
A transformational partnership with Shenghe

A \$96m investment and fully funded
project solution for the **Ngualla Project**

July 2024



ASX: PEK

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Compliance Statement

Information contained in this presentation relating to financial forecasts, production targets, infrastructure, project execution, cost estimating, metallurgical test work, exploration results, and studies are taken from the Company’s ASX announcements dated 24 October 2022 “Completion of Ngualla Project BFS Update” and 30 November 2023 “Completion of FEED Study” which are available to view on <https://www.peakrareearths.com/announcements/>. The Company confirms that at this time it is not aware of any new information or data that materially affects the information included in the relevant announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed, save that (i) the 30 November 2023 announcement “Completion of FEED Study” provides new information and updates to estimates in the 24 October 2022 “Completion of the Ngualla Project BFS Update” and (ii) the change to the rare earths price assumptions as set out in the December 2023 Quarterly Activities Report and Review of Operations Section of the December 2023 Half-Year Financial Report.

This presentation is authorised for release by the Company’s Chief Executive Officer.

The Ngualla Project ... the most advanced rare earth development project

Non-binding Term Sheet with Shenghe positions Peak as the only rare earth developer globally with a complete offtake, development and funding solution¹



KEY LICENCES IN PLACE

- Special Mining Licence granted and Framework Agreement executed with the Government of Tanzania



TECHNICALLY DE-RISKED

- Completed Bankable Feasibility Study Update and FEED Study and further optimisation study underway



BINDING OFFTAKE IN PLACE

- 7-year take-or-pay agreement for 100% of concentrate and 50% of future downstream products



FULL PROJECT FUNDING SOLUTION

- Shenghe to invest A\$96m to subscribe for a 50% interest in Ngualla Group UK²
- Implied Peak valuation of A\$0.36/share on a post-transaction basis
- Balance of Ngualla Project capital costs to be met by a Shenghe arranged debt facility
- No requirement for Peak to contribute development equity funding

Peak and Shenghe ... a transformational partnership

Offtake, investment and development agreements with Shenghe underpin an integrated development solution

Shenghe partnership ... key elements



Offtake

Binding offtake agreement in place



Funding

Full project funding solution via Shenghe's A\$96m investment into NGUK as well as project-level debt facility



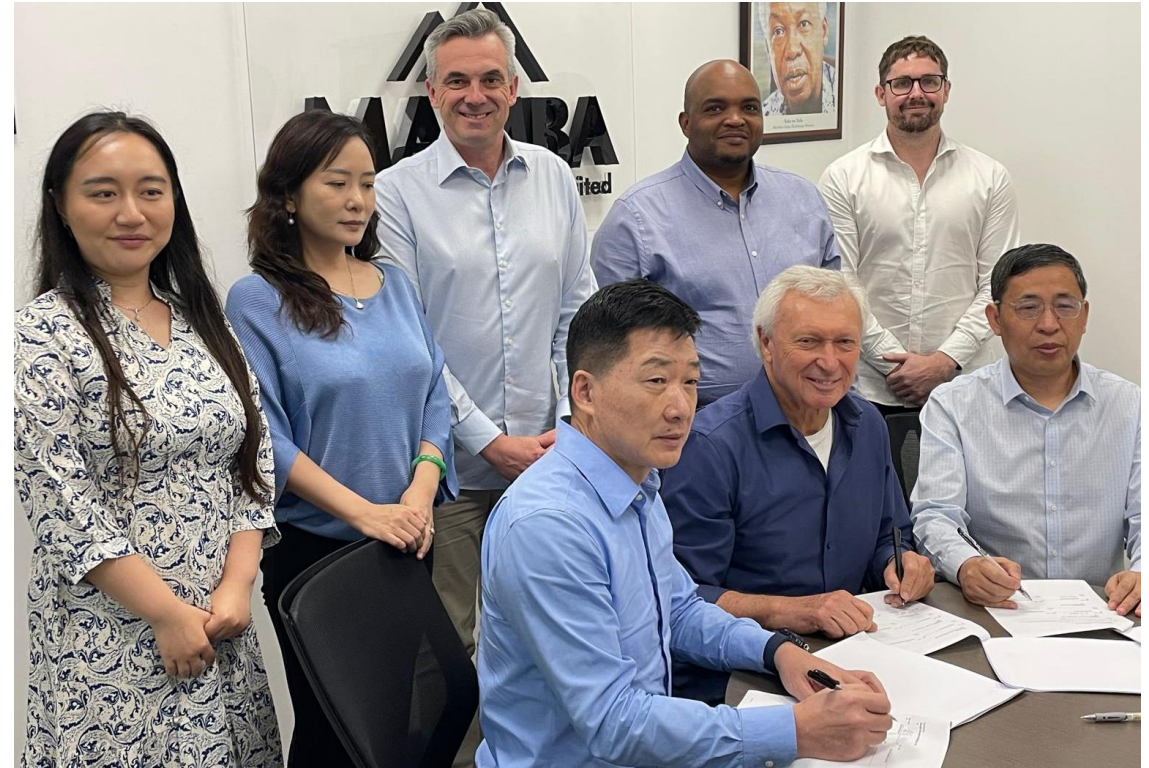
Project construction and development

Shenghe to participate in tender for project EPCM, EPC or EPS execution package



Technical collaboration

Ongoing optimisation of current flowsheet as well as collaboration around in-country downstream development



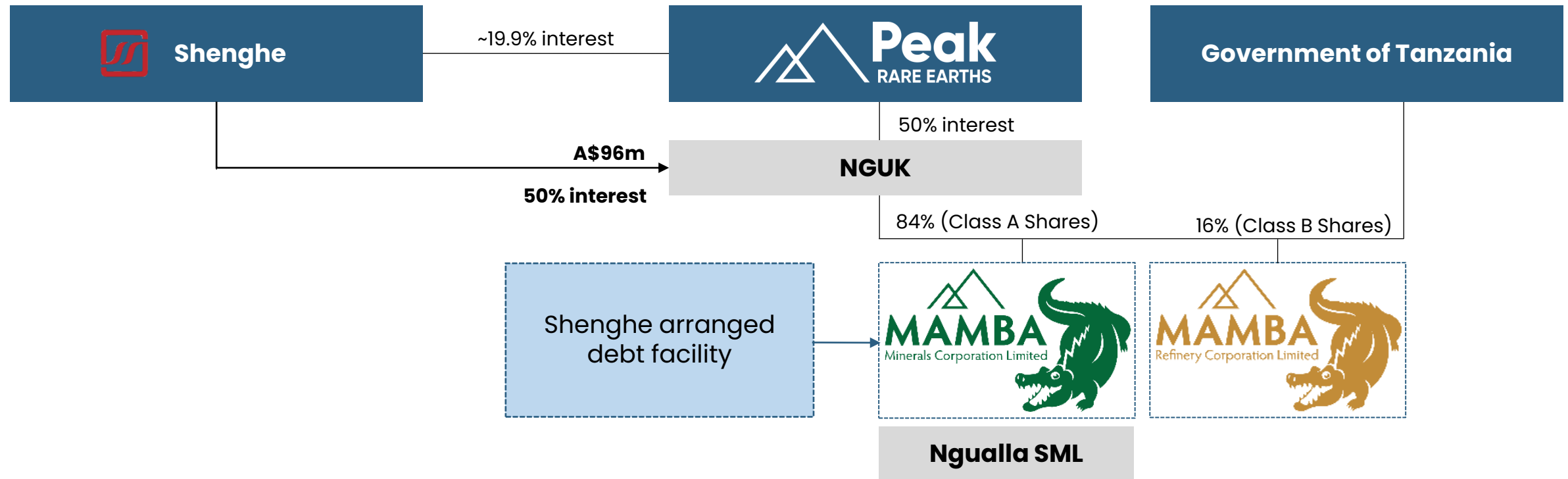
We continue to believe that the Ngualla Project is the premier undeveloped rare earth project in the world. This Term Sheet demonstrates our commitment to work with Peak and Mamba Minerals to further optimise the Ngualla Project and to expedite its development and funding

Mr. Huang Ping, Deputy Executive Chairman of Shenghe Resources Holding Co., Ltd

Investment and funding structure ... a fully funded solution

Shenghe to invest A\$96m to subscribe for a 50% stake in Ngualla Group UK Ltd (NGUK)

✓ Implied valuation of A\$0.36/share on a post-transaction basis represents a 100% premium over Peak's pre-announcement share price



✓ Supports a technically enhanced and lower cost Ngualla Project with a fully funded solution and no requirement for Peak to contribute development equity funding

Key terms ... aligning and protecting Peak's interests

Structured to leverage the strengths of Shenghe, create strong alignment between the parties and to protect Peak's interests

1. Leveraging Shenghe's technical expertise

- ✓ Shenghe to deliver a competitive and low cost EPCM, EPC or EPS solution
- ✓ Joint Owner's Team to further reduce costs and optimise project development
- ✓ Leverage Shenghe's technical expertise, access to bespoke rare earth reagents and relationships with Chinese engineering groups and vendors
- ✓ Downstream collaboration on a potential Tanzanian refinery

3. Governance protections

- ✓ Each party to appoint two Directors to NGUK Board, with Peak retaining a casting vote
- ✓ Each party to appoint one Director to Mamba Boards, with voting in accordance with NGUK instructions
- ✓ Extension of standstill restrictions limiting Shenghe to a 19.9% interest in Peak to 30 September 2027
- ✓ Right of first refusal mechanisms

2. Cost reduction incentives

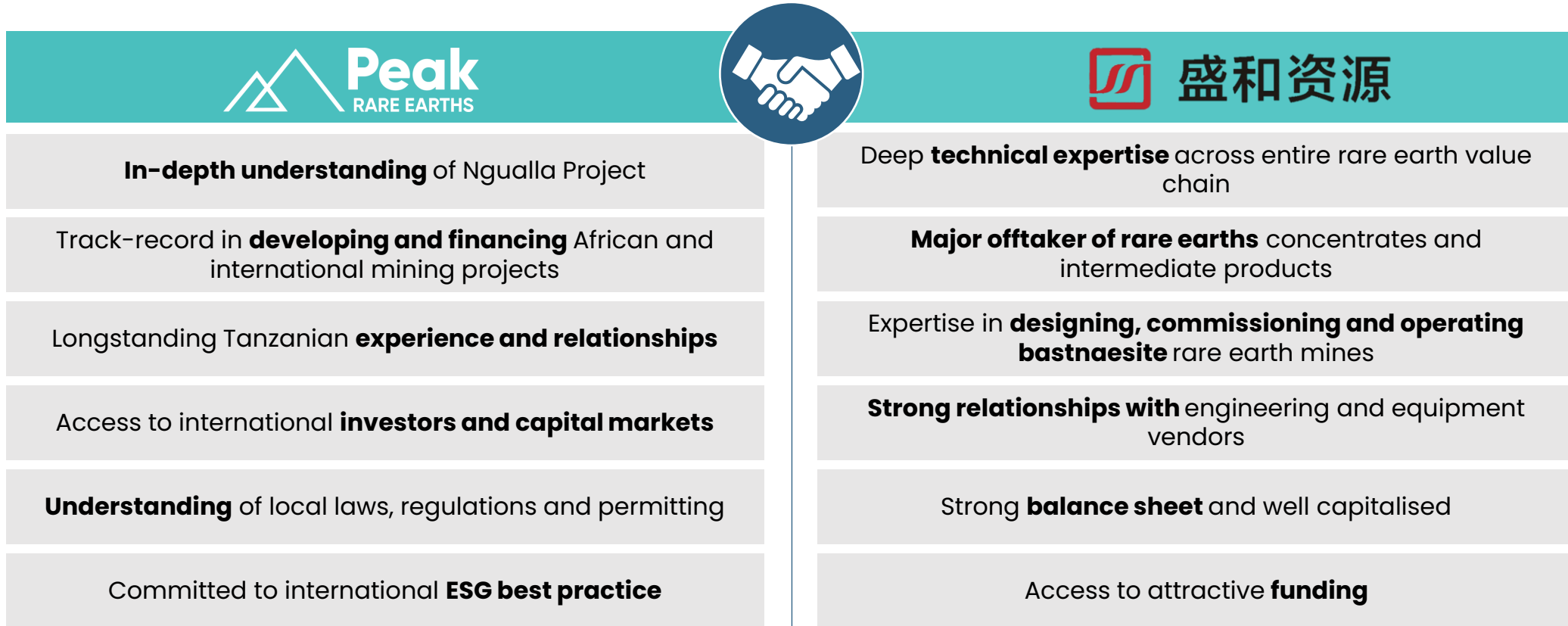
- ✓ Shenghe incentivised to reduce costs and maximise near-term earnings via an entitlement to 55% of NGUK's net earnings / losses after tax for the first 5 years of production
- ✓ Shenghe incentivised to materially reduce costs and expedite development through an incentive and penalty mechanism

4. Conditions precedent

- Shenghe awarded an EPC, EPCM or EPS contract
- Shenghe delivers an actionable project funding solution
- Approvals from Chinese regulators as well as Peak and Shenghe shareholders

Shenghe collaboration ... complementary strengths

Shenghe is uniquely positioned to support Peak in developing the Ngualla Project given deep technical expertise, offtake capacity and funding support



Peak is distinguished from its rare earth peers through a well capitalised and technically proficient partner delivering a complete offtake, development and funding solution

Integrated solution... supported by a well credentialed partner

Shenghe is a well-capitalised and technically strong strategic partner and a key contributor to MP Materials' successful restart of the Mountain Pass Project

Shenghe overview



- ✓ Peak's **largest shareholder** with ~19.9% shareholding
- ✓ Shanghai listed non-SOE with **~US\$2.0b** market capitalisation
- ✓ **Largest importer of rare earth concentrate** into China
- ✓ Internationally recognised expertise in mining and processing **bastnaesite mineralisation**
- ✓ Recent acquisition of Strandline Resources' **Tanzanian mineral sands project portfolio**

Shenghe overseas rare earths investments



9.2% holding



Undisclosed holding



7.7% holding



100% holding



19.9% holding



9.99% holding

Shenghe's role in MP Materials



MP Materials Overview

- NYSE listed with a market capitalisation of **~US\$2.4b**
- Operates Mountain Pass – world's second largest rare earth mine
- Currently sells a bastnaesite mineral concentrate
 - Exporting **~40ktpa of concentrate to Shenghe**
- Moving downstream into NdPr Oxide and magnet production
 - Recently produced first NdPr Oxide

Shenghe's contribution to MP Materials

- Founding investor in restart of mine and **7.7% shareholding**
- **~US\$80m** in funding support (prepayment)
- Technical support for restart and ramp-up
- 100% offtaker of bastnaesite concentrate

Indicative timeline ... supports a Final Investment Decision of 31 December 2024

Peak and Shenghe have agreed to work collaboratively to further optimise the Ngualla Project and to expedite its development

	2024						2025
	Jul	Aug	Sept	Oct	Nov	Dec	Jan
Signing of non-binding Term Sheet	✓						
Transaction documentation and execution			✓				
Shareholder meetings to approve transaction				✓			
Cost and layout optimisation				✓			
EPCM tender							
Award of EPCM contract						✓	
Early and Enabling Works							
Final Investment Decision						✓	
Commencement of construction							✓

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