
ASX Announcement: 5 March 2021

Market Update

Peak Resources Limited (ASX: PEK) (“Peak” or the “Company”) is pleased to provide an update on the following recent developments:

- Tanzanian International Mineral and Mining Investment Conference;
- Teesside Port securing “freeport” status; and
- Market conditions update.

Tanzanian International Mineral and Mining Investment Conference

The International Mineral and Mining Investment Conference, which was co-ordinated by the Ministry of Minerals of the United Republic of Tanzania, was successfully held in Dar es Salam between 21-23 February 2021.

Peak was a sponsor of the conference and presented on 22 February. The presentation, which was released to the ASX on the same day (www.peakresources.com.au/asx-announcements/), covered an overview of the Ngualla Rare Earth Project, the broader rare earth and battery materials opportunity for Tanzania and the importance of capturing the current market window.

The Guest of Honour, the Vice-President of the United Republic of Tanzania, H.E. Samia Suluhu Hassan, addressed the Conference earlier in the day. The Vice-President referenced the successful partnership arrangements in place between the Government of the United Republic of Tanzania and Barrick Gold Corporation and Kabanga Nickel Limited (formerly LZ Nickel). She further commented:

“I also know that two other major companies are in the stage of forming joint companies for the operation of a Gold Mine and a Rare Earth Elements Mine. Therefore, we will have four companies which have partnerships with the Government. We welcome other major companies to come and enter partnership with the Government so that we get to work together. Like I said Tanzania has an abundance of minerals resources.”

Peak is commencing the process of establishing a new Tanzanian incorporated company. The purpose of this company is to hold the interests of Peak and the Government of the United Republic of Tanzania in the Ngualla Project’s Special Mining Licence, should it be granted.

Teesside Port

On Wednesday 3 March 2021, the Government of the United Kingdom announced that Teesside had been selected as one of eight new Freeports. Freeport areas will benefit from tax relief, lower tariffs and customs, simplified customs procedures, streamlined planning processes, tax breaks to encourage investment and government support to promote regeneration and innovation.

The Teesside Freeport will cover an area of approximately 4,500 acres, which will position it as the largest Freeport area in the United Kingdom.

Peak intends to construct a rare earth refinery in the Tees Valley and holds an option with Homes England over a 19-hectare parcel of land located within 3km of the Teesport and within the designated Freeport area. This option is exercisable at a cost of £1.8 million (A\$3.2 million) and would provide for a 250-year lease. It presently expires on 18 June 2021 and is subject to funding and other conditions. Planning Permission for the Teesside Refinery, which was granted by the Redcar & Cleveland Council, can be implemented up until 10 May 2021, and is subject to completing certain preliminary works.

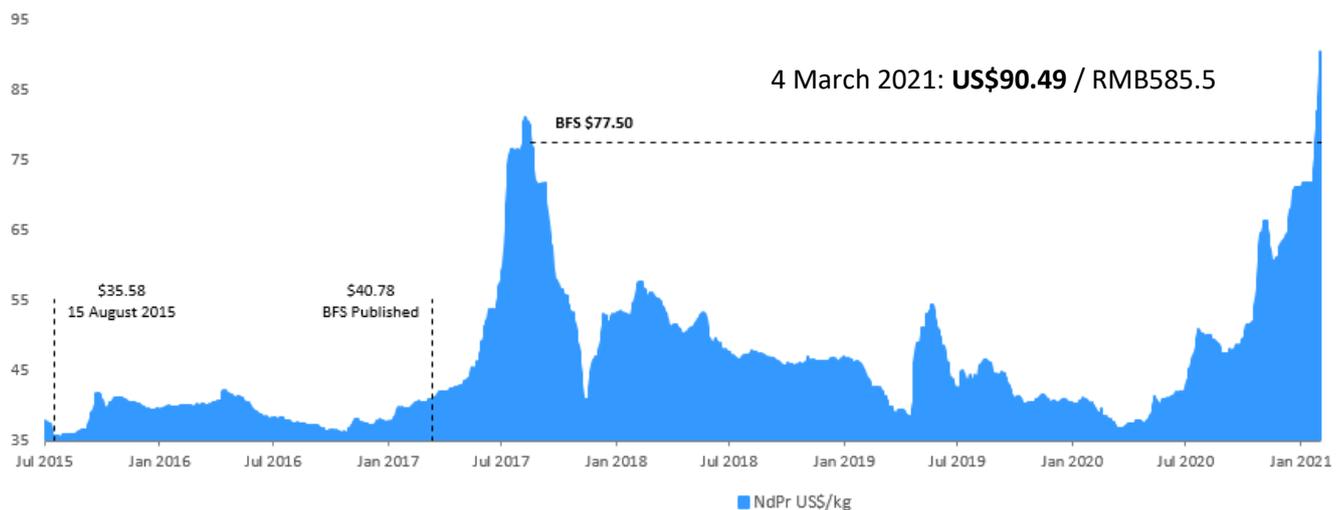
Peak is actively engaging with a range of stakeholders including the Redcar & Cleveland Borough Council and Homes England around the Planning Permission implementation process and the potential exercise of the option over the site.

Market Conditions

The market for NdPr Oxide remains tight with prices appreciating 100% since August 2020 and 26% since the commencement of the Chinese New Year on 12 February 2021.

As at 4 March 2021, NdPr Oxide prices were around US\$90.49/kg, which compares to a pricing assumption of US\$77.50/kg in Peak's Ngualla Bankable Feasibility Study.

NdPr Oxide Prices



Source: Asian Metal Corporation

There has also been increased international focus around the importance of diversity in supply in rare earth elements and supporting production outside of China. Contributing factors include the strategic importance of rare earth elements, the nexus between rare earths and e-mobility and decarbonisation, increasing market tightness, COVID-19 supply chain disruptions and rising geo-political and trade concerns.

Recent international developments include:

- **Australian Government** – announcing a “Resources Technology and Critical Minerals Processing National Manufacturing Priority” roadmap;
- **European Union** - European Commission President, Ursula von der Leyen, warning against over-reliance on China for rare earth elements; and
- **United States** - President Joe Biden issuing an executive order to review critical material supply chains including rare earths.

Authorised for release by the Managing Director.

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