

ASX Announcement

23rd April 2013



DEVELOPING A NEW RARE EARTH DISCOVERY

Ngualla Project Funding

Peak Resources Ltd (ASX:PEK) (Peak or Company) is pleased to advise the market that the Company has entered into a non-binding Memorandum of Understanding (MOU) for a transaction which will see the Ngualla Rare Earth Project fully funded through to production. The transaction contemplated sees funding in three stages, with each stage to confirm the economic parameters as defined in Peak's 3 December 2012 Scoping Study.

Stage 1 The Pre-Feasibility Study, which is in progress.

Stage 2 The Definitive Feasibility Study.

Stage 3 Final funding for the construction of the Project.

It is contemplated that on receipt of these funds the investor will earn a direct interest in the project. The completion of the transaction is dependent on the finalisation of due diligence and legal documentation. Peak will remain the sole operator of the project.

It is anticipated that a formal agreement will be completed in May 2013.

Peak's Executive Chairman, Alastair Hunter, said *"this MOU is the result of several months of discussions and negotiations"*. Mr Hunter said the Company was moving forward with the completion of the formal agreement.

He noted the Company's exploration and development team have done an incredible job in a relatively short time to establish Ngualla as one of the best rare earth projects in the world.



Jeff Dawkins Company Secretary