

A defining partnership to underpin the Ngualla Project

Binding offtake agreement and non-binding strategic EPC and funding MOU

August 2023



ASX: PEK



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Peak and Shenghe ... a defining partnership

Messages from Peak's Executive Chair ...

1. Transformative partnership for Peak, Shenghe and the Ngualla Project
2. Provides Peak with an integrated offtake, development and funding pathway
3. Supported by Shenghe's strong market, technical and financial position
4. Builds on the substantial de-risking already undertaken by Peak's new leadership
5. Lays the foundation for Peak to be positioned as the next major rare earth player



"Shenghe regards the Ngualla Project as the premier undeveloped rare earth project in the world. We are excited to be partnering with Peak, and its Tanzanian entity Mamba Minerals, in the development of this world-class project through the provision of offtake, technical and funding support."

- Mr. Huang Ping, Deputy Executive Chairman of Shenghe Resources Holding Co., Ltd

Peak ... positioned to be the next rare earth producer

A binding offtake agreement with a pathway to an integrated development and funding solution for the Ngualla Project

De-risking milestones already achieved ...



Technical

- Completion of BFS Update¹
- Commencement of FEED and Early Works



Regulatory

- Execution of FWA and grant of Special Mining Licence²
- All key approvals and licences in place



Leadership

- Strengthening of Board of Directors and management
- Appointment of Mamba Directors

...with a binding offtake and strategic non-binding EPC and funding MOU³



Binding offtake

- Binding offtake solution for 100% of concentrate production
- Robust terms and tenor that underpin funding of project



Funding

- Pathway to complete funding solution for Ngualla Project
- Future debt raising and equity dilution to be minimised by Shenghe project-level investment



Project execution

- Fixed-price and turnkey EPC execution model
- Further optimisation opportunities with reputable EPC partners

Shenghe offtake agreement ... a binding and complete solution

Peak is uniquely positioned with a binding offtake solution for 100% of its concentrate

Offtake agreement – key terms ...

Products	<ul style="list-style-type: none">• 100% of concentrate production• 50% of MREC and separated oxide production
Take-or-Pay	<ul style="list-style-type: none">• Shenghe¹ obligated to pay for and take delivery
Pricing	<ul style="list-style-type: none">• Market-based pricing formula²• Reflects value of contained rare earth elements after deductions
Term	<ul style="list-style-type: none">• Initial 7-year term• May be extended by mutual agreement
Conditions include	<ul style="list-style-type: none">• Approvals from Peak shareholders, Mamba board, Shenghe¹ board and/or shareholders and Tanzanian Mining Commission
Termination	<ul style="list-style-type: none">• Right to terminate where financial close on project funding not been achieved within 6 months of the FEED

... and points of strengths

✓	Complete concentrate offtake solution
✓	Preserves optionality to move further downstream into an MREC³ or refined oxide
✓	Strategically important project and source of offtake for Shenghe
✓	Shenghe is well capitalised and the largest importer of rare earth concentrate into China
✓	Supported by a non-binding EPC and funding MOU
✓	Termination right creates a strong incentive for Shenghe to deliver a timely and attractive funding solution

Ngualla concentrate ... a highly desirable product

Binding offtake agreement with Shenghe delivers attractive payabilities across rare earth pricing cycle

Ngualla bastnaesite concentrate key features

Mineralogy

- Bastnaesite mineralogy – optimum mineralogy for existing refining capacity within China
- Avoids higher processing charges associated with monazite based products

NdPr %

- LOM NdPr % of 22.3%¹ – one of the highest on the market
- NdPr % of 22.6%¹ across first six years of production
- Over 92%² of revenue associated with contained NdPr

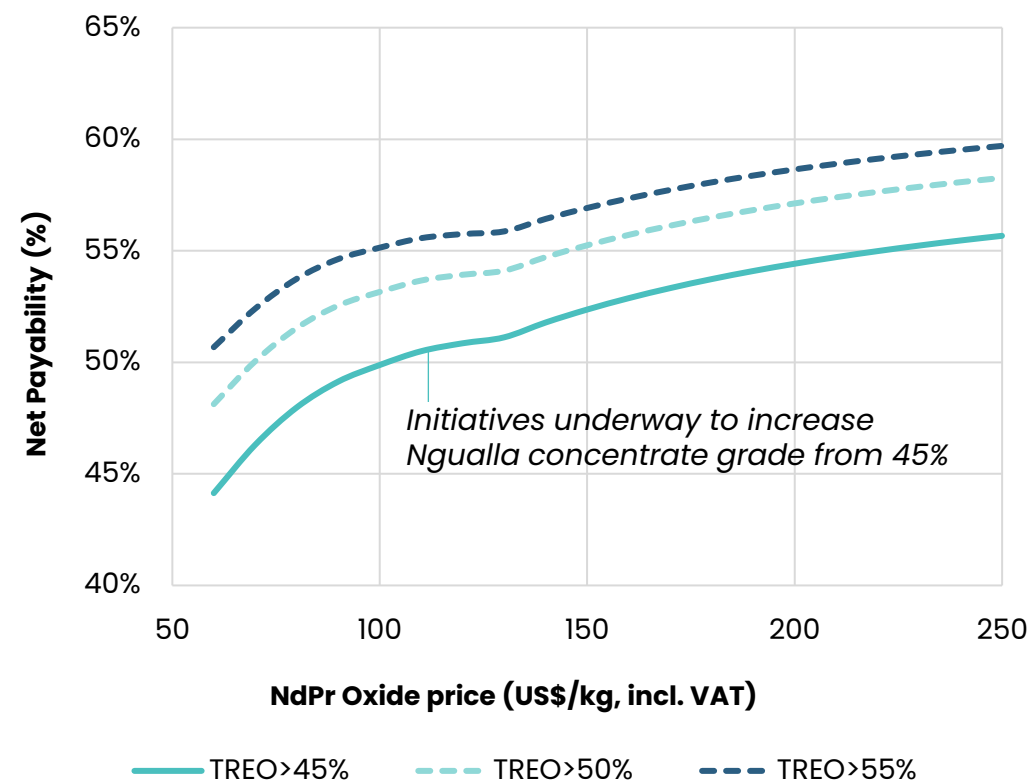
Grade

- Currently targeting a product grade of at least 45.0% TREO – similar to other concentrate products on market
- Evaluation of several flowsheet initiatives underway⁴ that could materially increase product grade

Deleterious elements

- Minimal radionuclides (U / Th) – avoids significant waste management charges from refiner
- Low levels of acid consuming minerals such as calcite and dolomite – reduces processing costs

Net payability of Ngualla concentrate³ (at different concentrate grades)



1. Based on BFS Update for the Ngualla Project completed on 24 October 2022.

2. Based on current spot prices including an NdPr Oxide price of US\$65/kg, an LaCe Carbonate price of US\$0.5/kg and a SEG concentrate price of US\$33/kg

3. Based on a LaCe Carbonate price of US\$0.5/kg and a SEG concentrate price of US\$33.43/kg. Assumes Ngualla concentrate specifications of 22.3% NdPr, 44.2% Ce, 30.1% La and 2.9% SEG Heavy (LOM averages). Payabilities are inclusive of a VAT deduction (e.g., based on a final price payable to Peak)

4. See June 2023 Quarterly Activities Report completed on 31 July 2023

Strategic non-binding MOU ... an integrated offtake, development and funding pathway

Supports further optimisation, a fixed price solution and limits equity requirements

Non-binding MOU – key terms ...

EPC delivery

- Shenghe to deliver an EPC solution¹
- Potential to appoint BGRIMM as EPC sub-contractor

Project funding

- Shenghe to source a project funding solution¹
- Terms to be mutually acceptable to Peak and Shenghe

Project investment

- Potential for Shenghe to subscribe for a significant, non-controlling investment in the Ngualla Project²

Standstill

- Standstill provisions remain in place
- Limits Shenghe to a max. 19.9% interest in Peak

Term

- MOU expires on 31 May 2024 (6 months after FEED)
- Can be extended by mutual agreement

... and points of strengths



Complements the Offtake Agreement and provides for an integrated offtake, development and funding solution



Supports a fixed price and turnkey EPC solution



Leverages the technical strengths of Shenghe and BGRIMM to further optimise the Ngualla Project



Potential for Shenghe to secure a significant non-controlling project interest will limit Peak's debt and equity funding requirements



Enables Peak to retain a controlling interest in the Ngualla Project

Integrated solution... supported by strong and well credentialed partners

Shenghe is a well capitalised and technically strong strategic partner that can draw upon EPC support from BGRIMM

Shenghe overview



盛和资源

- ✓ Peak's **largest shareholder** with ~19.8% shareholding
- ✓ Current **investment** in Peak **+A\$45m**
- ✓ Shanghai listed non-SOE with ~**US\$3.1b** market capitalisation
- ✓ **Largest importer of rare earth concentrate** into China
- ✓ Internationally recognised expertise in mining and processing **bastnaesite mineralisation**
- ✓ Key strategic partner **and ~8% shareholding in MP Materials** (NYSE:MP; market cap ~US\$4.0b)

Shenghe overseas rare earths investments



9.2% holding



Undisclosed holding



7.8% holding



90% holding



19.8% holding



BGRIMM overview¹



BGRIMM TECHNOLOGY GROUP

Shenghe has the right to appoint BGRIMM as EPC sub-contractor

- ✓ **Largest mining related** research and design institution within China
- ✓ Strong **rare earth value chain** and **African** experience
- ✓ Involved in the engineering and design of Shenghe's **Lianyungang and Dalucao rare earth facilities**
- ✓ Core businesses include technical and engineering services in **non-ferrous commodities and flotation technology**

Select BGRIMM projects



盛和资源

Engineering and design for the beneficiation circuit of Shenghe's Lianyungang rare earth plant in China



Previous metallurgical work for Arafura's Nolan's rare earth refinery in Australia



Led overall delivery of Huayou's PE527 mine copper-cobalt mine in the Democratic Republic of Congo

1. BGRIMM stands for the Beijing General Research Institute of Mining and Metallurgy

Strategic non-binding MOU ... provides a pathway to an actionable funding solution

Funding strategy aims to minimise future debt and equity raising requirements and dilution to Peak shareholders



Primary funding source

- ✓ Peak and Shenghe seek to further optimise the project and reduce development costs
- ✓ Shenghe subscribes for a significant non-controlling investment in Ngualla Group UK Limited¹
- ✓ Shenghe to fund disproportionate share of upfront capital in exchange for effective project stake



Residual funding sources

Shenghe to deliver solution for any residual funding requirements which may include:

- ✓ A prepayment structure for concentrate offtake
- ✓ A loan / standby debt facility to Peak
- ✓ External funding via Chinese commercial and policy banks



Full funding solution for the Ngualla Project

- ✓ Minimises future equity dilution to Peak shareholders
- ✓ Utilises Shenghe's strong balance sheet and banking relationships
- ✓ Reduces requirement for third-party funding

FE	FE
De	De
Fu	Fu
En	En
Fi	Fi
C	C
C	C
Re	Re
Fi	Fi

First concentrate scheduled for April 2026, 24 months after a Final Investment Decision

	2023	2024	2025	2026
	A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A J J A S O N D
FEED				
Decision on EPC / EPCM model				
Funding discussions				
Enabling Works and Early Works				
Final Investment Decision (FID)				
Construction				
Commissioning				
Ramp-up				
First concentrate				

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