



# **Annual Financial Report**

## **30 June 2025**

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## DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Peak Rare Earths Limited ("Company" or "Peak") (ACN: 112 546 700) and its controlled entities for the financial year ended 30 June 2025. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

|                   |                                                 |
|-------------------|-------------------------------------------------|
| Russell Scrimshaw | Executive Chairman                              |
| Abdullah Mwinyi   | Non-Executive Director                          |
| Shasha Lu         | Non-Executive Director                          |
| Ian Chambers      | Non-Executive Director (resigned 12 March 2025) |
| Nick Bowen        | Non-Executive Director                          |
| Hannah Badenach   | Non-Executive Director                          |

### INFORMATION ON DIRECTORS

#### **Dr Russell Scrimshaw (AM)** – Executive Chairman (Appointed 15 August 2022)

Russell is a distinguished corporate executive and company director with experience in large scale mining project development and operations, product marketing, finance, business development and technology. Russell was a founding director of Fortescue Metals Group and served in executive roles including Deputy CEO and Executive Director. He was a key part of the management team that developed Fortescue's mining, port and rail operations and was instrumental in establishing Fortescue's strong relationships with large steel mill groups across a vast Asian customer base.

More recently Russell was Chairman of UK-listed Sirius Minerals PLC from 2011 to March 2020 (acquired by Anglo American in 2020), which is developing a large polyhalite fertiliser project in North Yorkshire. He has also held senior executive positions at the Commonwealth Bank of Australia and Optus. Russell is currently Chairman of the Garvan Research Foundation, a Non-Executive Director of the Garvan Institute of Medical Research and a Non-Executive Chairman of ARI Pty Ltd.

Russell is a member of the Audit, Risk & Sustainability Committee, Nomination & Remuneration Committee and Technical & Development Committee.

Russell held no other listed public company directorships in the past three years.

#### **The Hon. Abdullah Mwinyi** – Non-Executive Director (Appointed 15 November 2020)

Abdullah is a member of the Tanzanian Parliament, having entered Parliament in 2007. He has also held roles as a Member of the East African Legislative Assembly (2007 – 2017), where he was Chair of the Legal, Privileges and Rules Committee and the Regional Affairs and Conflict Resolution Committee, and Chair of Swala Oil and Gas (Tanzania) plc. Abdullah is a lawyer by profession, having been awarded a LLB and LLM from the University of Cardiff, and, in 2007, established Asyla Attorneys, where he specialised in corporate, commercial, labour and employment law.

Abdullah has held no other listed public company directorships in the past three years.

**Dr Shasha Lu** - Non-Executive Director (Appointed 30 November 2022)

Since early 2014, Dr Lu has been the Managing Director of Shenghe Resources Overseas Development where she leads and manages overseas investment, cross-border corporate management, international trade and the building of a complete rare earth supply chain. Prior to that, Dr Lu was an Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd and Sino-Australia International Mineral Resources Limited, responsible for overseas investment, scientific research and management. Dr Lu has previous experience as a director of ASX-listed companies, having been an Executive Director of Arafura Resources Limited (ASX:ARU) and an Executive Director and Vice President of Globe Metals and Mining Corporation (ASX:GBE). Dr Lu holds a Bachelor and a Masters of Medical Science from Nanjing University, a Doctorate of Medical Science (PhD) from Tianjin Medical University & Karolinska Institute, a Post-Doctorate of Medical Science from Karolinska Institute, and an Executive Master of Business Administration from Nanjing University. Dr Lu is also a graduate of the Australian Institute of Company Directors (GAICD).

Dr Lu held no other listed public company directorships in the past three years.

**Ian Chambers** - Non-Executive Director (Appointed 20 March 2023, Resigned 12 March 2025)

Ian is a distinguished executive and company director with more than 35 years of experience in international financial markets including institutional securities, wealth management and capital markets. Ian spent approximately 24 years with Morgan Stanley Australia where he was Managing Director, Head of Institutional Equities and Head of Wealth Management Australia. Ian has a proven record in organisational development, governance, operational management and financial performance. He is a member of ASIC's Financial Services Credit Panel and Markets Disciplinary Panel and was inducted into the Australian Stockbrokers Foundation Hall of Fame in 2015.

Ian has held no other listed public company directorships in the past three years.

**Nick Bowen** - Non-Executive Director (Appointed 5 June 2023)

Nick has extensive experience in the construction, development and operation of international mining projects. He has spent over 35 years with ASX-listed construction and contract mining companies operating in both Australia and overseas, including Africa. Previous roles include 12 years as Managing Director of Macmahon Holdings Limited, two years as Executive Global Head of Mining Services with Orica Limited and nine years as Managing Director of mining contractor, Eltin Limited. He has also held the head executive role at the Lubambe Copper Mine in Zambia and the Shishen Iron Ore Mine in South Africa. Nick is a Life Member of the Western Australian Chamber of Minerals and Energy, Member of the Australian Institute of Mining and Energy and Fellow of the Australian Institute of Company Directors.

Nick serves as a non-executive director of Aveng Limited (JSE) from 17 July 2023.

Nick is Chair of the Nomination & Remuneration Committee and the Technical & Development Committee and a member of the Audit, Risk and Sustainability Committee.

**Hannah Badenach** - Non-Executive Director (Appointed 1 July 2023)

Hannah is an experienced executive and company director with more than 20 years of experience in resources, supply chain, business development, commodity trading and marketing in global markets across Africa, Europe, Asia, South America and the Middle East.

Hannah has extensive African and Chinese experience, has built and run multiple metal supply chains across Africa (including Tanzania) and has an extensive network in China across sales and marketing. She holds a Bachelor of Arts/Law (Hons) from the University of Tasmania and is a graduate of the Australian Institute of Company Directors.

Hannah was a non-executive director of ASX listed public company, Aspire Mining Limited, until 31 January 2023.

Hannah is a member of the Audit, Risk & Sustainability Committee.

## COMPANY SECRETARY

**Phil Rundell** – Company Secretary and Chief Financial Officer (Appointed 16 December 2020)

Phil is a former Partner at Coopers & Lybrand (now PricewaterhouseCoopers) and a Director at Ferrier Hodgson. He has been a sole practitioner Chartered Accountant specialising in providing company secretarial, compliance and accounting services for the last 12 years.

## PRINCIPAL ACTIVITIES

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During the year, the principal activities of the Company included:

- Mining, mineral processing and associated infrastructure feasibility evaluations;
- Progressing funding, investment and development options for the Ngualla Rare Earth Project (“Ngualla Project”);
- Negotiating, structuring and executing a Scheme of Arrangement (refer to the Review of Operations); and
- Progressing regulatory approvals for the Ngualla Project.

## OPERATING RESULTS

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The loss of the Group after providing for income tax amounted to \$13,072,350 (2024: \$18,175,830).

The material expenditures that contributed to the loss that were necessarily incurred to progress the activities of the Company include:

- Employee benefits expenses of \$2,782,759 (2024: \$4,047,706) (refer to the Remuneration Report and Review of Operations);
- Administration and other costs of \$4,664,134 (2024: \$3,050,146) that include consultants and legal costs primarily associated with the Scheme of Arrangement implementation (refer to the Review of Operations), financing, negotiation and advice, and insurance costs;
- Technical feasibility costs of \$5,015,236 (2024: \$8,685,767) that included the early works, land compensation costs, project management and technical studies and support on the Ngualla Project (refer to the Review of Operations); and

The basic and diluted loss per share for the Group for the year was 3.25 cents (2024: 5.36 cents).

## FINANCIAL POSITION

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The net assets of the Group have increased from \$70,072,631 at 30 June 2024 to \$74,257,877 at 30 June 2025.

The Group's working capital, being current assets less current liabilities, was \$12,590,268 at 30 June 2025 (2024: \$9,205,937).

The Company had \$10,028,355 (2024: \$7,625,845) cash at bank at the end of the reporting period, that together with the post balance date proceeds from the sale of the Teesside property (refer to the Review of Operations and Post Balance Date Events), are sufficient to fund Ngualla Project pre-development activities, corporate and administration requirements, and Scheme costs to implementation of the Scheme on 30 September 2025.

## **DIVIDENDS PAID OR RECOMMENDED**

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The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## **REVIEW OF OPERATIONS**

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Peak Rare Earths Limited continued to progress the pre-development and commercialisation of its world-class Ngualla Project in Tanzania.

Key events over the 12 months to 30 June 2025 and to the date of the Directors report are as follows:

- Progressing Shenghe's acquisition of Peak by way of a scheme of arrangement;
- Reconfiguration of the Ngualla Project;
- Cost and optimisation study;
- Advancement of early and enabling works and other technical initiatives;
- Advancement of community initiatives;
- Completion of resettlement and land valuation activities and commencement of land compensation payments;
- Completion of capital raisings; and
- Sale of the non-core Teesside site for £3.5m.

### **Progressing Shenghe's acquisition of Peak by way of a scheme of arrangement**

On 15 May 2025, Peak announced the execution of a binding Scheme Implementation Deed ("SID") with Ganzhou Chenguang Rare Earths New Material Co., Ltd. ("Chenguang"), a wholly-owned subsidiary of Shenghe Resources Holding Co., Limited ("Shenghe"), under which it was proposed that Chenguang would acquire 100% of Peak by way of a scheme of arrangement ("Scheme")<sup>1</sup>. Chenguang intended to acquire Peak via its wholly-owned subsidiary, Australian Mining Investment Management Pty Ltd ("AMIM"). The original Scheme valued 100% of Peak at ~A\$158 million, with Peak shareholders (excluding Shenghe Singapore) to receive not less than A\$0.359 per share in cash for their Peak share based on Peak's existing fully diluted issued capital of 440,111,880 shares.

On 24 July 2025, Peak agreed with Chenguang and Shenghe Resources (Singapore) Pte. Ltd. ("Shenghe Singapore"), an existing 19.70% shareholder in Peak and a wholly-owned subsidiary of Shenghe, to novate the SID from Chenguang to Shenghe Singapore and to make certain consequential amendments to the SID<sup>2</sup>. Accordingly, Shenghe Singapore (rather than Chenguang, via AMIM) was proposed to acquire Peak if the Scheme was implemented.

On 5 September 2025, Shenghe Singapore agreed to increase the consideration payable under the Scheme so as to value 100% of Peak at A\$195 million ("Revised Scheme Proposal"). Accordingly, the consideration payable to Scheme Shareholders under the Revised Scheme Proposal is \$0.443 cash per Peak share based on Peak's existing fully diluted issued capital of 440,111,880 shares, representing a 269% premium to the last closing share price of Peak shares on ASX prior to the announcement of the Scheme of A\$0.12 per share.

The increase under the Revised Scheme Proposal represents a 23% increase in the consideration payable under the original Scheme proposal.

The Scheme was approved by Peak shareholders on 16 September 2025 and by the Supreme Court of New South Wales ("Court") on 18 September 2025.

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<sup>1</sup> See 15 May 2025 ASX Announcement - Peak to be acquired by Shenghe following a Non-Renounceable Entitlement Offer.

<sup>2</sup> See 25 July 2025 ASX Announcement – Scheme Update.

The Scheme is legally effective, and is expected to be implemented on 30 September 2025 at which time consideration will be paid to shareholders (other than to Shenghe Singapore) and their shares will be transferred to Shenghe Singapore. From this point onwards, the Group will be 100% owned by Shenghe Singapore.

### **Previously contemplated NGUK Transaction**

Peak and Shenghe had previously been progressing negotiations and documentation around an alternate transaction ("NGUK Transaction"), which 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<sup>3</sup>. The NGUK Transaction implied a value of A\$96 million for Peak's interest in the Ngualla Project, noting that Peak would have gained a 50% effective interest in the A\$96 million increase in NGUK's cash balance (i.e., A\$48 million) and its equity interest in NGUK would have been diluted from 100% to 50%.

However, following geopolitical and regulatory developments, Peak and Shenghe agreed to evaluate alternate transaction structures that could support greater transaction and project certainty, and a superior outcome for both companies and their shareholders. The Scheme achieves those objectives.

### **Reconfiguration of the Ngualla Project**

The Ngualla Project's Special Mining Licence ("SML") area was expanded from ~18km<sup>2</sup> to ~51km<sup>2</sup> in April 2024. During the year, the planned layout of the Ngualla Project was reconfigured to optimise the enlarged area. This entailed the relocation of the Tailings Storage Facility ("TSF"), Processing Plant, Power Plant (including solar arrays), Administration Buildings and Storage Facilities from the top of Ngualla Hill to flatter areas within the enlarged SML.

Key benefits of the reconfigured project layout include:

- A substantial reduction in bulk earthworks;
- Reduced pumping costs (better use of natural gravity);
- Enhanced solar insolation (for the power plant);
- Improved safety of the TSF;
- Reduced trucking costs and vehicle traffic up the Ngualla Hill, and
- Greater land availability for future expansions.

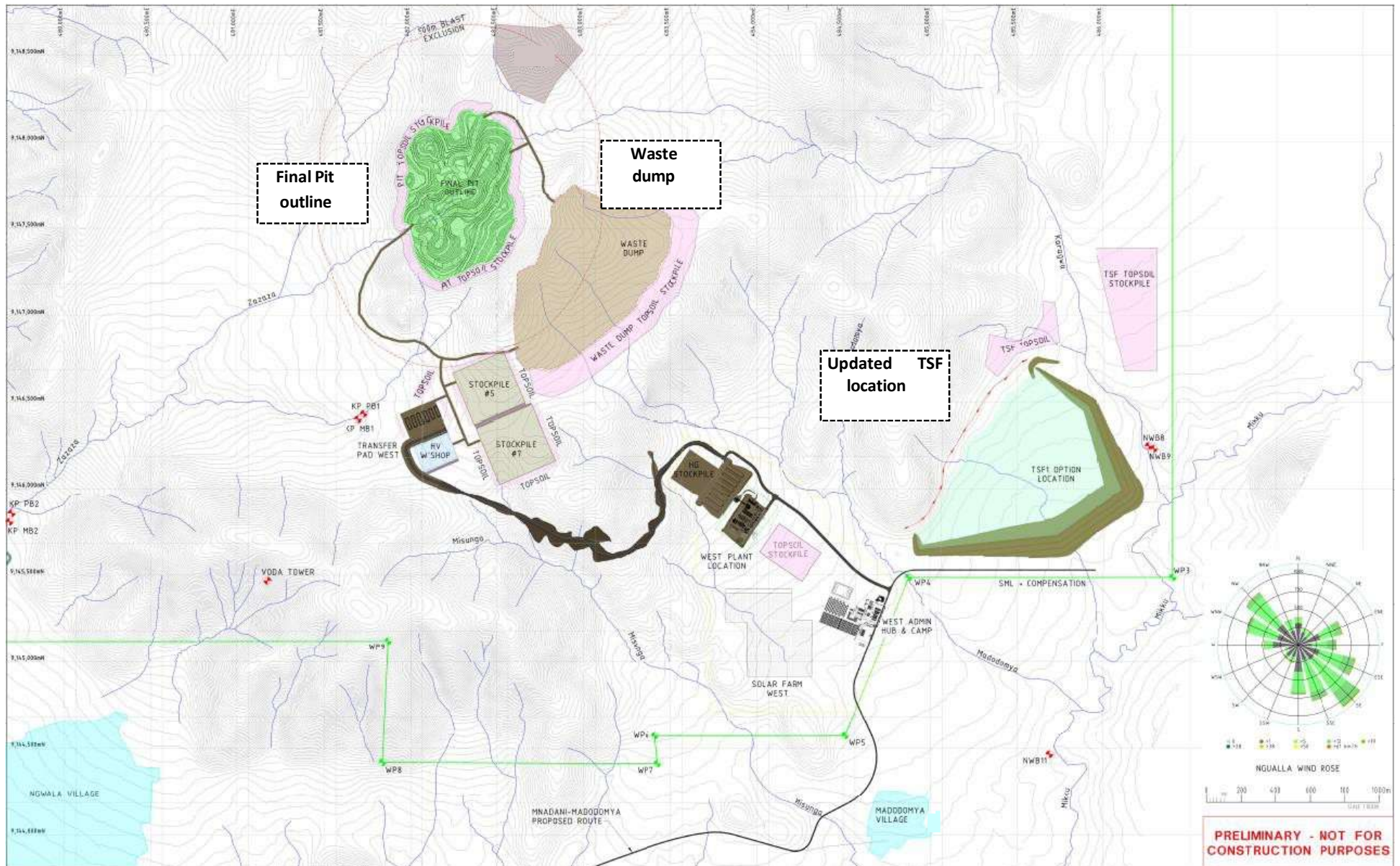
The optimised project layout is set out in the figure below.

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<sup>3</sup> See 9 August 2023 ASX Announcement - Executed Offtake Agreement and Strategic MOU with Shenghe.



# Optimised Ngualla Project layout





### **Cost and Optimisation Study**

As part of a Cost and Optimisation Study, a series of opportunities were identified during the period that included the following:

- Reconfiguration of the Ngualla Project (as outlined above);
- Optimisation of contract packages;
- Deferral of new airstrip – by remediating the existing airstrip;
- Increased plant availability;
- Re-scope buildings and storage facility;
- Adopting more competitive tendering solutions – including reductions in logistics and power costs;
- Potential adoption of a single stage flotation process;
- Redesign of the processing plant; and
- Adoption of lower cost plant, equipment and engineering solutions.

### **Advancement of early and enabling works and other technical initiatives**

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

- Upgrading of the mine site access track;
- Establishing an equipment laydown area;
- Developing a track to the planned mine pit area; and
- Preparing the first pit stage area for mining.

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

- Geophysical survey to support hydrology modelling for mine site water supply;
- Maintenance of the Southern Access Road leading into the Ngwala Village; and
- Advancement of an operating licence application for the existing local airstrip.

#### ***Early mining activities being progressed on site***



### **Advancement of community initiatives**

As part of our ongoing commitment to the social uplift of the Ngwala Community, the following programmes were completed during the period:

- Construction of two classrooms for the new Ngwala High School;
- Construction of the community's first police station; and
- Establishment of a paramedic service.

#### ***High school classrooms***

The construction of two classrooms and a teacher's office for the new Ngwala High School was completed. The classrooms have been equipped with electricity and tiled floors and fitted out with desks and chairs. The donation of the classrooms has enabled the school to meet criteria for registration as a secondary school.

#### ***One of the recently constructed high school classrooms in use***



#### ***Police station***

The construction of the Ngwala Community's first police station was completed and handed over to the Local Government. Prior to the construction of this station, there was no police presence in the Ngwala village or its proximity, with the closest police service over 100km away.

### ***Police station building***



### ***Paramedic service***

During the period paramedic services were established at the Ngualla Camp.

The Ngualla Project is in a remote area approximately 170 km from the nearest large town with access to comprehensive medical facilities.

To support both the Ngualla Project workforce and the surrounding local communities, a new ambulance and supporting paramedic service has been mobilised to the Ngualla Camp. This service is available to provide emergency medical assistance to both Ngualla Project personnel and the residents of nearby villages.

The paramedics are not only providing emergency care but are also supporting and collaborating with healthcare personnel at the local medical clinic and contributing to improved healthcare capacity and resilience in the region.



**Ngualla camp fully fitted ambulance**

### **Completion of resettlement and land valuation activities and commencement of land compensation payments**

#### **Resettlement Action Plan and Land Valuation**

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



In January 2025, the land compensation schedule was approved by the Tanzanian Government Chief Valuer.

The land compensation schedule provides for upfront payments to individual PAPs.

RAP activities completed included:

- Providing support to PAPs in obtaining national identification numbers and establishing bank accounts; and
- Implementing a financial literacy programme for PAPs and the broader community.

Land compensation payments to all individual PAPs were completed between May and September 2025. The total amount of compensation payments made over this time was ~\$2.98 million. There was no contractual obligation at 30 June 2025 which required Peak to make these payments and as such no liability has been recognised at 30 June 2025.



***Songwe District Commissioner addressing Resettlement Working Group (“RWG”) representatives and Ngwala leaders on the first day of the disclosure of the valuation report. The meeting was held at Ngualla Camp and was also attended by the Songwe District Executive Director.***



***District Commissioner, his delegates and RWG representatives listening to the general overview of the disclosure of valuation and a PAP receiving a valuation report on his property.***

### Completion of capital raising during the year

During the financial year, Peak raised \$15,988,917 via the following capital raisings:

**Equity placement and Share Purchase Plan**

In November 2024, Peak launched an equity placement and Shareholder Purchase Plan ("SPP") that was completed between November 2024 and January 2025 and raised \$8,496,879 before costs. It comprised of the following:

- Tranche 1 Placement of \$3,996,460;
- Tranche 2 Placement of \$2,003,540;
- SPP of \$2,000,000; and
- Top-Up Placement to Shenghe Resources (Singapore) Pte Ltd ("Shenghe") of \$496,879.

Peak's largest shareholder, Shenghe, contributed \$1,702,932 into the capital raising via a \$1,206,053 participation in the Tranche 2 Placement and a separate \$496,879 Top-Up Placement.

A total of 84,968,970 shares were issued at \$0.10 per share as part of the equity placement and SPP.

**Entitlement Offer**

In May 2025 a pro-rata non-renounceable entitlement offer was announced, in conjunction with the announcement of the Scheme Implementation Deed with Shenghe.

The Entitlement Offer provided eligible shareholders an entitlement to subscribe for one (1) new share for every 4.70 shares held at an offer price of A\$0.10 per share and raised \$7,492,038 (before costs). Eligible shareholders taking up their entitlement in full were also able to apply for additional new shares in excess of their entitlement under a top-up facility.

The entitlement Offer completed on 30 June 2025 and was substantially oversubscribed (inclusive of the Top-Up Facility).

A total of 74,920,378 shares were issued at \$0.10 per share in relation to the above entitlement offer.

**Teesside sale process**

The Teesside site was originally secured to support the development of a rare earth refinery. However, it was no longer core given:

- The adoption of a sequenced development strategy entailing the initial development of the Ngualla Project as a standalone high-grade concentrate project; and
- A longer-term intention of developing Tanzanian downstream operations, including a mixed rare earth carbonate facility.

On 19 March 2024, the Company completed the acquisition of the freehold title over its 19-hectare Teesside site in the United Kingdom ("Teesside Site") from Homes England. Prior to the acquisition of the freehold rights, the Company held a 250-year long-term pepper corn lease over the Teesside site. The freehold title over the Teesside site was acquired for £125,000 and followed the May 2021 exercise of a £1,858,712 option to enter a 250-year lease. The benefits of freehold title over a long-term lease include supporting a higher land value and greater flexibility around future development opportunities as well as exit options.

Following the acquisition of the freehold title, the Company commenced a sale process for the Teesside Site.

On 9 July 2025, Peak completed the sale of its non-core Teesside site to Sembcorp Utilities (UK) Limited ("Sembcorp Utilities UK") for £3.5 million (~A\$7.3 million). Peak received upfront consideration of £3.45 million with additional consideration of £50,000 being payable on the successful surrender of the Environmental Permit

A surrender the environmental permit was approved by the Department for Environment, Food and Rural Affairs, effective from 29 August 2025 and the additional consideration of £50,000 was received on 23 September 2025.

## **Board and management appointments and changes**

### **Board changes**

On 12 March 2025, Ian Chambers resigned as a Non-Executive Director.

### **Management changes**

On 15 August 2024, Johan Coetzee commenced employment as the Ngualla Project Director with responsibility to manage and oversee the construction and commissioning of the Ngualla Project.

The following individuals ceased employment with Peak:

- Lello Galassi, Head of Development and Operations, resigned for health reasons in July 2024; and
- Ray Anguelov, Head of Technical Services, ceased employment on 6 September 2024.

Peak would like to thank Ian, Lello and Ray for their substantial contribution to Peak and the Ngualla Project.

## **Risk Management**

The Company is exposed to various risks which could negatively affect the company's strategies, financial prospects, and activities. In accordance with the company's Risk Management Policy guidelines, during the period Peak evaluated the key risks inherent to its business and stakeholders during the period. A comprehensive corporate Risk Register is the framework for which risks are identified and controlled by the Executive Management team, and to which the Audit, Risk & Sustainability Committee and Board has oversight. The Risk Register defines and prioritises the risks, and pre and post mitigation ratings. Risk owners are assigned and are responsible for mitigation action planning and review.

With respect to the governance of the company's Risk Management Framework, the Audit, Risk & Sustainability Committee assists the Management team to identify and manage project and operations, commercial and financial, corporate and strategic, environmental, social, governance and sustainability, and compliance and regulatory risks.

Material risks that were identified, reassessed, and managed by the company during FY2025 include but are not limited to the risks listed in table below (not in order of priority). The mitigation and a year-on-year change to the risk trend is indicated via the following arrow symbols; ↔ (no change), ↗ (increasing risk), ↘ (decreasing risk).

1. **Health & Safety Risk** [↔]
  - No reportable lost time injuries or fatalities were reported for the period.
  - Risks are controlled through the Safety Management Plan in compliance with Tanzanian Law, the Occupational Health and Safety Policy, and IFC Standard OHS Incident Reporting Guidelines.
2. **Regulatory Risk** [↔]
  - Regulatory Compliance action planning and monitoring of the Mamba entities in Tanzania was in place.
  - Anti-bribery and Corruption Policy is in place.
  - Annual Corporate Social Responsibility (CSR) plan has been developed.
  - In compliance with Tanzanian Law and IFC Performance Standards, the land valuation was completed and the compensation and relocation of affected persons for the Ngualla project commenced (please refer to the Review of Operations and Community Benefit Risk section for details).
3. **Operation & Technical Risk** [↘]
  - Project costs savings identified through an optimisation study.
  - Advancement of enabling works and technical initiatives.



- Progressing with Shenghe on strategic development cooperation.
- 4. **Counterparty & Funding Risk [↘]**
  - A scheme of arrangement with Shenghe Resources (Singapore) Pte Ltd to acquire 100% ownership of Peak has become effective.
  - Binding offtake agreement in place.
- 5. **Environmental Management & Sustainability Risk [↔]**
  - Ongoing seasonal baseline water and water sourcing.
  - Installation of a water bore to supply the Ngualla Project Camp.
  - Preparation for an updated Environmental Impact Assessment for the reconfigured project layout.
- 6. **Macroeconomics [↘]**
  - Improving equity and capital market conditions for rare earths and the critical minerals sector.
  - Rare earth prices have appreciated.
- 7. **Community Benefit Risk [↘]**
  - Land valuation and Resettlement Action Plan completed during the year, in parallel with stakeholder engagement with Project-Affected People.
  - Completion of the construction and handover of school classrooms and a police station at the Ngwala Village.
  - Ongoing community engagement and development of a 5-year Social Development Plan.
- 8. **Cybersecurity [↔]**
  - Peak engages an IT firm and uses specialist IT solutions to reduce the impact and likelihood of a potential cyber security event. This is supported by companywide security processes and offsite real-time monitoring for early identification of potential events. As the Company matures, it will continue to monitor and increase its cyber security capability.

## EVENTS SUBSEQUENT TO REPORTING DATE

On 15 May 2025, Peak announced it had entered into a binding Scheme Implementation Deed (“SID”) with Ganzhou Chenguang Rare Earths New Material Co., Ltd. (“Chenguang”), a wholly-owned subsidiary of Shenghe Resources Holding Co., Limited (“Shenghe”), under which it was proposed that Chenguang would acquire 100% of Peak via a scheme of arrangement (the “Scheme”) under Section 411 of the Corporations Act 2001 (Cth). Chenguang had nominated Australian Mining Investment Management Pty Ltd, a wholly owned subsidiary of Chenguang to acquire the Peak Shares under the Scheme. On 24 July 2025, the SID was novated from Chenguang to Shenghe Resources (Singapore) Pte. Ltd (“Shenghe Singapore”), an existing 19.70% shareholder in Peak and also a wholly-owned subsidiary of Shenghe, pursuant to an Amendment and Novation Deed.

Following the satisfaction of all condition precedents of the scheme, including Peak shareholder approval, Tanzanian government approvals and approval from the Supreme Court of New South Wales, the Scheme became legally effective on 19 September 2025.

It is expected the Implementation Date and payment of the Scheme consideration and transfer of the Peak shares to Shenghe Singapore will take place on 30 September 2025. The consideration payable under the Scheme values 100% of Peak at \$195 million and Peak shareholders will receive \$0.443 per share in cash.

Refer to the Review of Operations section on the Scheme on page 6 of this report for further details.

On 9 July 2025, Peak completed the sale of its non-core Teesside site to Sembcorp Utilities (UK) Limited (“Sembcorp Utilities UK”) for £3.5 million (~A\$7.3 million). Peak received upfront consideration of £3.45 million with additional consideration of £50,000 being payable on the successful surrender of the Environmental Permit

A surrender the environmental permit was approved by the Department for Environment, Food and Rural Affairs, effective from 29 August 2025 and the additional consideration of £50,000 was received on 23 September 2025.

Other than the matters referred to above there were no other events that have a material impact on the financial statements or operations of the Group and Company.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than detailed in the Review of Operations above, there were no significant changes in the state of affairs of the Company during the financial year.

## MEETINGS OF DIRECTORS

The number of meetings attended by each Director of the Company during the financial year was:

| Director          | Full meetings of Directors |   | Audit, Risk & Sustainability Committee Meetings |   | Nomination & Remuneration Committee Meetings |   | Technical and Development Committee Meetings |   |
|-------------------|----------------------------|---|-------------------------------------------------|---|----------------------------------------------|---|----------------------------------------------|---|
|                   | A                          | B | A                                               | B | A                                            | B | A                                            | B |
| Russell Scrimshaw | 7                          | 7 | 6                                               | 6 | 1                                            | 1 | -                                            | - |
| Abdullah Mwinyi   | 7                          | 2 | -                                               | - | -                                            | - | -                                            | - |
| Shasha Lu*        | 7                          | 3 | -                                               | - | -                                            | - | -                                            | - |
| Ian Chambers^     | 5                          | 5 | 4                                               | 4 | -                                            | - | -                                            | - |
| Nick Bowen        | 7                          | 7 | 1                                               | 1 | 1                                            | 1 | -                                            | - |
| Hannah Badenach   | 7                          | 7 | 6                                               | 5 | -                                            | - | -                                            | - |

\*Voluntarily did not participate in meetings with Scheme agenda items as conflicted

^Resigned during the year

A Number of meetings held during the time the Director held office and was a member of the relevant committee during the year

B Number of meetings attended.

## EQUITY HOLDINGS OF DIRECTORS

As at the date of this report, the Directors' direct and indirect interests in the Company were:

|                   | Equity shares | Equity options | Performance Rights |
|-------------------|---------------|----------------|--------------------|
| Russell Scrimshaw | 5,768,085     | -              | -                  |
| Abdullah Mwinyi   | 635,570       | -              | -                  |
| Shasha Lu         | 600,000       | -              | -                  |
| Nick Bowen        | 1,480,213     | -              | -                  |
| Hannah Badenach   | 1,050,894     | -              | -                  |

Details of issues made to directors during the period are provided in the Remuneration Report.

## FUTURE DEVELOPMENTS

Likely future developments in the operations of the Group are referred to elsewhere in the Annual Financial Report.

## ENVIRONMENTAL ISSUES

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The Company is aware of its environmental obligations with regards to its exploration activities at the Ngualla Project and the Teesside refinery site and ensures that it complies with all regulations when carrying out any exploration work. The directors of the Company are not aware of any breach of environmental regulations for the year under review.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations which exceed specified thresholds. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

## REMUNERATION REPORT (AUDITED)

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The remuneration report outlines the director and executive remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

### **Remuneration Policy**

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed against market rates and offering specific share-based incentives based on key performance areas affecting the Company's activities, milestones and financial results.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain skilled and experienced directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

*The Company has a Nomination & Remuneration Committee to review the remuneration policy that sets the remuneration and performance terms and conditions for the executive directors and other senior executives. All executives receive a base salary (which is determined on factors such as length of service, expertise, experience and peer comparatives) and superannuation is paid for Australian resident employees and directors. The Company reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.*

*The Board may exercise discretion in relation to approving incentives, bonuses, performance rights and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder value. Executives and employees are also entitled to participate in the employee share arrangements.*

*The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and subject to shareholder approval are able to participate in the employee incentive plan. Non-executive directors are provided superannuation benefits in accordance with Australian statutory requirements, where the Non-Executive Director is a non-Australian resident the superannuation benefit is provided as an additional fee.*

*All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options and performance rights are valued using the appropriate valuation methodology. Details of options and performance rights provided to directors are detailed in the Remuneration Report.*

### **Non-Executive Director Remuneration**

The total remuneration of non-executive directors has been set at a maximum of \$700,000 (that includes superannuation and excludes share-based payments) as approved by shareholders at the 29 November 2021 Annual General Meeting. It does not mean that the Company has utilised the entire maximum sum of \$700,000 approved for non-executive directors' fees in each year. The total non-executive director remuneration inclusive of superannuation for 2025 was \$284,245 (2024: \$288,243).

### **Performance Based Remuneration**

The Company continues to review and consider the inclusion of performance-based components built into director and executive remuneration packages.

The Company received approval from shareholders for adoption of an Incentive Employee Option Plan ("EOP"), Incentive Performance Rights Plan ("PRP"), and Director Fee Plan at the Annual General Meeting on 23 December 2020. On 15 June 2023 shareholders approved the adoption of an Employee Incentive Plan ("EIP") compliant with legislative changes.

The objectives of the EOP, PRP and EIP are to attract, motivate and retain key employees and the Company considers that the adoption of the Plans and the future issue of securities under the Plans will provide selected employees with the opportunity to participate in the future growth of the Company.

During the year the following director and executive performance rights were issued/ exercised/ lapsed or were cancelled:

Issued:

- 3,700,000 performance rights with an exercise price of \$nil

Exercised:

- 1,006,396 vested performance rights with an exercise price of \$nil

Lapsed:

- 2,380,000 performance rights with an exercise price of \$nil

### **Company Performance, Shareholder Returns and Director's and Executive's Remuneration**

Summary of Group's performance and movements in the Peak Rare Earths Limited share price over the last five years:

|                                                          | 2025         | 2024         | 2023          | 2022         | 2021        |
|----------------------------------------------------------|--------------|--------------|---------------|--------------|-------------|
| Total income (\$)                                        | 689,603      | 956,995      | 697,986       | 8,602        | 111,008     |
| Net profit/(loss) before tax (\$)                        | (13,072,350) | (18,175,830) | (32,800,639)* | (22,731,602) | (4,770,848) |
| Net profit/(loss) after tax (\$)                         | (13,072,350) | (18,175,830) | (32,800,639)  | (22,731,602) | (4,770,848) |
| Closing share price at end of year adjusted <sup>^</sup> | \$0.280      | \$0.185      | \$0.465       | \$0.295      | \$0.100     |
| Basic loss per share (cents) <sup>^</sup>                | (3.25)       | (5.36)       | (15.38)       | (11.66)      | (3.13)      |
| Dividends per share (cents)                              | -            | -            | -             | -            | -           |

\*Includes a share based payment for government participation of \$21,189,140 for the accounting valuation on the issue of the 16% free carried interest in the Ngualla Project to the Government of Tanzania.

<sup>^</sup> Note that the closing share price at end of year and the basic loss per share have been adjusted to reflect the effects of the 1 for 10 share consolidation on 9 December 2021.

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Currently, this is facilitated through a policy to issue performance rights to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. Details of directors and executives' interests in shares and options at year end are detailed below.

**Details of KMP Remuneration**

The relevant Key Management Personnel (KMP) of the group for the 2025 financial year were:

- Russell Scrimshaw - Executive Chairman;
- Abdullah Mwinyi - Non-Executive Director;
- Shasha Lu - Non-Executive Director;
- Nick Bowen - Non-Executive Director;
- Hannah Badenach - Non-Executive Director;
- Ian Chambers - Non-Executive Director (resigned 12 March 2025);
- Bardin Davis - Chief Executive Officer;
- Philip Rundell - Chief Financial Officer & Company Secretary;
- Johan Coetzee – Project Director (appointed 19 August 2024);
- Lello Galassi - Head of Development & Operations (ceased employment 7 July 2024); and
- Ray Anguelov - Head of Technical Services (ceased employment 6 September 2024).



## Remuneration of individual KMP's:

|                               | Short term benefits |               | Post-employment | Share based payments* |          | Termination Payments | Total            | Proportion related to: |
|-------------------------------|---------------------|---------------|-----------------|-----------------------|----------|----------------------|------------------|------------------------|
|                               | Salary & fees       | Non-monetary  | Superannuation  | Performance Rights*   | Options  |                      |                  | Performance            |
| 30-Jun-25                     | \$                  | \$            | \$              | \$                    | \$       | \$                   | \$               | %                      |
| <b>Directors</b>              |                     |               |                 |                       |          |                      |                  |                        |
| Russell Scrimshaw             | 300,000             | -             | 30,000          | 354,861               | -        | -                    | 684,861          | 52%                    |
| Abdullah Mwyini               | 55,750              | -             | -               | 52,588                | -        | -                    | 108,338          | 49%                    |
| Shasha Lu                     | 55,750              | -             | -               | 69,819                | -        | -                    | 125,569          | 56%                    |
| Ian Chambers <sup>1</sup>     | 41,935              | -             | 4,823           | (23,391)              | -        | -                    | 23,367           | -                      |
| Nick Bowen                    | 60,000              | -             | 6,900           | 69,819                | -        | -                    | 136,719          | 51%                    |
| Hannah Badenach               | 59,087              | -             | -               | 69,819                | -        | -                    | 128,906          | 54%                    |
|                               | <b>572,522</b>      | <b>-</b>      | <b>41,723</b>   | <b>593,515</b>        | <b>-</b> | <b>-</b>             | <b>1,207,760</b> | <b>49%</b>             |
| <b>Executives</b>             |                     |               |                 |                       |          |                      |                  |                        |
| Bardin Davis                  | 425,000             | -             | 30,000          | 120,540               | -        | -                    | 575,540          | 21%                    |
| Philip Rundell                | 205,000             | -             | -               | 138,654               | -        | -                    | 343,654          | 40%                    |
| Johan Coetzee <sup>2</sup>    | 389,008             | 65,365        | 94,820          | 3,785                 | -        | -                    | 552,978          | 1%                     |
| Lello Galassi <sup>3</sup>    | -                   | -             | -               | (53,136)              | -        | -                    | (53,136)         | -                      |
| Raytcho Anguelov <sup>4</sup> | 62,035              | -             | -               | (24,757)              | -        | -                    | 37,278           | -                      |
|                               | <b>1,081,043</b>    | <b>65,365</b> | <b>124,820</b>  | <b>185,086</b>        | <b>-</b> | <b>-</b>             | <b>1,456,314</b> | <b>13%</b>             |
| <b>Total</b>                  | <b>1,653,565</b>    | <b>65,365</b> | <b>166,543</b>  | <b>778,601</b>        | <b>-</b> | <b>-</b>             | <b>2,664,074</b> | <b>29%</b>             |

\*Share Based Payments are non-cash components of remuneration and the consideration reported is an accounting value determined in accordance with AASB 2. Inclusive in the consideration reported is the accounting value of unvested performance rights subject to performance milestones that as at 30 June 2025 had not yet been achieved. The cash benefit of the unvested performance rights will only be received by the KMP following any sale of the resultant shares, which can only be attained after the rights have vested, been exercised and the shares are issued.

<sup>1</sup> Mr Chambers resigned ceased to be an employee on 12 March 2025.

<sup>2</sup> Mr Coetzee was appointed to the role of Project Director 19 August 2024.

<sup>3</sup> Mr Galassi ceased to be an employee on 7 July 2024.

<sup>4</sup> Mr Anguelov ceased to be an employee on 6 September 2024.

## Remuneration of individual KMP's:

|                              | Short term benefits |              | Post-employment | Share based payments* |         | Termination Payments | Total            | Proportion related to: |
|------------------------------|---------------------|--------------|-----------------|-----------------------|---------|----------------------|------------------|------------------------|
|                              | Salary & fees       | Non-monetary | Superannuation  | Performance Rights*   | Options |                      |                  | Performance            |
| 30-Jun-24                    | \$                  | \$           | \$              | \$                    | \$      | \$                   | \$               | %                      |
| <b>Directors</b>             |                     |              |                 |                       |         |                      |                  |                        |
| Russell Scrimshaw            | 210,000             | -            | 20,350          | 719,046               | -       | -                    | 949,396          | 76%                    |
| Abdullah Mwyini              | 55,125              | -            | -               | 35,518                | -       | -                    | 90,643           | 39%                    |
| Shasha Lu                    | 55,500              | -            | -               | 27,055                | -       | -                    | 82,555           | 33%                    |
| Ian Chambers                 | 55,000              | -            | 6,050           | 57,608                | -       | -                    | 118,658          | 49%                    |
| Nick Bowen                   | 55,000              | -            | 6,068           | 27,055                | -       | -                    | 88,123           | 31%                    |
| Hannah Badenach              | 55,500              | -            | -               | 27,055                | -       | -                    | 82,555           | 33%                    |
|                              | <b>486,125</b>      | -            | <b>32,468</b>   | <b>893,337</b>        | -       | -                    | <b>1,411,930</b> | <b>63%</b>             |
| <b>Executives</b>            |                     |              |                 |                       |         |                      |                  |                        |
| Bardin Davis                 | 412,500             | -            | 27,500          | 295,254               | -       | -                    | 735,254          | 40%                    |
| Philip Rundell               | 257,500             | -            | -               | 46,749                | -       | -                    | 304,249          | 15%                    |
| Lello Galassi                | 498,029             | -            | -               | 59,152                | -       | -                    | 557,181          | 11%                    |
| Andrea Cornwell <sup>1</sup> | 166,974             | -            | 12,913          | 57,231                | -       | 36,058               | 273,176          | 21%                    |
| Raytcho Anguelov             | 340,694             | -            | -               | -                     | -       | -                    | 340,694          | 0%                     |
|                              | <b>1,675,697</b>    | -            | <b>40,413</b>   | <b>458,386</b>        | -       | <b>36,058</b>        | <b>2,210,554</b> | <b>21%</b>             |
| <b>Total</b>                 | <b>2,161,822</b>    | -            | <b>72,881</b>   | <b>1,351,723</b>      | -       | <b>36,058</b>        | <b>3,622,484</b> | <b>37%</b>             |

\*Share Based Payments are non-cash components of remuneration and the consideration reported is an accounting value determined in accordance with AASB 2. Inclusive in the consideration reported is the accounting value of unvested performance rights subject to performance milestones that as at 30 June 2024 had not yet been achieved. The cash benefit of the unvested performance rights will only be received by the KMP following any sale of the resultant shares, which can only be attained after the rights have vested, been exercised and the shares are issued.

<sup>1</sup> Mrs Cornwell ceased to be an employee on 15 December 2023 but continued to provide services as and when required as an engaged consultant.

**Performance rights and options re any of the granted / vested / lapsed during the year ended 30 June 2025****Movements in performance rights during the year:**

| 30-Jun-25         | Date of issue | Number of performance rights issued | Fair value per performance right* | Total value of issue \$^A | Vesting Date# | Exercise Price | Expiry Date | Number vested during the year | Number lapsed/ cancelled during the year |
|-------------------|---------------|-------------------------------------|-----------------------------------|---------------------------|---------------|----------------|-------------|-------------------------------|------------------------------------------|
| <b>Directors</b>  |               |                                     |                                   |                           |               |                |             |                               |                                          |
| Russell Scrimshaw |               |                                     |                                   |                           |               |                |             |                               |                                          |
| Abdullah Mwyini   |               |                                     |                                   |                           | 4-Dec-24      | \$nil          | 30-Nov-28   | 76,711                        |                                          |
| Abdullah Mwyini   |               |                                     |                                   |                           |               | \$nil          | 5-Feb-25    |                               | 42,500                                   |
| Shasha Lu         |               |                                     |                                   |                           | 4-Dec-24      | \$nil          | 30-Nov-28   | 90,000                        | -                                        |
| Ian Chambers      |               |                                     |                                   |                           | 31-Dec-24     | \$nil          | 9-Nov-28    | 75,000                        | -                                        |
| Ian Chambers      |               |                                     |                                   |                           |               | \$nil          | 9-Nov-28    |                               | 525,000                                  |
| Nick Bowen        |               |                                     |                                   |                           | 4-Dec-24      | \$nil          | 30-Nov-28   | 90,000                        | -                                        |
| Hannah Badenach   |               |                                     |                                   |                           | 4-Dec-24      | \$nil          | 30-Nov-28   | 90,000                        | -                                        |
|                   |               | -                                   |                                   | -                         |               |                |             | <b>421,711</b>                | <b>567,500</b>                           |
| <b>Executives</b> |               |                                     |                                   |                           |               |                |             |                               |                                          |
| Bardin Davis      | 6-May-25      | 2,000,000 <sup>1</sup>              | \$0.13                            | 260,000                   | -             | \$nil          | 6-May-30    | -                             | -                                        |
| Bardin Davis      |               |                                     |                                   |                           | 9-Nov-24      | \$nil          | 9-Nov-28    | 85,000                        | -                                        |
| Bardin Davis      |               |                                     |                                   |                           | -             | \$nil          | 9-Dec-25    | -                             | 1,062,500                                |
| Philip Rundell    | 6-May-25      | 750,000 <sup>1</sup>                | \$0.13                            | 97,500                    | -             | \$nil          | 6-May-30    | -                             | -                                        |
| Philip Rundell    | -             | -                                   | -                                 | -                         | 9-Nov-24      | \$nil          | 9-Nov-28    | 41,000                        | -                                        |
| Johan Coetzee     | 6-May-25      | 950,000 <sup>2</sup>                | \$0.13                            | 123,500                   | -             | \$nil          | 6-May-30    | -                             | -                                        |
| Lello Galassi     |               |                                     |                                   |                           |               | \$nil          | 23-Sep-26   | -                             | 250,000                                  |
| Raytcho Anguelov  |               |                                     |                                   |                           |               | \$nil          | 9-Nov-28    | -                             | 500,000                                  |
|                   |               | <b>3,700,000</b>                    |                                   | <b>481,000</b>            |               |                |             | <b>126,000</b>                | <b>1,812,500</b>                         |
| <b>Total</b>      |               | <b>3,700,000</b>                    |                                   | <b>481,000</b>            |               |                |             | <b>547,711</b>                | <b>2,380,000</b>                         |

<sup>A</sup>The Performance Rights were granted for no consideration and the employee received no cash benefit at the time of receiving the rights. The cash benefit will be received by the employee following any sale of the resultant shares, which can only be attained after the rights have vested, been exercised and the shares are issued.

\* For performance rights with non-market conditions, the fair value is measured using the closing share price at grant date. For performance rights with market conditions, the fair value is measured using a binomial pricing model.

# For vesting of performance rights with the same expiry date occurring on multiple dates during the period the most recent date is reported in the table.

<sup>1</sup> Vesting date is variable, will occur the earlier of achieving performance conditions or expiry date. The performance conditions are require the sale of the Teesside site and completion of a funding solution to fun the Company activities to 31 December 2025.

<sup>2</sup> Vesting date is variable, will occur the earlier of achieving performance conditions, expiry date or the Scheme becoming legally effective. The performance conditions are tied achieving various project construction schedule milestones.

**Movements in options during the year:**

There were no options granted / vested / lapsed during the year.

**Performance rights and options re any of the granted / vested / lapsed during the year ended 30 June 2024****Movements in performance rights during the year:**

| 30-Jun-24         | Date of issue | Number of performance rights issued | Fair value per performance right* | Total value of issue \$^A | Vesting Date# | Exercise Price | Expiry Date | Number vested during the year | Number lapsed/ cancelled during the year |
|-------------------|---------------|-------------------------------------|-----------------------------------|---------------------------|---------------|----------------|-------------|-------------------------------|------------------------------------------|
| <b>Directors</b>  |               |                                     |                                   |                           |               |                |             |                               |                                          |
| Russell Scrimshaw |               |                                     |                                   |                           | 21-Jun-24     | \$nil          | 15-Dec-26   | 900,000                       | -                                        |
| Abdullah Mwyini   | 4-Dec-23      | 511,404                             | \$0.385                           | 196,891                   | -             | -              | 30-Nov-28   | -                             | -                                        |
| Abdullah Mwyini   | -             | -                                   | -                                 | -                         | 29-Nov-23     | \$nil          | 5-Feb-25    | 7,500                         | -                                        |
| Abdullah Mwyini   | -             | -                                   | -                                 | -                         | 21-Jun-24     | \$nil          | 9-Dec-25    | 21,053                        | -                                        |
| Shasha Lu         | 4-Dec-23      | 600,000                             | \$0.385                           | 231,000                   | -             | -              | 30-Nov-28   | -                             | -                                        |
| Ian Chambers      | 9-Nov-23      | 600,000                             | \$0.500                           | 300,000                   | -             | -              | 9-Nov-28    | -                             | -                                        |
| Nick Bowen        | 4-Dec-23      | 600,000                             | \$0.385                           | 231,000                   | -             | -              | 30-Nov-28   | -                             | -                                        |
| Hannah Badenach   | 4-Dec-23      | 600,000                             | \$0.385                           | 231,000                   | -             | -              | 30-Nov-28   | -                             | -                                        |
|                   |               | <b>2,911,404</b>                    |                                   | <b>1,189,891</b>          |               |                |             | <b>928,553</b>                | -                                        |
| <b>Executives</b> |               |                                     |                                   |                           |               |                |             |                               |                                          |
| Bardin Davis      | 9-Nov-23      | 1,700,000                           | \$0.385                           | 654,500                   | -             | -              | 9-Nov-28    | -                             | -                                        |
| Bardin Davis      | -             | -                                   | -                                 | -                         | 29-Nov-23     | \$nil          | 5-Feb-25    | 187,500                       | -                                        |
| Bardin Davis      | -             | -                                   | -                                 | -                         | 21-Jun-24     | \$nil          | 9-Dec-25    | 200,000                       | -                                        |
| Philip Rundell    | 9-Nov-23      | 410,000                             | \$0.385                           | 157,850                   | -             | -              | 9-Nov-28    | -                             | -                                        |
| Philip Rundell    | -             | -                                   | -                                 | -                         | 21-Jun-24     | \$nil          | 9-Dec-25    | 80,000                        | -                                        |
| Philip Rundell    | -             | -                                   | -                                 | -                         | 23-Nov-23     | \$nil          | 23-Sep-26   | 10,000                        | -                                        |
| Lello Galassi     | -             | -                                   | -                                 | -                         | 29-Nov-23     | \$nil          | 23-Sep-26   | 75,000                        | -                                        |
| Andrea Cornwell   | -             | -                                   | -                                 | -                         | 8-Aug-23      | \$nil          | 23-Sep-26   | 112,500                       | -                                        |
| Raytcho Anguelov  | 9-Nov-23      | 500,000                             | \$0.385                           | 192,500                   | -             | -              | 9-Nov-28    | -                             | -                                        |
|                   |               | <b>2,610,000</b>                    |                                   | <b>1,004,850</b>          |               |                |             | <b>665,000</b>                | -                                        |
| <b>Total</b>      |               | <b>5,521,404</b>                    |                                   | <b>2,194,741</b>          |               |                |             | <b>1,593,553</b>              | -                                        |

^The Performance Rights were granted for no consideration and the employee received no cash benefit at the time of receiving the rights. The cash benefit will be received by the employee following any sale of the resultant shares, which can only be attained after the rights have vested, been exercised and the shares are issued.

\* For performance rights with non-market conditions, the fair value is measured using the closing share price at grant date. For performance rights with market conditions, the fair value is measured using a binomial pricing model.

# For vesting of performance rights with the same expiry date occurring on multiple dates during the period the most recent date is reported in the table.

**Movements in options during the year:**

There were no options granted / vested / lapsed during the year.

**Shareholdings of KMP's**

| 30-Jun-25         | Opening Balance  | Granted as Remuneration | Exercise of Options/PRs | Market/ Other Movements | Closing Balance  |
|-------------------|------------------|-------------------------|-------------------------|-------------------------|------------------|
| <b>Directors</b>  |                  |                         |                         |                         |                  |
| Russell Scrimshaw | 875,000          | -                       | 325,000                 | 1,468,085               | 2,668,085        |
| Abdullah Mwinyi   | 99,605           | -                       | 83,729                  | -                       | 183,334          |
| Shasha Lu         | -                | -                       | 90,000                  | -                       | 90,000           |
| Ian Chambers*     | 1,700,000        | -                       | 75,000                  | (1,775,000)             | -                |
| Nick Bowen        | 210,000          | -                       | 90,000                  | 670,213                 | 970,213          |
| Hannah Badenach   | 256,000          | -                       | 90,000                  | 194,894                 | 540,894          |
|                   | <b>3,140,605</b> | -                       | <b>753,729</b>          | <b>558,192</b>          | <b>4,452,526</b> |
| <b>Executives</b> |                  |                         |                         |                         |                  |
| Bardin Davis      | 1,868,010        | -                       | 185,000                 | 1,037,594               | 3,090,604        |
| Philip Rundell    | 173,334          | -                       | 67,667                  | 75,547                  | 316,548          |
| Lello Galassi     | 250,000          | -                       | -                       | (250,000)               | -                |
| Ray Anguelov      | -                | -                       | -                       | -                       | -                |
|                   | <b>2,291,344</b> | -                       | <b>252,667</b>          | <b>863,141</b>          | <b>3,407,152</b> |
| <b>Total</b>      | <b>5,431,949</b> | -                       | <b>1,006,396</b>        | <b>1,421,333</b>        | <b>7,859,678</b> |

\* Ceased to be a KMP during the period and holdings are not reported at period end.

**Performance Rights Holdings of KMP's**

| 30-Jun-25         | Opening Balance   | Granted as Remuneration | Exercise of Options & PRs | Expired/ Lapsed    | Other Movements | Closing Balance   | Vested at 30 June |
|-------------------|-------------------|-------------------------|---------------------------|--------------------|-----------------|-------------------|-------------------|
| <b>Directors</b>  |                   |                         |                           |                    |                 |                   |                   |
| Russell Scrimshaw | 3,425,000         | -                       | (325,000)                 | -                  | -               | 3,100,000         | -                 |
| Abdullah Mwinyi   | 578,465           | -                       | (83,729)                  | (42,500)           | -               | 452,236           | -                 |
| Shasha Lu         | 600,000           | -                       | (90,000)                  | -                  | -               | 510,000           | -                 |
| Ian Chambers*     | 600,000           | -                       | (75,000)                  | (525,000)          | -               | -                 | -                 |
| Nick Bowen        | 600,000           | -                       | (90,000)                  | -                  | -               | 510,000           | -                 |
| Hannah Badenach   | 600,000           | -                       | (90,000)                  | -                  | -               | 510,000           | -                 |
|                   | <b>6,403,465</b>  | -                       | <b>(753,729)</b>          | <b>(567,500)</b>   | -               | <b>5,082,236</b>  | -                 |
| <b>Executives</b> |                   |                         |                           |                    |                 |                   |                   |
| Bardin Davis      | 3,112,500         | 2,000,000               | (185,000)                 | (1,062,500)        | -               | 3,865,000         | -                 |
| Philip Rundell    | 536,666           | 750,000                 | (67,667)                  | -                  | -               | 1,218,999         | -                 |
| Johan Coetzee     | -                 | 950,000                 | -                         | -                  | -               | 950,000           | -                 |
| Lello Galassi*    | 250,000           | -                       | -                         | (250,000)          | -               | -                 | -                 |
| Ray Anguelov*     | 500,000           | -                       | -                         | (500,000)          | -               | -                 | -                 |
|                   | <b>4,399,166</b>  | <b>3,700,000</b>        | <b>(252,667)</b>          | <b>(1,812,500)</b> | -               | <b>6,033,999</b>  | -                 |
| <b>Total</b>      | <b>10,802,631</b> | <b>3,700,000</b>        | <b>(1,006,396)</b>        | <b>(2,380,000)</b> | -               | <b>11,116,235</b> | -                 |

Note that balances pre share consolidation have been adjusted to reflect the effects of the 1 for 10 share consolidation on 9 December 2021.

\* Ceased to be KMP's during the period and their holdings are not reported at period end.



**Performance income as a proportion of total income**

No bonuses have been paid to executives during the year.

**Service agreements:**

The key terms of the service agreements with the KMP's are:

***Russell Scrimshaw (Executive Chairman from 15 August 2022)***

Russell is appointed as an Executive Director by letter of agreement. The Executive Director appointment has no fixed term and ceases on resignation or removal as a director in accordance with the Corporations Act 2001. Executive Chairman fees are currently set at \$300,000 plus superannuation entitlements per annum and are subject to an annual review. Following a salary review by a recognised consultant and approval by the Board, the Executive Chairman fees were increased from \$120,000 to \$300,000 on 1 January 2024.

***Non-Executive Directors***

Non-Executive Directors are appointed by letter of agreement. The Director appointments have no fixed term and cease on resignation or removal as a director in accordance with the Corporations Act 2001. Fees are currently set at \$50,000 plus superannuation entitlements per annum, with non-resident directors entitled to receive the superannuation component as fees. Subject to shareholder approval the Non-Executive Directors are eligible to be offered and issued performance rights under the Company's Performance Rights and Employee Incentive Plans.

Non-Executive Directors are entitled to an additional fee for Chairing the various committees, with the Chair fee for the Audit, Risk & Sustainability Committee being \$10,000 per annum, and the Chair fees for the Nomination & Remuneration Committee and the Technical & Development Committee being \$5,000 per annum, with the additional fees attracting statutory superannuation.

***Bardin Davis – Chief Executive Officer - (Non-Executive Director from 21 Oct 2020, Managing Director from 9 Dec 2020, Chief Executive Officer from 9 July 2022)***

Bardin is employed under an Executive Service Agreement (ESA). Following a salary review by a recognised consultant and approval by the Board, Bardin's salary was increased on 1 September 2023 from \$350,000 to \$425,000 plus statutory superannuation. Bardin is entitled to leave in accordance with the relevant legislation. The engagement had no fixed term but is subject to a six-month notice period from either party.

***Philip Rundell – CFO & Company Secretary (Appointed 16 December 2020)***

Philip is employed under a consulting agreement with the Company with a fixed retainer of \$25,000 per month. The engagement has no fixed term.

***Johan Coetzee – Project Director (Appointed 19 August 2024)***

Johan is employed under an Executive Service Agreement (ESA). The ESA provided for an annual salary of US\$320,000 plus relocation housing allowances and contributions to private health insurances. The ESA also allows for an annual discretionary performance bonus of US\$43,500 and bonus's on achieving construction completion milestones totalling US\$225,000. The engagement term end's 28 days after the commissioning of the Ngualla Project, unless extended by mutual agreement and is subject to a three-month notice period from either party. In accordance with the ESA, Johan was issued 950,000 performance rights under the Company's Employee Incentive Plan.

***Lello Galassi – Head of Development and Operations - (Appointed 20 September 2021, ceased 7 July 2024)***

Lello was employed under an Executive Service Agreement (ESA). The ESA provided for an annual salary of US\$300,000 plus discretionary performance bonuses and 24 days of annual leave per year. The engagement had no fixed term but was subject to a three-month notice period from either party. Lello resigned on 8 April 2024, and he ceased employment with the Company on 7 July 2024. Lello received a final payment to satisfy all accrued leave and notice entitlements under his ESA in the year ending 30 June 2024.

**Ray Anguelov – Head of Technical Services - (Appointed 15 May 2023, ceased 6 September 2024)**

Ray was employed under an Executive Service Agreement (ESA). The ESA provided for an annual salary of CAD \$300,000. The engagement had no fixed term but was subject to a three-month notice period from either party. Ray was issued 500,000 performance rights under the Company's Employee Incentive Plan. Ray's contract was terminated during the year, and he ceased employment with the Company on 6 September 2024.

**Related party transactions**

There were no related party transactions with Key Management Personnel during the year (2024: \$nil).

*(End of Remuneration Report)*

**OPTIONS AND PERFORMANCE RIGHTS**

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At the date of this report there are no Performance Rights on issue to directors and employees.:

During the year, 4,450,000 performance rights were issued to employees of the Company. A total of 1,206,063 performance rights were exercised for \$nil consideration and a total of 3,342,250 performance rights lapsed, were cancelled, or expired. Post balance date, all Performance Rights were vested and exercised in accordance with the Scheme.

At the date of this report no listed or unlisted options over ordinary shares were on issue.

Performance rights and option holders do not have any right, by virtue of the option or right to participate in any share issue of the Company or any related body corporate.

**INDEMNIFYING OFFICERS OR AUDITOR**

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During the financial year, the company paid a premium in respect of a contract insuring the Directors and officers of the Company and related body corporates against a liability incurred as a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred as an officer.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

**PROCEEDINGS ON BEHALF OF COMPANY**

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No person has applied to the court under legislation such as section 237 of the Corporations Act of Australia for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the consolidated entity with leave of the court under such legislation.

The Group occasionally receives claims which arise in the normal course of business. Where the Group is in receipt of such claims it reviews their nature and substance in order to assess the need for accounting recognition or disclosure. The directors are of the opinion that, based on information available, there is currently no material exposure to the Group arising from actual or pending claims at balance date.

## AUDITOR'S INDEPENDENCE DECLARATION

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The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found immediately following this Directors' report.

No amounts have been paid or payable to the auditor for non-audit services. Payments to the auditors are set out in Note 3 to the Financial Statements.

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors,

A handwritten signature in blue ink, appearing to be 'M' followed by a horizontal line.

Dr Russell Scrimshaw (AM)  
Executive Chairman  
Sydney, NSW  
29<sup>th</sup> September 2025

## AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young  
9 The Esplanade  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

### Auditor's independence declaration to the directors of Peak Rare Earths Limited

As lead auditor for the audit of the financial report of Peak Rare Earths Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peak Rare Earths Limited and the entities it controlled during the financial year.

A handwritten signature in black ink, appearing to read 'Ent + Y', is written above the text 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'M Cunningham', is written above the text 'Mark Cunningham'.

Mark Cunningham  
Partner  
29 September 2025

## INDEPENDENT AUDITOR'S REPORT



Ernst & Young  
9 The Esplanade  
Perth WA 6000 Australia  
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### Independent auditor's report to the members of Peak Rare Earths Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Peak Rare Earths Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which describes the events or conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Page 2

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

### Carrying value of exploration and evaluation assets

| Why significant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As at 30 June 2025, the Group held capitalised exploration and evaluation assets of \$60.8 million as disclosed in Note 13. These represent approximately 80% of the Group's total assets.</p> <p>The carrying amount of capitalised exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying amount of capitalised exploration and evaluation assets may exceed their recoverable amount.</p> <p>The determination as to whether there are any indicators to require the capitalised exploration and evaluation assets to be assessed for impairment involves a number of judgments, including whether the Group has tenure, whether it will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators at 30 June 2025.</p> <p>Given the size of the balance and the judgmental nature of impairment indicator assessments associated with capitalised exploration and evaluation assets, we consider this a key audit matter.</p> | <p>In performing our procedures, we:</p> <ul style="list-style-type: none"> <li>Assessed whether the Group's right to explore was current, which included obtaining supporting documentation such as license agreements. This included inspecting the status of its rights and tenure over the Project</li> <li>Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cash-flow forecast and enquiring of senior management and the directors as to their intentions and the strategy of the Group</li> <li>Considered Group's assessment of whether the commercial viability of extracting mineral resources had been demonstrated and whether it was appropriate to continue to classify the capitalised expenditure for the area of interest as an exploration and evaluation asset</li> <li>Assessed whether exploration and evaluation data or contrary information existed to indicate that the carrying value of capitalised exploration and evaluation assets was unlikely to be recovered through successful development or sale</li> <li>Assessed the adequacy of the disclosures in Note 13 of the financial report.</li> </ul> |



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Page 3

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

For such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Page 4

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Page 5

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the audit of the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Peak Rare Earths Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A stylized signature of 'Mark Cunningham' in a cursive script.

Mark Cunningham  
Partner  
Perth  
29 September 2025

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2025

|                                                                     | Note   | 2025<br>\$          | 2024<br>\$          |
|---------------------------------------------------------------------|--------|---------------------|---------------------|
| Interest income                                                     |        | 159,788             | 572,164             |
| R&D rebate                                                          |        | 529,815             | 384,831             |
| <b>Total income</b>                                                 |        | <b>689,603</b>      | <b>956,995</b>      |
| Employee benefits expenses                                          |        | (2,782,759)         | (4,047,706)         |
| Share based payments expenses                                       | 16     | (869,102)           | (1,523,124)         |
| Depreciation expenses                                               | 10, 12 | (375,960)           | (483,060)           |
| Loss on disposal of investment                                      |        | -                   | (7,175)             |
| Loss on disposal of non-current assets                              |        | (261)               | -                   |
| Loss on modification of lease                                       |        | (25,741)            | -                   |
| Finance costs                                                       | 12     | (16,841)            | (27,608)            |
| Administrative and other costs                                      |        | (4,664,134)         | (3,050,146)         |
| Technical feasibility costs                                         |        | (5,015,236)         | (8,685,767)         |
| Exploration and evaluation costs                                    |        | (11,919)            | (1,308,239)         |
| <b>Loss before income tax</b>                                       |        | <b>(13,072,350)</b> | <b>(18,175,830)</b> |
| Income tax expense                                                  | 6      | -                   | -                   |
| <b>Loss after income tax</b>                                        |        | <b>(13,072,350)</b> | <b>(18,175,830)</b> |
| Other comprehensive income net of tax                               |        |                     |                     |
| <i>Items that could be transferred to profit or loss in future:</i> |        |                     |                     |
| Exchange differences on translation of foreign operations           |        | 885,231             | (2,157,806)         |
| <b>Total comprehensive loss for the year</b>                        |        | <b>(12,187,119)</b> | <b>(20,333,636)</b> |
| Loss after income tax attributable to:                              |        |                     |                     |
| Members of the parent                                               |        | (12,267,023)        | (17,281,399)        |
| Non-controlling interests                                           |        | (805,327)           | (894,431)           |
|                                                                     |        | <b>(13,072,350)</b> | <b>(18,175,830)</b> |
| Total comprehensive loss attributable to:                           |        |                     |                     |
| Members of the parent                                               |        | (10,966,890)        | (19,439,205)        |
| Non-controlling interests                                           |        | (1,220,229)         | (894,431)           |
|                                                                     |        | <b>(12,187,119)</b> | <b>(20,333,636)</b> |
| <b>Loss per share (in cents)</b>                                    |        |                     |                     |
| Basic and Diluted loss per share                                    | 4      | (3.25)              | (5.36)              |

The statement should be read in conjunction with the accompanying notes

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

|                                                             | Note | 2025<br>\$        | 2024<br>\$        |
|-------------------------------------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                                               |      |                   |                   |
| <b>Current assets</b>                                       |      |                   |                   |
| Cash and cash equivalents                                   | 7    | 10,028,355        | 7,625,845         |
| Trade and other receivables                                 | 8    | 126,458           | 116,095           |
| Prepayments                                                 |      | 92,118            | 101,089           |
| Deposits                                                    |      | 18,292            | 25,179            |
| Assets held for sale                                        | 11   | 3,490,457         | 3,490,457         |
| <b>Total current assets</b>                                 |      | <b>13,755,680</b> | <b>11,358,665</b> |
| <b>Non-current assets</b>                                   |      |                   |                   |
| Other financial assets                                      | 9    | 63,794            | 63,794            |
| Property plant and equipment                                | 10   | 705,013           | 852,118           |
| Right-of-use asset                                          | 12   | 215,469           | 558,392           |
| Exploration and evaluation costs                            | 13   | 60,840,743        | 59,754,156        |
| <b>Total non-current assets</b>                             |      | <b>61,825,019</b> | <b>61,228,460</b> |
| <b>Total assets</b>                                         |      | <b>75,580,699</b> | <b>72,587,125</b> |
| <b>LIABILITIES</b>                                          |      |                   |                   |
| <b>Current liabilities</b>                                  |      |                   |                   |
| Trade and other payables                                    | 14   | 847,531           | 1,719,219         |
| Provisions                                                  | 15   | 237,712           | 220,519           |
| Lease liability – current                                   | 12   | 80,169            | 212,990           |
| <b>Total current liabilities</b>                            |      | <b>1,165,412</b>  | <b>2,152,728</b>  |
| <b>Non-current liabilities</b>                              |      |                   |                   |
| Lease liability – non-current                               | 12   | 157,410           | 361,766           |
| <b>Total non-current liabilities</b>                        |      | <b>157,410</b>    | <b>361,766</b>    |
| <b>Total liabilities</b>                                    |      | <b>1,322,822</b>  | <b>2,514,494</b>  |
| <b>Net assets</b>                                           |      | <b>74,257,877</b> | <b>70,072,631</b> |
| <b>EQUITY</b>                                               |      |                   |                   |
| <b>Equity attributable to equity holders of the Company</b> |      |                   |                   |
| Contributed equity                                          | 17   | 182,377,520       | 166,874,257       |
| Reserves                                                    | 16   | 10,298,564        | 8,129,329         |
| Accumulated losses                                          |      | (134,078,904)     | (121,811,881)     |
| <b>Equity attributable to equity holders of the Company</b> |      | <b>58,597,180</b> | <b>53,191,705</b> |
| Non-controlling interests                                   |      | 15,660,697        | 16,880,926        |
| <b>Total Equity</b>                                         |      | <b>74,257,877</b> | <b>70,072,631</b> |

The statement should be read in conjunction with the accompanying notes

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2025

|                                                            | Note     | 2025<br>\$          | 2024<br>\$          |
|------------------------------------------------------------|----------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                                |          |                     |                     |
| Payments to suppliers and employees                        |          | (13,693,856)        | (18,423,813)        |
| Finance costs paid                                         |          | (16,841)            | (27,608)            |
| Interest received                                          |          | 169,764             | 620,314             |
| Government rebates received                                |          | 529,815             | 384,831             |
| <b>Cash used in operating activities</b>                   | <b>7</b> | <b>(13,011,118)</b> | <b>(17,446,276)</b> |
| <b>INVESTING ACTIVITIES</b>                                |          |                     |                     |
| Acquisition of property, plant and equipment               |          | (23,156)            | (761,299)           |
| Proceeds from sale of non-current assets                   |          | 400                 | -                   |
| Proceeds from sale of investments                          |          | -                   | 825                 |
| <b>Cash used in investing activities</b>                   |          | <b>(22,756)</b>     | <b>(760,474)</b>    |
| <b>FINANCING ACTIVITIES</b>                                |          |                     |                     |
| Proceeds from issue of equity shares                       |          | 15,988,917          | -                   |
| Costs of issuing equity shares                             |          | (485,654)           | -                   |
| Payment of lease liabilities                               |          | (196,560)           | (221,286)           |
| <b>Cash (used in)/ generated from financing activities</b> |          | <b>15,306,703</b>   | <b>(221,286)</b>    |
| Net (decrease)/ increase in cash and cash equivalents      |          | 2,272,829           | (18,428,036)        |
| Balance at the beginning of the year                       |          | 7,625,845           | 25,852,484          |
| Effect of foreign currency translation                     |          | 129,681             | 201,397             |
| <b>Balance at the end of the year</b>                      | <b>7</b> | <b>10,028,355</b>   | <b>7,625,845</b>    |

The statement should be read in conjunction with the accompanying notes

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2025

|                                                                   | Contributed<br>Equity<br>\$ | Share based<br>payment<br>reserve<br>\$ | Foreign<br>currency<br>translation<br>reserve<br>\$ | Accumulated<br>losses<br>\$ | Non-<br>controlling<br>interests<br>\$ | Total equity<br>\$  |
|-------------------------------------------------------------------|-----------------------------|-----------------------------------------|-----------------------------------------------------|-----------------------------|----------------------------------------|---------------------|
| <b>At 30 June 2023</b>                                            | <b>166,874,257</b>          | <b>6,920,116</b>                        | <b>1,843,895</b>                                    | <b>(104,530,482)</b>        | <b>17,775,357</b>                      | <b>88,883,143</b>   |
| Loss for the year                                                 | -                           | -                                       | -                                                   | (17,281,399)                | (894,431)                              | (18,175,830)        |
| Other comprehensive loss                                          | -                           | -                                       | (2,157,806)                                         | -                           | -                                      | (2,157,806)         |
| <b>Total comprehensive loss<br/>for the year</b>                  | <b>-</b>                    | <b>-</b>                                | <b>(2,157,806)</b>                                  | <b>(17,281,399)</b>         | <b>(894,431)</b>                       | <b>(20,333,636)</b> |
| Equity issued                                                     | -                           | -                                       | -                                                   | -                           | -                                      | -                   |
| Equity based payments                                             | -                           | 1,523,124                               | -                                                   | -                           | -                                      | 1,523,124           |
| Transaction costs                                                 | -                           | -                                       | -                                                   | -                           | -                                      | -                   |
| <b>At 30 June 2024</b>                                            | <b>166,874,257</b>          | <b>8,443,240</b>                        | <b>(313,911)</b>                                    | <b>(121,811,881)</b>        | <b>16,880,926</b>                      | <b>70,072,631</b>   |
| Loss for the year                                                 | -                           | -                                       | -                                                   | (12,267,023)                | (805,327)                              | (13,072,350)        |
| Other comprehensive loss                                          | -                           | -                                       | 1,300,133                                           | -                           | (414,902)                              | 885,231             |
| <b>Total comprehensive loss<br/>for the year</b>                  | <b>-</b>                    | <b>-</b>                                | <b>1,300,133</b>                                    | <b>(12,267,023)</b>         | <b>(1,220,229)</b>                     | <b>(12,187,119)</b> |
| Equity based payments                                             | 15,988,917                  | -                                       | -                                                   | -                           | -                                      | 15,988,917          |
| Share based payments for<br>government participation<br>(Note 22) | -                           | -                                       | -                                                   | -                           | -                                      | -                   |
| Equity based payments                                             | -                           | 869,102                                 | -                                                   | -                           | -                                      | 869,102             |
| Transaction costs                                                 | (485,654)                   | -                                       | -                                                   | -                           | -                                      | (485,654)           |
| <b>At 30 June 2025</b>                                            | <b>182,377,520</b>          | <b>9,312,342</b>                        | <b>986,222</b>                                      | <b>(134,078,904)</b>        | <b>15,660,697</b>                      | <b>74,257,877</b>   |

The statement should be read in conjunction with the accompanying notes

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The financial report of Peak Rare Earths Limited and its subsidiaries (the Group) for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 29<sup>th</sup> September 2025.

Peak Rare Earths Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The address of its registered office and principal place of business is disclosed in the corporate directory in the Annual Report.

The principal activity of the Group during the year was exploration and evaluation of mineral licences.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### *a) Basis of Preparation*

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian Dollars unless otherwise noted.

#### *Statement of compliance*

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

#### *Going concern*

The Group incurred a loss after tax of \$13,072,350 (2024: \$18,175,830) and had operating cash outflows of \$13,011,118 for the year ended 30 June 2025 (2024: \$17,446,276).

Peak had \$10,028,355 (2024: \$7,625,845) cash at bank at the end of the reporting period. Furthermore, post year end, Peak sold its non-core Teesside property for £3.5 million (~A\$7.3 million) and Peak has received sale consideration of £3.5 million.

As set out in the review of operation and Note 24, on 16 September 2025, Peak shareholders approved the Scheme of arrangement with Shenghe Singapore to acquire 100% of the shares it does not already hold in Peak on the Scheme Implementation Date. Shenghe Singapore is a subsidiary of Shenghe Holding Co., Ltd, a global leading rare earth company listed on the Shanghai Stock Exchange (SSE:600392) with a market capitalisation of ~US\$5.8 billion. It has both the apparent financial capacity and technical expertise to successfully develop the Ngualla Project.

The Group's ability to continue as a going concern and meet its debts as and when they fall due will be dependent upon funding from Shenghe Singapore.

The Group's cash flow forecasts show the aforementioned cash equivalents are more than sufficient to meet all debts and liabilities at 30 September 2025, the Scheme Implementation date.

In the directors' opinion, there are reasonable grounds to believe that the Group has the ability to be funded to and post the Scheme Implementation, via support from Shenghe Singapore, as and when required. However, in the event that additional funding from Shenghe Singapore is not forthcoming, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore in this circumstance whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.



**b) Impact of new standards applied for the first time**

The accounting policies adopted in the preparation of the consolidated financial statements for the year are consistent with those followed in the preparation of the Company's annual financial report for the year ended 30 June 2025, except for the adoption of new and amended accounting standards and interpretations effective as of 1 July 2024. The adoption of these new and amended accounting standards and interpretations did not have a material impact on the consolidated entity and no restatement of comparative financial information to reflect the adoption of these new standards and interpretations was required.

The Company has not early adopted any other accounting standard, interpretation or amendment that has been issued but is not yet effective.

**Standards issued but not yet effective**

Significant Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements is not expected to be material. The Group intends to adopt these new standards and interpretations, if applicable, when they become effective. The standards issued and amendments but not yet effective are not expected to have a material impact on the Group.

- AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current
- AASB 2022-6 Amendments to AASs – Non-current Liabilities with Covenants
- AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2022-5 Amendments to AASs – Lease Liability in a Sale and Leaseback
- AASB 2023-1 Amendments to AASs – Amendments to AASB 107 and AASB 7 – Disclosures of Supplier Finance Arrangements
- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
- AASB 18- Presentation and Disclosure in Financial Statements (effective 1 January 2027). AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. AASB 18 is accompanied by limited amendments to the requirements in AASB 107 Statement of Cash Flows. AASB 18 is effective from 1 January 2027 and applied fully retrospective. Entities are permitted to apply AASB 18 before that date. AASB 18 replaces AASB 1 - Presentation of Financial Statements. The requirements in AASB 1 that are unchanged have been transferred to AASB 18 and other standards. There are 3 main areas of changes:
  - requiring additional defined subtotals in the statement of profit or loss, which makes entities' financial performance easier to compare and provides a consistent starting point for investors' analysis;
  - requiring disclosures about management-defined performance measures, which increases discipline over use and transparency about their calculation; and
  - adding new principles for grouping (aggregation and disaggregation) of information, which improves effective communication of information.

**c) Basis of consolidation**

The consolidated financial statements of Peak Rare Earths Limited comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity. All controlled entities have a June financial year-end.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased through an equity transaction.

#### ***d) Foreign Currency Translation***

The financial statements have been presented in Australian Dollars, which is the parent entities presentation currency.

##### ***Foreign currency transactions***

In preparing the financial statements of each individual group entity, transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The Company's functional currency is Australian dollars. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date, and gain or loss in exchange rate movements are recognised in profit or loss.

##### ***Translation of foreign operations***

As at the reporting date the assets and liabilities of foreign operations are translated from their functional currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year. The exchange differences arising on translation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit or loss.

#### ***e) Other income***

##### ***Interest***

Interest income is recognised as the interest accrues on the financial asset carried at amortised cost.

##### ***R&D rebate grant***

The Group is treating its receipt of the R&D rebate as a government grant.

Government grants are recognised as income when there is reasonable assurance that the grant will be received and all conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

***f) Employee benefits***

Employee benefits such as salary and wages are measured at the rate at which the entity expects to settle the liability; and recognised during the period over which the employee services are being rendered.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

***Superannuation entitlements***

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

***g) Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***i) Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. The carrying values of right-of-use assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses, if any, are recognised in the profit or loss.

***ii) Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

***iii) Short-term leases and leases of low-value assets***

The Group applies the short-term lease recognition exemption to its short-term leases of its office space. This has been recognised as an expense in Administrative and other costs in the consolidated statement of comprehensive income.

**h) Income tax**

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

**i) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

When the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and Receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

The GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

**j) Loss per share****i) Basic loss per share**

Basic loss per share is determined by dividing the group operating result after income tax attributable to members by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**ii) Diluted loss per share**

Diluted loss per share is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**k) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets****Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments*:

*Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## **Financial liabilities**

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables.

### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below.

### ***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The financial instruments of the Group are (i) cash and cash equivalents, including other financial assets; (ii) trade and other receivables; (iii) investments, (iv) trade and other payables.

## **l) Cash and Cash Equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## **m) Trade and Other Receivables**

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently at amortised cost, less provisions for expected credit losses. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## **n) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value

The useful life of the assets have been set at the following levels to determine the depreciation rates:

Plant and equipment: 2 to 5 years

### ***Impairment***

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses, if any, are recognised in the profit or loss.



***Derecognition and disposal***

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**o) Exploration and evaluation costs**

The Group expenses all exploration and evaluation expenditure (excluding acquisition costs) as incurred, as permitted by AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied:

The rights to tenure of the area of interest are current; and at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of exploration and evaluation assets is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to production assets.

**p) Trade and Other Payables**

Trade payables and other payables are initially recognised at fair value, then carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arising when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

## q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## r) Share-based payment transactions

### **Equity settled transactions:**

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The current plans in place to provide benefits to directors, senior executives and other eligible participants as determined by the Board are the Incentive Performance Rights Plan (PRP), the Incentive Employee Option Plan (EOP) and the Employee Incentive Plan (EIP) approved by shareholders on 15 June 2023.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of Options is determined using a Black-Scholes option pricing model. For Performance Rights with non-market conditions, the fair value is measured using the closing share price at grant or shareholder approval date. For performance rights with market conditions, the fair value is measured using a binomial pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Peak Rare Earths Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired and
- the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share.

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**s) Borrowing costs**

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Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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**t) Non-controlling interest**

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The Group elected to measure the non-controlling interests in Mamba Minerals Corporation Limited and Mamba Refinery Corporation Limited at its proportionate share of the book values of their net assets at each end of the reporting period.

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**u) Critical accounting judgements and estimates**

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In the application of Australian Accounting Standards, management is required to make judgments about applying accounting policies and estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Impairment of exploration and evaluation costs**

The future recoverability of exploration and evaluation costs are dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

To the extent that exploration and evaluation costs is determined not to be recoverable in the future, this impairment will reduce profits and net assets in the period in which this determination is made.

**Share based payment – key management personnel and employees**

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

### 3. AUDITORS REMUNERATION

|                                                                                                                                                           | 2025<br>\$     | 2024<br>\$     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Fees to Ernst &amp; Young (Australia):</b>                                                                                                             |                |                |
| Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities | 109,204        | 84,700         |
| <b>Total fees to Ernst &amp; Young (Australia) (A)</b>                                                                                                    | <b>109,204</b> | <b>84,700</b>  |
| <b>Fees to other overseas member firms of Ernst &amp; Young (Australia)</b>                                                                               |                |                |
| Fees for auditing the financial report of any controlled entities                                                                                         | 45,575         | 51,690         |
| <b>Total fees to overseas member firms of Ernst &amp; Young (Australia) (B)</b>                                                                           | <b>45,575</b>  | <b>51,690</b>  |
| <b>Total auditor's remuneration (A)+(B)</b>                                                                                                               | <b>154,779</b> | <b>136,390</b> |

### 4. LOSS PER SHARE

The following reflects the income and share data used in the total operations basic and dilutive loss per share computations:

|                                                                                                                         | 2025<br>Cents | 2024<br>Cents |
|-------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Basic and Diluted loss per share based on reported losses after tax as set out in the Statement of Comprehensive Income | (3.25)        | (5.36)        |

|                                                                                                                       | 2025<br>Nos. | 2024<br>Nos. |
|-----------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Weighted average number of ordinary shares used in calculating basic loss per share                                   | 377,847,960  | 322,127,362  |
| Weighted average number of ordinary shares used in calculating diluted loss per share                                 | 377,847,960  | 322,127,362  |
| Anti-dilutive options over ordinary shares and performance rights excluded from the weighted average number of shares | 13,074,890   | 13,173,203*  |

\* Comparative EPS information has been updated for the bonus element in 2025 shares issued to existing shareholders at a discount to market price.

## 5. OPERATING SEGMENTS

Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on the exploration activities of the Group. The chief operating decision makers include the board of directors. The Group's reportable segments under AASB 8 are as follows:

- Exploration & Development (E&D) – Group's exploration and development activities for the Ngualla project in Tanzania; and
- Unallocated - to manage the corporate affairs of the group.

The segments have applied the same accounting policies as applied to the Group and disclosed in the notes 1 and 2 to these financial statements.

|                                                         | <b>30 June 2025</b> |                    |                     | <b>30 June 2024</b> |                    |                     |
|---------------------------------------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
|                                                         | <b>E&amp;D</b>      | <b>Unallocated</b> | <b>Total</b>        | <b>E&amp;D</b>      | <b>Unallocated</b> | <b>Total</b>        |
|                                                         | <b>\$</b>           | <b>\$</b>          | <b>\$</b>           | <b>\$</b>           | <b>\$</b>          | <b>\$</b>           |
| Interest income                                         | -                   | 159,788            | 159,788             | -                   | 572,164            | 572,164             |
| Other income                                            |                     | 529,815            | 529,815             |                     | 384,831            | 384,831             |
| <b>Total income</b>                                     | <b>-</b>            | <b>689,603</b>     | <b>689,603</b>      | <b>-</b>            | <b>956,995</b>     | <b>956,995</b>      |
| Depreciation and amortisation                           | (246,897)           | (129,063)          | (375,960)           | (324,997)           | (158,063)          | (483,060)           |
| Share based payment expenses                            | -                   | (869,102)          | (869,102)           | -                   | (1,523,124)        | (1,523,124)         |
| Borrowing costs                                         | -                   | (16,841)           | (16,841)            | -                   | (27,608)           | (27,608)            |
| Loss on modification of lease                           | -                   | (25,741)           | (25,741)            |                     |                    |                     |
| Write-off of capitalised exploration costs              | -                   | -                  | -                   | -                   | -                  | -                   |
| Technical feasibility costs                             | (5,015,236)         | -                  | (5,015,236)         | (8,685,767)         | -                  | (8,685,767)         |
| Exploration & evaluation costs                          | (11,919)            | -                  | (11,919)            | (1,308,239)         | -                  | (1,308,239)         |
| Other expenses                                          | -                   | (7,447,154)        | (7,447,154)         | -                   | (7,105,027)        | (7,105,027)         |
| Income Tax                                              | -                   | -                  | -                   | -                   | -                  | -                   |
| <b>Segment results</b>                                  | <b>(5,274,052)</b>  | <b>(7,798,298)</b> | <b>(13,072,350)</b> | <b>(10,319,003)</b> | <b>(7,856,827)</b> | <b>(18,175,830)</b> |
| <b>Segment assets</b>                                   | <b>61,500,826</b>   | <b>14,079,873</b>  | <b>75,580,699</b>   | <b>60,509,945</b>   | <b>12,077,180</b>  | <b>72,587,125</b>   |
| <b>Segment liabilities</b>                              | <b>(538,579)</b>    | <b>(784,243)</b>   | <b>(1,322,822)</b>  | <b>(1,458,114)</b>  | <b>(1,056,380)</b> | <b>(2,514,494)</b>  |
| <b>Additions to non-current assets during the year:</b> |                     |                    |                     |                     |                    |                     |
| Plant and equipment                                     | 20,683              | 2,473              | 23,156              | 495,566             | 20,683             | 516,249             |
| Right-of-use assets                                     | -                   | -                  | -                   | 516,779             | -                  | 516,779             |
|                                                         | <b>20,683</b>       | <b>2,473</b>       | <b>23,156</b>       | <b>1,012,345</b>    | <b>20,683</b>      | <b>1,033,028</b>    |

**6. INCOME TAX**

|                                                                                                                                      | CONSOLIDATED<br>2025<br>\$ | CONSOLIDATED<br>2024<br>\$ |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>a. The components of tax expense comprise:</b>                                                                                    |                            |                            |
| Current tax                                                                                                                          | -                          | -                          |
| Deferred tax                                                                                                                         | -                          | -                          |
| Income tax expense reported in statement of comprehensive income                                                                     | -                          | -                          |
| <b>b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:</b> |                            |                            |
| Loss before income tax                                                                                                               | (13,072,350)               | (18,175,830)               |
| Prima facie tax benefit on loss from ordinary activities before income tax at 30.0% (2023:30%)                                       | (3,921,705)                | (5,452,752)                |
| Add tax effect of:                                                                                                                   |                            |                            |
| - Revenue losses not recognised                                                                                                      | 1,054,811                  | 2,070,253                  |
| - Other non-allowable items                                                                                                          | 3,025,839                  | 3,753,770                  |
| Less tax effect of:                                                                                                                  |                            |                            |
| - Other deferred tax balances not recognised                                                                                         | -                          | (255,821)                  |
| - Non-assessable items                                                                                                               | (158,945)                  | (115,450)                  |
| Income tax expense reported in statement of comprehensive income                                                                     | -                          | -                          |
| <b>c. Recognised deferred tax assets at 30.0% (2023:30%) (Note 1):</b>                                                               |                            |                            |
| <b>Deferred tax liabilities</b>                                                                                                      |                            |                            |
| Prepayment                                                                                                                           | -                          | (22,951)                   |
| Right of use asset                                                                                                                   | (4,311)                    | (36,810)                   |
| Interest receivable                                                                                                                  | (137)                      | (3,130)                    |
| <b>Deferred tax assets</b>                                                                                                           |                            |                            |
| Carry forward revenue losses                                                                                                         | 4,448                      | 62,891                     |
|                                                                                                                                      | -                          | -                          |
| <b>d. Unrecognised deferred tax assets at 30.0% (2023:30%) (Note 1):</b>                                                             |                            |                            |
| Carry forward revenue losses                                                                                                         | 14,847,828                 | 13,377,933                 |
| Carry forward capital losses                                                                                                         | 355,256                    | 355,256                    |
| Unrealised FX                                                                                                                        | -                          | 421,933                    |
| Capital raising costs                                                                                                                | 737,674                    | 348,095                    |
| Provisions and accruals                                                                                                              | 145,299                    | 1,404,235                  |
| Net right-of-use assets/lease liability                                                                                              | 4,705                      | 40,160                     |
| Other                                                                                                                                | 41,752                     | 30,814                     |
|                                                                                                                                      | 16,132,514                 | 15,978,426                 |

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Group continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the company in utilising the benefits.

**Note 1** - the corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

**Note 2 - Tax Consolidation**

For the purpose of income taxation, Peak Rare Earths Limited and its 100% Australian controlled entities have formed a tax consolidated group effective from 1 July 2012.

At 30 June 2025, Peak has adopted the stand-alone taxpayer method for measuring the current and deferred tax amounts.

**7. CASH AND CASH EQUIVALENTS**

|                                                                                                      | 2025                | 2024                |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                      | \$                  | \$                  |
| <b>Reconciliation of cash and cash equivalent</b>                                                    |                     |                     |
| <b>For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:</b> |                     |                     |
| Cash at bank and in hand                                                                             | 10,028,355          | 2,625,845           |
| Short term deposits                                                                                  | -                   | 5,000,000           |
|                                                                                                      | <b>10,028,355</b>   | <b>7,625,845</b>    |
| <br>Reconciliation of operating loss to operating cash flows                                         |                     |                     |
| <b>Loss for the year</b>                                                                             | <b>(13,072,350)</b> | <b>(18,175,830)</b> |
| <b>Adjustments for non-cash items:</b>                                                               |                     |                     |
| Share based payments expenses                                                                        | 869,102             | 1,523,124           |
| Loss on sale of non-current asset                                                                    | 261                 | 7,175               |
| Loss on modification of lease                                                                        | 25,741              | -                   |
| Depreciation expenses                                                                                | 375,960             | 483,060             |
| Foreign exchange gain                                                                                | (360,830)           | (1,106,721)         |
| <b>Movement in working capital items:</b>                                                            |                     |                     |
| Decrease in trade and other receivables                                                              | (10,363)            | 135,282             |
| (Increase)/Decrease in prepayments                                                                   | 15,858              | 68,868              |
| Decrease in trade and other payables                                                                 | (871,688)           | (421,199)           |
| Increase in provisions                                                                               | 17,191              | 39,965              |
|                                                                                                      | <b>(13,011,118)</b> | <b>(17,446,276)</b> |

**8. TRADE AND OTHER RECEIVABLES**

|                                  | 2025           | 2024           |
|----------------------------------|----------------|----------------|
|                                  | \$             | \$             |
| <i>Current</i>                   |                |                |
| GST/VAT receivable               | 91,573         | 95,579         |
| Other receivable                 | 34,885         | 20,516         |
|                                  | <b>126,458</b> | <b>116,095</b> |
| <br><i>Ageing of receivables</i> |                |                |
| Recoverable within 3 months      | 126,458        | 116,095        |
|                                  | <b>126,458</b> | <b>116,095</b> |

Receivables are non-interest bearing and unsecured.

**9. OTHER FINANCIAL ASSETS**

|                   | 2025          | 2024          |
|-------------------|---------------|---------------|
|                   | \$            | \$            |
| Bank Term Deposit | 63,794        | 63,794        |
|                   | <b>63,794</b> | <b>63,794</b> |

A deposit of \$63,794 (2024: \$63,794), has been secured against a guarantee issued by the bank for an office rental deposit. This cash balance is not available for withdrawal until the guarantee is withdrawn.

**10. PROPERTY, PLANT AND EQUIPMENT**

|                                        | 2025           | 2024           |
|----------------------------------------|----------------|----------------|
|                                        | \$             | \$             |
| <b>Plant and equipment</b>             |                |                |
| At cost                                | 1,083,738      | 1,041,970      |
| Accumulated depreciation               | (378,725)      | (189,852)      |
|                                        | <b>705,013</b> | <b>852,118</b> |
| <b>Movement in net carrying amount</b> |                |                |
| Balance at the beginning of the year   | 852,118        | 535,479        |
| Net Additions                          | 23,156         | 516,249        |
| Depreciation for the year              | (196,136)      | (165,198)      |
| Effect of foreign exchange translation | 25,875         | (34,412)       |
| Balance at the end of the year         | <b>705,013</b> | <b>852,118</b> |

**11. ASSETS HELD FOR SALE**

|                                                                             | 2025             | 2024             |
|-----------------------------------------------------------------------------|------------------|------------------|
|                                                                             | \$               | \$               |
| <b>Teesside freehold property</b>                                           |                  |                  |
| Carrying value                                                              | 3,490,457        | 3,490,457        |
|                                                                             | <b>3,490,457</b> | <b>3,490,457</b> |
| <b>Movement in net carrying amount</b>                                      |                  |                  |
| Balance at the beginning of the year                                        | 3,490,457        | -                |
| Teesside right of use asset carrying value on acquisition of freehold title | -                | 3,245,407        |
| Additional Teesside freehold acquisition cost                               | -                | 245,050          |
| Balance at the end of the year                                              | <b>3,490,457</b> | <b>3,490,457</b> |

On 19 March 2024, the Company completed the acquisition of the freehold title over its 19-hectare Teesside site from Homes England for \$245,050 (GBP 125,000). Prior to the acquisition of the freehold rights, the Company held a 250-year long-term pepper corn lease over the Teesside site, with the Company accounting for the lease payment as a right of use asset which had a carrying value of \$3,425,407 at the date of the freehold acquisition.

On 9 July 2025, Peak completed the sale of its non-core Teesside site to Sembcorp Utilities (UK) Limited for £3.5 million (~A\$7.3 million). Peak received upfront consideration of £3.45 million with additional consideration of £50,000 being payable on the successful surrender of the Environmental Permit. A surrender the environmental permit was approved by the Department for Environment, Food and Rural Affairs, effective from 29 August 2025 and the additional consideration of £50,000 was received on 23 September 2025.



**12. LEASES****RIGHT OF USE ASSETS**

|                                         | <b>2025</b>    | <b>2024</b>    |
|-----------------------------------------|----------------|----------------|
|                                         | <b>\$</b>      | <b>\$</b>      |
| <b>Movement in net carrying amount:</b> |                |                |
| Balance at beginning of year            | 558,392        | 3,604,882      |
| Additions/(disposals)                   | (163,099)      | 516,779        |
| Transfer to Asset held for sale         | -              | (3,245,407)    |
| Depreciation for the year               | (179,824)      | (317,862)      |
| <b>Balance at 30 June 2025</b>          | <b>215,469</b> | <b>558,392</b> |

**LEASE LIABILITIES**

|                                         | <b>2025</b>    | <b>2024</b>    |
|-----------------------------------------|----------------|----------------|
|                                         | <b>\$</b>      | <b>\$</b>      |
| <b>Movement in net carrying amount:</b> |                |                |
| Balance at beginning of year            | <b>574,756</b> | <b>279,263</b> |
| Additions                               | -              | 516,779        |
| Modifications                           | (167,182)      | -              |
| Accretion of interest                   | 16,841         | 27,608         |
| Lease payments                          | (212,737)      | (248,894)      |
| Effect of foreign exchange translation  | 25,901         | -              |
| <b>Balance at 30 June 2025</b>          | <b>237,579</b> | <b>574,756</b> |
| <i>Current</i>                          | 80,169         | 212,990        |
| <i>Non-Current</i>                      | 157,410        | 361,766        |
| <b>Total</b>                            | <b>237,579</b> | <b>574,756</b> |

The Group also has certain contracts which contain a lease with terms of 12 months or less and contracts which contain a lease of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these. Payment for leases that are short-term and low value amounted to \$38,991 for the year ended 30 June 2025 (2024: \$82,712).

**13. EXPLORATION AND EVALUATION EXPENDITURE**

|                                         | <b>2025</b>       | <b>2024</b>       |
|-----------------------------------------|-------------------|-------------------|
|                                         | <b>\$</b>         | <b>\$</b>         |
| <b>Movement in net carrying amount:</b> |                   |                   |
| Balance at beginning of year            | 59,754,157        | 60,997,405        |
| Foreign exchange movements              | 1,086,586         | (1,243,249)       |
| <b>Balance at 30 June 2024</b>          | <b>60,840,743</b> | <b>59,754,156</b> |
| <b>Capitalised areas of interest</b>    |                   |                   |
| Ngualla Rare Earth Project, Tanzania    | <b>60,840,743</b> | <b>59,754,156</b> |
|                                         | <b>60,840,743</b> | <b>59,754,156</b> |

**14. TRADE AND OTHER PAYABLES**

|                           | <b>2025</b>    | <b>2024</b>      |
|---------------------------|----------------|------------------|
|                           | <b>\$</b>      | <b>\$</b>        |
| <i>Current</i>            |                |                  |
| Trade and other payables  | <b>847,531</b> | <b>1,719,219</b> |
| <i>Ageing of payables</i> |                |                  |
| Payable within 3 months   | 847,531        | 1,719,219        |
|                           | <b>847,531</b> | <b>1,719,219</b> |

Trade and other payables are non-interest bearing, unsecured and are generally payable in 30-120 days.

**15. PROVISIONS**

|                                        | <b>2025</b> | <b>2024</b> |
|----------------------------------------|-------------|-------------|
|                                        | <b>\$</b>   | <b>\$</b>   |
| Employee benefits - leave entitlements | 237,712     | 220,519     |

**16. RESERVES**

|                                                          | <b>Share based<br/>payment<br/>reserve</b> | <b>Foreign<br/>currency<br/>translation<br/>reserve</b> | <b>Total</b>      |
|----------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------|
|                                                          | <b>\$</b>                                  | <b>\$</b>                                               | <b>\$</b>         |
| <b>At 30 June 2023</b>                                   | <b>6,920,116</b>                           | <b>1,843,895</b>                                        | <b>8,764,011</b>  |
| Share based payments                                     | 1,523,124                                  | -                                                       | 1,523,124         |
| Exchange difference on translation of foreign operations | -                                          | (2,157,806)                                             | (2,157,806)       |
| <b>At 30 June 2024</b>                                   | <b>8,443,240</b>                           | <b>(313,911)</b>                                        | <b>8,129,329</b>  |
| Share based payments                                     | 869,102                                    | -                                                       | 869,102           |
| Exchange difference on translation of foreign operations | -                                          | 1,300,133                                               | 1,300,133         |
| <b>At 30 June 2025</b>                                   | <b>9,312,342</b>                           | <b>986,222</b>                                          | <b>10,298,564</b> |

Share based payment reserve – the reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for supply of goods and services.

Foreign currency translation reserve – the reserve is used to recognise exchange differences arising from translation of foreign operations to the Australian dollar.

**17. CONTRIBUTED EQUITY**

|                                                                                |            | <b>Nos.</b>        | <b>\$</b>          |
|--------------------------------------------------------------------------------|------------|--------------------|--------------------|
| <b>Balance at 30 June 2023</b>                                                 |            | <b>264,217,466</b> | <b>166,874,257</b> |
| Issue of shares for nil consideration on exercise of vested performance rights | 18-Jul-23  | 266,500            | -                  |
| Issue of shares for nil consideration on exercise of vested performance rights | 21-Aug-23  | 157,500            | -                  |
| Issue of shares for nil consideration on exercise of vested performance rights | 29-Dec-23  | 125,294            | -                  |
| Issue of shares for nil consideration on exercise of vested performance rights | 9-Jan-24   | 1,175,000          | -                  |
| Equity Issue Costs                                                             |            | -                  | -                  |
| <b>Balance at 30 June 2024</b>                                                 |            | <b>265,941,760</b> | <b>166,874,257</b> |
| Issue of shares for nil consideration on exercise of vested performance rights | 10-Jul-24  | 488,899            | -                  |
| Issue of shares Tranche 1 capital raising @ 10 cents per share                 | 11-Nov-24  | 39,964,598         | 3,996,460          |
| Issue of shares for nil consideration on exercise of vested performance rights | 13-Dec-24  | 272,953            | -                  |
| Issue of shares Tranche 2 capital raising @ 10 cents per share                 | 24-Dec-24  | 7,974,874          | 797,487            |
| Issue of Share Purchase Plan Shares @10 cents per share                        | 03-Jan-25  | 20,000,000         | 2,000,000          |
| Shenghe Tranche 2 Placement and Top-Up Placement @10 cents per share           | 17-Jan-25  | 17,029,317         | 1,702,932          |
| Issue of shares for nil consideration on exercise of vested performance rights | 07-Feb-25  | 331,711            | -                  |
| Issue of shares for nil consideration on exercise of vested performance rights | 13-Feb-25  | 90,000             | -                  |
| Issue of shares for nil consideration on exercise of vested performance rights | 06-May-25  | 22,500             | -                  |
| Issue of Entitlement Issue Shares @10 cents per share                          | 30-June-25 | 74,920,378         | 7,492,038          |
| Equity Issue Costs                                                             |            |                    | (485,654)          |
| <b>Balance at 30 June 2025</b>                                                 |            | <b>427,036,990</b> | <b>182,377,520</b> |

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**Performance Rights over ordinary shares**

At the end of the reporting period, there were 13,074,890 performance rights over unissued shares as follows:

| Performance Rights over Ordinary Shares              | Date of expiry/ exercise or issue | Nos                | Status | Exercise Price | Expiry Date |
|------------------------------------------------------|-----------------------------------|--------------------|--------|----------------|-------------|
| <b>Balance at 30 June 2024</b>                       |                                   | <b>13,173,203</b>  |        |                |             |
| <b>Expired/ Lapsed/ Cancelled:</b>                   |                                   |                    |        |                |             |
| Performance Rights lapsed on cessation of employment | 03-Oct-24                         | (475,000)          |        | -              | 23-Sep-26   |
| Performance Rights lapsed on cessation of employment | 03-Oct-24                         | (500,000)          |        | -              | 09-Nov-28   |
| Performance Rights lapsed on cessation of employment | 05-Feb-25                         | (127,500)          |        | -              | 23-Sep-26   |
| Performance Rights lapsed on cessation of employment | 05-Feb-25                         | (303,750)          |        | -              | 09-Nov-28   |
| Performance Rights lapsed on expiry                  | 05-Feb-25                         | (1,062,500)        |        | -              | 05-Feb-25   |
| Performance Rights lapsed on expiry                  | 05-Feb-25                         | (42,500)           |        | -              | 05-Feb-25   |
| Performance Rights lapsed on cessation of employment | 06-May-25                         | (50,000)           |        | -              | 28-Mar-29   |
| Performance Rights lapsed on cessation of employment | 06-May-25                         | (256,000)          |        | -              | 23-Sep-26   |
| Performance Rights lapsed on cessation of employment | 06-May-25                         | (525,000)          |        | -              | 09-Nov-28   |
|                                                      |                                   | <b>(3,342,250)</b> |        |                |             |
| <b>Issued:</b>                                       |                                   |                    |        |                |             |
| Performance Rights issued to employees as LTI.       | 06-May-25                         | 4,450,000          |        | -              | 06-May-30   |
|                                                      |                                   | <b>4,450,000</b>   |        |                |             |
| <b>Exercised:</b>                                    |                                   |                    |        |                |             |
| Vested Performance Rights                            | 10-Jul-24                         | (163,899)          |        | -              | 09-Dec-25   |
| Vested Performance Rights                            | 10-Jul-24                         | (325,000)          |        | -              | 15-Dec-26   |
| Vested Performance Rights                            | 13-Dec-24                         | (272,953)          |        | -              | 09-Nov-28   |
| Vested Performance Rights                            | 07-Feb-25                         | (75,000)           |        | -              | 09-Nov-28   |
| Vested Performance Rights                            | 07-Feb-25                         | (256,711)          |        | -              | 04-Dec-28   |
| Vested Performance Rights                            | 13-Feb-25                         | (90,000)           |        | -              | 04-Dec-28   |
| Vested Performance Rights                            | 06-May-25                         | (22,500)           |        | -              | 23-Sep-26   |
|                                                      |                                   | <b>(1,206,063)</b> |        |                |             |
| <b>Balance at 30 June 2025</b>                       |                                   | <b>13,074,890</b>  |        |                |             |

For the year ended 30 June 2025, 4,450,000 employee performance rights were issued under the Employee Incentive Plan approved at the General Meeting held on 15 June 2023. During the year a total of 1,206,063 performance rights were exercised and 3,342,250 expired, lapsed or were cancelled.

At the end of the reporting period, the Company had no options outstanding over unissued shares.

### **Capital Management Policy**

The Group's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The Group manages its contributed equity and reserves as part of its capital. The Group is not subject to any externally imposed capital requirements.

As is similar with many other exploration companies, the operational requirements of the Group are funded through equity and debt raised in various tranches. The overall capital management policy of the Group remains unchanged and is consistent with prior years.

## **18. SHARE BASED PAYMENTS**

### **Performance Rights Plan**

The Group has an Employee Incentive Plan for the granting of performance rights to eligible participants which was last approved by Shareholders at a General Meeting of the Company on 15 June 2023.

#### **Performance rights granted during and as at the year ended 30 June 2025:**

|                                                                                  | Number            | Exercise Price | Fair value per performance right |
|----------------------------------------------------------------------------------|-------------------|----------------|----------------------------------|
| <b>Outstanding at 1 July 2024</b>                                                | <b>13,173,203</b> |                |                                  |
| Granted during the year:                                                         |                   |                |                                  |
| Performance Rights issued under the Company's Incentive Performance Rights Plan* | 4,450,000         | -              | 0.13                             |
| Expired/Lapsed during the year:                                                  | (3,342,250)       | -              |                                  |
| Exercised during the year                                                        | (1,206,063)       | -              |                                  |
| <b>Outstanding at 30 June 2025</b>                                               | <b>13,074,890</b> |                |                                  |
| Exercisable at 30 June 2025                                                      | -                 | -              |                                  |

#### **Performance rights granted during and as at the year ended 30 June 2024:**

|                                                                                  | Number            | Exercise Price | Fair value per performance right |
|----------------------------------------------------------------------------------|-------------------|----------------|----------------------------------|
| <b>Outstanding at 1 July 2023</b>                                                | <b>8,219,053</b>  |                |                                  |
| Granted during the year:                                                         |                   |                |                                  |
| Performance Rights issued under the Company's Incentive Performance Rights Plan* | 7,065,944         | -              | 0.39                             |
| Expired/Lapsed during the year:                                                  | (387,500)         | -              |                                  |
| Exercised during the year                                                        | (1,724,294)       | -              |                                  |
| <b>Outstanding at 30 June 2024</b>                                               | <b>13,173,203</b> |                |                                  |
| Exercisable at 30 June 2024                                                      | <b>488,899</b>    | -              |                                  |

\* Vest subject to achievement of performance criteria as determined by the Company's Board.

The volume weighted exercise price of rights issued during the year was \$0.00 (2024: \$0.00)

The weighted average remaining contractual life for rights outstanding at 30 June 2025 was 3 years (2024: 3 years)

The weighted average fair value of rights issued during the year was \$0.13 per right (2024: \$0.39)

For performance rights with non-market conditions, the fair value is measured using the closing share price at grant or shareholder approval date. For performance rights with market conditions, the fair value is measured using a binomial pricing model. Performance rights were issued during the year with the follow inputs:

**Options and performance rights granted during the year ended 30 June 2025:****6-May-2025 – unvested LTI Performance Rights to vest on achievement of performance criteria by 6 May 2030 or the Performance Rights will lapse**

|                                                     |               |
|-----------------------------------------------------|---------------|
| Share price on date of grant                        | <b>\$0.13</b> |
| Fair value per performance right – non-market based | <b>\$0.13</b> |

**Options and performance rights granted during the year ended 30 June 2024:****9-Nov-2023 – unvested LTI Performance Rights to vest on achievement of performance criteria by 9 November 2028 or the Performance Rights will lapse**

|                                                     |               |
|-----------------------------------------------------|---------------|
| Share price on date of shareholder approval         | <b>\$0.39</b> |
| Fair value per performance right – non-market based | <b>\$0.39</b> |

**30-Nov-2023 – unvested LTI Performance Rights to vest on achievement of performance criteria by 30 Nov 2028 or the Performance Rights will lapse**

|                                                     |               |
|-----------------------------------------------------|---------------|
| Share price on date of grant                        | <b>\$0.50</b> |
| Fair value per performance right – non-market based | <b>\$0.50</b> |

**4-Dec-2023 – unvested LTI Performance Rights to vest on achievement of performance criteria by 30 November 2028 or the Performance Rights will lapse**

|                                                     |               |
|-----------------------------------------------------|---------------|
| Share price on date of grant                        | <b>\$0.39</b> |
| Fair value per performance right – non-market based | <b>\$0.39</b> |

**28-Mar-2024 – unvested LTI Performance Rights to vest on achievement of performance criteria by 28 March 2029 or the Performance Rights will lapse**

|                                                     |               |
|-----------------------------------------------------|---------------|
| Share price on date of grant                        | <b>\$0.20</b> |
| Fair value per performance right – non-market based | <b>\$0.20</b> |

The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the case.

The value of options and performance rights granted are expensed over the vesting period. The share-based payments expense of \$869,102\* (2024: \$1,523,124\*) is related to performance rights granted during the year and prior years. There was no share-based payment expense related to options granted during the year and prior years (2024: Nil ).

\* Includes the write back of the share-based payments previously recognised for options and performance rights that lapsed or were forfeited during the current period.

**19. CONTINGENCIES AND COMMITMENTS****Lease commitments - Group as a lessee**

The maturity analysis of lease payments as at 30 June are as follows:

|              | <b>2025</b>    | <b>2024</b>    |
|--------------|----------------|----------------|
|              | <b>\$</b>      | <b>\$</b>      |
| Up to 1 year | 80,018         | 270,801        |
| 1 to 5 Years | 157,043        | 489,004        |
|              | <b>237,061</b> | <b>759,805</b> |

**Capital Commitments**

At 30 June 2025, the Group has no capital commitments (2024: Nil).

**Contingencies**

At 30 June 2025, the Group has no contingencies (2024: Nil).

Peak's 100% owned subsidiary Peak African Minerals has provided Peak with a working capital loan facility of US\$4,209,317 (30 June 2024: US\$4,209,317) which consists of a principal component of US\$3,525,317 (30 June 2024: US\$3,525,317) accruing interest at 8% per annum plus an initial finance charge of US\$684,000 (30 June 2024: US\$684,000) which is not interest bearing. The facility is fully drawn and is not currently due and payable, however if and when the facility is repaid the accrued interest and finance charge will be subject to withholding tax at 10% which is estimated to be US\$371,269 as at 30 June 2025 (30 June 2024: US\$337,127).

The Group occasionally receives claims which arise in the normal course of business. Where the Group is in receipt of such claims it reviews their nature and substance in order to assess the need for accounting recognition or disclosure. The directors are of the opinion that, based on information available, there is currently no material exposure to the Group arising from actual or pending claims at balance date.

**20. KEY MANAGEMENT PERSONNEL DISCLOSURE**

|                                       | 2025<br>\$       | 2024<br>\$       |
|---------------------------------------|------------------|------------------|
| Salary and fees – short term benefits | 1,653,565        | 2,161,822        |
| Superannuation                        | 166,543          | 72,881           |
| Non-monetary                          | 65,365           | -                |
| Share based payments <sup>^</sup>     | 778,601          | 1,351,723        |
| Termination payments                  | -                | 36,058           |
|                                       | <b>2,664,074</b> | <b>3,622,484</b> |

<sup>^</sup> Includes write back of forfeited unvested non-market based Options and Performance Rights during the year.

The balance outstanding at 30 June 2025 and included in trade and other payables is \$25,000 (2024: \$15,000).

**Loans to KMP's**

No loans were made to KMPs during the financial year (2024: Nil)

**Other transaction and balances with KMPs**

There were no other related party transactions with KMPs during the year (2024: \$Nil). There were no other balance outstanding at 30 June 2025 (2024: \$Nil).

## 21. GROUP STRUCTURE

### Parent and subsidiaries

The parent and the ultimate parent entity of the Group is Peak Rare Earths Limited, a company listed on the Australian Securities Exchange.

The components of the Group are:

|                                                   | Incorporation  | Ownership interest |      |
|---------------------------------------------------|----------------|--------------------|------|
|                                                   |                | 2025               | 2024 |
| <b>Parent</b>                                     |                |                    |      |
| Peak Rare Earths Limited                          | Australia      | N/A                | N/A  |
| <b>Controlled entities</b>                        |                |                    |      |
| PRL Pty Ltd                                       | Australia      | 100%               | 100% |
| Peak Hill Gold Mines Pty Ltd                      | Australia      | 100%               | 100% |
| Redpalm Pty Ltd                                   | Australia      | 100%               | 100% |
| Pan African Exploration Limited                   | Australia      | 100%               | 100% |
| Peak Resources (Tanzania) Limited                 | Tanzania       | 100%               | 100% |
| Peak African Minerals Limited                     | Mauritius      | 100%               | 100% |
| PR Ng Minerals Limited (Indirectly)               | Tanzania       | 100%               | 100% |
| Peak Technology Metals Limited                    | United Kingdom | 100%               | 100% |
| Teesside Rare Earth Elements Limited (indirectly) | United Kingdom | 100%               | 100% |
| Ngualla Group UK Limited (indirectly)             | United Kingdom | 100%               | 100% |
| Mamba Minerals Corporation Limited (indirectly)   | Tanzania       | 84%                | 84%  |
| Mamba Refinery Corporation Limited (indirectly)   | Tanzania       | 84%                | 84%  |



## 22. NON-CONTROLLING INTEREST

In February 2023, Peak and the Government of Tanzania, incorporated Mamba Minerals Corporation Limited ("MML") and Mamba Refinery Corporation Limited ("MRL"), with the shareholders of both MML and MRL being Peak subsidiary, Ngualla Group UK Limited, holding 84% and the Government of Tanzania holding a 16% free carried interest. MML holds the Special Mining Licence for the Ngualla Rare Earths Project.

The summarised financial information of MML and MRL are as follows:

|                                                  | 2025               | 2024               |
|--------------------------------------------------|--------------------|--------------------|
|                                                  | \$                 | \$                 |
| <b>Loss for the year</b>                         | <b>(5,033,293)</b> | <b>(5,590,195)</b> |
| <i>Attributable to non-controlling interests</i> | (805,327)          | (894,431)          |
| <b>Total comprehensive loss for the year</b>     | <b>(5,033,293)</b> | <b>(5,590,195)</b> |
| <i>Attributable to non-controlling interests</i> | (805,327)          | (894,431)          |
| <b>Assets</b>                                    |                    |                    |
| <i>Current assets</i>                            | 338,913            | 417,361            |
| <i>Non-current assets<sup>1</sup></i>            | 98,042,628         | 106,539,941        |
| <b>Total Assets</b>                              | <b>98,381,541</b>  | <b>106,957,302</b> |
| <b>Liabilities</b>                               |                    |                    |
| <i>Current liabilities</i>                       | 344,773            | 1,083,063          |
| <i>Non-current liabilities</i>                   | 157,410            | 368,451            |
| <b>Total Liabilities</b>                         | <b>502,183</b>     | <b>1,451,514</b>   |
| <b>Total Equity</b>                              | <b>97,879,357</b>  | <b>105,505,788</b> |
| <i>Attributable to:</i>                          |                    |                    |
| Equity holders of parent                         | 82,218,660         | 88,624,862         |
| Non-controlling interest                         | 15,660,697         | 16,880,926         |

<sup>1</sup>The total non-current assets of the Mamba entities on a standalone basis includes an uplift in the Exploration and Evaluation assets due to the fair value accounting for the initial Share Based Payment granted to Government of Tanzania.

## 23. FINANCIAL INSTRUMENTS

The financial instruments of the Group are (i) cash and cash equivalents, including other financial assets; (ii) trade and other receivables; (iii) investments, (iv) trade and other payables.

The Group's principal financial instruments are cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The financial instruments expose the group to certain risks. The nature and extent of such risks, and the management's risk management strategy are noted below.

### Fair value of financial instruments

|                             | 2025       | 2024        |
|-----------------------------|------------|-------------|
|                             | \$         | \$          |
| Cash and cash equivalents   | 10,028,355 | 7,625,845   |
| Trade and other receivables | 126,458    | 116,095     |
| Other financial assets      | 63,794     | 63,794      |
| Trade and other payables    | (847,531)  | (1,719,219) |

The carrying amount of financial instruments closely approximate their fair value on account of the short maturity cycle except Due from Associate and Non-current – Loans and Borrowings.

For Due from Associate and Non-current, their fair value is determined by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

For the Non-current – Loans and borrowings their carrying amounts approximate their fair values as it is subject to commercial lending rates.

### **Credit Risk**

The group's credit risks arise from potential default of trade and other receivables, cash and cash equivalents, other financial assets and amount due from associates. The maximum credit exposure is limited to the carrying amount of trade and other receivables and amount due from associates \$126,458 (2024: \$116,095) at reporting dates.

As at 30 June 2025, the receivable balances consist primarily of VAT and GST credits. Management does not consider the VAT and GST receivable to be at risk of default as these are receivable from the Government agencies

Credit risk from balances with banks and financial instruments is mitigated by holding balances with banks with a high credit rating. The maximum exposure for cash and cash equivalents is shown below. There were no significant concentrations of credit risks.

There were no significant concentrations of credit risks.

### **Liquidity risk**

The Group's liquidity risks arise from potential inability of the Group to meet its financial obligations as and when they fall due, generally due to shortage of cleared funds. The Group is exposed to liquidity risk on account of trade and other payables. The Group manages its liquidity risk through continuously monitoring the cleared funds position; and by utilising short term cash budgets.

The contractual maturity analysis of the Group's financial instruments are noted below:

|                                                      | 2025              |                  |                    | 2024               |                  |                    |
|------------------------------------------------------|-------------------|------------------|--------------------|--------------------|------------------|--------------------|
|                                                      | Up to 3 months    | > 3 months       | Total              | Up to 3 months     | > 3 months       | Total              |
|                                                      | \$                | \$               | \$                 | \$                 | \$               | \$                 |
| <b><i>Financial liabilities</i></b>                  |                   |                  |                    |                    |                  |                    |
| Trade and other payables                             | (847,531)         | -                | (847,531)          | (1,719,219)        | -                | (1,719,219)        |
| Lease Liabilities                                    | (25,655)          | (211,924)        | (237,579)          | (60,884)           | (513,872)        | (574,756)          |
| <b><i>Total financial liabilities</i></b>            | <b>(873,186)</b>  | <b>(211,924)</b> | <b>(1,085,110)</b> | <b>(1,780,103)</b> | <b>(513,872)</b> | <b>(2,293,975)</b> |
| <b><i>Financial assets</i></b>                       |                   |                  |                    |                    |                  |                    |
| Cash and cash equivalents and other financial assets | 10,028,355        | 63,794           | 10,092,149         | 7,625,845          | 63,794           | 7,689,639          |
| Trade and other receivables                          | 126,458           | -                | 126,458            | 116,095            | -                | 116,095            |
| <b><i>Total financial assets</i></b>                 | <b>10,154,813</b> | <b>63,794</b>    | <b>10,218,607</b>  | <b>7,741,940</b>   | <b>63,794</b>    | <b>7,805,734</b>   |

**Interest rate risk**

Interest rate risk is the risk that fair values and cash flows of the Group's financial instruments will be affected by changes in the market interest rates.

The Group's cash and cash equivalents are impacted by interest rate risks. Trade and other receivables and payables have short maturities and are non-interest bearing. Management believes that the risk of interest rate movement would not have a material impact of the Group's operations.

Management does not closely monitor the interest rates offered on cash and cash equivalents as the Group's primary objective is exploration of resources rather than earning interest income. The cash balances are invested at the prevailing short term market interest rates with credit worthy financial institutions.

The sensitivity of the interest-bearing financial instruments to a 1% change in market interest rate are noted below:

|                                           | 2025<br>\$ | 2024<br>\$ |
|-------------------------------------------|------------|------------|
| Cash and cash equivalents                 | 10,028,355 | 7,625,845  |
| Impact on profit and equity: +1% movement | 100,284    | 76,258     |
| Impact on profit and equity: -1% movement | (100,284)  | (76,258)   |

**Foreign currency risk**

The Group's expenditure obligations in Tanzania are primarily in US dollars as a result the Group is exposed to fluctuations in the US dollar to Australian currency. The Group will transfer cash and cash equivalents into foreign currency to meet short term expenditure obligations. These exposures are not subject to a hedging programme. The Board and management from time to time having regard to likely forward commitments review this policy.

**Commodity price risk**

The Group's exposure to commodity price risk is minimal at this stage of the operation.

**Changes in liabilities arising from financing activities during the year ended 30 June 2025:**

|                                                    | 1-Jul-24<br>\$ | Cash flows<br>\$ | Foreign<br>exchange<br>movement<br>\$ | 2025<br>Other<br>Movements<br>\$ | 30-Jun-25<br>\$ |
|----------------------------------------------------|----------------|------------------|---------------------------------------|----------------------------------|-----------------|
| <b>Financial liabilities</b>                       |                |                  |                                       |                                  |                 |
| Lease liabilities                                  | 574,756        | (212,737)        | -                                     | (124,440)                        | 237,579         |
| <b>Total liabilities from financing activities</b> | <b>574,756</b> | <b>(212,737)</b> | <b>-</b>                              | <b>(124,440)</b>                 | <b>237,579</b>  |

**Changes in liabilities arising from financing activities during the year ended 30 June 2024:**

|                                                    | 1-Jul-23<br>\$ | Cash flows<br>\$ | Foreign<br>exchange<br>movement<br>\$ | 2024<br>Other<br>Movements<br>\$ | 30-Jun-24<br>\$ |
|----------------------------------------------------|----------------|------------------|---------------------------------------|----------------------------------|-----------------|
| <b>Financial liabilities</b>                       |                |                  |                                       |                                  |                 |
| Lease liabilities                                  | 279,263        | (248,894)        | -                                     | 544,387                          | 574,756         |
| <b>Total liabilities from financing activities</b> | <b>279,263</b> | <b>(248,894)</b> | <b>-</b>                              | <b>544,387</b>                   | <b>574,756</b>  |

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## 24. SUBSEQUENT EVENTS

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On 15 May 2025, Peak announced it had entered into a binding Scheme Implementation Deed (“SID”) with Ganzhou Chenguang Rare Earths New Material Co., Ltd. (“Chenguang”), a wholly-owned subsidiary of Shenghe Resources Holding Co., Limited (“Shenghe”), under which it was proposed that Chenguang would acquire 100% of Peak via a scheme of arrangement (the “Scheme”) under Section 411 of the Corporations Act 2001 (Cth). Chenguang had nominated Australian Mining Investment Management Pty Ltd, a wholly owned subsidiary of Chenguang to acquire the Peak Shares under the Scheme. On 24 July 2025, the SID was novated from Chenguang to Shenghe Resources (Singapore) Pte. Ltd (“Shenghe Singapore”), an existing 19.70% shareholder in Peak and also a wholly-owned subsidiary of Shenghe, pursuant to an Amendment and Novation Deed.

Following the satisfaction of all condition precedents of the scheme, including Peak shareholder approval, Tanzanian government approvals and approval from the Supreme Court of New South Wales, the Scheme became legally effective on 19 September 2025.

It is expected the Implementation Date and payment of the Scheme consideration and transfer of the Peak shares to Shenghe Singapore will take place on 30 September 2025. The consideration payable under the Scheme values 100% of Peak at A\$195 million and Peak shareholders will receive A\$0.443 per Peak share in cash.

Refer to the Review of Operations section on the Scheme on page 6 of this report for further details.

On 9 July 2025, Peak completed the sale of its non-core Teesside site to Sembcorp Utilities (UK) Limited (“Sembcorp Utilities UK”) for £3.5 million (~A\$7.3 million). Peak received upfront consideration of £3.45 million with additional consideration of £50,000 being payable on the successful surrender of the Environmental Permit

A surrender the environmental permit was approved by the Department for Environment, Food and Rural Affairs, effective from 29 August 2025 and the additional consideration of £50,000 was received on 23 September 2025.

Other than the matters referred to above there were no other events that have a material impact on the financial statements or operations of the Group and Company.

## 25. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Rare Earths Limited. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

|                                              | 2025<br>\$         | 2024<br>\$          |
|----------------------------------------------|--------------------|---------------------|
| <b>Financial position</b>                    |                    |                     |
| Current assets                               | 13,360,168         | 10,862,062          |
| Non-current assets                           | 63,730,112         | 56,902,574          |
| <b>Total assets</b>                          | <b>77,090,280</b>  | <b>67,764,636</b>   |
| Current liabilities                          | 692,750            | 945,199             |
| Non-current liabilities                      | 11,093,329         | 10,394,074          |
| <b>Total liabilities</b>                     | <b>11,786,079</b>  | <b>11,339,273</b>   |
| <b>Net assets</b>                            | <b>65,304,201</b>  | <b>56,425,363</b>   |
| <b>Equity</b>                                |                    |                     |
| Contributed equity                           | 182,377,521        | 166,874,256         |
| Share based payment reserve                  | 9,063,529          | 8,506,724           |
| Accumulated losses                           | (126,136,849)      | (118,955,617)       |
| <b>Total equity</b>                          | <b>65,304,201</b>  | <b>56,425,273</b>   |
| <b>Financial performance</b>                 |                    |                     |
| Loss for the year                            | (7,493,529)        | (24,208,674)        |
| Other comprehensive income                   | -                  | -                   |
| <b>Total comprehensive loss for the year</b> | <b>(7,493,529)</b> | <b>(24,208,674)</b> |

Peak Rare Earths Limited had no commitments to purchase property, plant and equipment or contingent liabilities at 30 June 2025 (2024: \$Nil).

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

This consolidated entity disclosure statement has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements:

### As at 30 June 2025

| Entity Name                          | Entity Type    | Country of incorporation | Beneficial interest % | Country of tax residence |
|--------------------------------------|----------------|--------------------------|-----------------------|--------------------------|
| <b>Parent</b>                        |                |                          |                       |                          |
| Peak Rare Earths Limited             | Body Corporate | Australia                |                       | Australia                |
| <b>Controlled entities</b>           |                |                          |                       |                          |
| PRL Pty Ltd                          | Body Corporate | Australia                | 100%                  | Australia                |
| Peak Hill Gold Mines Pty Ltd         | Body Corporate | Australia                | 100%                  | Australia                |
| Redpalm Pty Ltd                      | Body Corporate | Australia                | 100%                  | Australia                |
| Pan African Exploration Limited      | Body Corporate | Australia                | 100%                  | Australia                |
| Peak Resources (Tanzania) Limited    | Body Corporate | Tanzania                 | 100%                  | Australia                |
| Peak African Minerals Limited        | Body Corporate | Mauritius                | 100%                  | Australia                |
| PR Ng Minerals Limited               | Body Corporate | Tanzania                 | 100%                  | Australia                |
| Peak Technology Metals Limited       | Body Corporate | United Kingdom           | 100%                  | Australia                |
| Teesside Rare Earth Elements Limited | Body Corporate | United Kingdom           | 100%                  | Australia                |
| Ngualla Group UK Limited             | Body Corporate | United Kingdom           | 100%                  | Australia                |
| Mamba Minerals Corporation Limited   | Body Corporate | Tanzania                 | 84%                   | Tanzania                 |
| Mamba Refinery Corporation Limited   | Body Corporate | Tanzania                 | 84%                   | Tanzania                 |

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Peak Rare Earths Limited, I state that:  
In the opinion of the Directors:

- (a) Subject to the matters set out in Note 2(a) to the Financial Statements there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
- (c) the attached financial statements and notes thereto for the financial year ended 30 June 2025 are in accordance with the Corporations Act 2001 and Corporations Regulations 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2025 and performance of the Group for the year ended on that date;
- (d) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;
- (e) The Directors have been given the declarations required by section 295A of the Corporations Act 2001

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors



Dr Russell Scrimshaw (AM)  
Executive Chairman  
Sydney, NSW  
29<sup>th</sup> September 2025

## CORPORATE DIRECTORY

### PEAK RARE EARTHS LIMITED

ABN:72 112 546 700

#### DIRECTORS AND OFFICERS

|                   |                         |
|-------------------|-------------------------|
| Russell Scrimshaw | Executive Chairman      |
| Abdullah Mwinyi   | Non-Executive Director  |
| Shasha Lu         | Non-Executive Director  |
| Nick Bowen        | Non-Executive Director  |
| Hannah Badenach   | Non-Executive Director  |
| Bardin Davis      | Chief Executive Officer |
| Philip Rundell    | Company Secretary       |

#### AUDITORS

Ernst and Young  
9 The Esplanade  
Perth WA 6000

#### SHARE REGISTRY

MUFG Corporate Markets (AU) Limited  
Liberty Place  
Level 41, 161 Castlereagh Street  
Sydney NSW 2000

#### REGISTERED OFFICE

Level 3  
220 St Georges Terrace  
Perth WA 6000

#### CONTACT DETAILS

Website: [www.peakrareearths.com](http://www.peakrareearths.com)  
Email: [info@peakrareearths.com](mailto:info@peakrareearths.com)  
Telephone: (08) 9200 5360  
Facsimile: (08) 9226 3831

#### SOLICITORS

Corrs Chambers Westgarth (Australia)  
Level 6  
Brookfield Place Tower 2  
123 St Georges Terrace  
Perth WA 6000

#### STOCK EXCHANGE LISTING

Australian Securities Exchange Limited  
Home Exchange: Perth, Western Australia  
Code: PEK

Bowmans Tanzania  
2nd Floor, The Luminary  
Cnr Haile Selassie and Chole Roads  
Masaki, Dar es Salaam, Tanzania

### Corporate Governance Statement

The Company has adopted the recommendations of the ASX Corporate Governance Council's Principles and Recommendations (Third Edition) in regard to the Corporate Governance Disclosures and provides disclosure of the Company's Corporate Governance Statement on the Company's website at: <http://www.peakrareearths.com/corporate-governance/>