

ASX Announcement 1 May 2023

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

Peak Receives Commitments to Complete \$27.5 Million Placement

- **Firm commitments received for a A\$27.5 million two-tranche institutional placement**
 - **Tranche 1 Placement raised approximately \$14.3 million; and**
 - **Tranche 2 Placement, which is subject to shareholder approval, is set to raise approximately \$13.2 million**
- **Strong demand received from high-quality Australian and international institutional investors**
- **Peak's largest existing shareholder, Shenghe Resources, has committed to top-up its shareholding to 19.9% through the Tranche 2 Placement**
- **The Placement follows the recent signing of a binding Framework Agreement with the Government of Tanzania and granting of a Special Mining License for the world-class Ngualla Rare Earth Project**
- **Upon settlement of the Placement, Peak will have a strong cash position and be well positioned to advance the Ngualla Rare Earth Project to a targeted Final Investment Decision by the end of September 2023**
- **The Ngualla Rare Earth Project is well-advanced with key approvals in place, a completed Bankable Feasibility Study Update¹ and a non-binding Strategic and Offtake MOU with Shenghe Resources²**
- **Binding offtake arrangements are under negotiation and financing discussions are well advanced with a broad suite of development banks, export credit agencies as well as commercial banks and lenders**
- **Barrenjoey Markets Pty Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement**

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") is pleased to announce that it has received commitments to complete a \$27.5 million two-tranche institutional placement for the issue of 55 million new fully paid ordinary shares ("**New Shares**") at an offer price of \$0.50 per New Share ("**Placement**"). Tranche one of the Placement will raise

¹ See ASX announcement "Completion of Ngualla Project BFS Update" dated 24 October 2022.

² See ASX announcement "Peak and Shenghe Sign Offtake and Strategic Co-operation MOU" dated 19 October 2022.

ASX Announcement 1 May 2023

approximately \$14.3 million and tranche two of the Placement, which is subject to shareholder approval, is set to raise approximately \$13.2 million.

Peak's largest shareholder, Shenghe Resources (Singapore) Pte Ltd ("**Shenghe**"), has committed to top-up its shareholding to 19.9% (currently 19.8%) through the Placement. Given Shenghe currently holds more than 10% of the Company's issued share capital and has a nominee director on the Peak Board, its participation will be in tranche two and subject to shareholder approval.

The Placement marks another critical step in the development of the Ngualla Rare Earth Project ("**Ngualla Project**") and follows the signing of a binding Framework Agreement with the Government of the United Republic of Tanzania ("**Government of Tanzania**") and the granting of a Special Mining License.

Commenting on the Placement, Peak's Executive Chairman, Russell Scrimshaw, said:

"Following the recent execution of a Framework Agreement and grant of a Special Mining License for the Ngualla Project, Peak can now shift its focus towards making a Final Investment Decision by the end of September 2023.

The Placement strengthens Peak's balance sheet and ensures that it is well-capitalised to commence early works, front-end engineering and design and finalise binding offtake arrangements and project financing discussions, which are progressing well.

The Placement has been well supported by Peak's existing shareholders and will further introduce a range of new, high-quality institutional investors to the register. The support shown by institutions in this Placement is testament to the significant work undertaken by the company to further de-risk development and is further validation of the world-class nature of the Ngualla Project, which is one of the highest grade and most advanced undeveloped rare earth projects globally.

On behalf of Peak's Board and management, I wish a warm welcome to our new shareholders and thank all of our existing shareholders for their continued support."

Use of Proceeds

Proceeds from the Placement will be applied to the following purposes:

1. Pre-Final Investment Decision ("FID") Development Costs:

- Commencement of early works;
- Front End Engineering Design ("**FEED**") and construction contracts;
- Updated environment and social studies; and
- External consultants.

ASX Announcement 1 May 2023

2. Corporate, Exploration and Other Costs:

- General corporate overheads;
- Working capital requirements;
- Exploration and drilling expenditure;
- Project financing costs (including debt advisor and legal costs); and
- Offer costs (including Joint Lead Managers and legal costs).

Placement Details

New Shares under the Placement will be issued in two tranches:

1. the Company will issue approximately 28.6 million New Shares at an offer price of \$0.50 per New Share, raising a total of approximately \$14.3 million before costs ("**Tranche 1 Placement**"); and
2. subject to shareholder approval, the Company proposes to issue approximately 26.4 million New Shares at an offer price of \$0.50 per New Share, raising a total of approximately \$13.2 million before costs ("**Tranche 2 Placement**").

The offer price of \$0.50 per New Share represents a:

- 20% discount to the last closing price of Peak shares before announcing the Placement of \$0.625 on 26 April 2023; and
- 25.3% discount to the 5-day volume weighted average price of \$0.67 per share up to and including 26 April 2023.

New Shares under the Tranche 1 Placement will be issued within the Company's existing placement capacity in accordance with ASX Listing Rule 7.1. Settlement of the Tranche 1 Placement is expected to occur on 4 May 2023, with New Shares to be allotted on 5 May 2023.

Completion of the Tranche 2 Placement is subject to shareholder approval, which will be sought at an Extraordinary General Meeting expected to be held in mid June 2023. Pending shareholder approval, settlement of New Shares under the Tranche 2 Placement is expected to occur shortly thereafter.

New Shares issued under the Placement will rank equally with the Company's existing fully paid ordinary shares from the date of issue.

The Placement is not underwritten. Barrenjoey Markets Pty Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement. Corrs Chambers Westgarth acted as legal adviser to the Company.

ASX Announcement 1 May 2023

Indicative Timetable

Event	Date
Trading halt	Thursday, 27 April 2023
Announcement of Placement completion	Monday, 1 May 2023
Trading halt lifted – trading resumes on the ASX	Monday, 1 May 2023
Settlement of New Shares issued under the Tranche 1 Placement	Thursday, 4 May 2023
Allotment and normal trading of New Shares issued under the Tranche 1 Placement	Friday, 5 May 2023
EGM to approve the Tranche 2 Placement	Mid June 2023
Settlement of New Shares issued under the Tranche 2 Placement	Mid June 2023
Allotment and normal trading of New Shares issued under the Tranche 2 Placement	Mid June 2023

This timetable is indicative only and the Company may, at its discretion and without notice, vary any of the above dates, subject to the ASX Listing Rules and the Corporations Act and other applicable laws. The commencement of trading and quotation of New Shares is subject to ASX confirmation. The Company reserves the right to withdraw the Placement (or any part of it) without notice.

All amounts are in Australian dollars unless otherwise specified.

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

Bardin Davis

Chief Executive Officer

Peak Rare Earths

Media inquiries:

Michael Vaughan

Fivemark Partners

+61 422 602 720

For personal use only



ASX Announcement 1 May 2023

Forward Looking Statements

This announcement contains forward-looking information which is based on the assumptions, estimates, analysis and opinions of management and engaged consultants made in light of experience and perception of trends, current conditions and expected developments, as well as other factors believed to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Assumptions have been made by the Company regarding, among other things: the commodity prices, the timely receipt of required approvals, the accuracy of capital and operating cost estimates, the completion of studies on its exploration and development activities, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Readers should not place undue reliance on forward-looking information. Neither the Company nor its directors undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.