

NGUALLA PROJECT
TANZANIA



Developing a Low Cost Rare Earth Project



**PEAK
RESOURCES**
LIMITED

INVESTOR PRESENTATION AUGUST 2013

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Competent Person Statement

The information in this presentation relates to Exploration Results based on information reviewed by David Hammond who is a Member of the Australasian Institute of Mining and Metallurgy, is also a Director and full time employee of the Company. He has sufficient experience which is relevant to the mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Hammond consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Metallurgical Test Work Results based on information compiled and / or reviewed by Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy. Gavin Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

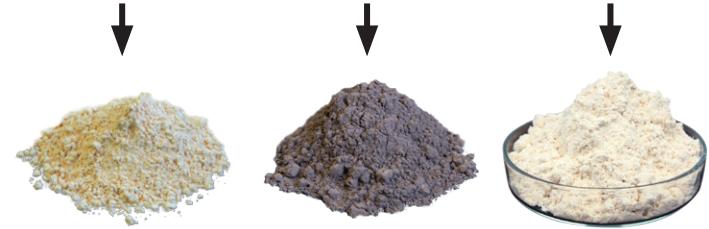
Investment Highlights

- 100% ownership of large, high quality Rare Earth Project
- Rare Earth prices stabilising, project de-risked
- High grades, at surface, favourable mineralogy
- Demonstrated processing route to high purity separated products
- Low Capex and Opex >50 year mine life
- Revenue underpinned by high value Critical Rare Earths
- Exploration potential for large niobium – tantalum and phosphate deposits



Company Snapshot

Peak Resources Limited - Developing a superior Rare Earth Project in Tanzania



Board

Executive Chairman

Alastair Hunter

Technical Director

Dave Hammond

Non-executive Director

Jonathan Murray

CFO

Jeff Dawkins

CDO

Lucas Stanfield

ASX: PEK

Ordinary Shares on Issue: 275.6m

Cash at 30 June 2013: \$2.44m

1 year range: 11c to 25c

Market Cap at 12c: \$33 million

Options: 59.6m



Outline

1. Rare earth prices and demand

2. Ngualla Project

3. The Deposit

4. Metallurgy

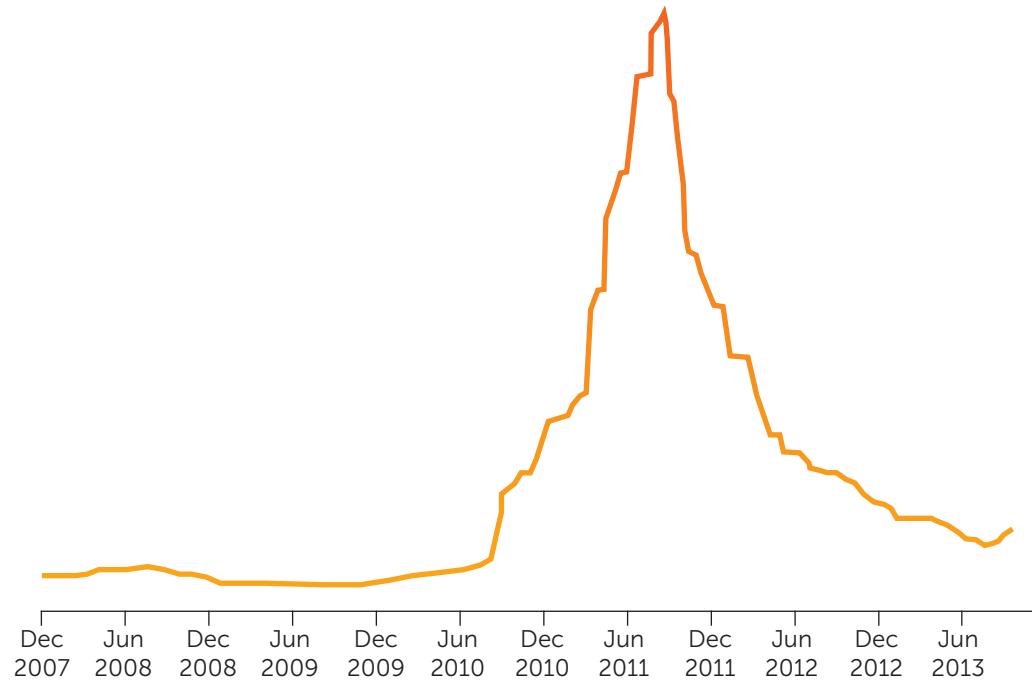
5. Economic Assessment

6. Development Schedule

Stability after the Bubble?

- Prices already rising for Nd, Pr, Dy, Gd
- Chinese exports increase
- Stocks depleted
- Buyers re-entering market
- Lynas and Molycorp add confidence to supply
- Growth markets for end uses
- Supply dominated by China

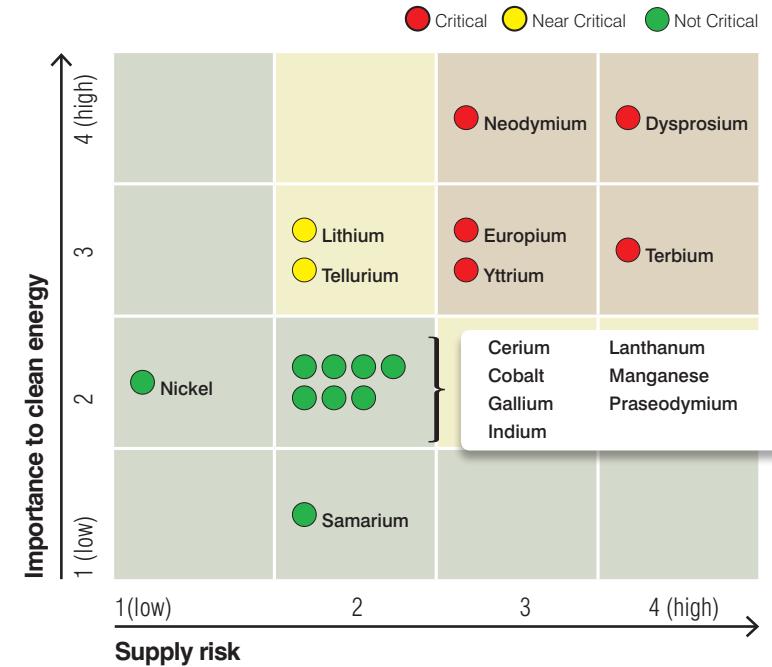
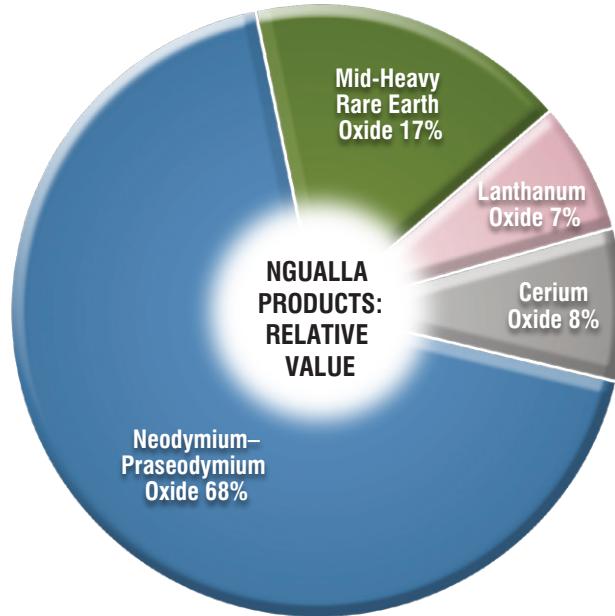
Ngualla basket price



Return to normal business fundamentals: **Low cost projects producing high quality, high demand products will prevail.**

Rare earths are not equal

- Ngualla's revenue underpinned by neodymium and Critical rare earths
- Increasing demand and undersupply to support prices



85% of Ngualla's annual revenue from high value
Nd – Pr and Mid – Heavy separated high purity products

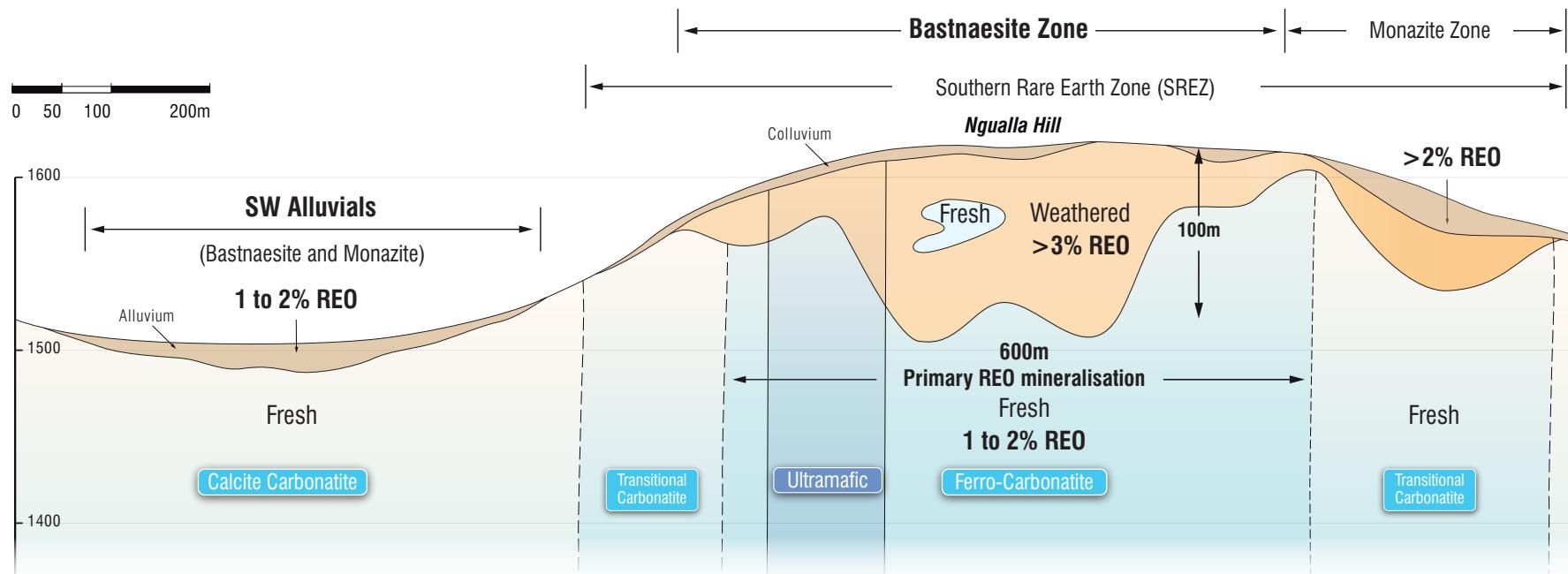
Ngualla Project location and infrastructure

- Established mining culture
- Fourth largest gold producer in Africa
- Politically stable
- Government investment incentives and guarantees
- Transportation infrastructure
- Logistics - low tonnage high value product
- Independent, on-site power as bi-product of acid plant



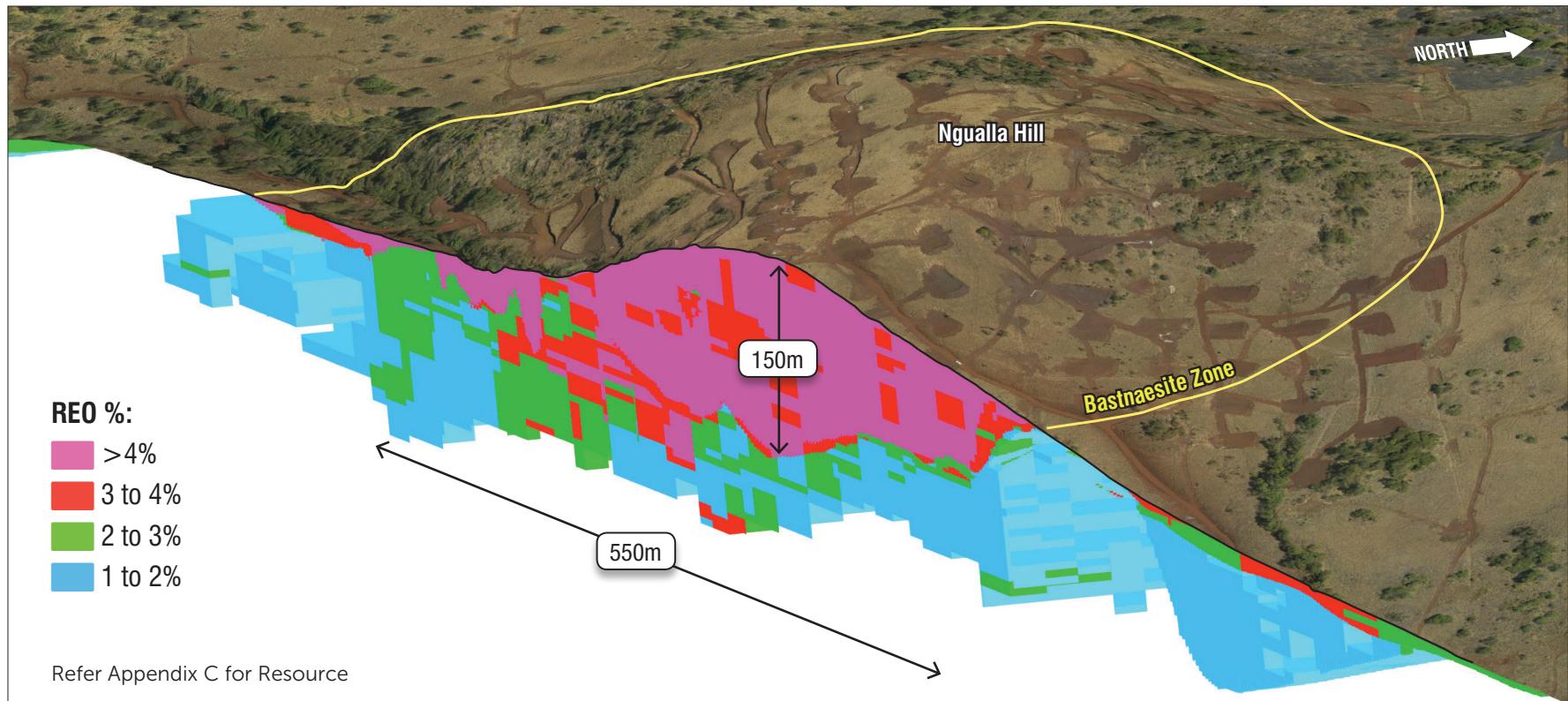
A Quality Asset – 100% owned

- Natural weathering has enriched high grades at surface
- On a hill top, amenable to low strip open pit mining
- A virgin discovery - First drill hole August 2010
- 40,400m in 781 drill holes for April 2013 Resource
- Well defined, 85% is Measured JORC category



The Resource

- 195Mt at 2.26% REO containing 4.4Mt REO *including:*
Bastnaesite Zone weathered: 21.6Mt at 4.54% REO for 982,000t contained REO
- Open pit mining, low strip First 25 years 5.35% REO
- >50 year mine life in Bastnaesite Zone alone

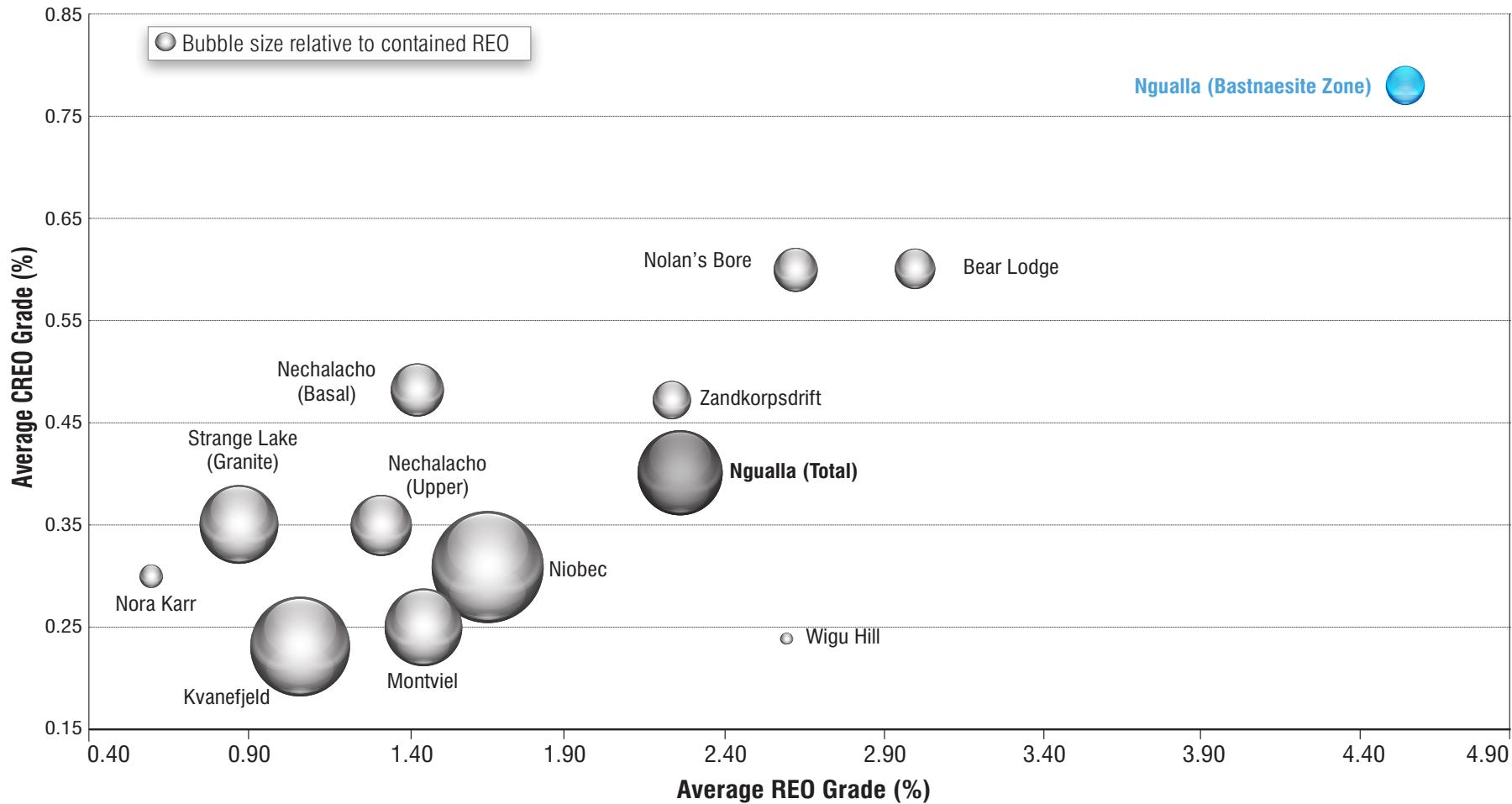


Grade is King

- Critical rare earths have Ngualla 'outside the pack'

Rare Earth Project Comparisons

Date: 10 April 2013 Source: Technology Metals Research



Mineralogy – key to low risk and costs

Mineralogy distinguishes a quality deposit

- Weathered Bastnaesite Zone – simple mineralogy
- Host rock leached of carbonates
- No phosphate or monazite
- Non radioactive – U 14ppm, Th 42ppm

Enables simple 3 stage metallurgical process



Diamond core NDD006:

Weathered iron oxide- barite carbonatite containing high grade mineralisation, **3 to 8 % REO**.

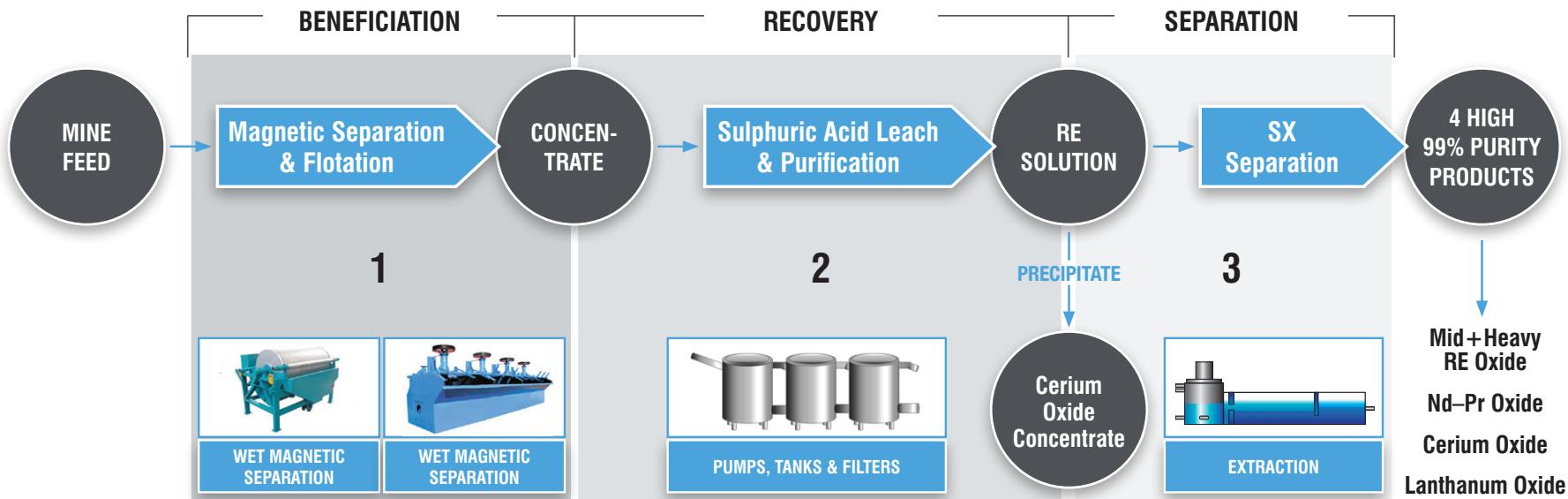
Amenable to simple sulphuric acid leach as majority of carbonate minerals removed through weathering.

Sharp karstic surface contact between weathered and fresh carbonatite.

Fresh carbonatite rock containing primary mineralisation **1 to 2.5% REO**.

Metallurgy - Overview

- Simple three stage process



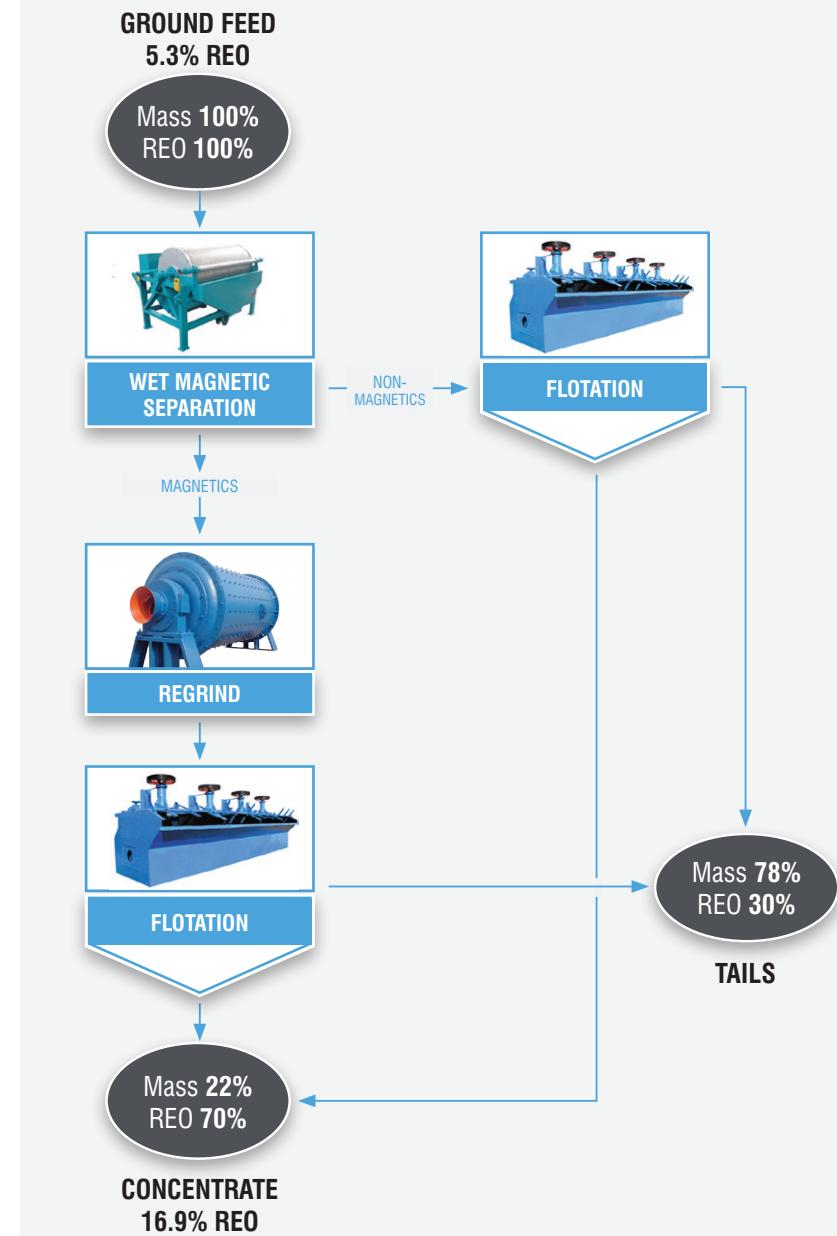
- Demonstrated, proven metallurgical process from mineralisation to high purity separated products
- Low operating and capital costs



▲ Mid + Heavy Oxide

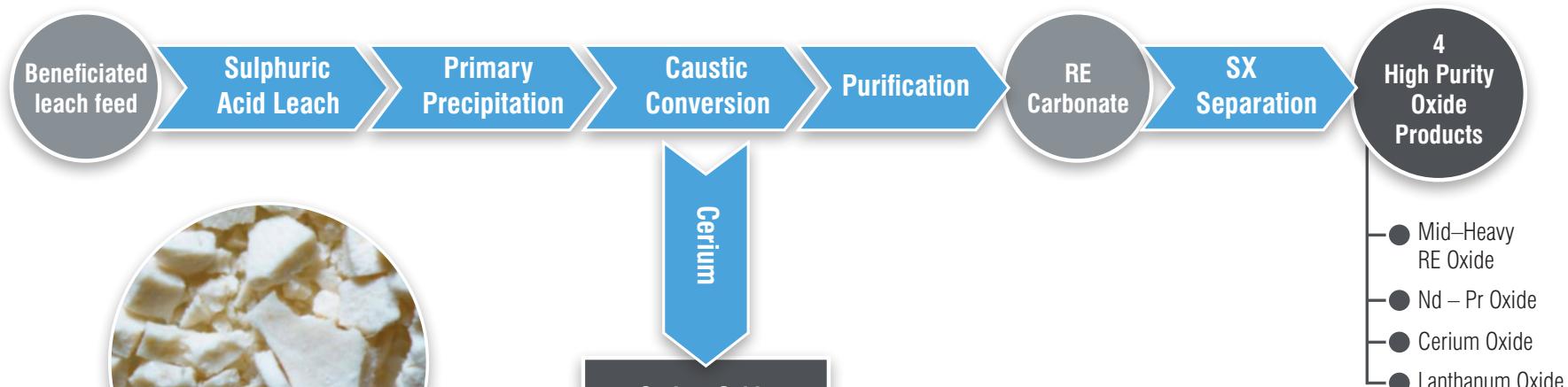
Metallurgy 1 - Beneficiation

- Key to lower operating and capital costs
- Reduced down stream leach recovery plant, acid plant, reagents, tailings
- Established, low risk, proven technology
- 78% mass rejection for 70% REO recovery achieved in test work
- 16.9% REO concentrate distinguishes Ngualla from other projects



Metallurgy 2 - Recovery

- Proven sulphuric acid leach process – 83% REO recovery
- Tanks, pumps and filters: simple proven technology, low cost, low risk process
- No baking and expensive, difficult to operate kilns
- Sulphuric acid generated on site
- Early removal of cerium



▲ 56% REO high grade rare earth carbonate produced in test work.

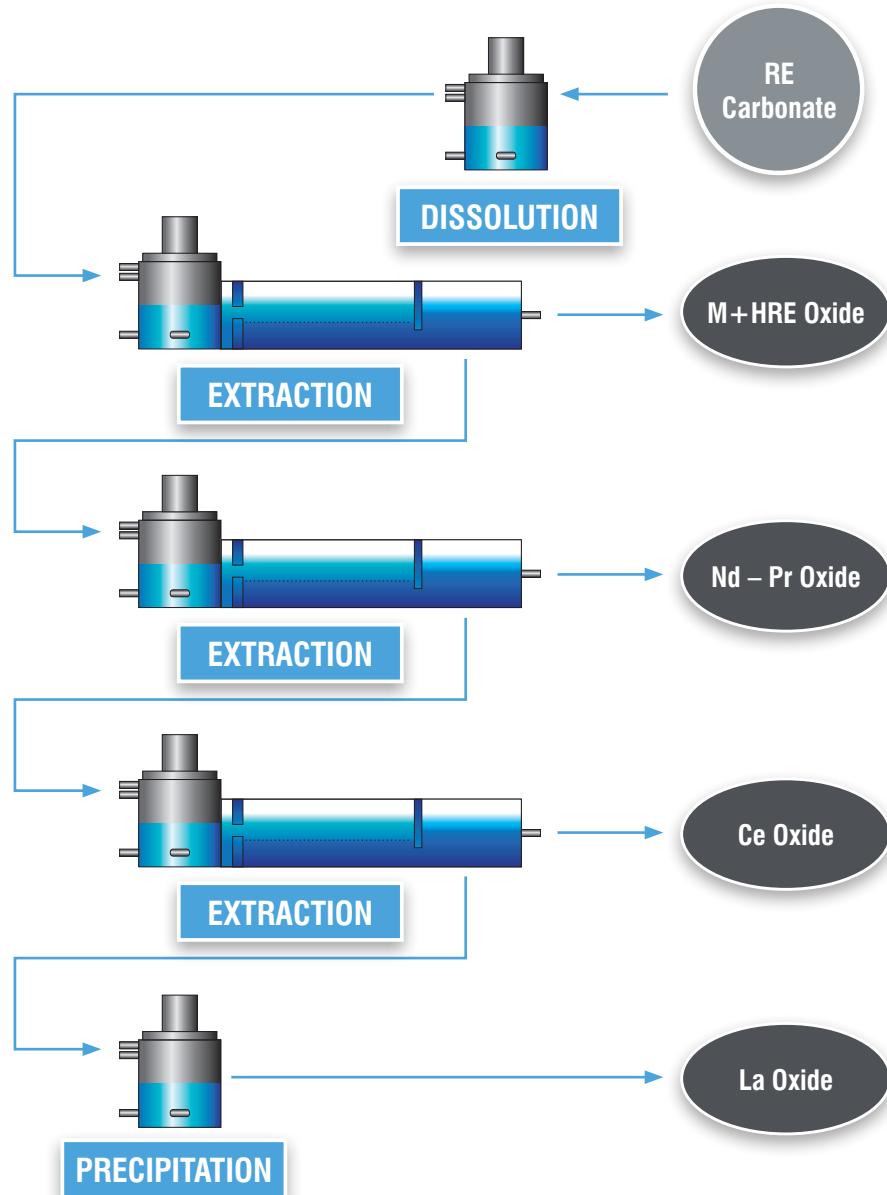
▲ Simplified flow sheet of sulphuric acid leach process to solvent extraction for Ngualla bastnaesite mineralisation into four product streams.

Metallurgy 3 - Separation

- Adding value and accessing wider markets
- Distinguishes Ngualla from other projects
- Second mover advantage, proven process
- Four high purity (>99%) separated products:
 - Mid+Heavy RE Oxide
 - Nd–Pr Oxide
 - Ce Oxide
 - La Oxide



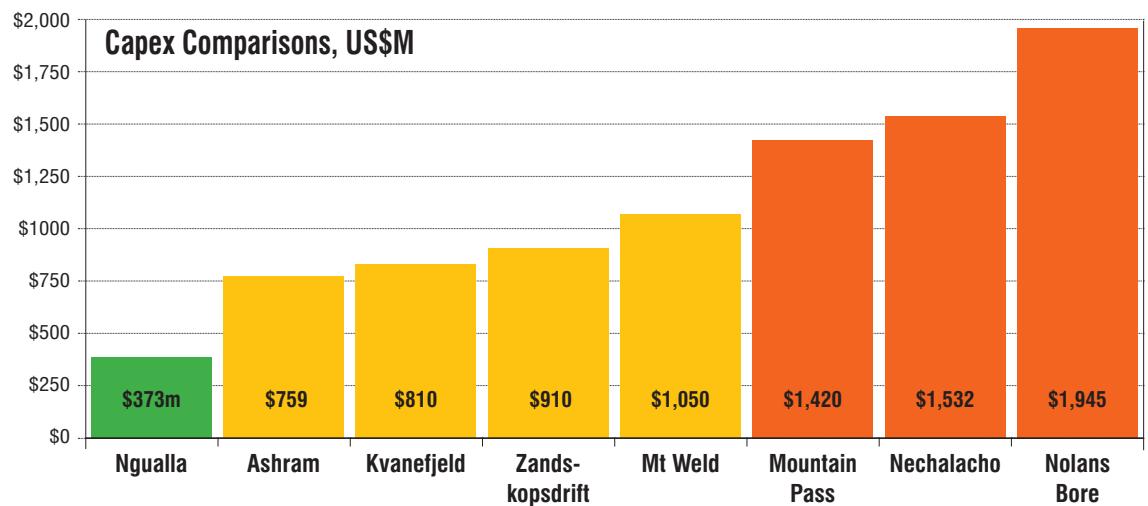
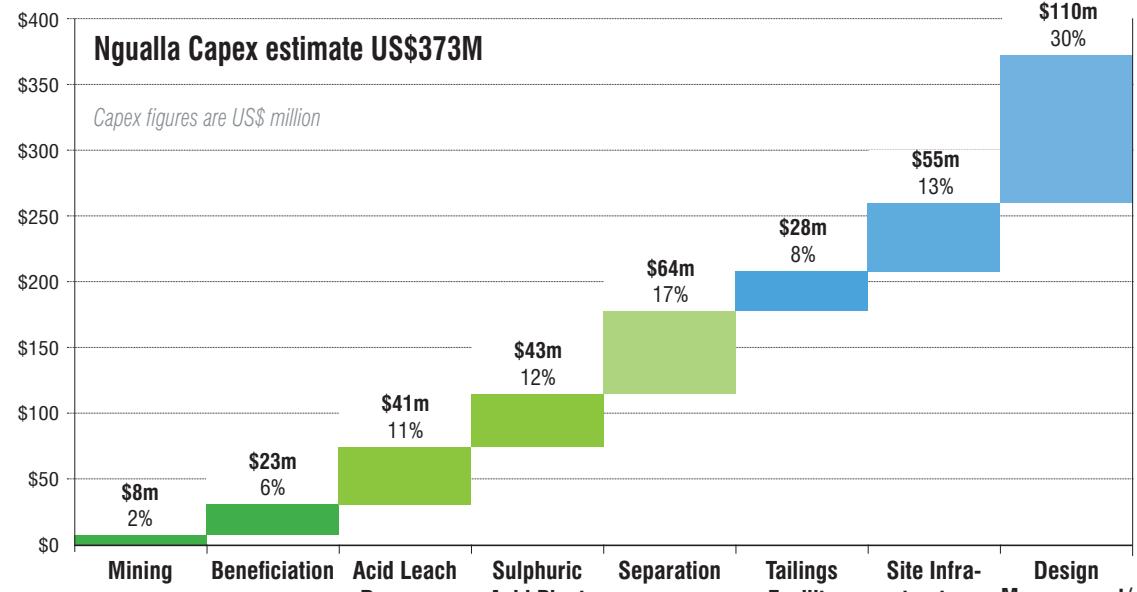
▲ High purity separated rare earth oxides produced at ANSTO from Ngualla mineralisation



Capital Expenditure

Scoping Study – revised May 2013

- Total construction Capex estimate US\$373M excluding contingency
- Ngualla Capex includes SX Plant
- Low Capex distinguishes Ngualla from other rare earth development projects



Operating Expenditure

Scoping Study – revised May 2013

- Operating expenditure per kg of product is estimated at US\$10.18/kg FOB
- Main Opex costs are the leach recovery plant 40% and the separation plant 20%; Reagent costs make up a large proportion of both
- Feasibility Studies to reduce Opex even further



Pre-Feasibility Study

- **January 2013 to Q1 2014**

- To determine optimum end products, location of process plants and production rates
- Beneficiation optimisation
- Beneficiation and separation pilot plants

- **Expected outcomes:**

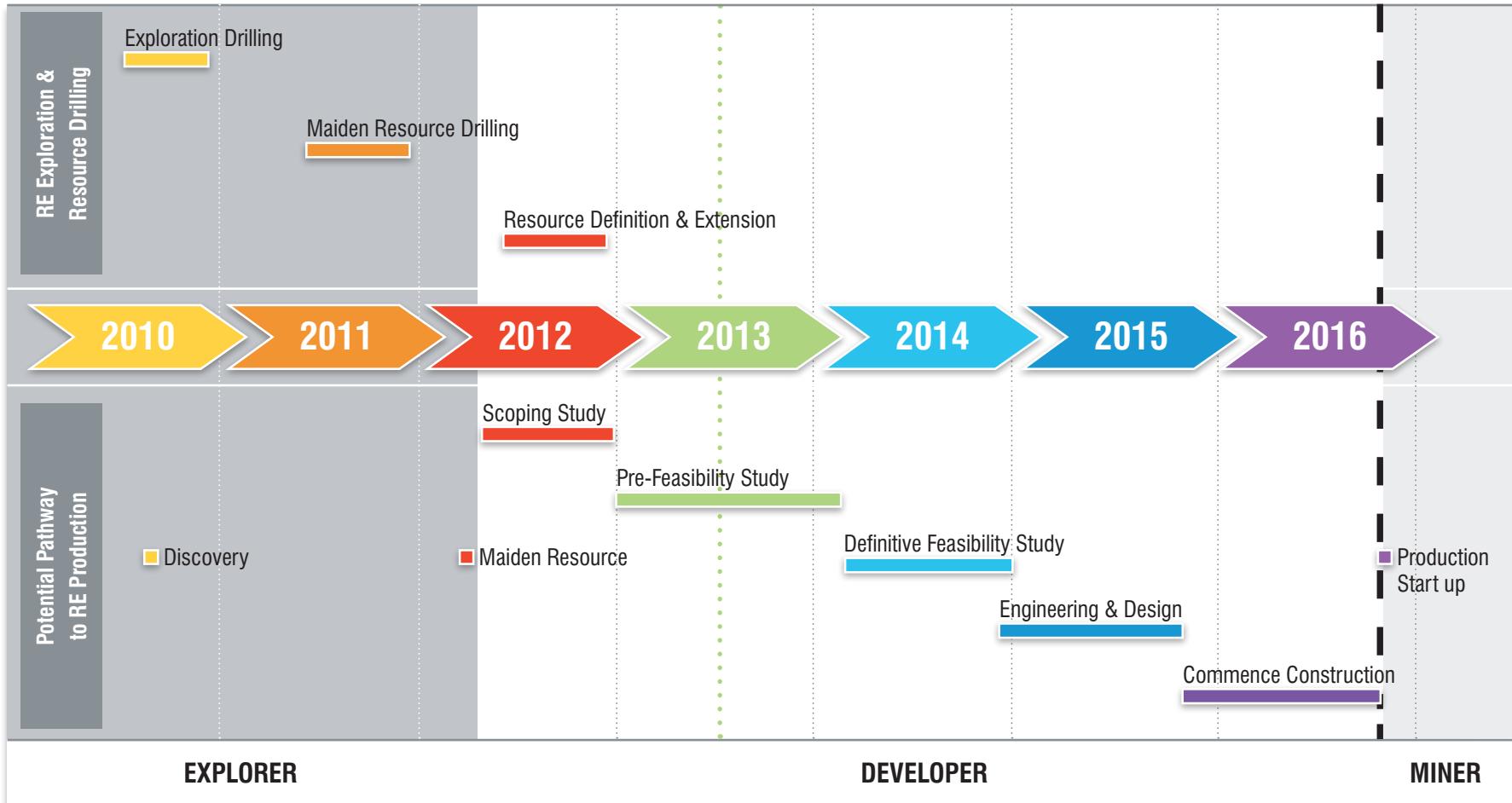
- Improved project economics and estimates Capex and Opex
- Incorporate pilot plant test work and new resource model
- Marketing strategy
- Reserve statement



▲ 3D plant layout of Ngallala processing facility (detail)

The Schedule to Rare Earth Production - Hitting milestones

Ngualla Project Development Schedule



Ngualla – a summary

- **Low cost and high returns**

- Low Capex compared to peers
- Lower quartile Opex producer
- Advantageous mineralogy, high grade, at surface
- Simple and efficient metallurgy

- **Low risk**

- Simple proven processing route
- Conventional technologies
- Second mover advantage
- Established mining jurisdiction

- **Accelerated development**

- Rapid progress achieved
- Use of simple, proven technologies
- Production in 2016





Peak Resources Limited

Head Office: Level 2, 46 Ord St, West Perth Western Australia 6005

Ph: +61 8 9200 5360 Fax: +61 8 9226 3831

ASX Code: PEK OTCQX: PKRLY

Alastair Hunter

Executive Chairman

alastair@peakresources.com.au

David Hammond

Technical Director

dave@peakresources.com.au

Jonathan Murray

Non-executive Director

Jeff Dawkins

CFO & Company Sec.

jeff@peakresources.com.au

www.peakresources.com.au

Appendix A

ASX: PEK OTCQX: PKRLY

Ordinary Shares on Issue: 275.6M

Cash at 30th June 2013: \$2.44M

52 week range: 11c to 25c

Market Cap: \$33m (at 12c)

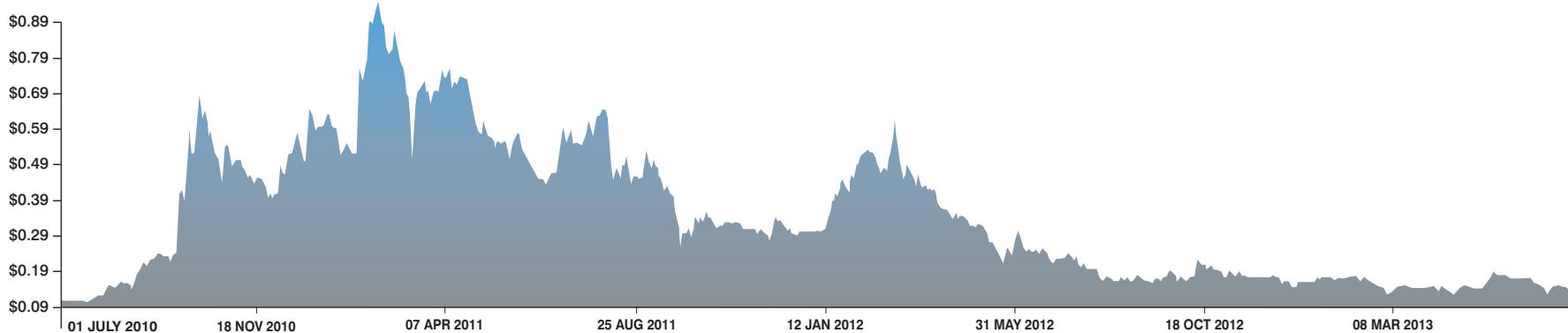
Listed Options outstanding: 51.7M

Unisted Options outstanding: 7.9M

Liquidity: 0.37 million shares per day (av. over 3 mths)

IPO Date: 29 November 2006

Share Price (01 July 2010 – 18th July 2013)



Board and Senior Management

Alastair Hunter Executive Chairman

Dave Hammond Technical Director

Jonathan Murray Non-executive Director

Jeff Dawkins CFO/Company Secretary

Lucas Stanfield Chief Development Officer

James Wheeler Country Manager (Tanz)

Legal representation: Australia: Steinepreis Paganin

Tanzania: AKO Law

Auditor: Deloitte Touche Tohmatsu

Website: www.peakresources.com.au

Email: info@peakresources.com.au

Appendix B

List of specialist consultants behind the Peak team

Company	Responsibility
ANSTO	SX pilot plant
Amdel B.V.	Comminution test work
P.D.C	Scoping study project management, infrastructure, tailings, services, environmental, civil engineering, logistics and independent technical report preparation
Hatch	Mineral Process engineering, including sulphuric acid plant, comminution and beneficiation circuits, rare earth recovery and solvent extraction plants
H&S Consulting Pty Ltd	Independent specialists for Mineral Resource model and estimation
Independent Metallurgical Operations Pty Ltd (IMO)	Beneficiation process design and test work
Met-Chem Consulting Pty Ltd	Beneficiation and hydrometallurgical process flow sheet studies and development
Nagrom	Beneficiation and metallurgical test work
Oreology	Mine engineering, geotechnical, pit optimisation and scheduling
Radiation Advice & Solutions Pty Ltd	Assessment of radiation levels in the mineralisation and process
Roger Townend	Mineralogy
SGS Australia Laboratories	Analytical laboratory for drill samples
Dr Wally Witt	Geological specialist consultant

Appendix C – JORC Resource estimates

Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut-off grade

Lower cut – off grade	Resource Category	Tonnage (Mt)	REO (%) [*]	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	TOTAL	21.6	4.54	982,000

Classification of Mineral Resources for the Total Ngualla Project at a 1.0% REO cut off grade

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%) [*]	Contained REO tonnes
1.0% REO	Measured	81	2.66	2,100,000
	Indicated	94	2.02	1,900,000
	Inferred	20	1.83	380,000
	TOTAL	195	2.26	4,400,000

*REO (%) includes all the lanthanide elements plus yttrium oxides. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

The information in this report that relates to Mineral Resources is based on information compiled by Rob Spiers, who is a member of The Australasian Institute of Geoscientists. Rob Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Rob Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Rob Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix D – In-ground rare earth distribution of major deposits

	OXIDE	Ngualla Bastnaesite Zone %	Mountain Pass %	Bayan Obo %	Mt Weld %
Light Rare Earths	Lanthanum	27.6	33.2	27.1	23.9
	Cerium	48.2	49.1	49.9	47.5
	Praseodymium	4.73	4.30	5.15	5.16
	● Neodymium	16.6	12.0	15.4	18.1
	Samarium	1.60	0.80	1.15	2.40
Heavy Rare Earths	● Europium	0.30	0.10	0.19	0.53
	Gadolinium	0.61	0.20	0.40	1.09
	● Terbium	0.05	0.06	-	0.09
	● Dysprosium	0.08	0.05	0.30	0.25
	Other	0.05	0.09	0.03	0.13
Other	● Yttrium	0.20	0.10	0.20	0.76
		100	100	100	100

The blue markers (●) denote the five “critical rare earths”, which are predicted to be in undersupply in the years ahead and predicted to command significantly higher value than other rare earths. (US DoE, ‘Critical Materials Strategy’ report, December 2011). Source: TMR & Arafura website.

Appendix E – Product and value splits

The value drivers for Ngualla are the Nd - Pr and Mid+HRE >99% purity products

These include the higher value 'Critical RE's' forecast to be in undersupply.

85% of the annual revenue (August 2013 relative REO prices and product split as per Scoping Study) is from the high purity Nd - Pr and Mid+Heavy Rare Earth products.

The lower value Ce and La are relative by-products at only 15% of the total revenue.

Product	Status of production of high purity REO products	Total Equivalent REO Production t/y*	Relative Value Contribution
Nd-Pr Oxide	✓ Completed	2,216	68%
Mid+Heavy Oxide	✓ Completed	300	17%
La Oxide	✓ Completed	2,875	7%
Ce Oxide	In progress (September 2013)	1,256	3%
Ce Oxide (concentrate)*	✓ Completed	3,762	5%
Total		10,409	100%

* Rare earth distribution derived from April 2013 Mineral Resource estimate for Bastnaesite Zone weathered mineralisation +3% REO. #Concentrate discounted to 53% of oxide price. Rare earth prices for relative value from Metal Pages, 22nd August 2013.