia).

Yours faithfully

Alastair Hunter
Non-Executive Chairman
PEAK RESOURCES LIMITED



PEAK RESOURCES LIMITED
ACN 112 546 700

Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The Share Purchase Plan (**Plan**) offers shareholders of Peak Resources Limited (**Company**) the opportunity to apply for a maximum of A\$15,000 worth of fully paid ordinary shares in the Company (**Shares**) (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at 17 cents per Share (being a 14.4 % discount to the volume weighted average price (**VWAP**) of Shares on the financial market operated by ASX Limited (**ASX**)) without the need to pay brokerage costs and without the need for Company to issue a Prospectus, upon such terms and conditions as the board of directors of Company, in its absolute discretion, sees fit.

Shareholders eligible to participate

Holders of Shares registered at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan. By accepting an offer under this Plan, holders of Shares warrant that they have complied with all relevant applicable foreign laws with which they are required to comply.

The same offer is being made to each of the following:

- shareholders who hold fully paid ordinary shares in the Company; and
- shareholders who hold partly paid ordinary shares Company.

Participation in the Plan is optional and is subject to these terms and conditions (**Terms and Conditions**). Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

An offer may, at the discretion of the directors of Company (**Directors**), can be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order CO 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Plan application form (**Application Form**) a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 5:00pm (WST) on 26 July 2012 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed A\$15,000;
- that a copy of the written offer document was given to each Participating Beneficiary; and
- where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order CO 03/174 or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001*;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To a request Custodian Certificate and if you would like further information on how to apply, you should contact Link Market Services Limited on 1300 554 474 (within Australia), or +61 2 8280 7111 8.30am to 5.00pm (AEST) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares to be issued under the Plan will be 17 cents per share, being a 14.4% discount to the VWAP of the Company's Shares on ASX during the 5 trading days immediately prior to the announcement date of the Offer.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Oversubscriptions to the Offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors in the relevant offer.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scaleback

The number of Shares that may be issued pursuant to this Offer is approximately 11,764,705 and the amount to be raised is approximately A\$2,000,000. However, the Company reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or the Company on +61 8 9200 5360.

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