PEAK RARE EARTHS LIMITED

(ACN 112 546 700)

ENTITLEMENT OFFER BOOKLET

A 1 for 4.7 pro-rata non-renounceable entitlement offer of Peak Rare Earths Limited (**Peak** or the **Company**) ordinary fully paid shares (**New Shares**) at an offer price of $0.10 per New Share to raise up to approximately $7.5 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is not underwritten.

The Entitlement Offer closes at 5.00pm (Sydney time) on 23 June 2025 (unless extended or withdrawn). Applications must be received before that time.

IMPORTANT NOTICE

This Offer Booklet requires your immediate attention. You should read this Offer Booklet together with your personalised Entitlement and Acceptance Form in their entirety before deciding whether to accept the offer of New Shares. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Please consult your broker, accountant, legal, financial, tax or other professional adviser if you have any questions.

This Offer Booklet may not be released to US wire services or distributed in the United States.

Contents

Important notices

This document and the accompanying information (**Offer Booklet**) have been prepared by Peak Rare Earths Limited (ACN 112 546 700) (**Peak** or **Company**).

This Offer Booklet is dated 30 May 2025. The Entitlement Offer is being made utilising section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Capitalised terms used in this Offer Booklet have the meaning given to them in the Glossary in **section 9** of this Offer Booklet.

References in this Offer Booklet to the Corporations Act are references to the Corporations Act as relevantly amended or modified, including by *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* and *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

This Offer Booklet does not contain all of the information which an investor may require to make an informed decision, nor does it contain all the information which would be required to be disclosed in a prospectus.

This Offer Booklet should be read in its entirety before you decide to participate in the Entitlement Offer.

Not investment or financial product advice

This Offer Booklet is not a prospectus under the Corporations Act and has not been and will not be lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Peak is not licensed to provide financial product advice in respect of New Shares. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act.

Eligible Shareholders should conduct their own independent investigation and assessment of the Entitlement Offer and the information contained, or referred to, in this Offer Booklet. An investment in Peak is subject to investment risk including possible loss of income and principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Entitlement Offer and any relevant materials lodged by Peak with ASX and ASIC. You should also consider whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues), having regard to the merits or risks involved in an investment in Peak. You should carefully consider the risks of an investment in Peak, including the key risks described in **section 6**.

By making an Application (see **section 4** for further information) you will be deemed to have acknowledged that you have read this Offer Booklet and have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

Foreign jurisdictions

This Offer Booklet and your personalised Entitlement and Acceptance Form do not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal)

This Offer Booklet has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Offer Booklet may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in the European Union is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:

Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.

Hong Kong

WARNING: This Offer Booklet may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This Offer Booklet may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Entitlement Offer.

You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this Offer Booklet, you should obtain independent professional advice.

This Offer Booklet has not been reviewed by any Hong Kong regulatory authority. In particular, this Offer Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This Offer Booklet and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Booklet and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Offer Booklet has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Offer Booklet immediately. You may not forward or circulate this Offer Booklet to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Offer Booklet nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Offer Booklet nor any other offering or marketing material relating to the New Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offer Booklet nor any other offering or marketing material relating to the offering, the Company or the New Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Offer Booklet will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Offer Booklet may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

United Kingdom

Neither this Offer Booklet nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Offer Booklet or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Offer Booklet is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Offer Booklet may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Offer Booklet is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together the **relevant persons**). The investment to which this Offer Booklet relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements" which involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the mining industry, many of which are outside the control of, change without notice to, and may be unknown to Peak. Statements as to the timetable and outcome of the Entitlement Offer, use of funds, and statements about the plans and strategies of Peak are forward looking statements, as are statements about market and industry trends, which are based on interpretation of market conditions. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "expect", "likely", "will", "intend", "should", "could", "may", "propose", "believe", "project", "forecast", "estimate", "target", "plan", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the future performance of Peak and the outcome and effect of the Entitlement Offer and use of proceeds.

No representation, warranty or assurance, express or implied, is given or made in relation to any forward looking statement. In particular, no representation, warranty or assumption, express or implied, is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual and future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements were based, because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations.

Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements, and should rely on their own independent enquiries, investigations and advice regarding the information in this Offer Booklet. Any reliance by a reader on the information in this Offer Booklet is wholly at the reader's own risk.

To the maximum extent permitted by law or any relevant ASX Listing Rules, Peak and its related bodies corporate and affiliates and their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to disseminate any updates or revisions to the information in this Offer Booklet to reflect any change in expectations in relation to any forward looking statements or any such change in events, conditions or circumstances on which any such statements were based.

Past performance

Past performance information given in this Offer Booklet is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance, including future share price performance. Historical information in this Offer Booklet relating to Peak is information that has been released to the market. The historical information is presented in an abbreviated form insofar as it does not include all presentations and disclosures, statements or comparative information as required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. For further information, please see past announcements released by Peak to the ASX.

Disclaimer of representations

No person other than Peak has authorised or caused the issue of the information in this Offer Booklet, or takes responsibility for, or makes, any statements, representations or undertakings in, or for any action you take in reliance on, the information in this Offer Booklet. No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Peak or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, neither Peak nor any other person, warrants or guarantees the future performance of Peak or any return on any investment made pursuant to this Offer Booklet.

Privacy

If you complete an Application for New Shares, you will be providing personal information to Peak (directly or through the Registry). If the information required on your personalised Entitlement and Acceptance Form is not provided, you should be aware that Peak may not be able to accept or process your Application.

Peak collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder. The information may also be used from time to time and disclosed to persons inspecting the Register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry. You can access, correct and update the personal information that is held about you. If you wish to do so, please contact Peak through the Registry.

Taxation

There will be a tax implication associated with participating in the Entitlement Offer and receiving New Shares. **Section 8** provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Entitlement Offer for certain Eligible Shareholders who are Australian tax residents. The guide is expressed in general terms and does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. Peak recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Times, dates and currency

Times and dates in this Offer Booklet are indicative only and subject to change. Unless otherwise indicated, all times and dates refer to Sydney time.

All dollar values and references to '$' are in Australian dollars (A$) unless stated otherwise.

Rounding

Figures, amounts, percentages, estimates, calculations of value and other factors used in this Offer Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Offer Booklet.

No Entitlements trading

Entitlements under the Entitlement Offer are non-renounceable and cannot be traded nor can they be sold, transferred or otherwise disposed of.

Governing law

The Entitlement Offer and contracts formed on acceptance of your personalised Entitlement and Acceptance Form are governed by the laws of Western Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

Enquiries

If you have any questions in respect of the Entitlement Offer, please call the Company's Registry, MUFG Corporate Markets, on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday during the Entitlement Offer Period, or consult your broker, accountant, legal, financial, tax or other professional adviser. If you are beneficially entitled to Shares and those Shares are held on your behalf by a nominee or custodian, you should direct your enquiries to your nominee or custodian.

1 Chairman's letter

30 May 2025

Dear Shareholder

Proposed scheme of arrangement and entitlement offer

On behalf of the Board of Peak Rare Earths Limited (**Peak** or the **Company**), I am pleased to invite you to participate in Peak's recently announced 1 for 4.7 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in Peak (**New Shares**) at an offer price of $0.10 (**Offer Price**) per New Share to raise up to approximately $7.5 million (before costs) (**Entitlement Offer**). The Entitlement Offer is not underwritten.

The Entitlement Offer is being conducted to seek to ensure that the Company is sufficiently funded whilst it pursues implementation of the proposed acquisition by Ganzhou Chenguang Rare Earths New Material Co., Ltd. (**Chenguang**) of 100% of the fully paid ordinary shares in Peak (**Shares**) by way of a Court-approved scheme of arrangement (**Scheme**). Chenguang is a wholly-owned subsidiary of Shenghe Resources Holding Co., Ltd, the parent company of Peak's 19.86% shareholder Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**).

Under the proposed Scheme, Chenguang has agreed to pay $150.5 million, plus an amount equal to the funds raised (before costs) under the Entitlement Offer, to acquire 100% of Peak. If the full amount of ~$7.5 million (before costs) is raised pursuant to the Entitlement Offer and the Scheme is implemented, Peak shareholders will receive ~$0.359 per Share in cash under the Scheme,[1] which represents a 199% premium to Peak's closing Share price of $0.12 per Share on 9 May 2025 (being the last day on which Shares traded prior to announcing the Scheme and Entitlement Offer) and a 160% premium to Peak's 20-day volume-weighted average price prior to announcement of $0.138 per Share.

The Scheme is recommended by the Peak Independent Board[2] in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders.

Whilst New Shares issued pursuant to the Entitlement Offer are proposed to be acquired by Chenguang pursuant to the Scheme, Shareholders who are eligible to participate in the Entitlement Offer should be aware that completion of the Entitlement Offer is not conditional upon whether or not the Scheme successfully completes.

In addition to the Scheme and Entitlement Offer, Peak is also continuing to progress negotiations with respect to a sale of its non-core 49-acre Teesside site in the United Kingdom in order to supplement existing cash and funds raised under the Entitlement Offer. Proceeds from the Entitlement Offer, together with existing cash and the expected proceeds from the proposed sale of Teesside, will be used to progress land compensation and other costs at Peak's 84% owned Ngualla Project, in addition to supporting working capital requirements

[1] If less than the full ~$7.5 million (before costs) sought under the Entitlement Offer is raised, the consideration per Share under the Scheme (should it become effective) would increase. However, Shareholders who do not take up New Shares in the Entitlement Offer may experience material dilution of their shareholding in Peak. In addition, if less than the full amount is raised, Peak may need to pursue an alternate capital raising, which could further dilute Shareholders and may result in the termination of the Scheme and the payment of $1.55 million by Peak to Chenguang by way of a break fee.

[2] Being all Peak Directors excluding Non-Executive Director Shasha Lu (Managing Director of Shenghe Resources Overseas Development) and any other Peak Director appointed by or on behalf of a Chenguang group member or any of its associates. Ms Shasha Lu has excluded herself from discussions about the Scheme, and abstains from making a recommendation in relation to the Scheme.

and transaction costs associated with the Scheme. Further details regarding the use of funds under the Entitlement Offer are set out in **section 4.1** of this Offer Booklet.

Further details regarding the Scheme are set out in the Investor Materials which were lodged with the ASX on 15 May 2025, a copy of which is included in **section 5** of this Offer Booklet.[3] Shareholders do not need to take any action in relation to the Scheme at this stage. A scheme booklet, which will contain important information in relation to the Scheme and the Scheme meeting, including the reasons for the unanimous recommendation of the Peak Independent Board, and the independent expert's report, (**Scheme Booklet**) is expected to be sent to Shareholders in August 2025.

Completion of the Scheme is subject to various conditions precedent, including obtaining the requisite Peak shareholder approval, regulatory approvals in China and Tanzania and other government confirmations, an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders, requisite Court approval and other customary conditions precedent.

Many of the conditions precedent to the Scheme are outside of Peak's control. If any of these conditions precedent are not satisfied or waived (where applicable), the Scheme may not be able to be successfully implemented. As such, there is no certainty that the Scheme will successfully complete. The failure to successfully implement the Scheme may have a material adverse effect on the market price of Shares and there is a risk that the price of Shares may fall below the Offer Price.

Further, the Scheme is not conditional on any minimum level of subscription being achieved under the Entitlement Offer or Teesside being sold for an acceptable sum. As the Entitlement Offer is not underwritten, there is a risk that insufficient subscriptions are received under the Entitlement Offer to fund Peak's activities either for the period to implementation of the Scheme or thereafter should the Scheme not proceed. Similarly, a risk also exists that Peak is unable to divest Teesside for sufficient proceeds to adequately supplement existing cash and funds raised under the Entitlement Offer in order to satisfy Peak's working capital requirements and the expected transaction costs should the Scheme complete. Should this occur, Peak may need to pursue an alternate capital raising, which:

- could further dilute Shareholders; and
- may result in the termination of the Scheme and the payment of $1.55 million by Peak to Chenguang by way of a break fee which, in turn, would place the future funding capacity of Peak at risk.[4]

Eligible Shareholders should be aware of the risks associated with the Scheme, and other risks associated with an investment in Peak, before deciding whether to participate in the Entitlement Offer. Further details regarding these risks are set out in **section 6.2**.

Background to the Entitlement Offer

As noted above, the Entitlement Offer is being conducted to seek to ensure that the Company is sufficiently funded whilst it pursues implementation of the proposed Scheme.

[3] For brevity, the version of the ASX Announcement included in this Offer Booklet does not contain the annexure to that announcement, being the Scheme Implementation Deed. A complete copy of the Scheme Implementation Deed is annexed to the version of the ASX Announcement lodged with ASX on 15 May 2025.

[4] There can be no assurance that Peak will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to Peak.

Before deciding to proceed with the Entitlement Offer, the Company considered a range of potential funding alternatives, including the potential to obtain a bridging loan or to pursue alternative equity raising options. However, the Company notes that:

- the listing rules of the Shanghai Stock Exchange restrict Shenghe, Chenguang or any of their related bodies corporate from being able to provide bridge loan funding to the Company;
- given the stage of development and location of the Ngualla Project, the Company believes it has limited capacity to secure alternative bridge loan finance from a third party that is likely to be on acceptable terms; and
- due to Shenghe's existing Voting Power in the Company and the fact that it has a nominee on the Company's Board, any issue of additional Shares to Shenghe or any of its related bodies corporate would require the approval of the Company's Shareholders under ASX Listing Rule 10.11 and potentially also under item 7 of section 611 of the Corporations Act. The requirement for Shareholder approval to be obtained to any such share issue would: (i) add additional uncertainty to the Company's ability to raise the necessary funding due to Shareholder approval being required; (ii) add further cost and a considerable delay in the timing for the receipt of such funding (given the requirement to convene a Shareholder meeting and potentially obtain an independent expert's report); and (iii) potentially be coercive to Shareholders given the Company's need to secure additional funding and the potential ramifications for the Scheme if such approval was not forthcoming. Further, the issue of further Shares to Shenghe would increase in Shenghe's Voting Power in the Company without the payment of a control premium to other Shareholders, and would (if approved by Shareholders) result in Shenghe acquiring increased control over the Company without any certainty that the Scheme would proceed.

For these reasons, the Peak Independent Board determined that, in the circumstances, the Entitlement Offer represents the best available option for the Company to raise the necessary funds whilst it pursues implementation of the proposed Scheme.

Overview of Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 4.7 Shares held at 7.00pm (Sydney time) on the Record Date (**Entitlement**).

The Offer Price of $0.10 per New Share represents a:

- 14.2% discount to the Theoretical Ex-Rights Price (**TERP**) of $0.116 per Share based on last closing price of $0.12 per Share on 9 May 2025 (being the last day on which Shares traded prior to announcing the Scheme and Entitlement Offer);[5]
- 16.7% discount to the closing price of $0.12 per Share on 9 May 2025; and
- 72.1% discount to the minimum Scheme consideration of ~$0.359 per Share, assuming the Entitlement Offer successfully raises the full ~$7.5 million (before costs) sought.

The Company's major shareholder, Shenghe, has undertaken to take up its Entitlement in full under the Entitlement Offer. Shenghe has also undertaken to subscribe for Shares in certain

[5] The TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Peak's closing price of $0.12 on 9 May 2025. The TERP calculation includes New Shares issued under the Entitlement Offer (assuming full subscription).

circumstances where the Scheme does not complete. These arrangements are described in more detail in **sections 7.9**, **7.12** and **7.13**. Directors who are Eligible Shareholders also intend to take up their Entitlements in full.

The New Shares issued under the Entitlement Offer will rank equally with existing Shares.

If the Scheme is implemented, Eligible Shareholders who acquire New Shares under the Entitlement Offer (at the Offer Price of $0.10 per New Share) will have those Shares acquired under the Scheme for the Scheme consideration. As set out in **section 7.16**, the Scheme consideration per Share may be as high as ~$0.40 per Share (assuming Shenghe takes up its Entitlement in full but no other Eligible Shareholders take up their Entitlements). However, the Scheme consideration (on a per Share basis) will be reduced to the extent that other Eligible Shareholders take up their Entitlements (with the minimum Scheme consideration being ~$0.359 per Share, assuming the Entitlement Offer successfully raises the full ~$7.5 million (before costs) sought). **Section 7.17** illustrates the amount of net proceeds a hypothetical Eligible Shareholder may realise under the Scheme (should it be implemented) if they choose to not participate, partly participate or fully participate in the Entitlement Offer.

Top-Up Facility

Eligible Shareholders (other than Directors and any other person to whom ASX Listing Rule 10.11 applies) who take up their Entitlement in full may also apply for additional new Shares in excess of their Entitlement (**Additional New Shares**) under a top-up facility (**Top-Up Facility**). Any New Shares not applied for by Eligible Shareholders under their Entitlement will be included in the Top-Up Facility.

Applications for Additional New Shares under the Top-Up Facility will be allocated at the sole discretion of the Board and will be subject to scale back (where applicable). Subject to **section 4.2**, there is no cap on the amount of Additional New Shares that can be applied for under the Top-Up Facility. However, there is no guarantee that a Shareholder who applies for Additional New Shares will receive all or any of the Additional New Shares that they applied for and Peak will cap Eligible Shareholders' entitlement to Additional New Shares such that no Eligible Shareholder's interest will exceed 19.99% on completion of the Entitlement Offer, as a result of applying for Additional New Shares under the Entitlement Offer. Shareholders who participate in the Top-Up Facility will do so without incurring any brokerage costs. Additional New Shares issued under the Top-Up Facility will rank equally with existing Shares on issue.

Shortfall Facility

The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place any Shortfall (after application of the Top-Up Facility) at their discretion within three months after the Closing Date. Shortfall Facility Shares will be issued at no less than the Offer Price per New Share offered to Eligible Shareholders under the Entitlement Offer. Shortfall Facility Shares will rank equally with existing Shares on issue.

Further information

The Entitlement Offer to which this Offer Booklet relates closes at 5.00pm (Sydney time) on 23 June 2025 (unless extended or withdrawn).

This Offer Booklet, together with your personalised Entitlement and Acceptance Form, contains important information concerning your potential participation in the Entitlement Offer, including:

- the key terms of the Entitlement Offer;
- instructions on how to participate should you choose to do so; and

- the Investor Materials.

Please carefully read this Offer Booklet in its entirety and consult your broker, accountant, or legal, financial, tax or other professional adviser before making your investment decision. In particular, you should read and carefully consider the key risks described in **section 6**, which contains a summary of some of the key risks associated with an investment in Peak (including some of the risks associated with the Scheme). Shareholders should wait to review the Scheme Booklet prior to making any decisions with respect to the Scheme itself.

If you have any questions in respect of the Entitlement Offer, please call the Company's Registry, MUFG Corporate Markets, on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday during the Entitlement Offer Period, or consult your broker, accountant, legal, financial, tax or other professional adviser.

Depending on your communications preference, the Registry will either email you a link to view or download your personalised Entitlement and Acceptance Form and the Offer Booklet or post your Entitlement and Acceptance Form with a letter providing a link to view or download the Offer Booklet. A hard copy of the Offer Booklet and your personalised Entitlement and Acceptance Form can be requested by calling the Registry directly on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday.

On behalf of the Board, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully

Russell Scrimshaw
Executive Chairman

2 Overview

2.1 Summary of Entitlement Offer

Entitlement Offer ratio	1 New Share for every 4.7 Shares held at the Record Date.
Offer Price	$0.10 per New Share.
Additional New Shares	Eligible Shareholders (defined in **section 3.4**) who take up all of their Entitlement will have the opportunity to apply for Additional New Shares in excess of their Entitlement under the Top-Up Facility, subject to certain exceptions. See **section 4.2** for more information.
Shortfall Facility Shares	Any Shortfall Facility will be open to Eligible Institutional Investors only. See **section 4.3** for more information.
Total Shares to be issued under the Entitlement Offer[1]	Approximately 74,920,377 New Shares.
Proceeds of the Entitlement Offer[1]	Approximately $7.5 million (before costs).

Notes: *1. If the Entitlement Offer is fully subscribed (noting the Entitlement Offer is not underwritten) and reflecting rounding based on the Register as at the Record Date. Remains subject to rounding and final reconciliations.*

2.2 Key dates

Event	Date
Announcement of the Entitlement Offer	15 May 2025
"Ex" date[1]	20 May 2025
Record Date for the Entitlement Offer	21 May 2025 7.00pm (Sydney time)
Issue of Offer Booklet and Entitlement Offer opens	30 May 2025
Entitlement Offer closes (**Closing Date**)	23 June 2025 5.00pm (Sydney time)
Results of Entitlement Offer announced	30 June 2025
Allotment and issue of New Shares (including Additional New Shares under the Top-Up Facility)	30 June 2025
Normal ASX trading of New Shares (including Additional New Shares under the Top-Up Facility) expected to commence	1 July 2025
Despatch of holding statements for New Shares (including Additional New Shares under the Top-Up Facility)	2 July 2025
Last date for issuing any Shortfall (unless Closing Date extended)[6]	29 September 2025

*Note: 1. The **"Ex" date** for the Entitlement Offer is the date on and from which Shares will trade "ex-entitlement" (i.e., Shares traded on and following this date will not trade with the right to subscribe for New Shares under the Entitlement Offer).*

The timetable above (and each reference to it or dates in it in this Offer Booklet) is indicative only and subject to change without notice. Peak reserves the right to amend any or all of these dates and times without prior notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Peak reserves the right to extend the Closing Date, to accept late Applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of Shares is subject to confirmation from ASX.

*Peak also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares under the Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to the Applicant. See **section 4.12** of this Offer Booklet for further information.*

It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in New Shares. The Company recommends that Shareholders confirm their allocation in the Entitlement Offer before considering trading in New Shares.

Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk. You may call the Registry on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday to enquire about your holding.

[6] The last date for issuing Shortfall Facility Shares will be the date falling three months after the Closing Date.

3 Summary of options available to you

3.1 Please read the whole of this Offer Booklet

The Entitlement Offer is made under section 708AA of the Corporations Act which allows entitlement offers to be offered without a prospectus, provided certain conditions are satisfied.

The Entitlement Offer is not being made under a prospectus, and it is important for Eligible Shareholders to read and understand the information on Peak and the Entitlement Offer that is publicly available prior to taking up all or part of their Entitlement. In particular, Eligible Shareholders should have regard to the materials in this Offer Booklet (including in **section 5**) as well as other announcements concerning Peak made available at www.asx.com.au. You must read the information in this Offer Booklet carefully before making any decisions in relation to your Entitlement.

3.2 Your Entitlement

Your Entitlement is set out on your personalised Entitlement and Acceptance Form and calculated on the basis of 1 New Share for every 4.7 existing Shares you held at the Record Date. If the result is not a whole number, then subject always to **section 7.6**, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will rank equally in all respects with existing Shares.

Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.

Your personalised Entitlement and Acceptance Form can be downloaded from https://events.miraqle.com/pek-offer.

See **sections 3.4** and **3.5** for information on restrictions on participation.

3.3 Consider the Entitlement in light of your particular investment objectives and circumstances

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Peak, including possible loss of income and principal invested. Some of these risks are outlined in **section 6**. Peak does not guarantee any particular rate of return or the performance of Peak, nor does it guarantee the repayment of capital from Peak or any particular tax treatment.

You should consider the Entitlement Offer in the light of your particular investment objectives and circumstances, and consult with your broker, accountant, legal, financial, tax or other professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

3.4 Who is eligible to participate?

Eligible Shareholders are those persons who:

(a) are registered as a holder of Shares at the Record Date;

(b) have a registered address in Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore, Switzerland or the United Kingdom as noted on the Register or are persons that Peak has otherwise determined in its discretion are Eligible Shareholders;

(c) are not located in the United States and are not acting for the account or benefit of a person in the United States (to the extent that such Shareholders hold Shares for the account or benefit of a person in the United States); and

(d) are eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer,

(each an **Eligible Shareholder**).

3.5 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Shareholders are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless Peak otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Peak has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders.

This decision has been made after taking into account the relatively small number of Ineligible Shareholders, the number and value of New Shares to which those Ineligible Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

Peak, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. Peak, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, Peak disclaims all liability in respect of such determination.

As detailed in **section 7.14**, the Company has appointed Taylor Collison Limited to act as nominee for Ineligible Shareholders for the purposes of section 615 of the Corporations Act (**Nominee**).

3.6 Nominees and custodians

Nominees and custodians may not distribute this Offer Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand and Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Return of a duly completed personalised Entitlement and Acceptance Form, or by making a payment via BPAY® or EFT using the information provided on your personalised Entitlement and Acceptance Form, will be taken by the Company to constitute a representation by the Applicant that there has been no breach of the above obligations.

3.7 Your options

If you are an Eligible Shareholder (defined in **section 3.4**), you may take one of the following actions:

Options available to you	Key considerations
Option 1: Take up all of your Entitlement in full	• You may elect to take up all of your Entitlement to purchase New Shares at the Offer Price (see **section 4.4(a)** for instructions on how to apply). • The New Shares will rank equally in all respects with existing Shares from their date of issue. • The Entitlement Offer closes at 5.00pm (Sydney time) on 23 June 2025 (unless extended or withdrawn).
Option 2: Take up all of your Entitlement in full and apply for Additional New Shares under the Top-Up Facility	• If you take up your Entitlement in full, you may also apply for Additional New Shares under the Top-Up Facility (see **section 4.4(b)** for instructions on how to apply). Applications for Additional New Shares will be allocated at the sole discretion of the Board and will be subject to scale back (where applicable). • Directors and any other person to whom ASX Listing Rule 10.11 applies cannot apply for Additional New Shares. • There is no guarantee that a Shareholder who applies for Additional New Shares will receive all or any of the Additional New Shares for which they applied.
Option 3: Take up part of your Entitlement and allow the balance to lapse	• See **section 4.4(c)** for instructions on how to apply for part of your Entitlement. • If you do not take up your Entitlement in full, that portion not taken up will lapse and you will not receive any payment or value for it. • If you do not take up your Entitlement in full, you may have your percentage holding in the Company reduced as a result of the Entitlement Offer. Any existing Shares will not be affected if you choose not to take up your Entitlement in full, and Shares on issue at the date of this Offer Booklet rank equally with New Shares. • Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.
Option 4: Do nothing, in which case your Entitlement will lapse, and you will	• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse (see **section 4.5**). You

Options available to you	Key considerations
receive no value for that lapsed Entitlement	will not receive any payment or value for that Entitlement. • If you do not take up your Entitlement, you will likely have your percentage holding in the Company reduced as a result of the Entitlement Offer. Any existing Shares will not be affected if you choose not to take up your Entitlement, and Shares on issue at the date of this Offer Booklet rank equally with New Shares. • Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.

See **section 4** of this Offer Booklet for further details on the Entitlement Offer and how to apply.

4 Offer details and how to apply

In this Offer Booklet, references to "you" are to Eligible Shareholders and references to "your Entitlement" or "your Entitlement and Acceptance Form" are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders (as defined in **section 3.4**).

4.1 Overview of the Entitlement Offer

On 15 May 2025, the Company announced that it was conducting an equity raising consisting of the Entitlement Offer. The proceeds from the Entitlement Offer, together with existing cash and the expected proceeds from the proposed sale of Teesside, will be used to progress land compensation and other costs at the Ngualla Project, in addition to supporting working capital requirements and transaction costs associated with the Scheme.

The proceeds from the Entitlement Offer (assuming the Entitlement Offer is fully subscribed), together with existing cash and the expected proceeds from the proposed sale of Teesside, are intended to be used as follows:

Source of funds	$m
Entitlement Offer proceeds[1]	7.5
Existing cash on hand[2]	6.2
Teesside sale (indicative proceeds)[3]	5.0 – 6.0
Total	**18.7 – 19.7**

Uses of funds	$m	% of funds ($18.7m)	% of funds ($19.7m)
Ngualla Project costs (including land compensation)	7.3	39.0%	37.0%
Scheme contingent transaction costs[4]	3.8	20.3%	19.3%
Other transaction and Entitlement Offer costs[5]	1.3	7.0%	6.5%
Working capital[6]	6.3 – 7.3	33.7%	37.2%
Total	**18.7 – 19.7**	**100.0%**	**100.0%**

Notes:

1 *Proceeds from the Entitlement Offer are presented on a maximum subscription basis. However, as the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised. If the proceeds from the Entitlement Offer are less than is required to meet the Company's proposed use of proceeds, the Company may review its proposed use of proceeds and consider alternative funding options. There is no guarantee that the Company would be successful in obtaining alternative funding options.*

2 *Cash and cash equivalents as at 31 March 2025.*

3 *There is no certainty that the Teesside sale will proceed and that the Company will receive the expected proceeds. Whilst the Company remains confident that it will be able to successfully complete the sale of the Teesside site for an acceptable sum, if the expected proceeds from the sale of Teesside are not received, the Company may not be able to pay the transaction costs associated with the Scheme should it complete unless a further capital raising is conducted.*

4 *These costs will not be incurred if the Scheme does not complete. They comprise financial advisory completion fees (~66%), employee termination entitlements (~22%) and a 7-year directors' and officers' run-off insurance policy (~11%). If the Scheme does not complete, these funds are intended to be re-allocated towards meeting Peak's and its subsidiary's (Mamba Minerals Corporation Limited) corporate and project costs in calendar year 2026.*

5 These costs comprise ASX and share registry fees (~8%) and legal costs associated with the Entitlement Offer and the Scheme transactions (~92%).

6 The working capital estimate is from 31 March 2025 and is comprised of the following:

	\$m	*\$m*
Creditors as at 31 March 2025	*0.9*	*0.9*
Payroll (incl. permanent contractors, non-executive director fees and on-costs)	*1.6*	*1.6*
Compliance costs (accounting, audit & tax fees, ASIC & ASX fees and share registry fees)	*0.4*	*0.4*
Legal, consulting & other professional fees	*0.9*	*0.9*
General corporate office costs	*0.6*	*0.6*
Closing cash as at 31 December 2025	*1.9*	*2.9*
Total	***6.3***	***7.3***

The above table is a statement of current intentions as at the date of this Offer Booklet. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors disclosed in **section 6**), and actual expenditure levels may differ significantly from the above estimates.

The use of funds assumes that the Entitlement Offer is fully subscribed. As the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will actually be raised. In the unlikely scenario that no Shareholders other than Shenghe participate in the Entitlement Offer and the Shortfall cannot be placed, the gross proceeds of the Entitlement Offer will be approximately \$1.49 million. In such circumstances, Peak would need to pursue alternate funding options to meet its funding commitments, which could involve a further capital raising that may dilute existing Shareholders and may result in the termination of the Scheme (in circumstances that could trigger the payment of \$1.55m by way of a break fee to Chenguang). In such circumstances, there is no guarantee that Peak would be successful in obtaining alternative funding options.

Further, if the Company is unable to divest its non-core Teesside site for sufficient proceeds it may need to pursue an alternate capital raising, which may:

- result in the termination of the Scheme (in circumstances that could trigger the payment of a break fee to Chenguang); and
- place the Company's future funding capacity at risk.

Under the Entitlement Offer, Peak is offering Eligible Shareholders (defined in **section 3.4**) the opportunity to subscribe for 1 New Share for every 4.7 Shares held at the Record Date. The Entitlement Offer is non-renounceable, meaning the Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

Eligible Shareholders (other than Directors and any other person to whom ASX Listing Rule 10.11 applies) who take up all of their Entitlement will also have the opportunity to apply for Additional New Shares in excess of their Entitlement under the Top-Up Facility (see **section 4.2**) or (if eligible) any Shortfall Facility (see **section 4.3**).

The Offer Price for each New Share is \$0.10 and the Entitlement Offer seeks to raise up to approximately \$7.5 million (before costs).

The Offer Price of $0.10 per New Share represents a:

- 14.2% discount to the Theoretical Ex-Rights Price (**TERP**) of $0.116 per Share based on last closing price of $0.12 per Share on 9 May 2025 (being the last day on which Shares traded prior to announcing the Scheme and Entitlement Offer);[7] and
- 16.7% discount to the closing price of $0.12 per Share on 9 May 2025.

The New Shares issued under the Entitlement Offer will rank equally with existing Shares.

The Entitlement Offer opens on 30 May 2025 and will close at 5.00pm (Sydney time) on 23 June 2025 (unless extended or withdrawn by Peak).

Subject to any changes at the Directors' discretion, the allocation policy for New Shares subscribed for under the Entitlement Offer will be as follows:

(a) to any Eligible Shareholders who have taken up all or part of their Entitlements by the Closing Date;

(b) to any Eligible Shareholders who have applied for Additional New Shares through the Top-Up Facility by the Closing Date. As a guiding principle, if Applications for Additional New Shares exceed the number of Additional New Shares available, Additional New Shares will be allotted on a pro-rata basis having regard to Eligible Shareholders' shareholding in the Company at the Record Date. However, the Directors reserve the right to have regard to other factors, including a desire to facilitate an increase in the number of Shareholders with a marketable parcel of Shares, the size of the Applicant's shareholding in the Company, the extent to which the Applicant has sold or bought Shares before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the Application was made; and

(c) if any Shortfall remains, through the Shortfall Facility described at **section 4.3**.

The Directors and any other person to whom ASX Listing Rule 10.11 applies will not be eligible to participate in the Top-Up Facility or any Shortfall Facility.

4.2 Top-Up Facility

Eligible Shareholders (other than Directors and any other person to whom ASX Listing Rule 10.11 applies) who take up their Entitlement in full are also able to participate in a further offer of Additional New Shares, being Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer and have not been taken up by them. Additional New Shares applied for by Eligible Shareholders in excess of Entitlements will be allocated at the Directors' sole discretion and in accordance with the allocation policy set out in **section 4.1** (noting the Directors reserve the right to alter the allocation policy).

Subject to the comments in this **section 4.2**, there is no cap on the amount of Additional New Shares that can be applied for under the Top-Up Facility. However, it is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee if the Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. Eligible Shareholders who apply for Additional New Shares may be allocated a lesser number of Additional New Shares than applied for, or may be allocated

[7] The TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Peak's closing price of $0.12 on 9 May 2025. The TERP calculation includes New Shares issued under the Entitlement Offer (assuming full subscription).

no Additional New Shares at all, in which case excess Application Monies will be refunded without interest in accordance with **section 4.8**.

It is an express term of the Entitlement Offer that Applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for if so allocated. The Company reserves the right to scale back any Applications for Additional New Shares in its absolute and sole discretion. When determining the amount (if any) by which to scale back an Application, the Company may take into account a number of factors, including the size of the Applicant's shareholding in the Company, the extent to which the Applicant has sold or bought Shares before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the Application was made.

The Company will cap Eligible Shareholders' entitlement to Additional New Shares such that no Eligible Shareholder's interest will exceed 19.99% on completion of the Entitlement Offer, as a result of applying for Additional New Shares under the Entitlement Offer. Further, the Company will not allocate or issue Additional New Shares where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant regulation or law.

Eligible Shareholders wishing to apply for Additional New Shares must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act, the ASX Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

4.3 Shortfall Facility

If there remains any shortfall of New Shares after the New Shares taken up by Eligible Shareholders (including after application of the Top-Up Facility), the Directors of the Company reserve the right to issue all or any of the New Shares comprising the Shortfall Facility at their discretion. The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place any Shortfall within three months after the Closing Date. Shortfall Facility Shares will be issued at no less than the Offer Price per New Share offered to Eligible Shareholders under the Entitlement Offer.

The Board intends to place any Shortfall only to Eligible Institutional Investors (who may include Eligible Shareholders and/or other eligible investors). The Directors and any other person to whom ASX Listing Rule 10.11 applies will not be eligible to participate in any Shortfall Facility.

Eligible Institutional Investors who apply for Shortfall Facility Shares may be allocated a lesser number of Shortfall Facility Shares than applied for, or may be allocated no Shortfall Facility Shares at all, in which case excess Application Monies will be refunded without interest in accordance with **section 4.8**.

The Company will not allocate or issue Shortfall Facility Shares where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant regulation or law.

Applicants under the Shortfall Facility must consider whether the issue of the New Shares applied for would breach the Corporations Act, the ASX Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

Shortfall Facility Shares will rank equally with existing Peak Shares on issue.

4.4 How to participate in the Entitlement Offer

If you wish to take up all or part of your Entitlement or participate in any Top-Up Facility, you should make payment:

- if you are an Eligible Shareholder with a registered address (as recorded in the Register as at the Record Date) in Australia (**Australian Shareholder**) and the holder of an account with any Australian financial institution that supports BPAY® transactions, by BPAY®; or
- if you are an Eligible Shareholder with a registered address (as recorded in the Register as at the Record Date) outside Australia (**Foreign Shareholder**):
  - by BPAY® if you are the holder of an account with any Australian financial institution that supports BPAY® transactions; or
  - otherwise, by electronic funds transfer (**EFT**).

Paying by BPAY®

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Reference Number on your personalised Entitlement and Acceptance Form (which can be downloaded from https://events.miraqle.com/pek-offer).

If payment is made by BPAY®, you **do not** need to submit the personalised Entitlement and Acceptance Form but you are taken to make each of the statements and representations in that form.

If you are an Australian Shareholder who is unable to make payment by BPAY®, you should contact the Company's Registry on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday to discuss alternative payment options.

Paying by EFT

EFT payment details for Foreign Shareholders can be found on your personalised Entitlement and Acceptance Form (which can be downloaded from https://events.miraqle.com/pek-offer).

If payment is made by ETF, you **must**:

- use your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) as the reference number for your payment; and
- once payment has been made, complete and submit the personalised Entitlement and Acceptance Form to the Registry by email to capital.markets.au@cm.apac.mpms.mufg.com so that it is received by no later than 5.00pm (Sydney time) on 23 June 2025.

Further details

Your Application payment may incur fees and charges from your bank or any intermediary bank as well as the receiving bank. You may have an option to choose that fees are not deducted from the amount transferred however the receiving bank may still deduct a fee for receiving a foreign transfer. If you are paying from a bank account that is not in Australian dollars you may also incur foreign exchange fees.

Payment must be in Australian dollars. It is your responsibility to ensure that your BPAY®, EFT or other payment is received by the Registry by no later than 5.00pm (Sydney time) on 23 June 2025. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment. The Company shall not be responsible for any delay in the receipt of payment.

You should note that:

- if your payment is less than your Entitlement, you will be taken to have exercised your Entitlement in respect of such whole number of New Shares as are covered in full by your Application Monies; and
- if your payment exceeds the amount payable for your Entitlement, you will be taken to have exercised your Entitlement in full and to have applied for such number of Additional New Shares as are covered in full by your Application Monies.

Any payment received for more than your final allocation of New Shares will be refunded after the New Shares are issued. No interest will be paid to Applicants on any payment received or refunded (see **section 4.8**).

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder, if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

Pursuant to ASX Listing Rule 10.11, the Directors and any other person to whom ASX Listing Rule 10.11 applies cannot participate in the Top-Up Facility or any Shortfall Facility.

(a) **Take up all of your Entitlement**

To subscribe for your full Entitlement:

(i) refer to your personalised Entitlement and Acceptance Form which specifies your Entitlement; and

(ii) make payment by BPAY® or EFT for your full Entitlement by following the instructions set out on the Entitlement and Acceptance Form,

by no later than 5.00pm (Sydney time) on 23 June 2025.

(b) **Take up all of your Entitlement and apply for Additional New Shares under the Top-Up Facility**

To accept your full Entitlement and apply for Additional New Shares in excess of your Entitlement:

(i) refer to your personalised Entitlement and Acceptance Form which specifies your Entitlement and how to apply for Additional New Shares; and

(ii) make payment by BPAY® or EFT for the total payment amount for your full Entitlement AND your participation in the Top-Up Facility by following the instructions on the Entitlement and Acceptance Form,

by no later than 5.00pm (Sydney time) on 23 June 2025.

Your Application for Additional New Shares may not be successful (wholly or partially). The Company's decision in relation to the number of Additional New Shares in excess of your Entitlement to be allocated to you (if any) will be final. No interest will be paid on any Application Monies received and returned.

If your Application for Additional New Shares is successful (in whole or in part), your Additional New Shares will be issued at the same time as other New Shares are issued under the Entitlement Offer.

(c) **Take up part of your Entitlement and allow the balance to lapse**

If you only wish to accept part of your Entitlement:

(i) refer to your personalised Entitlement and Acceptance Form and calculate the payment amount for the portion of your Entitlement that you wish to take up in accordance with the instructions contained therein; and

(ii) make payment by BPAY® or EFT for that portion of your Entitlement by following the instructions set out on the Entitlement and Acceptance Form,

by no later than 5.00pm (Sydney time) on 23 June 2025.

4.5 If you wish to do nothing and allow your Entitlement to lapse

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Eligible Shareholders who do not take up their Entitlements will not receive any value for those Entitlements they do not take up.

Shareholders who do not, or are otherwise unable to, participate in the Entitlement Offer will likely have their percentage holding in Peak diluted.

The following are examples of how any dilution may impact you if you do not, or are unable to, participate in the Entitlement Offer, assuming the maximum number of Shares are issued under the Entitlement Offer:

Example Shareholder	Holding as at Record Date	% as at Record Date	Entitlement under the Entitlement Offer not taken up	% following allotment of Shares under the Entitlement Offer
Shareholder 1	3,500,000	0.99%	744,681	0.82%
Shareholder 2	2,300,000	0.65%	489,362	0.54%
Shareholder 3	1,600,000	0.45%	340,426	0.37%
Shareholder 4	1,000,000	0.28%	212,766	0.23%
Shareholder 5	500,000	0.14%	106,383	0.12%

4.6 Risks

Eligible Shareholders should be aware that an investment in Peak involves risks. The key risks identified by Peak are set out in **section 6**. However, this is not an exhaustive list of the risks associated with an investment in Peak, and you should carefully consider these risks in light of your personal circumstances (including financial and taxation issues) before making an investment decision in connection with the Entitlement Offer.

4.7 Effect of making an Application

A payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and personalised Entitlement and Acceptance Form and, once paid, cannot be withdrawn.

If your Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Company's decision whether to treat an exercise as valid, and how to construe, amend or complete the Entitlement and Acceptance Form, is final and binding.

By making a payment, by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or by otherwise applying to participate in the Entitlement Offer, you will be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

(a) you acknowledge, represent and warrant that you have read and understood this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;

(b) you agree to be bound by the terms of the Entitlement Offer and the provisions of this Offer Booklet, your personalised Entitlement and Acceptance Form and the Constitution;

(c) you represent and warrant that you are an Eligible Shareholder;

(d) you authorise the Company to register you as the holder(s) of New Shares (including, where applicable, Additional New Shares and Shortfall Facility Shares) allotted to you;

(e) you declare that all details and statements in your Application and personalised Entitlement and Acceptance Form are complete and accurate;

(f) you declare you have full legal capacity and power to perform all of your rights and obligations under this Offer Booklet and your personalised Entitlement and Acceptance Form;

(g) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies, you may not withdraw your Application or funds provided except as allowed by law;

(h) you agree to apply for and be issued up to the number of New Shares specified in your personalised Entitlement and Acceptance Form (including, where applicable, any Additional New Shares and Shortfall Facility Shares), or for which you have submitted payment of any Application Monies, at the Offer Price per New Share;

(i) you acknowledge that the determination of eligibility of Eligible Shareholders for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and acknowledge that the Company and the Registry and their respective officers, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;

(j) you acknowledge and accept the scale-back policy in **section 4.2** and that, if you apply for Additional New Shares, you may receive all, some or none of those Additional New Shares;

(k) you represent and warrant that, if you apply for New Shares, you are eligible to participate in the Entitlement Offer and acquire those Shares without breaching the ASX Listing Rules, the Corporations Act or any other applicable law;

(l) you represent and warrant that, if you apply for Additional New Shares and/or Shortfall Facility Shares, you are eligible to participate in the Top-Up Facility and acquire those Shares without the approval of Shareholders and without otherwise breaching the ASX Listing Rules, the Corporations Act or any other applicable law;

(m) you authorise the Company and the Registry and their respective officers, employees and agents to do anything on your behalf necessary for New Shares (including, as applicable, Additional New Shares and Shortfall Facility Shares) to be issued to you, including to correct any errors in your Application, personalised Entitlement and Acceptance Form or any other form provided by you, and act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

(n) you warrant that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at the Record Date;

(o) you acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares (including any Additional New Shares) are suitable for you given your investment objectives, financial situation or particular needs;

(p) you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;

(q) you acknowledge the key risks described in **section 6**, and that investments in the Company are subject to investment risk;

(r) you acknowledge that none of the Company or any of its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of New Shares (including any Additional New Shares), the performance of the Company, nor guarantees the repayment of capital;

(s) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares at the Record Date;

(t) you acknowledge, represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet, your personalised Entitlement and Acceptance Form or any other documents associated with the Entitlement Offer, nor does it prohibit you from making an Application for New Shares (including any Additional New Shares and Shortfall Facility Shares);

(u) you represent and warrant that you and each person on whose account you are acting are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;

(v) you acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

(w) you represent and warrant that you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States, or any other country outside Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore, Switzerland or the United Kingdom;

(x) if you are acting as a nominee or custodian, you represent and warrant that each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand or Singapore, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any other information relating to the Entitlement Offer to any person outside Australia, New Zealand or Singapore; and

(y) you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

4.8 Application Monies

All Application Monies will be held by Peak in a bank account on trust for Applicants until the New Shares are issued or, if the New Shares are not issued, until the Application Monies are returned to Applicants. The bank account will be established and maintained by Peak solely for the purposes of depositing Application Monies and retaining those funds for as long as required under the Corporations Act.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Peak and will be retained by Peak whether or not the allotment and issue of New Shares take place.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date (except for where the amount is less than $2.00).

If the New Shares are not issued to you, the relevant Application Monies will be refunded as soon as practicable after the Closing Date.

4.9 Brokerage

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No brokerage fee is payable for subscribing for New Shares under the Entitlement Offer or for Additional New Shares under the Top-Up Facility.

4.10 When will I receive my New Shares?

It is currently expected that the New Shares (including Additional New Shares issued under the Top-Up Facility but excluding any Shortfall Facility Shares) will be issued on 30 June 2025, and that holding statements for those New Shares will be despatched on or around 2 July 2025.

It is the responsibility of each Eligible Shareholder applying for New Shares to confirm their holding before trading in those New Shares. Any person who sells New Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in New Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

4.11 Rights of Peak

Peak reserves the right (in its absolute and sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, or if they (or their nominees or custodians) fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Shareholders.

In that case Peak may, in its absolute and sole discretion, require the relevant Shareholder to transfer excess New Shares to a nominee at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses and expenses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by Peak in its absolute discretion. You acknowledge that there is no time limit on the ability of Peak to require any of the actions set out above. Peak also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

4.12 Withdrawal

Peak reserves the right, subject to the Corporations Act, the ASX Listing Rules and applicable laws, to withdraw all or any part of the Entitlement Offer at any time. If the Company exercises this right, it will refund all Application Monies received by an Applicant for New Shares not already issued (without interest) as soon as practicable.

4.13 Further enquiries

If you have any questions about whether to participate in the Entitlement Offer, consult your broker, accountant, or legal, financial, tax or other professional adviser.

Shareholders who have any questions regarding the Entitlement Offer or how to participate are encouraged to contact the Company's Registry on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday during the Entitlement Offer Period.

5 Investor Materials

ASX Announcement 15 May 2025

Peak to be acquired by Shenghe following a Non-Renounceable Entitlement Offer

Not for release to US wire services or distribution in the United States

- **Peak and Ganzhou Chenguang Rare Earths New Material Co., Ltd. (Chenguang), a wholly-owned subsidiary of Shenghe, have entered into a binding Scheme Implementation Deed under which Chenguang proposes to acquire 100% of Peak**
- **Shenghe is Peak's major shareholder and has binding offtake rights to 100% of the rare earths production from the Ngualla Project[1]**
- **Under the Scheme, Chenguang has agreed to pay A$150.5 million, plus an amount equal to the funds raised (before costs) under a proposed ~A$7.5 million Entitlement Offer to acquire 100% of Peak**
- **If the full amount of ~A$7.5 million is raised pursuant to the Entitlement Offer and the Scheme is implemented, Peak shareholders will receive ~A$0.359 per Peak share in cash[2], which represents a 199% premium to Peak's closing share price of A$0.12 per share on 9 May 2025 and a 160% premium to Peak's 20-day VWAP of A$0.138 per share**
- **The Scheme is recommended by the Peak Independent Board[3] in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders and is subject to various conditions including Peak shareholder approval, Chinese and Tanzanian regulatory approvals and other confirmations, an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders, requisite Court approval and other customary conditions**
- **Peak will undertake an Entitlement Offer to raise up to ~A$7.5 million at an offer price of A$0.10 per new Peak ordinary share to seek to ensure the Company is sufficiently funded until the completion of the Scheme**
- **Entitlement Offer proceeds, together with existing cash and expected proceeds from a proposed sale the Teesside site, will be used to fund Peak's ongoing corporate and Ngualla activities, working capital requirements and transaction costs**

[1] Comprising of a 7-year offtake agreement covering 100% of rare earth concentrate and a minimum of 50% of any intermediate or final separated rare earth oxides. Refer to Peak's ASX announcement on 21 June 2024 titled '*Binding Offtake Agreement Conditions Precedent Satisfied*'.

[2] If less than the full ~A$7.5 million sought under the Entitlement Offer is raised, the consideration per share under the Scheme (should it become effective) would increase. However, if less than the full amount is raised, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the Scheme's termination.

[3] Being all Peak directors excluding Non-Executive Director Shasha Lu (Managing Director of Shenghe Resources Overseas Development) and any other Peak director appointed by or on behalf of a Chenguang group member or any of its associates. Ms Shasha Lu has excluded herself from discussions about the Scheme, and abstains from making a recommendation.

ASX Announcement 15 May 2025

Peak Rare Earths Limited ("**Peak**" or the "**Company**") (ASX: PEK) is pleased to announce it has entered into a binding Scheme Implementation Deed ("**SID**") with Ganzhou Chenguang Rare Earths New Material Co., Ltd. ("**Chenguang**"), a 100% subsidiary of Shenghe Resources Holding Co., Limited ("**Shenghe**"), under which it is proposed that Chenguang will acquire 100% of Peak by way of a scheme of arrangement ("**Scheme**").

If the Scheme is implemented, Peak shareholders will receive a minimum of ~A$0.359 per Peak share in cash[4], which represents a 199% premium to Peak's closing share price of A$0.12 per share on 9 May 2025.

Shenghe is a major rare earths company listed on the Shanghai Stock Exchange (SSE:600392.SS), having a market capitalisation of ~US$2.9 billion. Its wholly-owned subsidiary, Shenghe Resources (Singapore) Pte. Ltd. ("**Shenghe Singapore**") is an existing 19.86% shareholder in Peak and has binding offtake rights to rare earths production from the Ngualla Rare Earth Project in which Peak holds an 84% interest ("**Ngualla Project**")[5]. Shenghe Singapore has had a representative on the Peak Board, in Ms Shasha Lu, since late November 2022.

To seek to ensure that the Company is sufficiently funded whilst it pursues implementation of the proposed Scheme, Peak will undertake a non-underwritten, pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") to eligible shareholders to subscribe for one (1) new share for every 4.70 shares held at an offer price of A$0.10 per share to raise up to ~A$7.5 million (before costs). Peak is also continuing to progress negotiations with respect to a sale of its non-core 49-acre Teesside site in the UK in order to supplement existing cash and funds raised under the Entitlement Offer.

Proceeds from the Entitlement Offer, together with existing cash and the expected proceeds from a proposed sale of Peak's non-core Teesside site in the UK, will be used to progress land compensation and other costs at Peak's 84% owned Ngualla Project, to support working capital requirements and transaction costs associated with the Scheme.

Shenghe Singapore has committed to subscribe for its full A$1.49 million entitlement under the Entitlement Offer.

If the Scheme completes, any new Peak shares issued under the Entitlement Offer will also be acquired by Chenguang for the consideration offered under the Scheme.

[4] The minimum Scheme Consideration per Share is A$0.3589. If less than the full ~A$7.5 million sought under the Entitlement Offer is raised, the consideration per share that shareholders may receive under the Scheme (should it become effective) would increase. However, if less than the full amount is raised, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the Scheme's termination.

[5] Refer to Peak's announcement lodged with the ASX on 9 August 2023 titled *'Executed Offtake Agreement and Strategic MOU with Shenghe'*.

The Scheme is not conditional on any minimum level of subscription being achieved under the Entitlement Offer or the sale of Teesside completing. However, if less than the full amount is raised under the Entitlement Offer (inclusive of a Top-Up Facility and Shortfall Facility) or Peak is unable to sell Teesside for an acceptable sum, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the termination of the Scheme and the payment of $1.55 million by way of a break fee to Shenghe [6]. Importantly, investors in the Entitlement Offer should be aware that completion of the Entitlement Offer is not conditional upon the Scheme successfully completing[7].

Background to the Scheme

In July 2024, Peak and Shenghe signed a non-binding Term Sheet ("**Shenghe Term Sheet**") covering an integrated investment, funding and development solution for the Ngualla Project[8].

The proposed transaction ("**NGUK Transaction**") entailed Shenghe investing ~A$96m to subscribe for a 50% interest in Peak's wholly owned subsidiary, Ngualla Group UK Limited ("**NGUK**"), which holds an 84% interest in Mamba Minerals Corporation Limited ("**Mamba Minerals**") and an effective 84% interest in the Ngualla Project. The difference between the Ngualla Project's total development cost and Shenghe's NGUK investment of ~A$96 million was to be funded via a Shenghe arranged debt facility.

The Government of Tanzania holds a 16% free-carried interest in Mamba Minerals and the Ngualla Project.

Following the signing of the Shenghe Term Sheet, Peak and Shenghe made substantial progress in seeking to finalise the terms of binding transaction documentation to implement the NGUK Transaction.

However, recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties. As a result, Peak and Shenghe have evaluated alternate transaction structures to the NGUK Transaction that could support greater transaction and project certainty, and a superior outcome for both companies and their shareholders.

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[6] The SID contains customary restrictions on Peak issuing new securities (other than permitted securities issues) without Chenguang's consent. A breach of these provisions that results in termination of the Scheme may result in a break fee being payable to Chenguang.

[7] If the Scheme is not implemented, Peak shareholders will not realise the benefits of the Scheme, they will not receive any consideration under the Scheme, and they will continue to be exposed to Peak (and its associated risks). For further information regarding the risks associated with the Entitlement Offer and the Scheme, see the Entitlement Offer Booklet that is expected to be released to ASX on Monday, 26 May 2025.

[8] Refer to Peak's announcement lodged with the ASX on 24 July 2024 titled '*Signed Term Sheet with Shenghe for A$96m Investment and Fully Funded Project Solution for Ngualla*'.

The Peak Independent Board believes that the Scheme delivers a superior outcome compared to the NGUK Transaction for the following reasons:

- the Scheme has the potential to provide a significantly higher value outcome for Peak shareholders on a risk-weighted basis, with an implied value for Peak of A$150.5 million (pre-Entitlement Offer), compared to a value of A$96m for Peak's interest in the Ngualla Project under the NGUK Transaction;
- the Scheme is considered to be unlikely to give rise to the same geopolitical and regulatory risks that ultimately resulted in the parties agreeing to discontinue the NGUK Transaction; and
- Peak shareholders will have an opportunity to realise an attractive price for their shares and avoid potential risks around the development, operation and funding of the Ngualla Project.

Peak Independent Board unanimously recommends the Scheme

The Peak Independent Board unanimously recommends that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders. Subject to those same qualifications, each member of the Peak Independent Board who is eligible intends to vote, or cause to be voted, all Peak shares held or controlled by them in favour of the Scheme.

Peak Chief Executive Officer, Bardin Davis, said:

"The proposed Scheme offer price of a minimum of ~A$0.359 represents an excellent outcome for shareholders and a 199% premium to Peak's closing share price prior to announcement. The offer provides an opportunity for Peak shareholders to realise an attractive price for their shares and accelerate the realisation of the Ngualla Project's value."

Peak Chairman, Russell Scrimshaw, said:

"Having carefully evaluated the NGUK Transaction and other alternative options to develop and fund the Ngualla Project, we believe that the Scheme delivers the best outcome currently available to shareholders on a risk-weighted basis. We are also mindful of the importance to Tanzania of developing the Ngualla Project and believe that Shenghe is well positioned to partner with the Government of Tanzania to successfully develop this world-class project."

The Minister for Minerals for the United Republic of Tanzania, Hon. Anthony Mavunde has been briefed on the transaction by senior representatives of Peak, Shenghe and Mamba Minerals.

The Hon. Anthony Mavunde, said:

"The Government of Tanzania is very appreciative of the efforts of Peak and Shenghe in progressing a transaction that will support the expedited development of the world-class Ngualla Project"

The Tanzanian Minister for Minerals, Hon. Anthony Muvande meeting with Peak Chairman, Dr Russell Scrimshaw (AM), Peak CEO, Bardin Davis, Mamba Minerals CEO, Ismail Diwani, Shenghe Overseas Development Chairman, Quangen Wang and Assistant to the Managing Director of Shenghe Overseas Development, Mona Xu.

Overview of the Scheme

Under the terms of the SID, it is proposed that Chenguang will acquire 100% of Peak by way of a Court-approved scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth).

If the Scheme is implemented, each Peak shareholder on the record date for the Scheme will receive a cash amount per share ("**Scheme Consideration per Share**").

The total cash consideration payable by Chenguang pursuant to the Scheme for 100% of Peak is equal to A$150.5 million plus the total amount raised (before costs) pursuant to the

Entitlement Offer. The Scheme Consideration per Share is calculated by the following formula:

$$\text{Scheme Consideration per Share} = \frac{\text{A\$150.5m + Amount raised pursuant to Entitlement Offer (\textit{before-costs})}}{\text{Shares on issue at the time the Scheme becomes Effective (being Peak's fully diluted issued capital inclusive of shares issued pursuant to the Entitlement Offer and shares issued upon the vesting of Performance Rights)}}$$

If the Entitlement Offer is successful in raising the full A$7.5 million (before costs), the total consideration payable by Chenguang would be A$158 million, which equates to A$0.359 per Share based on Peak's fully diluted issued capital of 440,111,934 Shares[9]. This represents a substantial and attractive premium of:

- 199% to Peak's last closing share price prior to this announcement of A$0.12 per share on 9 May 2025; and
- 160% to Peak's 20-day volume-weighted average price prior to this announcement of A$0.138 per share.

Shareholders should be aware that the Scheme Consideration per Share will increase if Peak is unsuccessful in raising the full amount sought pursuant to the Entitlement Offer. However, shareholders who do not take up New Shares in the Entitlement Offer may experience material dilution of their shareholding in Peak and will not acquire New Shares which could participate in the Scheme should it proceed. In addition, if less than the full amount is raised under the Entitlement Offer (inclusive of the Top-Up Facility and Shortfall Facility) or Peak fails to divest its Teesside site in the UK for sufficient proceeds to adequately supplement existing cash and funds raised under the Entitlement Offer, in order to satisfy Peak's working capital requirements and the expected transaction costs associated with the Scheme, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the termination of the Scheme.

The Scheme is subject to approval by Peak shareholders at the Scheme meeting, which is anticipated to be held in September 2025. For the Scheme to proceed, the Scheme must be approved by at least 75% of all votes cast by Peak shareholders and a majority by number of all Peak shareholders present and voting (in person or by proxy) at the Scheme meeting.

[9] Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this announcement, 74,920,432 New Shares issued under the Entitlement Offer (assuming full subscription) and 13,074,890 shares issued on conversion of existing Peak performance rights

Chenguang and its related bodies corporate, holding 19.86% of Peak, will not be able to vote with other Peak shareholders on the resolution to approve the Scheme.

Other conditions relating to the Scheme include:

- receipt of regulatory approvals in the People's Republic of China (including Ministry of Commerce, National Development and Reform Commission ("**NDRC**") and registration with the State Administration of Foreign Exchange ("**SAFE**") or a commercial bank entrusted or delegated by SAFE) (the "**PRC Regulatory Approvals**");
- receipt of approval from the Fair Competition Commission of Tanzania and any other approvals required from the Mining Commission of Tanzania;
- receipt of written confirmation from the Government of Tanzania that the Ngualla Project Special Mining Licence remains valid and free of any outstanding default notices;
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders;
- the requisite Australian court approvals; and
- other customary conditions, including no restraint of the Scheme by a government agency, no prescribed occurrence, no material adverse change and no material breach of warranties.

Importantly, the Scheme is not subject to any financing or due diligence conditions.

The conditions relating to the Scheme must be satisfied by no later than 15 December 2025 ("**Scheme End Date**").

The SID contains customary exclusivity obligations for Peak, including no shop, no talk and no due diligence restrictions, notification obligations, provision of information obligations and a matching right for Chenguang in the event that any superior proposal emerges for Peak.

The SID also details the circumstances in which a break fee may be required to be paid by Peak to Chenguang and circumstances where Chenguang may be required to pay a reverse break fee to Peak. The amount of the break fee and reverse break fee, should either become payable, is A$1.55 million.

In the event that:

- the SID is terminated because the PRC Regulatory Approvals condition precedent has not been satisfied; or
- the PRC Regulatory Approvals condition precedent has not been satisfied by the Scheme End Date and the SID has been terminated (provided that none of the other conditions precedent remain outstanding as at the Scheme End Date other than conditions precedent that remain outstanding as a result of, or otherwise due in whole or in part to, the PRC Regulatory Approvals condition precedent not having been satisfied by the Scheme End Date),

then, at Peak's election (and, if required, subject to Peak shareholder approval being obtained), Peak can require Shenghe to subscribe for A$1.55 million worth of Shares at a price representing a 20% discount to the Scheme Consideration per Share.

Full details of the conditions precedent to the Scheme are set out in the SID, a copy of which is attached to this announcement.

Overview of the Entitlement Offer

To seek to ensure that the Company is sufficiently funded whilst it pursues implementation of the proposed Scheme, Peak will undertake a non-underwritten Entitlement Offer of new fully paid ordinary shares in Peak ("**Shares**") to raise up to approximately A$7.5 million (before costs).

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for new Shares in Peak under the following terms:

- 1 new fully paid ordinary share for every 4.70 Shares ("**New Shares**") held as at 7.00pm (Sydney time) on Wednesday, 21 May 2025 ("**Offer Record Date**");
- offer price of A$0.10 per New Share ("**Offer Price**"), which represents a:
    - 14.2% discount to the Theoretical Ex-Rights Price ("**TERP**") of A$0.116 per Share based on last closing price of A$0.12 per Share;[10]
    - 16.7% discount to the last closing price of A$0.12 per Share on 9 May 2025; and
    - 72.1% discount to the minimum Scheme Consideration per Share of ~A$0.359, assuming the Entitlement Offer successfully raises ~A$7.5 million (before costs);

[10] The TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Peak's closing price of A$0.12 on 9 May 2025. The TERP calculation includes New Shares issued under the Entitlement Offer (assuming full subscription).

- it is expected that, subject to certain conditions, existing shareholders on the Company's share register with registered addresses in Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore or the United Kingdom as at the Offer Record Date ("**Eligible Shareholders**") will be eligible to participate in the Entitlement Offer[11];
- each New Share issued under the Entitlement Offer will rank equally with the Company's existing fully paid ordinary shares from the date of issue;
- the Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable;
- shareholders who do not take up their entitlement in full will not receive any value in respect of entitlements not taken up; and
- Eligible Shareholders (other than Peak directors and any person to whom ASX Listing Rule 10.11 applies) who take up their entitlement in full will be able to apply for additional New Shares in excess of their entitlement under a top-up facility ("**Top-Up Facility**"). Any New Shares not applied for by Eligible Shareholders under their entitlement will be included in the Top-Up Facility, with the Company intending to place any shortfall of New Shares not taken up by Eligible Shareholders (after application of the Top-Up Facility) in the three month period following the close of the Entitlement Offer pursuant to a shortfall facility ("**Shortfall Facility**").[12]

Shenghe Singapore has committed to take up its full entitlement related to its shareholding of 19.86% under the Entitlement Offer. This represents a commitment of approximately A$1.49 million.

If the Scheme is implemented, any New Shares subscribed for and issued under the Entitlement Offer will be acquired by Chenguang under the Scheme.

However, shareholders and other investors should be aware that completion of the Entitlement Offer is not conditional upon whether or not the Scheme successfully completes.

[11] The full terms and conditions of the Entitlement Offer, including Eligible Shareholder criteria, will be contained in the Entitlement Offer Booklet that is expected to be released on Monday, 26 May 2025. Shareholders and other investors should not assume that they will be Eligible Shareholders and able to participate in the Entitlement Offer and should wait to review the Entitlement Offer Booklet in full before forming a view in this regard.

[12] The Peak directors reserve the right, subject to the requirements of the ASX Listing Rules and the *Corporations Act 2001* (Cth), to place any shortfall (after application of the Top-Up Facility) at their discretion within three months after the closing date of the Entitlement Offer. Any such Shares will be issued at the same price as the Offer Price per New Share offered to Eligible Shareholders under the Entitlement Offer.

In this regard, the Scheme is subject to a number of conditions precedent. Many of these conditions precedent are outside the control of Peak, including but not limited to, the receipt of all necessary shareholder and regulatory approvals required to implement the Scheme, including from government agencies in China and Tanzania.

If a condition precedent is not satisfied or waived (where applicable), the Scheme may not be able to be successfully implemented. Shareholders and potential investors should be aware that if the Scheme is not implemented, they will not realise the benefits of the Scheme, they will not receive any consideration under the Scheme, and they will continue to be exposed to Peak (and its associated risks). It may also have a material adverse effect on the market price of Shares and the price of Shares may fall below the Offer Price.

Further, as the Entitlement Offer is not underwritten, there is a risk that insufficient subscriptions are received under the Entitlement Offer to fund Peak's activities either for the period to implementation of the Scheme or thereafter should the Scheme not proceed. Similarly, a risk also exists that Peak is unable to divest its non-core Teesside site for sufficient proceeds to adequately supplement existing cash and funds raised under the Entitlement Offer in order to satisfy Peak's working capital requirements and the expected transaction costs associated with the Scheme. Should this occur, Peak may need to pursue an alternate capital raising, which:

- could further dilute shareholders, and
- may result in the termination of the Scheme which, in turn, would place the future funding capacity of the Company at risk.[13]

Additional information regarding the Entitlement Offer (including terms and conditions of the Entitlement Offer, Eligible Shareholder criteria, the Top-Up Facility and risks associated with an investment in Peak) will be provided to Eligible Shareholders in the Entitlement Offer booklet. Peak expects to dispatch the Entitlement Offer booklet, and personalised entitlement and acceptance forms, to Eligible Shareholders on Monday, 26 May 2025.

Eligible Shareholders are encouraged to carefully read the Entitlement Offer booklet for further details of the Entitlement Offer.

As indicated above, Eligible Shareholders should be aware that an investment in the Company, including taking up their entitlement, involves risks.

[13] There can be no assurance that Peak will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to Peak.

Entitlement Offer timetable

Shareholders do not need to take any action in relation to the Entitlement Offer at this stage.

An indicative timetable for the Entitlement Offer, which is subject to change, is set out below.

Event	Date
Announcement of Entitlement Offer	Thursday, 15 May 2025
"Ex" date	Tuesday, 20 May 2025
Offer Record Date to determine entitlements to participate in the Entitlement Offer	Wednesday, 21 May 2025 7.00pm (Sydney time)
Entitlement Offer opens and dispatch of offer booklet and acceptance forms	Monday, 26 May 2025
Entitlement Offer closes	Monday, 23 June 2025 5.00pm (Sydney time)
Announce results of Entitlement Offer	Monday, 30 June 2025
Allotment and issue of New Shares under the Entitlement Offer	Monday, 30 June 2025
Normal ASX trading of New Shares under the Entitlement Offer expected to commence	Tuesday, 1 July 2025

Scheme timetable

Shareholders do not need to take any action in relation to the Scheme at this stage.

The Scheme Booklet, which will contain important information in relation to the Scheme and the Scheme Meeting, including the reasons for the unanimous recommendation of the Peak Independent Board[14], and the independent expert's report, is expected to be sent to Peak shareholders in August 2025An indicative timetable for the Scheme, which is subject to change, is set out below.

Event	Date
First Court Date	Late July / Early August 2025
Distribute Scheme Booklet to Peak shareholders	Early August 2025
Scheme Meeting	Early September 2025
Second Court Date for approval of the Scheme	Late September 2025
Effective Date	Late Sept / Early Oct 2025
Scheme Record Date	Late Sept / Early Oct 2025
Implementation Date	Late Sept / Early Oct 2025

[14] The Peak Independent Board unanimously recommends that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders.

Advisers

Peak is being advised by Macquarie Capital (Australia) Limited and Corrs Chambers Westgarth.

This announcement is authorised for release by the Company's Board of Directors.

Bardin Davis

Chief Executive Officer

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Forward-Looking Statements

This announcement contains 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 expectations or beliefs of the Company based on information currently available to it. All references in this announcement, to potential financing arrangements should be read subject to this cautionary statement.

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All amounts are in Australian dollars unless otherwise indicated.

Investor Presentation

Peak to be acquired by Shenghe following a Non-Renounceable Entitlement Offer

15 May 2025

Peak RARE EARTHS

ASX: PEK

Not for release to US wire services or distribution in the United States

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Summary Information

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The information in this presentation is of a general background nature and does not purport to be complete, nor does it contain all the information which prospective investors would require to evaluate an investment in the Company, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth). Further information about: (i) the scheme of arrangement ("Scheme") referred to in this presentation (including key risks) will be released in due course in the form of an explanatory statement; and (ii) the entitlement offer ("Entitlement Offer") referred to in this presentation (including key risks and foreign offer restrictions) will be released in due course in the form of an information booklet.

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Disclaimer

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This Presentation contains certain "forward looking statements" about the Company which involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the mining industry, many of which are outside the control of, change without notice, and may be unknown to the Company.

These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licences, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for amongst other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, current and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks.

Statements as to timetable and outcome of the Scheme and Entitlement Offer, use of funds, and statements about the plans and strategies of the Company are forward looking statements, as are statements about market and industry trends, which are based on interpretation of market conditions. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "expect", "likely", "propose", "will", "intend", "should", "could", "may", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the future performance of the Company and the outcome and effects of the Scheme and the Entitlement Offer and use of proceeds. No representation, warranty, guarantee or assurance, express or implied, is given or made in relation to any forward looking statement. In particular no representation, warranty or assumption, express or implied, is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual and future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements were based, because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements, and should rely on their own independent enquiries, investigations and advice regarding information contained in this presentation. Any reliance by a reader on the information contained in this presentation is wholly at the reader's own risk.

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Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this presentation are subject to the effect of rounding. The actual calculation of these figures may differ from the figures set out in this presentation.

This presentation is authorised for release to ASX by the Company's Board of Directors.

Transaction overview[1]

Peak to be acquired by Shenghe via a Scheme following a A$7.5m equity raise

Shenghe acquisition of Peak	○ Shenghe to acquire 100% of Peak via a scheme of arrangement (“**Scheme**”)[2]
	○ Under the Scheme, Shenghe has agreed to pay A$150.5m plus an amount equal to the funds raised (before costs) under a ~A$7.5m Entitlement Offer[3]
	○ If the full A$7.5m is raised and the Scheme is implemented, Peak shareholders will receive ~A$0.359 per Peak share[4] in cash, representing a significant and attractive premium of:
	    ○ 199% to Peak’s last closing share price of A$0.12 per share on 9 May 2025, being the last day on which Peak shares traded prior to announcing the Scheme
	    ○ 160% to Peak’s 20-day volume-weighted average price of A$0.138 per share as at 9 May 2025
	○ Scheme is subject to approval by Peak shareholders and a number of other conditions including Tanzania and Chinese regulatory approvals

Equity raise to support Peak and the transaction	○ Prior to implementation of the Scheme, Peak will undertake a non-underwritten, pro-rata non-renounceable entitlement offer to raise up to ~A$7.5m (“**Entitlement Offer**”) ○ Funding to progress land compensation and other costs at the Ngualla Project, working capital requirements and transaction costs ○ Intended to ensure sufficient funding through the Scheme implementation period (in conjunction with existing cash and the proceeds from the intended sale of Peak’s non-core Teesside site)
Indicative transaction timeline	○ Entitlement Offer opens 26 May and closes 23 June 2025 (unless withdrawn or extended) ○ Scheme Booklet expected to be sent to Peak shareholders in August 2025 ○ Scheme meeting expected to be held in early September 2025 ○ Subject to satisfying transaction conditions, completion expected by early October 2025

Peak
RARE EARTHS

1. Refer to Peak’s announcement lodged with the ASX on 15 May 2025 titled: *‘Peak to be acquired by Shenghe following a Non-Renounceable Entitlement Offer’*
2. Shenghe Resources Holding Co., Limited (“**Shenghe**”) to acquire Peak via its wholly owned subsidiary, Ganzhou Chenguang Rare Earths New Material Co. Ltd. (“**Chenguang**”)
3. As the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised
4. The minimum Scheme Consideration per share is A$0.3589. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights

Background to the Scheme

Peak and Shenghe have discontinued the previously announced non-binding NGUK Transaction[1], with the Scheme offering a superior valuation for Peak shareholders

NGUK Transaction (discontinued)

Valuation
Involved Shenghe investing ~A$96m in Ngualla Group UK Limited ("**NGUK**") for a 50% interest

Funding
Balance of total development cost for Ngualla Project was to be funded via a Shenghe arranged debt facility

Project construction and development
Shenghe was to provide a project EPCM, EPC or EPS execution package

Policy developments
Recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties

Shenghe acquisition of Peak

Significant premium
Consideration of ~A$0.359 per Peak share[2] represents an attractive premium of 199% to Peak's last closing price of A$0.12 per share on 9 May 2025

Superior outcome compared to the NGUK transaction
The Scheme values Peak at A$150.5m (pre-Entitlement Offer) compared to the NGUK Transaction[2], which valued Peak's interest in the Ngualla Project at A$96m

Risk-weighted value for Peak shareholders
Risk of obtaining necessary regulatory approvals expected to be reduced, with the potential for shareholders to realise an attractive price today and avoid potential development risks

Key Tanzanian stakeholder support
Transaction is strongly supported by the Government of Tanzania

1. Refer to Peak's announcement lodged with the ASX on 24 July 2024 titled: *'Signed Term Sheet with Shenghe for A$96m Investment and Fully Funded Project Solution for Ngualla'*
2. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights

Shenghe is well credentialled with a proven track-record in Tanzania and rare earths

Shenghe is strongly committed to Tanzania and has the technical and financial capabilities to fast-track the Ngualla Project

Shenghe overview

盛和资源

- ✓ Peak's **largest shareholder** with ~19.86% shareholding[1]
- ✓ Shanghai listed non-SOE with ~**US$2.9b** market capitalisation
- ✓ **Largest importer of rare earth concentrate** into China
- ✓ Internationally recognised expertise in mining and processing **bastnaesite rare earth mineralisation**

Shenghe overseas investments include

energy transition minerals	8.4% holding
NYATI mineral sands	84%
MP MATERIALS	8.4% holding
VREX	100% holding
Peak RARE EARTHS	19.86% holding
vital METALS	10.0% holding

Nyati Mineral Sands

- Since acquiring the Nyati Mineral Sands portfolio in Tanzania from Strandline in May 2024, Shenghe has:
  - Commenced operations at the Fungoni Project
  - Nearly completed the resettlement valuation for the Tajiri Project

Strong support from the Tanzanian Government

"The Government of Tanzania is very appreciative of the efforts of Peak and Shenghe in progressing a transaction that will support the expedited development of the world-class Ngualla Project"

Tanzanian Minister for Minerals, Hon. Anthony Mavunde (May 2025)



1. Shares held via wholly-owned subsidiary, Shenghe Resources (Singapore) Pte. Ltd. ("**Shenghe Singapore**")

Key Scheme details

1	**Transaction structure & consideration**	○ Under the Scheme Implementation Deed ("**SID**"), Shenghe to acquire 100% of Peak at an equity valuation of A$150.5 million plus an amount equal to the funds raised (before costs) under a ~A$7.5 million Entitlement Offer[1] ○ If the full A$7.5m is raised and the Scheme is implemented, this will imply a cash consideration of ~A$0.359 per Peak share ("**Scheme Consideration**") on a fully diluted basis post Entitlement Offer (assuming the Entitlement Offer is fully subscribed)[2] ○ Completion of the Scheme is subject to several conditions, including Peak shareholder approval and Tanzanian and Chinese regulatory approvals (see next slide for more details)
2	**Peak Board support**	○ The Scheme has been unanimously recommended by the Peak Board[3], in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders ○ Subject to the above qualifications, each member of the Peak Board[3] intends to vote, or cause to be voted, all Peak shares held or controlled by them in favour of the Scheme
3	**Deal protection**	○ The SID contains customary exclusivity obligations for Peak, including no shop, no talk and no due diligence restrictions, notification obligations, provision of information and a matching right for Shenghe in the event that any superior proposal emerges for Peak ○ A break fee of A$1.55m may be required to be paid by Peak to Shenghe (or Shenghe to Peak) in certain circumstances
4	**Placement option**	○ If the SID is terminated because the Chinese regulatory approval condition precedent has not been satisfied, then Shenghe Singapore must (at Peak's election), subscribe for A$1.55m worth of Peak shares at a 20% discount to the Scheme Consideration per Share ○ If required, Peak will obtain shareholder approval for any such placement to Shenghe Singapore

Peak RARE EARTHS

1. As the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised
2. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights
3. Excluding Non-Executive Director Shasha Lu, Managing Director of Shenghe Resources Overseas Development

Scheme conditions and timing

The proposed Scheme is targeted to complete by early October, subject to the timing of conditions being satisfied

Scheme conditions

- Peak shareholder approval
- Approval by the Tanzania Fair Competition Commission and any approvals required from the Mining Commission
- Confirmation from the Mining Commission that the Ngualla Project Special Mining Licence is valid and there are no outstanding default notices
- Chinese regulatory approvals
- No restraint of the Scheme by a government agency, no prescribed occurrences, no material adverse changes and no material breach of warranties
- The independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders
- Requisite Australian court approvals

Indicative timetable

15 May 2025: Transaction announcement

26 May 2025: Entitlement Offer opens

23 June 2025: Entitlement Offer closes

August 2025: Scheme Booklet dispatched

September 2025: Scheme meeting for Peak shareholders to approve Scheme

September 2025: Court to approve Scheme following satisfaction of remaining conditions

By early October 2025: Scheme implementation and Shenghe acquires 100% of Peak

Entitlement Offer summary

Peak launches a A$7.5m Non-Underwritten Non-Renounceable Entitlement Offer

Offer size & structure	o Prior to the Scheme, Peak will undertake a non-underwritten, pro rata non-renounceable entitlement offer to eligible shareholders to subscribe for one (1) new share for every 4.70 shares held at an offer price of A$0.10 per share to raise up to approximately A$7.5m (before costs) o **Shenghe has committed to take up its 19.86% pro rata share of the Entitlement Offer, which represents a commitment of ~A$1.49m** o Eligible shareholders will be able to apply for additional shares (that are not applied for by other Eligible Shareholders) under a Top-Up Facility[1] o Any residual shares not applied for by eligible shareholders may be placed under a Shortfall Facility at the offer price[2]

Offer price	o Offer price of A$0.10 per new share, represents:
	  o 14.2% discount to TERP of A$0.116 per share based on last closing price on 9 May 2025 of A$0.12 per share[3]
	  o 16.7% discount to the last closing price of A$0.12 per share
	  o 72.1% discount to the minimum Scheme Consideration per Share of ~A$0.359

Use of proceeds	o Proceeds from the Entitlement Offer will be used to:
	  o Progress development activities at the Ngualla Project (including land compensation payments)
	  o Fund working capital requirements and transaction costs

Key risks investing under the Entitlement Offer	o The Entitlement Offer is not conditional on the Scheme and will proceed irrespective of whether or not the Scheme successfully completes o If a condition precedent to the Scheme, including receipt of Chinese regulatory approvals, is not satisfied then the Scheme may not be able to be successfully implemented o If the Entitlement Offer is materially undersubscribed or if Peak fails to divest its Teesside site for an acceptable sum, Peak may not have sufficient funds to fund its activities either for the Scheme implementation period or thereafter should the Scheme not proceed[4]

1. Under the Entitlement Offer, eligible shareholders (other than Peak directors and any other person to whom ASX Listing Rule 10.11 applies) who take up their entitlement in full will also be able to apply for additional new shares in excess of their entitlement under a Top-Up Facility. Any new shares not applied for by eligible shareholders under their entitlement will be included in the Top-Up Facility
2. The Peak directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place any shortfall of new shares under the Entitlement Offer (after application of the Top-Up Facility) ("**Shortfall Shares**") at their discretion within three months after the Entitlement Offer closing date (in accordance with ASX Listing Rule 7.2 (Exception 3)). Such Shortfall Shares will be offered at the same price as shares under the Entitlement Offer
3. The TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Peak's closing price of A$0.12 on 9 May 2025. The TERP calculation includes new shares issued under the Entitlement Offer (assuming full subscription)
4. In such circumstances, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the Scheme's termination. An alternate funding option may not be successful

Teesside update

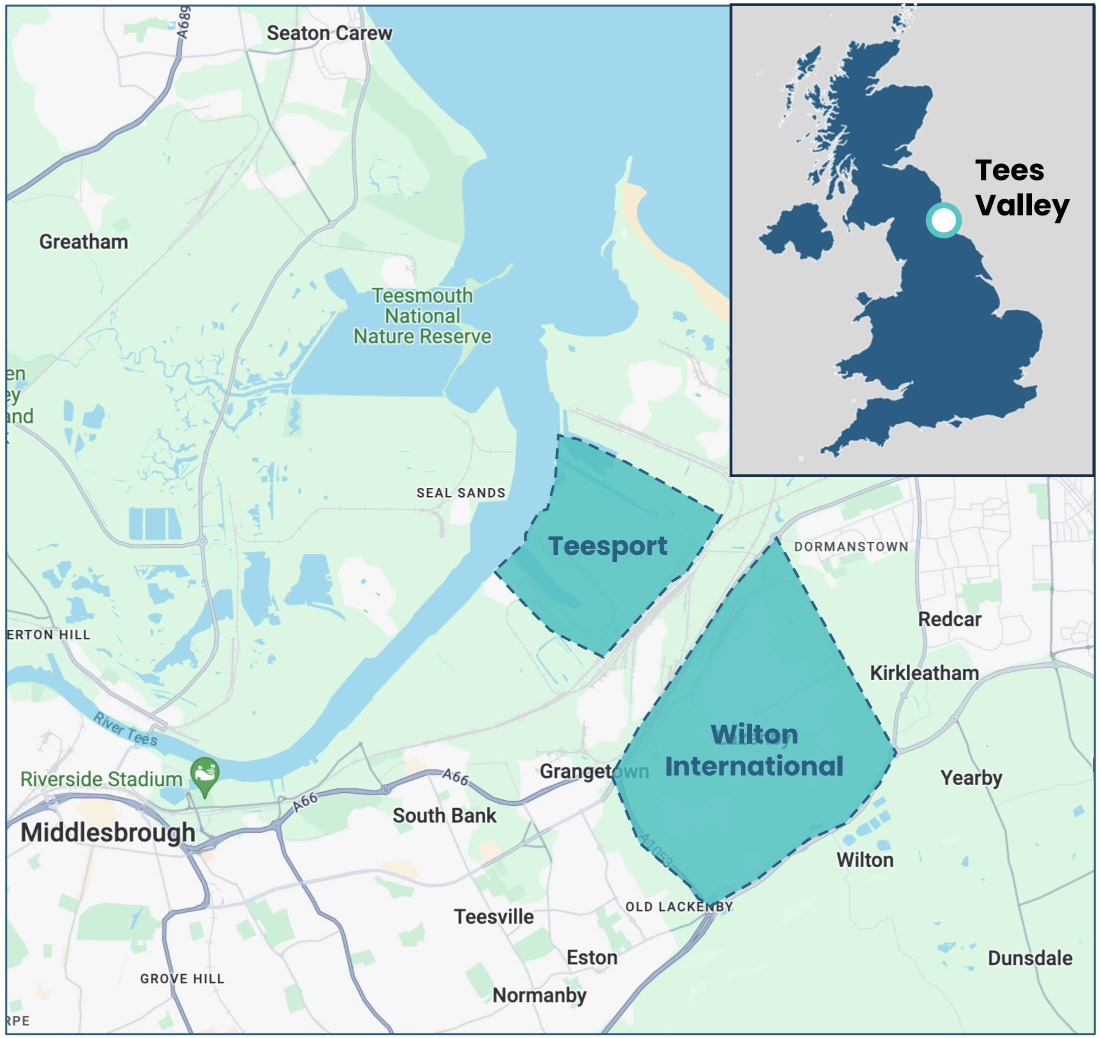
Peak is progressing advanced negotiations with respect to a sale of Teesside

Teesside … key attractions

- ✓ 19ha site sitting within Wilton International industrial zone in Tees Valley (UK)
- ✓ Within 3km of Teesport deepwater port – 3rd largest in UK by volume
- ✓ Over-the-fence power, air supply and water treatment facilities
- ✓ "Freeport" status – tax, planning and customs benefits

Current status

- A sales process over Peak's non-core 49-acre Teesside site is well advanced
- Peak is hopeful of completing a near-term sale
- Sale proceeds to be used to support Peak's working capital requirements and contribute towards Scheme transaction costs



Entitlement Offer – Sources and Uses

Peak requires an interim funding solution to continue the company's progress at Ngualla and cover transaction costs through to Scheme implementation

Peak funding requirements

- Entitlement Offer is being launched to provide an interim funding solution to Peak whilst the Scheme is implemented
- Funds from the Entitlement Offer and the intended sale of Teesside to be used to support the following:
  - ✓ Continuing to progress the Ngualla Project (including land compensation payments)
  - ✓ General working capital requirements
  - ✓ Transaction costs associated with the Scheme and Entitlement Offer
- If Peak is unable to divest its non-core Teesside site for sufficient proceeds it may need to pursue an alternate capital raising, which may:
  - result in the termination of the Scheme; and
  - place the Company's future funding capacity at risk

Illustrative Sources and Uses

Source of Funds	A$m
Entitlement Offer proceeds[1]	7.5
Existing Cash on Hand[2]	6.2
Teesside sale (indicative proceeds)[3]	5.0-6.0
Total Sources	**18.7-19.7**

Uses of funds	A$m
Ngualla project costs (incl. land compensation)	7.3
Scheme contingent transaction costs[4]	3.8
Other transaction and Entitlement Offer costs	1.3
Working capital[5]	6.3-7.3
Total Uses	**18.7-19.7**

1. Proceeds from the Entitlement Offer are presented on a maximum subscription basis. However, as the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised. If the proceeds from the Entitlement Offer are less than is required to meet the Company's proposed use of proceeds, the Company may review its proposed use of proceeds and consider alternative funding options. There is no guarantee that Peak would be successful in obtaining alternative funding options
2. Cash and cash equivalents as at 31 March 2025
3. There is no certainty that the Teesside sale will proceed and that Peak will receive the expected proceeds. If the expected proceeds from the sale of Teesside are not received, the Company may not have sufficient funds to pay the Scheme transaction completion costs
4. These costs will not be incurred if the Scheme does not complete
5. The working capital estimate is from 31 March 2025

Peak RARE EARTHS

Indicative timetable for the Entitlement Offer and Scheme

Target transaction implementation by October 2025

	Date[1]
Entitlement Offer booklet dispatched and Entitlement offer opens	26 May 2025
Entitlement Offer closes	23 June 2025
First Court Date	Late July / Early August 2025
Distribute Scheme Booklet to Peak Shareholders	Early August 2025
Scheme Meeting	Early September 2025
Second Court Date for approval of the Scheme	Late September 2025
Effective Date	Late Sept / Early Oct 2025
Scheme Record Date	Late Sept / Early Oct 2025
Implementation Date	Late Sept / Early Oct 2025

Peak RARE EARTHS

1. This timetable is indicative only and subject to change without notice. Peak reserves the right to extend the Entitlement Offer closing date, to accept late applications under the Entitlement Offer, withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer at any time before the issue of the relevant securities without notice, subject to the ASX Listing Rules, the Corporations Act and other applicable laws. The commencement of trading and quotation of new shares is subject to ASX confirmation. The Company gives no assurance that such quotation will be granted

Peak RARE EARTHS

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6 Key Risks

6.1 Introduction

This **section 6** includes details of the key risks attaching to an investment in New Shares in the Company. This Offer Booklet does not take into account your investment objectives, financial situation and particular needs. The Directors strongly recommend that potential investors consider whether an investment in New Shares is suitable for them in conjunction with the risk factors described below, together with publicly available information (including information contained elsewhere in this Offer Booklet) and consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

Due to the nature of the Company's business activities, increasing your investment in the Company carries with it risks reasonably expected of an investment in a business of this type. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Prospective investors should consider that an investment in the Company is highly speculative, and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

By their nature, the current and future activities of the Company, including exploration, appraisal, development and construction activities, may be affected by a range of factors, including, but not limited to, those discussed in this Offer Booklet. There are a range of specific risks associated with the Company's involvement in the rare earths industry.

Mineral exploration is a high risk endeavour and prospective investors should read the whole of this Offer Booklet and consider the risk factors described within it, as well as consult their stockbroker, accountant, solicitor or other professional adviser in order to fully appreciate the manner in which the Company operates before deciding whether to apply for any New Shares.

A reference to the Company in this key risks section should be taken to include, where relevant, a reference to the Company's interests in its projects and assets.

In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. This includes risks of investing in any form of business and investing in the share market generally. Some of these risks can be mitigated by the use of safeguards and appropriate controls, however some are outside the control of the Company and cannot be mitigated.

The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the price or value of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed, but identifies the areas regarded as the key risks specific to an investment in New Shares.

Prospective investors should carefully consider these risks in light of their investment objectives, financial situation and particular needs (including financial and taxation issues). There may be risk factors in addition to these that should be considered in light of personal circumstances.

6.2 Risk factors associated with the Scheme

As disclosed in the Investor Materials, the Company entered into a scheme implementation deed with Chenguang pursuant to which Chenguang proposes to acquire 100% of the Shares in Peak by way of the Scheme. There are various risks associated with the Scheme including, but not limited to, those summarised below.

It is important to note that Shareholders do not need to take any action in relation to the Scheme at this stage. A scheme booklet, which will contain important information in relation to the Scheme and the Scheme meeting, is expected to be sent to Shareholders in August 2025. Shareholders should wait to review the scheme booklet prior to making any decisions with respect to the Scheme.

(a) **Completion of the Scheme is subject to various conditions**

The conditions relating to the Scheme include:

- receipt of regulatory approvals in the People's Republic of China (including Ministry of Commerce, National Development and Reform Commission ("NDRC") and registration with the State Administration of Foreign Exchange ("SAFE") or a commercial bank entrusted or delegated by SAFE) (**PRC Regulatory Approvals**);
- receipt of approval from the Fair Competition Commission of Tanzania and any other approvals required from the Mining Commission of Tanzania;
- receipt of written confirmation from the Government of Tanzania that the Ngualla Project Special Mining Licence (**SML**) remains valid and free of any outstanding default notices;
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders;
- Shareholders approving the Scheme by the requisite majorities;
- the requisite Australian court approval;
- no prescribed occurrence or material adverse change (**Material Adverse Change**) occurring in relation to Peak; and
- other customary conditions, including no restraint of the Scheme by a government agency and no material breach of the warranties given by the Company under the Scheme Implementation Deed (**Peak Warranties**).

Full details of the conditions precedent to the Scheme are set out in schedule 1 of the Scheme Implementation Deed attached to the version of the ASX Announcement lodged with ASX on 15 May 2025.

Many of the conditions precedent, such as no Material Adverse Change occurring as well as receipt of all necessary Shareholder and regulatory approvals required to implement the Scheme (including from government agencies in China and Tanzania), are outside the control of Peak. For example, a Material Adverse Change can occur in various circumstances, including if an event occurs which has or is reasonably likely to have the effect or result of:

- diminishing the value of the Company's consolidated net assets by more than $15 million;
- the SML being revoked, varied, altered, not-renewed, suspended or terminated or the terms or rights attaching to the SML being adversely affected; or
- the Company being unable to carry on its business.

Further, the Peak Warranties given under the Scheme Implementation Deed are extensive. These include both customary and Company specific warranties (including in relation to the SML). A material breach of certain Peak Warranties, including in relation to the SML, may occur due to factors outside of the Company's control (for example, if the SML were to be revoked without cause).

If a condition precedent is not satisfied or waived (where applicable), the Scheme may be terminated. There can be no certainty, nor can Peak provide any assurance, that the conditions to the Scheme will be satisfied or (where applicable) waived, or if satisfied or waived (where applicable), when that will occur.

In light of the above, prospective investors should have regard to the risk factors set out in this Offer Booklet, including the Company specific risk factors set out in **sections 6.3(a)**, **(b)**, **(g)**, **(h)**, **(k)** and **(n)**. These and other risks, should they materialise, may result in a condition precedent (such as the no Material Adverse Change condition precedent or the no material breach of Peak Warranties conditions precedent) not being satisfied.

Further, each of Peak and Chenguang have the right to terminate the Scheme Implementation Deed in certain circumstances, such as where there has been a material breach of the deed which has not been rectified to the satisfaction of either party.

If the Scheme is terminated for any reason, Shareholders will not realise the benefits of the Scheme, they will not receive any consideration under the Scheme, and they will continue to be exposed to an investment in Peak (and its associated risks). Further, Peak provides no assurance that the Board of Peak will be able to find a party willing to offer an equivalent or greater price for Peak Shares than the consideration offered under the terms of the Scheme.

Any termination of the Scheme may have a material adverse effect on the market price of Shares and the price of Shares may fall below the Offer Price.

(b) **The Entitlement Offer is not conditional on the Scheme being implemented**

Completion of the Entitlement Offer is not conditional upon whether or not the Scheme successfully completes.

Peak expects to use some of the proceeds from the Entitlement Offer to pay transaction costs associated with the Scheme, some of which will be payable irrespective of whether the Scheme is successfully implemented.

As noted above, the Scheme is subject to a number of conditions precedent such that successful completion of the Scheme will depend upon whether those conditions precedent are satisfied or (where applicable) waived.

(c) **Funding risks associated with the implementation of the Scheme**

Under the Scheme Implementation Deed, Peak is required to continue to operate its business in the ordinary and normal course whilst it pursues the implementation of the Scheme.

The proceeds from the Entitlement Offer, together with existing cash and the expected proceeds from a proposed sale of Peak's non-core Teesside site in the United Kingdom, will be used to progress land compensation and other costs at the Ngualla Project, in addition to supporting working capital requirements and transaction costs associated with the Scheme.

However, the Scheme is not conditional on any minimum level of subscription being achieved under the Entitlement Offer or the sale of Teesside completing. As the Entitlement Offer is not underwritten, there is a risk that insufficient subscriptions are received under the Entitlement Offer to fund Peak's activities either for the period to implementation of the Scheme or thereafter should the Scheme not proceed.

Similarly, a risk also exists that Peak is unable to divest Teesside for sufficient proceeds to adequately supplement existing cash and funds raised under the Entitlement Offer in order to satisfy Peak's working capital requirements and the expected transaction costs should the Scheme complete.

Should this occur, Peak may need to pursue an alternate capital raising, which may or may not be available on acceptable terms (if at all) and which, even if available:

- could further dilute Shareholders; and
- may result in the termination of the Scheme (in circumstances that could trigger the payment of a break fee by Peak to Chenguang) which, in turn, would place the future funding capacity of the Company at risk.

(d) **Break fee**

Under the Scheme Implementation Deed, a liquidated amount (or break fee) of $1.55 million may become payable by Peak to Chenguang in certain circumstances. If such a break fee becomes payable, this may have a material adverse effect on Peak's financial position and the market price of Shares.

The Scheme Implementation Deed also sets out various other rights and obligations of both Peak and Chenguang in relation to the Scheme. A complete copy of the Scheme Implementation Deed is annexed to the version of the ASX Announcement lodged with ASX on 15 May 2025.

6.3 Company specific risk factors

As completion of the Entitlement Offer is not conditional upon whether or not the Scheme successfully completes, prospective investors should be aware of the following specific risks associated with an investment in the Company.

(a) **Permits and licences risk**

The operations of the Company require it to obtain licences for operating, permits and, in some cases, renewals of existing licences and permits, from authorities in Tanzania. The Company believes that it currently holds, has applied for or is well positioned to secure all necessary licences and permits to carry on the activities it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licences and permits. However, the ability of the Company to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies.

(b) **Title risk**

Interests in mineral licences in Tanzania are governed by the respective relevant legislation in Tanzania and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, licences if the conditions are not met or if insufficient funds are available to meet expenditure commitments.

If any of the licences are not renewed, the Company may suffer damage through loss of opportunity to discover and develop any mineral resources to which it otherwise would have had a right.

Where a licensee has met the terms of the grant, renewal should not be denied. However, if development conditions are not met there is no guarantee that current or future licences or future applications for production licences will be approved.

Mineral licences in Tanzania are also subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. If there is a failure to meet the commitments, this could lead to forfeiture of the licence.

There is also a risk that:

- mineral licence applications in which the Company acquires an interest in the future may not be able to be transferred to the Company; and
- mineral licence applications may not be approved or tenement terms renewed.

(c) **Funding risk**

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Company. This may have an adverse effect on:

- the Company's financial position and prospects; and
- the Company's current strategies and intentions for the Ngualla Project,

and create uncertainty as to whether the Company can continue as a going concern.

(d) **Project development risk**

The future value of the Company is materially dependent on the success or otherwise of the activities directed towards the development of its Ngualla Project. New mining operations can often experience a range of issues during planning, development, construction and mine start-up, which could delay the commencement of production.

The Company will require a significant amount of capital to develop and commission the Ngualla Project. Unless and until the Company is able to develop and commission the Ngualla Project and generate sustainable cash flow, it is dependent upon being able to obtain future equity or debt funding to support its commercial objectives.

Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities.

(e) **Construction, cost and commissioning risks**

Even if the Company is able to obtain sufficient funds to proceed to construct the Ngualla Project (which is not assured), there is an inherent risk that construction may not be completed on schedule, that the construction and operating costs may exceed estimates or that significant problems in commissioning or metallurgical processes may arise.

(f) **Operations risk**

If and when the Ngualla Project becomes operational, the project may be impacted by a variety of risks and hazards, including:

- **The risk of losing key personnel with rare earth industry experience**: Rare earth projects are technically and commercially challenging and specialised and there is a risk that the Company may lose key executives and management personnel.
- **The risk of failing to obtain necessary personnel**: There is a limited pool of experienced project development and technical personnel with experience in operating within remote mine sites in Africa and there is a risk that the Company may fail to obtain the services of these personnel.
- **Training and development risks**: The Ngualla Project will require significant training and development of the local community and there is a risk that the Company may not be successful in its endeavours to train and develop the local community.
- **Processing risks**: Lower than forecast metal recoveries or throughputs in processing will lead to lower than anticipated production of rare earth concentrate.

- **Health, safety, environmental and climatic risks**: Operating a project in a remote location provides a range of health, safety, environmental and climatic risks that will need to be managed. For example, the Ngualla Project is located in a high rainfall area, with the potential for high rainfall events to impact operations, infrastructure and logistics. While the Company will establish processes to guard against these risks, there is no guarantee that these processes will be successful in all instances.

Any of the above risks, if they materialise, could have a material adverse impact on the Company's activities and ability to develop and operate the Ngualla Project.

(g) **Land access risk**

Access to the Company's licences may be limited due to seasonal weather conditions. Unexpected weather, such as significant amounts of precipitation occurring outside the wet season, violent tropical storms or flooding may delay or adversely impact the Company's drilling or operational activities.

(h) **Sovereign risk**

The Ngualla Project is located in the United Republic of Tanzania, which is considered to be a developing country and as such subject to emerging legal and political systems compared with the systems in place in Australia.

Sovereign risks associated with operating in Tanzania include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

To some extent, these risks may be expected to be mitigated by the arrangements that the Company has with the Tanzanian Government.

(i) **Foreign exchange rate risk**

The Company currently has interests in tenures located in Tanzania and England, and expenditure required in United States dollars, British pounds and Tanzanian schillings.

Furthermore, international prices of various commodities are denominated in the United States dollar, whereas the income and expenditure of the Company will be taken into account in Australian currency, which will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

To comply with Australian reporting requirements, the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and the volatility of the rate of exchange between other currencies and the Australian dollar, as determined by international markets.

In addition, at this stage, the Company has decided not to put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange risk, which may have an adverse impact on the profitability and/or financial position of the Company.

(j) **Commodity price volatility risk**

If the Company achieves commercial production (which is in no way guaranteed), its revenue will be exposed to volatility in rare earth prices. Commodity prices fluctuate. Fluctuations in rare earth prices may be beyond the control of the Company and affected by factors such as shifts in global supply and demand, technological advancements, forward selling activities and other macro-economic factors.

The Company has sought to mitigate this risk to a degree by entering into an offtake agreement with Shenghe in respect to 100% of the rare earth concentrate produced from the Ngualla Project for an initial period of 7 years, commencing from the date that commercial production commences.

(k) **Litigation risk**

There is a risk that where formal legal proceedings are commenced against the Company and the Company is unable to successfully negotiate a resolution or defend a matter, or any other proceedings that have been threatened or brought against the Company, an adverse damages order may be made against the Company which may impact on the Company's financial position. The outcome of such proceedings would be subject to the determination of the relevant Court.

To the best of the Directors' knowledge, the Company is not currently engaged in any material litigation, actual or threatened.

(l) **Liquidity and volatility risk**

An investment in New Shares should be regarded as speculative. However, the past performance of the Company is not necessarily an indication as to future performance of the Company, as the trading price of Shares can go up or down.

(m) **Potential mergers and acquisitions risk**

As part of its business strategy, the Company may make acquisitions or divestments of, or significant investments in, companies, products, technologies, resource-related projects or other assets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions or divestments of companies, products, technologies, resource-related projects or other assets. There is no guarantee that any proposals will be received that the Company considers will provide acceptable shareholder value.

(n) **Exposure to natural events – Climate Change risk**

The Company's operations could be impacted by natural events, such as significant rain events and flooding, or prolonged periods of adverse weather conditions including floods, drought, water scarcity and temperature extremes.

Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to mining locations or necessary infrastructure, or restrictions to or delays in respect of deliveries of key consumables required for the Company's operations. This could impact the Company's financial performance and position.

Whilst the Company is able to transfer some of the above risks to third parties through insurance, many of the associated risks are not able to be insured, or, in the Company's opinion, the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

6.4 Industry specific risk factors

(a) **Exploration risk**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that further exploration by the Company will be successful.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the licences, a reduction in the resources and reserves of the Company and possible relinquishment of its licences.

(b) **Environmental risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(c) **Operating risk**

The current and future operations of the Company, including possible production activities, exploration and appraisal, may be affected by a range of factors, including:

- adverse geological conditions including mineral variability;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment;
- industrial and environmental accidents, industrial disputes and other force majeure events;
- inability to recruit and retain operating staff with specialist rare earth processing experience;
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment;
- the transportation of rare earth products and the sourcing of consumables and spare parts may be adversely impacted by port and logistics constraints; and
- inability to obtain necessary consent or approvals.

(d) **Ore reserves and mineral resources estimates risk**

Ore reserves, mineral resources and other estimates of rare earth occurrences are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates, including that rare earths mined may be of a different quality, tonnage or strip ratio from the estimates.

Ore reserves, mineral resources and revenue estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to the estimates of rare earth reserves could affect the proposed development and mining plans.

(e) **JORC Code differs from reporting requirements in other countries**

Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this Offer Booklet and the Company's ASX announcements comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC Code**), they may not comply with the relevant guidelines in other countries. Information describing the Company's mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of other countries.

Investors should not assume that quantities reported as "resources" by the Company will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

(f) **Technological risk**

This risk relates mainly to the threat of substitution of rare earths by other materials in the manufacture of high strength magnets and other rare earth applications such as catalysts. In addition, the amount of rare earths being used in these devices is continuously being engineered down which could ultimately affect demand.

(g) **Contractual risk**

The ability of the Company to achieve its objectives will depend on the performance by the other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

(h) **Regulatory risk**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely matter or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(i) **Competition risk**

The mining industry is highly competitive. The Company's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them.

6.5 Entitlement Offer and general risk factors

There are various risk factors associated with the Entitlement Offer. Further, the business activities of the Company are subject to various general economic and investment risks that may impact the future performance of the Company. These risk factors include, but are not limited to, those summarised in the section below.

(a) **Full completion of Entitlement Offer**

The Entitlement Offer is not underwritten. As such, there is no certainty that the intended amount to be raised via the Entitlement Offer of ~$7.5 million (before costs) will be raised. If the proceeds from the Entitlement Offer are less than what is required to meet the Company's proposed use of proceeds, the Company may be required to review its proposed use of proceeds (including whether to scale back or defer investment) and consider alternative funding options. In those circumstances, there is no guarantee that alternative funding could be sourced in the time required or at all or that the Company would be able to successfully negotiate the terms of any debt or equity funding arrangements.

The above may impact the Company's ability to achieve some or all of the outcomes targeted from the proceeds of the Entitlement Offer as well as the prospects of the Scheme proceeding, which could, in turn, have a materially adverse effect on the price of Shares and the Company's financial condition and operations.

Further, if less than the full amount is raised under the Entitlement Offer, the Company may need to pursue an alternate capital raising, which could further dilute Shareholders and may result in the termination of the Scheme and the payment of $1.55 million by Peak to Chenguang by way of a break fee.

(b) **Potential for dilution**

Upon completion of the Entitlement Offer, the Company will issue New Shares. The issue of New Shares will dilute the interests of existing Shareholders to differing extents depending on the extent to which individual Shareholders take up their Entitlements. An indication of the extent of this potential dilution is set out in **section 4.5**.

There is also a risk that Shareholders will be further diluted as a result of future capital raisings required in order to fund the Company's activities. It is not possible to predict what the value of the Company's Shares will be following completion of the Entitlement Offer, and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the date of this Offer Booklet is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.

(c) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

(e) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise, and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Investors should be aware that there is a risk that the market price of the Shares may change between the date of this Offer Booklet and the date when the New Shares are issued. This means that the price paid per New Share may be either higher or lower than the market price of Shares on the date the New Shares are issued and allotted under the Entitlement Offer.

(f) **Insurance**

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive.

(g) **Liquidity and realisation risk**

There can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares, as there may be relatively few, if any, potential buyers or sellers of Shares on ASX at any time. Volatility in the market price for Shares may result in Shareholders receiving a price for their Shares that is less or more than the Offer Price.

(h) **Other general risks**

- The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

- The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.
- Default by a party to any contract to which the Company is, or may become, a party.
- Insolvency or other managerial failure by any of the contractors used by the Company in its activities.
- Industrial disputation by the Company's workforce or that of its contractors.
- Acts of war and terrorism or the outbreak or escalation of international hostilities and tensions.
- The acquisition and disposal of Shares will have tax consequences which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

7 Additional information

7.1 Responsibility for Offer Booklet

The information contained in this Offer Booklet (including the Investor Materials set out in **section 5**) has been prepared by Peak.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. To the maximum extent permitted by law or regulation, any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Peak in connection with the Entitlement Offer.

7.2 Status of Offer Booklet

This Offer Booklet is being made pursuant to provisions of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow rights issues to be conducted without a prospectus, provided that certain conditions are satisfied.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared or issued. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Peak. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on Peak and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Booklet, the Investor Materials and the other ASX announcements made by the Company.

This Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Peak is not licensed to provide financial product advice in respect of New Shares (including any Additional New Shares). Before deciding whether to apply for New Shares (including any Additional New Shares), you should consider all materials sent to you in relation to the Entitlement Offer and any relevant materials lodged by Peak with ASX and ASIC. You should also consider whether the New Shares (including any Additional New Shares) are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues), having regard to the merits or risks involved in an investment in Peak. You should carefully consider the risks of an investment in Peak, including the key risks described in **section 6**.

If, after reading the Offer Booklet, in particular the key risks described in **section 6**, you have any questions about the Entitlement Offer, you should consult your stockbroker, accountant, financial or other professional adviser.

7.3 Currency of information

The information contained in the Investor Materials set out in **section 5** is current as at the date on which those materials were released to ASX. All other statements in this Offer Booklet are made as at the date of this Offer Booklet unless otherwise stated, and the information in this Offer Booklet remains subject to change without notice. Peak is not responsible for updating this Offer Booklet.

There may be additional announcements that are made by Peak (including after the date of this Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, you should check whether any further announcements have been made by Peak before submitting an Application.

7.4 Ranking of New Shares

New Shares (including Additional New Shares and Shortfall Facility Shares) under the Entitlement Offer will be fully paid and rank equally with Shares on issue at the date of this Offer Booklet. The rights attaching to the New Shares are set out in the Constitution, and are regulated by the Corporations Act, the ASX Listing Rules and general law.

7.5 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your Application once it has been made.

7.6 Rounding of entitlements

Fractional Entitlements to New Shares (or Additional New Shares, as applicable) will be rounded up to the nearest whole New Share. Where Peak considers that holdings have been split in order to take advantage of this rounding, Peak reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

7.7 Allotment, quotation and trading of New Shares

Peak will apply to ASX for official quotation of the New Shares in accordance with the requirements of the ASX Listing Rules. If ASX does not grant quotation of the New Shares, Peak will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that the New Shares (excluding any Shortfall Facility Shares) will be allotted no later than 30 June 2025 and that normal trading of those New Shares will commence on 1 July 2025. However, if the Closing Date is extended, the date for allotment and normal trading will also be extended.

Application Monies will be held by the Company on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving their holding statement will do so at their own risk. The Company disclaims all liability, whether in negligence or otherwise, to Applicants who trade New Shares (including any Additional New Shares) before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Company or the Registry.

7.8 Reconciliation

In any entitlement offer, investors may believe that they own more shares at the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

Peak may need to issue a small quantity of additional Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Peak reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible

Shareholders, if their claims prove to be overstated, or if they (or their nominees or custodians) fail to provide information to substantiate their claims. See **section 4.11** for further details.

7.9 Major Shareholder commitment

Shenghe is a substantial Shareholder of the Company and has undertaken to apply for its full Entitlement, representing approximately 14.88 million New Shares.

In the event that:

- the Scheme Implementation Deed is terminated because the PRC Regulatory Approvals (as defined in **section 6.2(a)**) condition precedent has not been satisfied; or
- the PRC Regulatory Approvals condition precedent has not been satisfied by the end date under the Scheme Implementation Deed (being seven months after execution of the Scheme Implementation Deed or such other date as Peak and Chenguang agree) (**End Date**) and the Scheme Implementation Deed has been terminated (provided that none of the other conditions precedent remain outstanding as at the End Date other than conditions precedent that remain outstanding as a result of, or otherwise due in whole or in part to, the PRC Regulatory Approvals condition precedent not having been satisfied by the End Date),

then, at Peak's election (and, if required, subject to Shareholder approval being obtained), Peak can require Shenghe to subscribe for $1.55 million worth of Shares at a price representing a 20% discount to the Scheme consideration.

7.10 Continuous disclosure

Peak is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half-yearly reports.

Peak is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the securities markets conducted by ASX. In particular, Peak has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Shares. That information is available to the public from ASX at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Peak. These documents may be obtained from, or inspected at, an ASIC office.

7.11 Effect on capital structure

(a) Share capital

As at the date of this Offer Booklet, the Company has on issue 352,116,612 Shares.

Assuming that the Entitlement Offer is fully subscribed and all New Shares (including any Additional New Shares) are issued, the Company's issued share capital will increase to 427,036,989 Shares (subject to rounding and reconciliation and assuming the Entitlement Offer is fully subscribed and no other Shares are issued or convertible securities exercised or converted prior to completion of the Entitlement Offer).

(b) Performance rights

As at the date of this Offer Booklet, the Company has on issue 13,074,890 performance rights (ASX security holder and description: PEKAK).

7.12 Substantial Shareholder

Based on substantial shareholder notices that have been given to the Company and lodged with ASX, the Company has one substantial Shareholder. The relevant interest and Voting Power of that substantial Shareholder as at the date of this Offer Booklet, together with its Entitlement under the Entitlement Offer, are set out below.

Substantial Shareholder	Shares	Voting Power[1]	Entitlement
Shenghe[2]	69,928,490	19.86%	14,878,403

1 Based on information provided by Shenghe to the Company and 352,116,612 Shares on issue, in each case as at the date of this Offer Booklet.

2 See ASIC Form 604 lodged on 21 January 2025 for further details regarding Shenghe's Voting Power in Peak and its relevant interests in Shares. The shareholdings listed above are as disclosed to the Company by Shareholders as at the date of this Offer Booklet.

Shenghe is an Eligible Shareholder and has undertaken to the Company to take up its Entitlement in full.

7.13 Potential effect on control and consequences

The potential effect of the issue of New Shares under the Entitlement Offer on the control of Peak, and the consequences of that effect, will ultimately depend on a number of factors, including the extent to which Eligible Shareholders participate in the Entitlement Offer and broader investor demand.

The maximum number of New Shares to be issued under the Entitlement Offer is 74,920,377 (subject to rounding and reconciliation) which will constitute approximately 17.54% of the Shares on issue following completion of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed and no other Shares are issued or convertible securities exercised or converted prior to completion of the Entitlement Offer).

However, given the size and structure of the Entitlement Offer, Peak does not expect the issue of New Shares under the Entitlement Offer will have a material effect on the control of Peak. As at the date of this Offer Booklet, the potential effect on control of Peak and the consequences of that effect are summarised below:

(a) If all Eligible Shareholders take up all of their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no material effect on the control of Peak.

(b) Eligible Shareholders that apply for New Shares under the Top-Up Facility may increase their percentage shareholding in the Company. This could result in the dilution of holdings of those Eligible Shareholders who did not accept their Entitlements in full.

(c) To the extent that an Eligible Shareholder does not take up their Entitlement under the Entitlement Offer, that Shareholder's percentage shareholding in the Company may be diluted by the issue of the New Shares under the Entitlement Offer.

(d) The proportional interests of Ineligible Shareholders will be diluted because they are not entitled to participate in the Entitlement Offer.

(e) Shenghe currently holds approximately 19.86% of the Shares in the Company. Shenghe has committed to take up its full entitlement under the Entitlement Offer. If the Entitlement Offer is not fully subscribed, and any shortfall cannot be placed, Shenghe has the potential to obtain a shareholding in the Company in excess of 20% (depending on the take up of entitlements). If this were to occur, Shenghe may need to rely on item 10 of section 611 of the Corporations Act in order to obtain Voting Power in the Company in excess of 20% (for further details see **section 7.14**).

(f) In order to minimise the control effects of the Entitlement Offer, the Company has structured the offer such that it will have the Top-Up Facility and Shortfall Facility. Shenghe (the only Shareholder with a shareholding near 20%) has agreed to provide a commitment to the Company that it will not apply for any Shares under either the Top-Up Facility or Shortfall Facility.

(g) The following table illustrates Shenghe's maximum potential relevant interest and Voting Power in the Company under various scenarios where the Entitlement Offer is either fully subscribed, 75% subscribed, 50% subscribed, 25% subscribed or 0% subscribed by other Eligible Shareholders.

Participation by other Eligible Shareholders	Voting Power of substantial Shareholder (Shenghe)
100%	19.86%
75%	20.58%
50%	21.36%
25%	22.20%
0%	23.11%

(h) Given the Entitlement Offer ratio, the Entitlement Offer will be dilutionary to Eligible Shareholders who do not take up their Entitlements, and to Ineligible Shareholders. The existing interests of each such Shareholder will be diluted by approximately 17.54% (assuming the Entitlement Offer is fully subscribed).

(i) If the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that there is a large number of Shortfall Facility Shares, the Company intends to mitigate the potential effect on control by ensuring that its allocation policy under the Shortfall Facility facilitates allotment of Shortfall Facility Shares to a spread of investors (to the extent possible). In addition, Shenghe will not participate in the Top-Up Facility or Shortfall Facility.

7.14 Takeover prohibition

Under section 606 of the Corporations Act, a person cannot acquire a relevant interest in the issued voting shares of a company if that acquisition results in a person's Voting Power in the company increasing from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

There are certain exceptions to the above prohibition including the exception in item 10 of the table in section 611 of the Corporations Act, which permits an acquisition of shares in a rights issue.

However, in order for the item 10 exception to be available, section 615 of the Corporations Act must be complied with in relation to Ineligible Shareholders.

Section 615 of the Corporations Act requires the appointment of a nominee for the sale of the New Shares which would otherwise have been offered to Ineligible Shareholders and requires ASIC to approve the nominee.

In accordance with section 615 of the Corporations Act, the Company has appointed Taylor Collison Limited as Nominee. ASIC has approved the appointment of the Nominee. The

Nominee will arrange for the sale of the New Shares which represent the full Entitlement of Ineligible Shareholders (**Sale Shares**).

The Nominee will be required to direct the net proceeds (after deduction of the fee payable by the Company to the Nominee for it acting as Nominee, and the costs of sale including brokerage, (**Selling Fees**)), if any, to the Registry to facilitate pro rata payments of any net proceeds (after deduction of the Offer Price) to Ineligible Shareholders. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Sale Shares may be sold and the manner of any such sale (subject to applicable laws).

The Sale Shares will be issued at the same time as the issue of New Shares under the Entitlement Offer.

The proceeds of sale (if any) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Sale Shares have been sold in proportion to their shareholdings as at the Record Date (after deducting the Offer Price and Selling Fees).

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell the Sale Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the Offer Price plus the Selling Fees is greater than the sale proceeds.

Neither the Company nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell Sale Shares at any particular price.

Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 of the Corporations Act as a result of acceptance of the Entitlement Offer should seek professional advice before making an Application, in particular given that, as at the date of this Offer Booklet, ASIC has not approved the appointment of the Nominee.

7.15 Participation and interests of Directors

The below table shows the relevant interests held by the Directors, and their Voting Power, as at the date of this Offer Booklet, both before and after take-up of their full Entitlement under the Entitlement Offer.

Director	Existing Shares	Existing Voting Power	Entitlement	Voting Power (post-Entitlement Offer)[1,2]	Performance rights
Russell Scrimshaw	1,900,000	0.54%	404,256	0.54%	3,100,000
Abdullah Mwinyi[3]	183,334	0.05%	Ineligible	0.04%	452,236
Shasha Lu[3]	90,000	0.03%	Ineligible	0.02%	510,000
Nick Bowen	800,000	0.23%	170,213	0.23%	510,000
Hannah Badenach	446,000	0.13%	94,894	0.13%	510,000

1 *Assumes the person takes up 100% of their Entitlement, other than Abdullah Mwinyi and Shasha Lu (who are not Eligible Shareholders).*

2 *Voting Power based on 352,116,612 Shares on issue as at the date of this Offer Booklet (see **section 7.11**) and 427,036,989 Shares on issue post completion of the Entitlement Offer, which*

assumes 74,920,377 New Shares (subject to rounding and reconciliation) will be issued under the Entitlement Offer (ie. all Eligible Shareholders take up their Entitlements in full). These percentages assume no conversion of performance rights or issue of other Shares prior to completion of the Entitlement Offer.

3 *Abdullah Mwinyi and Shasha Lu are not Eligible Shareholders and therefore will not subscribe for any New Shares under the Entitlement Offer.*

Directors cannot participate in the Top-Up Facility or any Shortfall Facility.

7.16 Effect of Entitlement Offer on Scheme consideration

If the Scheme is implemented, Eligible Shareholders who acquire New Shares under the Entitlement Offer (at the Offer Price of $0.10 per New Share) will have those Shares acquired under the Scheme for the Scheme consideration.

If the full amount of ~$7.5 million (before costs) is raised pursuant to the Entitlement Offer (inclusive of the Top-Up Facility and Shortfall Facility) and the Scheme is implemented, Shareholders will receive ~$0.359 per Share in cash under the Scheme. If less than the full ~$7.5 million (before costs) sought under the Entitlement Offer is raised, the consideration per Share under the Scheme (should it be implemented) would increase.

The following table illustrates the potential Scheme consideration per Share under various scenarios where Shenghe takes up its full Entitlement under the Entitlement Offer and the Entitlement Offer is either fully subscribed, 75% subscribed, 50% subscribed, 25% subscribed or 0% subscribed by Eligible Shareholders (other than Shenghe, who has committed to take up its Entitlement in full).

Participation by Eligible Shareholders other than Shenghe	Potential Scheme consideration per Share[1]
100%	~$0.359
75%	~$0.368
50%	~$0.378
25%	~$0.389
0%	~$0.400

1 *Based on 352,116,612 Shares on issue (undiluted) as at the date of this Offer Booklet, 13,074,890 Shares issued on conversion of existing Peak performance rights and the relevant number of New Shares issued under the Entitlement Offer.*

However, notwithstanding that the consideration per Share under the Scheme (should it be implemented) will increase if less than the full ~$7.5 million (before costs) sought under the Entitlement Offer is raised:

(a) Shareholders who do not take up New Shares in the Entitlement Offer may experience material dilution of their shareholding in the Company; and

(b) if less than the full amount sought under the Entitlement Offer is raised, the Company may need to pursue an alternate capital raising to continue to operate its business and progress the Ngualla Project in the ordinary course. Any such further capital raising could further dilute Shareholders and would require Chenguang's prior written consent. Proceeding with any such further capital raising without Chenguang's prior written consent may result in the termination of the Scheme and requirement of $1.55 million to Chenguang by way of a break fee under the Scheme Implementation Deed.

7.17 Effect of participation in Entitlement Offer on Scheme proceeds

The following table illustrates the amount of net proceeds a hypothetical Eligible Shareholder who holds 100,000 Shares as at the Record Date for the Entitlement Offer may realise under the Scheme if they choose to not participate, partly participate or fully participate in the Entitlement Offer, and the Scheme is successfully implemented.

Importantly, Shareholders should note that the implementation of the Scheme is subject to a range of conditions precedent, such that there is no guarantee that the Scheme will successfully complete (and therefore no guarantee that the Scheme consideration will be paid to Shareholders for the acquisition of their Shares).

	No Participation	50% Participation	100% Participation
Number of Shares held at Record Date for Entitlement Offer	100,000	100,000	100,000
Percentage of Entitlement taken-up	0%	50%	100%
Number of New Shares acquired	0	10,639	21,277
Amount paid to acquire New Shares	$0	$(1,063.90)	$(2,127.70)
Number of Shares held at record date for Scheme[1]	100,000	110,639	121,277
Scheme consideration per Share[2]	$0.359	$0.359	$0.359
Net proceeds if all Shares acquired under Scheme[3,4]	$35,900.00	$38,655.50	$41,410.74

1 *Assumes the Shares held as at Record Date for the Entitlement Offer and the New Shares acquired under the Entitlement Offer are held as at the record date for the Scheme.*

2 *Assumes the full amount of ~$7.5 million (before costs) is raised pursuant to the Entitlement Offer, the Scheme is implemented and the Scheme consideration is $0.359 per Share.*

3 *Being equal to: (A x B) - C*

Where: A = Number of Shares held at record date for Scheme

B = Scheme consideration per Share

C = Amount paid to acquire New Shares under the Entitlement Offer

4 *The calculation does not take into account the amount paid by the Shareholder to acquire the Shares held by the Shareholder as at the Record Date for the Entitlement Offer nor any applicable costs and/or taxes payable by the Eligible Shareholder in connection with the acquisition of their Shares pursuant to the Scheme. Eligible Shareholders should consult with their accountant, legal, financial, tax or other professional adviser regarding such matters.*

7.18 Offer Booklet availability

Eligible Shareholders in Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore, Switzerland or the United Kingdom can obtain a copy of this Offer Booklet (along with their personalised Entitlement and Acceptance Form) during the Entitlement Offer Period by accessing the Registry's website at https://events.miraqle.com/pek-offer. You will need to provide your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the Entitlement and Acceptance Form and Offer Booklet.

In addition, Eligible Shareholders in Australia, the European Union (Germany, Italy, Luxembourg, the Netherlands and Portugal), Hong Kong, New Zealand, Singapore, Switzerland or the United Kingdom can also obtain a copy of the Offer Booklet during the Entitlement Offer Period by accessing the ASX website. However, the electronic version of this Offer Booklet on the ASX website will not include a personalised Entitlement and Acceptance Form.

Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet.

A hard copy of this Offer Booklet (and personalised Entitlement and Acceptance Form) can be requested by calling the Company's Registry on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday during the Entitlement Offer Period.

8 Australian taxation consequences

8.1 Introduction

This is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Entitlement Offer for Eligible Shareholders that hold their New Shares (including Additional New Shares) on capital account for Australian income tax purposes. The category of Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for Shareholders who:

(a) hold existing Shares, New Shares or Entitlements in a business of share trading or dealing in securities, or otherwise hold their existing Shares, New Shares or Entitlements on revenue account or as trading stock;

(b) acquired existing Shares in respect of which the Entitlements are issued under an employee share scheme;

(c) are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Shares, New Shares or Entitlements;

(d) are subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, public trading trusts, non-complying superannuation funds or temporary residents; or

(e) are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Shareholder.

As the taxation implications of the Entitlement Offer will depend upon a Shareholder's particular circumstances, Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Entitlement Offer that are not covered by this summary. Such Shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Entitlement Offer in any jurisdictions that are relevant to them.

Neither the Company, nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Entitlement Offer.

8.2 Income tax consequences of Entitlements

(a) Issue of Entitlements

The issue of Entitlements to Australian resident Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Shareholders.

(b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (**CGT**) provisions.

Eligible Shareholders that exercise their Entitlements will receive New Shares. New Shares will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (ie. the Offer Price) and certain incidental costs in acquiring, holding and disposing of the New Shares.

(c) Lapse of Entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse taxation implications for an Eligible Shareholder from the lapse of the Entitlement.

8.3 Income tax consequences of New Shares

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing Shares held in the same circumstances.

As outlined above, the CGT cost base of a New Share should generally be equal to the sum of the amount paid to exercise the corresponding Entitlement (ie. the Offer Price) and certain incidental costs in acquiring the New Share. Any future sale of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of a New Share.

Eligible Shareholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate Eligible Shareholders, such as Australian tax resident individuals or complying superannuation entities, may be entitled to a concession which discounts the amount of capital gain that is assessed on disposal. Broadly, the concession is available where the New Shares have been held for 12 months or more prior to disposal (not including the acquisition date and the disposal date). The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including, generally, where a flow through trust or partnership distributes the net capital gain to such Shareholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied. Eligible Shareholders that are trusts or partnerships should seek separate independent professional advice as to the circumstances in which a beneficiary or a partner may be entitled to a CGT discount.

The CGT discount is generally not available for Eligible Shareholders that are companies.

Australian tax resident Shareholders who hold New Shares on revenue account, as trading stock or are subject to the rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) concerning the taxation of financial arrangements should seek separate independent professional advice.

8.4 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby a 15% non-final withholding tax may be applied. However, the rules should not apply to the disposal of a New Share on ASX (in accordance with a specific exemption).

8.5 Provision of TFN or ABN

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax resident Shareholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Shareholders that have not previously provided their TFN or ABN (if applicable) to the Registry may wish to do so prior to the Closing Date to ensure that withholding tax is not deducted from any future distribution payable to them.

A Shareholder is not obliged to provide their TFN, or where relevant, ABN, to the Company.

8.6 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, exercise or lapse of Entitlements, nor in relation to the acquisition of New Shares.

Eligible Shareholders may, however, be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares (such as costs relating to professional advice obtained by Shareholders regarding the Entitlement). This will depend on each Eligible Shareholder's particular circumstances and, as such, this should be reviewed by Shareholders prior to making any claim.

9 Glossary

Term	Meaning
Additional New Shares	New Shares available under the Top-Up Facility, which may be applied for by Eligible Shareholders (other than Directors and any other person to whom ASX Listing Rule 10.11 applies) in excess of their Entitlement.
Applicant	A person who makes an Application for New Shares.
Application	An application to subscribe for New Shares under this Offer Booklet.
Application Monies	Money paid or payable by Applicants in respect of an Application.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable.
ASX Announcement	Peak's ASX announcement relating to, amongst other matters, the Scheme and Entitlement Offer, as lodged with ASX on 15 May 2025, a copy of which is included in **section 5** of this Offer Booklet (excluding the annexure to that announcement, being the Scheme Implementation Deed).
ASX Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time.
Board	The board of Directors of Peak.
Chenguang	Ganzhou Chenguang Rare Earths New Material Co., Ltd.
Closing Date	The day the Entitlement Offer closes, being 5.00pm (Sydney time) on 23 June 2025 (unless extended or withdrawn).
Company or **Peak**	Peak Rare Earths Limited (ACN 112 546 700).
Constitution	The constitution of Peak as amended or varied from time to time.
Corporations Act	*Corporations Act 2001* (Cth).
Director	A director of Peak.
Eligible Institutional Investors	A person who: (a) is either: (i) if in Australia, a sophisticated, experienced or professional investor whom the Company reasonably believes offers and issues of Shares may be made without the need for disclosure under Part 6D.2 of the Corporations Act; or

Term	Meaning
	(ii) an institutional or professional investor in such other country whom the Company reasonably believes Shares may lawfully be offered and issued in compliance with applicable laws without lodgement, registration or other formality or filing with or by a government agency; and (b) has received an invitation from the Company to participate in the Shortfall Facility.
Eligible Shareholder	Has the meaning given in **section 3.4**.
Entitlement	The entitlement to 1 New Share for every 4.7 Shares held at the Record Date.
Entitlement and Acceptance Form	The Entitlement and Acceptance Form pursuant to which Applicants may apply for New Shares (including any Additional New Shares).
Entitlement Offer	The 1 for 4.7 pro-rata non-renounceable entitlement offer to subscribe for New Shares at the Offer Price.
Entitlement Offer Period	The period from 30 May 2025 until the Closing Date (inclusive).
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder.
Investor Materials	The ASX Announcement and Investor Presentation.
Investor Presentation	Peak's investor presentation relating to, amongst other matters, the Scheme and Entitlement Offer, as lodged with ASX on 15 May 2025, a copy of which is included in **section 5** of this Offer Booklet.
New Shares	The Shares offered under the Entitlement Offer including (as the context requires) Additional New Shares issued under the Top-Up Facility and Shortfall Facility Shares.
Ngualla Project	The Ngualla Rare Earths Project in Tanzania.
Nominee	Has the meaning given in **section 3.5**.
Offer Booklet	This offer booklet.
Offer Price	$0.10 per New Share.
Record Date	7.00pm (Sydney time) on 21 May 2025.
Register	The register of Shareholders required to be kept under the Corporations Act.
Registry	MUFG Corporate Markets.

Term	Meaning
Scheme	The scheme of arrangement pursuant to which Chenguang proposes to acquire 100% of the Shares in Peak, as announced by Peak to ASX on 15 May 2025.
Scheme Implementation Deed	The scheme implementation deed between Peak and Chenguang dated 14 May 2025, a copy of which was released to ASX on 15 May 2025.
Share	A fully paid ordinary share in Peak.
Shareholder	A holder of Shares.
Shenghe	Shenghe Resources (Singapore) Pte. Ltd.
Shortfall	Any shortfall of New Shares taken up by Eligible Shareholders including after the application of the Top-Up Facility.
Shortfall Facility	The offer of New Shares to Eligible Institutional Investors, as described in **section 4.3** of this Offer Booklet.
Shortfall Facility Shares	New Shares which comprise the Shortfall and are available under the Shortfall Facility, which may be placed by the Directors to new or existing Eligible Institutional Investors within three months of the close of the Entitlement Offer.
Teesside	The Company's 49-acre Teesside site in the United Kingdom.
Top-Up Facility	The mechanism by which Eligible Shareholders who take up their Entitlement Offer in full may also apply for Additional New Shares as described in **section 4.2**.
US Securities Act	The *U.S. Securities Act of 1933*, as amended.
Voting Power	Has the meaning given in section 610 of the Corporations Act.

10 Corporate Directory

Directors	Russell Scrimshaw	(Executive Chairman)
	Abdullah Mwinyi	(Non-Executive Director)
	Shasha Lu	(Non-Executive Director)
	Nick Bowen	(Non-Executive Director)
	Hannah Badenach	(Non-Executive Director)
CEO	Bardin Davis	
Company Secretary and Chief Financial Officer	Phil Rundell	
Registered office	**Peak Rare Earths Limited** Suite 5, Level 3, 220 St Georges Terrace, Perth, WA 6000 **Telephone:** +61 8 9200 5360 **Website:** www.peakrareearths.com	
Registry	**MUFG Corporate Markets** Liberty Place, Level 41, 161 Castlereagh Street, Sydney, NSW 2000 **Telephone:** 1300 554 474 (within Australia) **Telephone:** +61 1300 554 474 (outside Australia)	