Quarterly Activities Report and Appendix 5B

December 2024 Quarter

Peak Rare Earths Limited (**ASX**:**PEK**) ("**Peak**" or the "**Company**") continued to make further progress towards the development of its Ngualla Rare Earth Project ("**Ngualla Project**") during the December Quarter ("**Quarter**") with the following recent milestones and events occurring:

- Completing an ~$8.5m capital raising
- Progressing negotiations and legal documentation with Shenghe that supports an integrated investment, development and funding solution for the Ngualla Project
- Advancing a sale process for the Teesside site
- Completing a Resettlement Action Plan ("RAP") and land compensation schedule
- Progressing early mining and enabling works
- Supporting the Ngwala Community through the construction of high school classrooms and a police station
- Advancing testwork on Ngualla phosphate samples
- Strong global growth in EV adoption and government infrastructure investments

Completion of an ~$8.5m capital raising

During the Quarter, Peak launched an ~$8.5m capital raising that completed between November 2024 and January 2025 and comprised of the following:

- Tranche 1 Placement of ~$4.0m;
- Tranche 2 Placement of ~$2.0m;
- Shareholder Purchase Plan ("SPP") of A$2m; and
- Top-Up Placement to Shenghe Resources (Singapore) Pte Ltd ("**Shenghe**") of ~A$0.5m[1].

Peak's largest shareholder, Shenghe, contributed ~$1.7m into the capital raising via a ~$1.2m participation in the Tranche 2 Placement and a separate ~$0.5m Top-Up Placement. Following the capital raising, Shenghe's shareholding in Peak increased to ~19.9%.

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[1] Refer ASX announcements 5 November 2025 "Equity Placement of $6 million and Planned $2 million SPP" and 3 January 2025 "Share Purchase Plan Successfully Completed"

The SPP, which provided existing shareholders with the opportunity to increase their investment in Peak at the same issue price as the placements, was oversubscribed with applications from eligible shareholders totalling ~$2.8m.

The capital raising supports Peak's strategic partnership with Shenghe and the finalisation of negotiations on an integrated investment, development and funding solution for the Ngualla Project.

Shenghe transaction update

Since signing a non-binding Term Sheet ("Shenghe Term Sheet") in late July 2024, Peak and Shenghe Resources Holding Co., Ltd. ("Shenghe Holding") have been progressing negotiations and legal documentation covering an integrated investment, funding and development solution for the Ngualla Project[2].

Whilst the transaction is behind schedule, significant progress has been made in resolving outstanding issues and advancing documentation.

During December 2024, Peak's Executive Chairman, Dr Russell Scrimshaw (AM) and Chief Executive Officer, Bardin Davis, spent several productive days at Shenghe Holding's headquarters in Chengdu, China, progressing discussions and legal documentation.

Peak also understands that Shenghe's legal, accounting and technical due diligence investigations have now been completed.

Once the final form of the transaction documentation has been finalised and executed, Peak will provide an update to the market on the target timing of transaction completion and a Final Investment Decision for the Ngualla Project.

Teesside sale update

Following the launch of a sales process over Peak's non-core 49-acre Teesside site in the UK and receipt of expressions of interest for smaller sections of the site, an opportunity was identified to maximise value for the site by sub-dividing it into three separate plots.

Peak remains hopeful of completing a sale of its Teesside site with discussions underway for each of the three plots.

Proceeds from any partial or complete sale of the Teesside site will complement Peak's recent capital raising and support the Ngualla Project and corporate working capital requirements.

[2] 1 See 24 July 2024 ASX Announcement – Signed Term Sheet with Shenghe for A$96m Investment and Fully Funded Project Solution for Ngualla.

Sub-division of the Teesside site

Land resettlement and valuation

During the Quarter, a Resettlement Action Plan ("RAP") and land compensation schedule for the Ngualla Project area was finalised. These were completed in compliance with Tanzanian laws and IFC performance standards through a process entailing broad consultation with both the community and the 193 Project Affected Persons ("PAP").

The land compensation schedule provides for upfront payments to individual PAPs and an annual payment to the Ngwala Village over the life of the Ngualla Project.

The RAP and compensation schedule have been submitted to the Tanzanian Chief Valuer and are expected to be approved shortly.

Early and enabling works update

In preparation for a Final Investment Decision, the following early mining activities were undertaken during the Quarter:

- Upgrading of the mine site access track;
- Establishing an equipment laydown area;

- Developing a track to the planned mine pit area; and
- Preparing the first pit stage area for mining.

Early and enabling works activities that were also advanced during the Quarter included:

- Geophysical survey to support hydrology modelling for mine site water supply;
- Maintenance of the main access road into Ngualla; and
- Advancement of an operating licence application for the existing local airstrip.

Early mining activities being progressed on site

Community initiatives

As part of our ongoing commitment to the Ngwala community, the following initiatives were progressed during the Quarter:

- Commencing the construction of two classrooms for the new Ngwala High School;
- Commencing the construction of the community's first police station; and
- Completing electrical works to support the Ngwala Maternity Clinic.

Recently constructed high school classrooms

Police station under construction

Critical minerals exploration

In support of the Ngualla Project's critical minerals exploration and development potential, beneficiation testwork was undertaken on phosphate samples at an Indian laboratory. This follows preliminary analysis undertaken at Minjingu Mines and Fertiliser Limited's laboratory in Tanzania. Discussions were also progressed with several strategic parties around the potential co-development of a fluorspar project.

Investor relations initiatives

Peak and Mamba Minerals participated in the highly successful Tanzanian Mining and Investment Forum in November 2024.

Peak CEO, Bardin Davis, and Mamba Minerals CEO, Ismail Diwani

Peak CEO, Bardin Davis, participating in an Energy Transition Minerals panel

In recognition of rising Middle Eastern interest in critical minerals, Peak also recently attended the 121 Mining Investment Conference in Dubai and the Future Minerals Forum in Riyadh.

Electric vehicle sales

The critical minerals consultant, Project Blue, estimates that over the 12 months to December 2024, Electric Vehicle ("EV") sales increased by 10% compared to the 12 months to December 2023, while NdFeB consumption in automotive applications increased by around 28% over the same periods[3].

During the Quarter, the European Union announced €1.0 billion in funding to support electric vehicle battery cell manufacturing projects via the Innovation Fund, while the Scottish Government published plans to add an additional 24,000 public EV charge points by 2024 after successfully adding 6,000 in 2024. The Government of California also announced a

[3] Project Blue estimates for EV sales over the 12 months to November 2024. Analysis includes BEV, PHEV, HEV, and FCEVs.

US$1.4bn investment plan to expand its network of electric cars to include over 150,000 public and private chargers.

Each new EV unit represents an additional +1kg of incremental demand for NdPr Oxide. Peak's proposition is well positioned to help meet this increasing demand

Pricing Update

Rare earth prices moderated over the Quarter from seasonal highs during the September Quarter. Over the Quarter NdPr Oxide prices declined from US$60.5/kg to US$54.6/kg.

Since the end of the Quarter, rare earth prices have remained relatively stable. As at the 30 January 2025, the NdPr Oxide price was US$57/kg.

NdPr Oxide Prices China in US$/kg through to 16 January 2025

Source: Asian Metal (China Domestic)

CORPORATE

Cash at Hand and Securities Information as at 31 December 2024

ASX: PEK

Ordinary Shares on Issue: 314.6 million

Unlisted Performance Rights outstanding: 11.4 million#

Cash at hand: $4.8m

52-week range: $0.100 – $0.380*

Market Cap: $37.8m (at $0.120/share)

Liquidity: 374k shares per trading day

(average over 3 months**)

* From 1 January 2024 to 31 December 2024 on ASX **Average from 1 October 2024 to 31 December 2024 on ASX.
# Subject to performance vesting criteria

Additional Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) attached for the period ending 31 December 2024 provides details of the Company's financial activities.

The Quarterly operating expenditure included ~$0.16m to related parties, being executive and non-executive directors' remuneration.

The exploration, evaluation or development expenditure during the December Quarter totalled $1.6m, which was predominantly incurred on engineering studies, early works, testwork, and geological evaluation.

The closing cash and cash equivalents balance as at 31 December 2024 was $4.8m.

Subsequent to the end of the Quarter, Peak completed settlement of an SPP and placements to Shenghe in January 2025, which raised gross proceeds of ~$3.7m.

Forward-Looking Statements

This announcement may contain forward-looking information and prospective financial material, which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Such forward-looking statements, are the expectations or beliefs of the Company based on information currently available to it. Where such a reference is made, it should be read subject to this cautionary statement.

Summary of Mining Tenements and Areas of Interest

As at 31 December 2024.

Project	Tenement	Sep 24 Quarter	Dec 24 Quarter	Status	Arrangements / Details
Ngualla	SML 693/2023	100%	100%	Granted	Held by 84% Tanzanian subsidiary company, Mamba Minerals Corporation Ltd

**All tenements held are located in the Songwe Region of the United Republic of Tanzania.*

This announcement has been authorised for release by the Chief Executive Officer.

DIRECTORS

Executive Chairman – Russell Scrimshaw

Non-Executive Director – Hon. Abdullah Mwinyi

Non-Executive Director – Shasha Lu

Non-Executive Director – Ian Chambers

Non-Executive Director – Nick Bowen

Non-Executive Director – Hannah Badenach

SENIOR MANAGEMENT

Chief Executive Officer – Bardin Davis

Company Secretary / Chief Financial Officer – Philip Rundell

ASX:PEK

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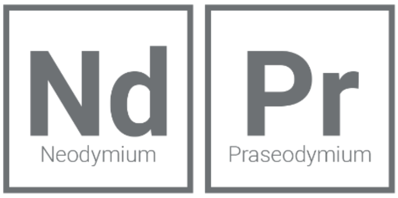

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAK RARE EARTHS LIMITED

ABN	Quarter ended ("current quarter")
72 112 546 700	**DECEMBER 2024**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(11)	(41)
	(b) development	(1,589)	(3,668)
	(c) production	-	-
	(d) staff costs	(719)	(1,595)
	(e) administration and corporate costs	(1,434)	(2,499)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	86
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	530	530
1.8	Other (GST/VAT and other taxes)	(81)	(101)
1.9	**Net cash from / (used in) operating activities**	**(3,284)**	**(7,288)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(23)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(2)**	**(23)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,794	4,794
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(331)	(331)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**4,463**	**4,463**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,601	7,626
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,284)	(7,288)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(23)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,463	4,463

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,778**	**4,778**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,778	2,101
5.2	Call deposits	3,000	1,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,778**	**3,601**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	158
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Bank Guarantee (Office Lease)	64	64
7.4	**Total financing facilities**	64	64

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,284)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,284)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,778
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,778
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.45

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Subsequent to the end of the Quarter, the Company completed a share purchase plan (SPP) and placements launched in November 2024. A total of $3.7m (before costs) was received in January 2025 which consisted of $2.0m from the SPP and $1.7m from placements to the Company's largest shareholder, Shenghe Resources (Singapore) Pte Ltd. Refer to ASX announcements 5 November 2024, 5 January 2025 and 17 January 2025.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes, refer the Company's funding activities described at 8.8.2 above.
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ....

Print Name: Phil Rundell

Company Secretary

Date: 31 January 2025

Authorised by: the Audit, Risk & Sustainability Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.