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(ABN 72 112 546 700)

Half Year Report

31 December 2013

COMPANY DIRECTORY

Non-Executive Chairman

Alastair Hunter

Managing Director

Darren Townsend

Technical Director

David Hammond

Non-Executive Director

Jonathan Murray

Company Secretary

Jeffrey Dawkins

Principal and Registered Office

Level 2

46 Ord Street

WEST PERTH WA 6005

Telephone: (08) 9200 5360

Facsimile: (08) 9226 3831

Auditors

Ernst & Young

11 Mounts Bay Road

PERTH WA 6000

Share Registrar

Link Market Service Limited

Level 12, 680 George Street

SYDNEY NSW 2000

Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: PEK

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Director's Report

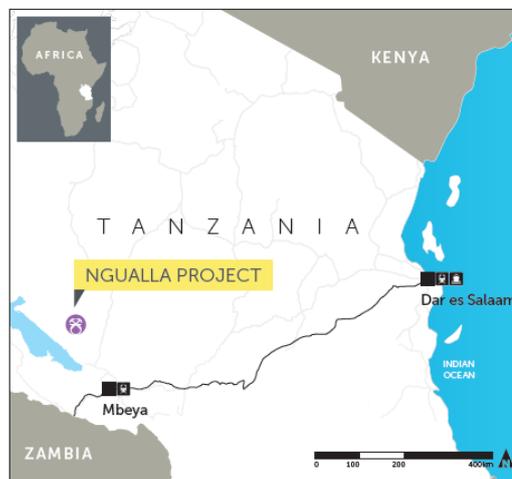
Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Alastair Hunter	Non-Executive Chairman
Darren Townsend	Managing Director *
David Hammond	Technical Director
Jonathan Murray	Non-Executive Director

*appointed 3 February 2014



Location of the Ngualla Project, Tanzania

Operating Results

Net operating loss after tax attributable to members of the entity for the half-year ended 31 December 2013 was \$1,501,006 (2012: Net operating loss after tax of \$2,143,932).

Review of Operations

Significant progress continues to be made towards the development and commercialisation of the Ngualla Rare Earth Project into a long life, low cost producer of high purity rare earth products.

A summary of the Company's operations over the last six months is as follows:

Solvent Extraction Pilot Plant

The operation of the Solvent Extraction (SX) Pilot Plant at ANSTO Minerals near Sydney was concluded early in the December Quarter. The successful completion of this final processing stage is a significant milestone and positions Peak as one of a select few companies outside of China to have practically demonstrated the entire process route from feed mineralisation to high purity separated rare earth oxide products (Figure 1).

The SX Pilot Plant operation has also been important in providing quantified operating data to accurately determine separation plant capital and operating costs for input into the Preliminary Feasibility Study (PFS) as well as final product samples for evaluation by potential off-take partners.

The program commenced in February 2013 with the preparation of a feed for the SX plant from a 1.3 tonne bulk sample of weathered Bastnaesite Zone mineralisation from Ngualla. ANSTO Minerals treated this sample using the simple sulphuric acid recovery process.



Photo: ANSTO Minerals Rare Earth Separation Facility

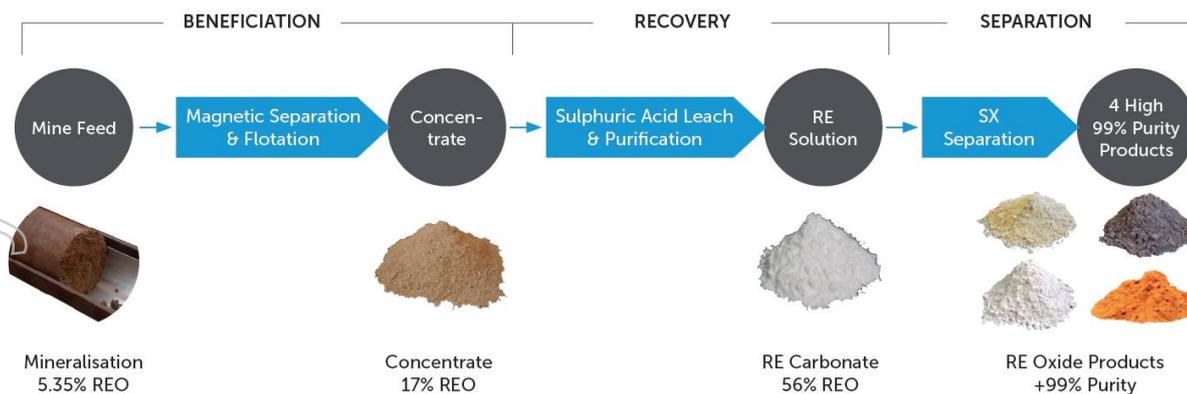


Figure 1: Photographs of Ngualla's mineralisation and products through the mineral process

Four high-purity rare earth oxides have been produced: neodymium-praseodymium oxide, mid-heavy rare earth oxide, lanthanum oxide and cerium oxide. Laboratory Services International (LSI), London Metal Exchange (LME) certified laboratory, confirmed that both the neodymium-praseodymium oxide and mid-heavy rare earth oxide exceed 99.9% REO purity. Importantly, the radioactive elements of thorium and uranium were below the detection limit of 0.5 parts per million (<0.00005%).

Preliminary Feasibility Study

The Preliminary Feasibility Study (PFS) has advanced with the metallurgical test work and most other major work components and associated expenditures now completed. The Study will include a revised economic assessment and be followed closely by a maiden Reserve estimate for the Ngualla Project, all being on track for completion prior to the end of the first quarter of 2014.

The PFS builds on the Revised Scoping Study (ASX Announcement 29th May 2013) using more detailed engineering studies, cost estimations, updated rare earth pricing and data from the additional metallurgical test work programs, solvent extraction pilot plant and other studies. The focus of the Study is to evaluate the potential for the development of a rare earth mine and associated beneficiation, recovery and separation plants to produce 10,000 tonnes per annum of high purity (+99% REO) separated rare earth oxide products.

Specialist consultants Simulus Engineers have developed a sophisticated computer based simulation model for the entire mineral process (Figure 1) from feed mineralisation to high purity separated oxides as part of the PFS. The model brings together all the data gathered from the extensive metallurgical test work programmes and combines it with engineering designs. The model will enable Peak to quickly simulate a number of differing operating conditions and processing scenarios, and identify the impact that these variables have on the overall efficiency and productivity of the process.

Community Responsibility

Peak Resources is committed to improving the communities in which it operates whilst maintaining best practise environmental management. Through provisions of employment opportunities, training, purchase of local products and funding for local building projects, win-win relationships have been established with the local community.

The Ngwala community identified a need to attract school teachers to the village by offering suitable accommodation. Peak addressed this need by fully funding the building of a duplex house which can accommodate two teachers and their families. The completed house was handed over during the third quarter 2013 and work is already progressing on an additional two houses (Figure 2).



Figure 2: Construction of a second duplex house for Ngwala Primary School teachers. The first duplex completed earlier in the 2013 can be seen in the background.

Corporate

Appointment of Managing Director

Subsequent to the end of December 2013, the Company announced the appointment of Mr Darren Townsend as Managing Director. Mr Townsend has extensive project development, operational and corporate experience in strategic metals that will be of immense value as Peak moves forward with the development of the Ngualla Rare Earth Project.

Mr Townsend has substantial corporate experience at Managing Director and Chairman level in both ASX and TSXV listed Companies. Mr Townsend's most recent position was as President and Chief Executive Officer of TSXV listed Pacific Wildcat Resources Corp where he has led the Company's activities since 2008. During this period he has overseen the development of a tantalum mine in Mozambique and the acquisition and evaluation of a niobium and rare earth project in Kenya.

Chinese Rare Earth Producer MoU

The Company announced the signing of a Memorandum of Understanding (MoU) with a Chinese rare earth producer with the objective of developing the 100% Peak owned Ngualla Rare Earth Project on 18th December 2013.

A partnership between Peak and the Chinese company with its established rare earth processing and separation facilities, leading technical expertise and marketing network has the potential to provide great impetus of the successful development of the Ngualla Project into a major and low cost rare earth producer.

While the MoU is non-binding, it provides the agreed framework to formalise arrangements for a long term strategic partnership to develop the Ngualla Rare Earth Project in Tanzania. Discussions are continuing with a view to formalise the terms of the partnership and bulk samples of Ngualla's mineralisation have been despatched to China to allow the assessment and metallurgical optimisation test work to proceed.

Research and Development Grant

On 15 October the Company announced that a research and development (R&D) rebate of \$1.39 million was received under the Federal Government's Research and Development Tax Incentive Scheme.

Non Renounceable Entitlement Issue

On 5th December the Company announced a non-renounceable rights issue for the issue of 55.1m fully paid ordinary shares ("New Shares") on a pro rata one-for-five entitlement at an issue price of \$0.06 together with one free attaching option ("New Options") to acquire a fully paid ordinary share for every one New Share subscribed for and issued. The New Options are exercisable at \$0.10 each on or before 30 June 2015.

On the 22 January 2014, the company announced that the entitlement issue had closed oversubscribed by \$0.2m with the over subscription being issued out of the Company's 15% placement capacity under the listing rules.

Events Subsequent to Reporting Date

Other than the close of the non-renounceable entitlements issue and the appointment of Mr Townsend, both noted above, there have been no material events occurring subsequent to reporting date

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst Young to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 of this half year financial report. This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Darren Townsend
Managing Director

Dated this 13th day of March 2014

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
11 Mounts Bay Road
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 Resources Limited

In relation to our review of the financial report of Peak Resources Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

R J Curtin
Partner
Perth
13 March 2014

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STATEMENT OF COMPREHENSIVE INCOME For the Half Year Ended 31 December 2013

	Notes	Consolidated	
		31 December 2013 \$	31 December 2012 \$
Interest received		15,815	79,262
Other Revenue		5,283	-
Gross profit from operations		21,098	79,262
Employee benefits expenses		(718,090)	(813,455)
Share based payments expenses		-	(96,994)
Impairment/Write off of capitalised exploration costs		(21,784)	(13,212)
Impairment on Investment in Stratum Metals Ltd		(64,000)	-
Depreciation and amortisation expenses		(24,725)	(27,966)
Administrative and other costs		(693,505)	(1,271,567)
		(1,501,006)	(2,223,194)
Loss before income tax expense	3	(1,501,006)	(2,143,932)
Income tax expense		-	-
Net loss for the period		(1,501,006)	(2,143,932)
Other comprehensive income			
<i>Items which may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		192,248	(41,775)
Other comprehensive loss for the period net of tax		192,248	(41,775)
Total comprehensive loss for the period		(1,308,758)	(2,185,707)
Loss per share (in cents)			
Basic and diluted loss per share		(0.54)	(0.90)

The statement should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	Consolidated	
		As at 31 December 2013 \$	As at 30 June 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		841,196	2,463,309
Trade and other receivables		787,256	2,501,329
Prepayments		136,610	139,740
Total current assets		1,765,062	5,104,378
Non-current assets			
Property, Plant and equipment		93,125	121,315
Capitalised exploration and evaluation costs	4	33,501,220	32,439,935
Available for Sale Investments		40,000	104,000
Total non-current assets		33,634,345	32,665,250
Total assets		35,399,407	37,769,628
LIABILITIES			
Current liabilities			
Trade and other payables		572,987	1,277,209
Provisions		55,754	74,809
Short Term Loans		-	315,000
Total current liabilities		628,741	1,667,018
Total liabilities		628,741	1,667,018
Net Assets		34,770,666	36,102,610
EQUITY			
Contributed Equity	5	51,514,703	51,537,888
Reserves	6	1,772,415	1,580,168
Accumulated losses		(18,516,452)	(17,015,446)
Total equity		34,770,666	36,102,610

The statement should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
For the Half Year Ended 31 December 2013

	Consolidated	
Notes	31 December 2013 \$	31 December 2012 \$
OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,544,448)	(2,434,258)
Interest received	17,753	78,639
R&D Tax Rebate Received	1,690,381	-
Cash used in operating activities	163,685	(2,355,619)
INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(1,765)	(54,429)
Proceeds from sale of non-current assets	2,489	-
Payment for acquisition of Zari exploration tenements	-	-
Payment for exploration and evaluation costs	(1,402,766)	(4,541,657)
Cash used in investing activities	(1,402,041)	(4,596,086)
FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	8,102,073
Cost of issuing equity shares	(23,185)	(466,933)
Repayment of borrowings	(315,000)	-
Cost of borrowings	(19,875)	-
Cash generated from financing activities	(358,060)	7,635,140
Net (decrease)/ increase in cash and cash equivalents held	(1,596,416)	683,435
Balance at the beginning of the year	2,463,308	3,562,868
Effect of foreign currency translation	(25,696)	(13,840)
Balance at the end of the half year	841,196	4,232,463

The statement should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
For the Half Year Ended 31 December 2013

	Consolidated				
	Contributed Equity	Share based payment reserve	Foreign Currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
At 1 July 2012	41,740,020	697,127	(34,113)	(14,148,062)	28,254,972
Loss for the period	-	-	-	(2,143,935)	(2,143,935)
Other comprehensive income	-	-	(41,775)	-	(41,775)
Total comprehensive loss for the year	-	-	(41,775)	(2,143,932)	(2,185,707)
Equity issued (note 5)	8,102,075	-	-	-	8,102,075
Equity based payments	-	96,994	-	-	96,994
Transaction costs	(466,933)	-	-	-	(466,933)
At 31 December 2012	49,375,162	794,121	(75,888)	(16,291,994)	33,801,401
At 1 July 2013	51,537,888	1,066,866	513,301	(17,015,446)	36,102,609
Loss for the period	-	-	-	(1,501,006)	(1,501,006)
Other comprehensive income	-	-	192,248	-	192,248
Total comprehensive loss for the period	-	-	192,248	(1,501,006)	(1,308,758)
Equity issued (note 5)	-	-	-	-	-
Equity based payments	-	-	-	-	-
Transaction costs	(23,185)	-	-	-	(23,185)
At 31 December 2013	51,514,703	1,066,866	705,549	(18,516,452)	34,770,666

The statement should be read in conjunction with accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2013

1 Corporate information

The financial report of Peak Resources Limited for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 13 March 2014.

Peak Resources Limited is a 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 introduction to the Annual Report.

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

2 Statement of significant accounting policies

a) Statement of compliance

The half-year consolidated financial statements are a general purpose condensed financial report prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Peak Resources Limited and its subsidiary during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year except as set out below.

b) Basis of preparation

The half-year report has been prepared on an accruals basis and is based on historical cost. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

c) Significant accounting judgment and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

d) Going Concern

The Directors are satisfied the company will continue as a going concern and thus it is appropriate to prepare the financial statements on this basis. The company had a closing cash balance at 31 December 2013 of \$841,196 (30 June 2013: \$2,463,309) and a net current asset position of \$1.136m (30 June 2013: \$3.437m).

On 22 January 2014, the Company announced that the entitlement offer had closed over-subscribed raising \$3,520,335.

e) Adoption of new and revised accounting standards

New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2013, except for the adoption of new and amended standards and interpretation noted below:

2 Statement of significant accounting policies

- AASB 10 Consolidated Financial Statements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
- AASB 119 Employee Benefits (revised 2011)
- AASB 2012-2 Amendment to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

Accounting policies have been updated as a result of the new and amended standards, however the adoption of the above had no material impact on the financial position or performance of the Group.

3 LOSS BEFORE INCOME TAX EXPENSE

Consolidated

	31 December 2013	31 December 2012
	\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Interest received – from third parties	15,815	79,262
Gain on Sale of Non-Current Assets	2,489	-
Employee benefits expenses	(718,090)	(813,455)
Administrative and other costs		
- Corporate and compliance	(39,319)	(219,577)
- Occupancy expenses	(116,570)	(102,850)
- Other expenses	(472,271)	(567,705)
- Travel & Entertainment	(65,345)	(277,172)

4 CAPITALISED EXPLORATION AND EVALUATION COSTS

Consolidated

	31 December 2013	31 December 2012
	\$	\$

Movement in carrying amount:

Balance at the beginning of the year	32,439,935	25,704,407
Expenditure capitalised during the year	1,083,069	4,570,893
Impairment/Write off of exploration expenditure recognised during the year	(21,784)	(13,212)
Balance at the end of the half year	33,501,220	30,262,088

Capitalised areas of interest

	31 December 2013	30 June 2013
Ngualla Rare Earths Project, Tanzania	33,430,469	32,439,935
Lake Victoria Gold Fields, Tanzania	70,751	-
	33,501,220	32,439,935

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of the respective exploration areas.

Deferred exploration and evaluation expenditure is assessed for impairment by the Directors when facts and circumstances suggest that the carrying amount exceeds the future economic benefits that may be recovered from the asset. This assessment is performed when the above circumstances occur and at every reporting date.

5 CONTRIBUTED EQUITY

	Issue Date	Nos.	\$
Balance at 30 June 2012		207,064,302	41,740,020
Placement \$0.17 per share	06-Aug-12	15,529,822	2,640,070
Placement \$0.17 per share	13-Sept-12	16,823,120	2,859,930
Share Purchase Plan \$0.17 per share	20-Sept-12	15,306,309	2,602,073
Placement at \$0.12 per share	17-May-13	20,833,333	2,500,000
Equity Issue Costs			(804,204)
Balance at 30 June 2013		275,556,886	51,537,888
Balance at 30 June 2013		275,556,886	51,537,888
Equity Issue Costs			(23,185)
Balance at 31 December 2013		275,556,886	51,514,703

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.

Options over ordinary shares

There were no options exercised during the reporting period.

At the end of the reporting period, there were 7,941,667 unlisted options over unissued shares and there were 51,659,251 listed options over ordinary shares as follows:

Date of Expiry	Type	Exercise Price	Number under Option	Vesting date
26 May 2014	Unlisted Options	\$1.50	1,000,000	Vested
20 February 2017	Unlisted Options	\$0.55	6,250,000	Vested
24 February 2014	Unlisted Options	\$0.75	541,667	Vested
3 March 2018	Unlisted Options	\$0.55	150,000	Vested
31 July 2014	Listed Options	\$0.25	51,659,251	Vested

6 RESERVES

	Share based payment reserve	Foreign Currency translation reserve	Total
	\$	\$	\$
At 30 June 2012	697,127	(34,113)	663,014
Share based payment 2013	369,739	-	369,740
Exchange difference on translation of foreign operations	-	547,414	547,414
30 June 2013	1,066,866	513,301	1,580,168
Share based payment 2013	-	-	-
Exchange difference on translation of foreign operations	-	192,248	192,248
As at 31 December 2013	1,066,866	705,549	1,772,415

The share based payment 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 is used to recognise exchange difference arising from translation of foreign operations to the Australian dollar.

7 OPERATING SEGMENTS

The Group operates in one operating segment, namely exploration and evaluation of mineral resources. The two geographic segments of the Group's operations are:

- Tanzania – the Group's exploration activities are carried out in Tanzania; and
- Australia – 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.

	31 December 2013			31 December 2012		
	Tanzania	Australia	Total	Tanzania	Australia	Total
	\$	\$	\$	\$	\$	\$
Finance income		15,815	15,815	-	79,262	79,262
Other Income		5,283	5,283	-	-	-
Total Revenue		21,098	21,098	-	79,262	79,262
Depreciation and amortisation	(7,948)	(16,777)	(24,725)	(8,268)	(19,698)	(27,966)
Impairment of exploration and evaluation costs	(14,939)	(6,845)	(21,784)	(13,212)	-	(13,212)
Impairment of Investments		(64,000)	(64,000)	-	-	-
Share based payment expenses			-	-	(96,994)	(96,994)
Other Expenses	(256,723)	(1,154,872)	(1,411,596)	(186,786)	(1,898,233)	(2,085,019)
Total expenses	(279,610)	(1,242,494)	(1,522,105)	(208,266)	(2,014,926)	(2,223,192)
Segment results	(279,610)	(1,221,396)	(1,501,007)	(208,266)	(1,935,664)	(2,143,930)
	31 December 2013			30 June 2013		
	\$	\$	\$	\$	\$	\$
Segment assets	34,349,732	1,049,675	35,399,407	33,207,260	4,562,367	37,769,627
Segment liabilities	57,799	570,942	628,741	777,1452	895,877	1,667,018

8 FINANCIAL INSTRUMENTS

The financial instruments of the group comprise of (i) cash and cash equivalents; (ii) trade and other receivables; and (iii) 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. The Group has various other financial instruments such as trade debtors and trade creditors which arise directly from its 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.

	31 December 2013	30 June 2013
	\$	\$
Cash and Cash Equivalents	841,196	2,463,309
Available for Sale Investment	40,000	104,000
Trade and Other Receivables	787,256	2,501,329
Trade and Other Payables	(572,987)	(1,277,209)

The carrying amount of financial instruments closely approximates their fair value on account of short maturity cycle. The fair value of the available for sale asset is derived from quoted market prices in active markets, and as such is classified as Level 1 in the fair value hierarchy. There are nil Level 2 or Level 3 instruments at 31 December 2013, nor were there any transfers between levels during the period.

9 CONTINGENT LIABILITIES

Peak Resources Limited had no commitments to purchase property, plant and equipment or contingent liabilities at half year end.

10 EVENTS SUBSEQUENT TO REPORTING DATE

On 5 December 2013, the Company announced a one for five pro rata non-renounceable entitlement issue (Entitlement Issue or Offer) of approximately 55,111,377 fully paid ordinary shares at an issue price of \$0.06 per New Share to raise up to approximately \$3,306,683.

The Offer also included one free attaching option to acquire an ordinary share for every one new share subscribed for and issued. The new options are exercisable at \$0.10 each on or before 30 June 2015

On 22 January 2014, the Company announced that the entitlement offer had closed over-subscribed raising \$3,520,335 with the over subscription being issued out of the Company's 15% placement capacity under the listing rules.

On 3rd February 2014, the Company announced the appointment of Darren Townsend as Managing Director with Alastair Hunter resuming the role Non-Executive Chairman.

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DIRECTORS' DECLARATION

In the opinion of the directors of Peak Resources Limited ('the company'):

The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

- a. complying with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Darren Townsend
Managing Director

Dated this 13th day of March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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

To the members of Peak Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Peak Resources Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peak Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peak Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Ernst & Young logo, featuring the company name in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R J Curtin'.

R J Curtin
Partner
Perth
13 March 2014

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