

30 December 2015

DEVELOPING A LOW COST RARE EARTH PROJECT

Concentrate grades exceed expectations in pilot plant testwork

Peak Resources Limited ("**Peak**" or the "**Company**"; **ASX Code: PEK**) is pleased to announce the successful completion of the Beneficiation Pilot Plant testwork at ALS Metallurgy (**ALS**) Perth.

Highlights

- **Pilot Plant grade/recovery curve superior to results from bench scale testwork**
- **Concentrate grades of up to 52% REO achieved with an average of 40% REO**
- **Robustness of the flowsheet confirmed in steady state operation**
- Continuous production runs of up to five days
- Targeted production of two dry tonnes of concentrate achieved
- Leach plant piloting on the mineral concentrate produced scheduled to commence in January 2016

Peak's Managing Director, Darren Townsend, commented "We are very pleased to have successfully completed this important milestone. The results show the robustness of the proposed beneficiation flowsheet and the ability to scale up to commercial operation. Congratulations to the Peak/ALS/AMECFW team for successfully achieving this significant project de-risking step. The ability to achieve these concentrate grades is a significant differentiator for the Ngualla Project."

Technical Report

Beneficiation Pilot Plant

Further to Peak's ASX announcement titled "**Peak Commences Beneficiation Pilot Plant**" of 2 November 2015, Peak is pleased to announce the successful completion of the beneficiation Pilot Plant testwork at ALS in Perth.

The 56 dry tonne bulk sample of typical weathered bastnaesite mineralisation was transported to Perth, coarse crushed and homogenised to form a single sample grading 5.9% REO. The bulk sample was piloted at a feed rate of 250 kg/hour using Peak's unique two stage flotation process as illustrated in Figure 1.

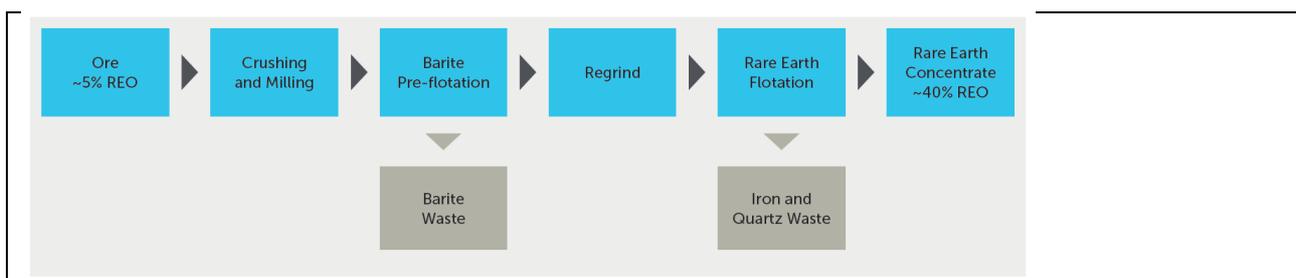


Figure 1 – Two Stage Flotation process developed by Peak

The Pilot Plant was commissioned utilising 10 tonnes of bulk sample to set up and optimise the comminution and flotation parameters. Once optimised, the circuit was then run for two campaigns on the barite pre-float and for three campaigns on the rare earth float. Representatives from Peak's engineer, AMEC Foster Wheeler (**AMECFW**) and equipment vendors were in attendance for this period. The Pilot Plant testwork successfully achieved the following criteria:

- Sustained operation in steady state demonstrating the beneficiation process is robust and reproducible on mineralisation deemed representative of the first five years of mill feed
- Provision of vital operating and design parameters for incorporating into the Bankable Feasibility Study
- The production of two tonnes of dry concentrate grading 40% REO to be used in piloting the next stage Leach Recovery process at ANSTO. This represents a concentrate of approximately 55% bastnaesite by weight.

The two tonnes of bastnaesite concentrate has been prepared and is in transit to ANSTO in Sydney. This concentrate will be used in the Leach Recovery pilot plant testwork due to commence in January 2016.

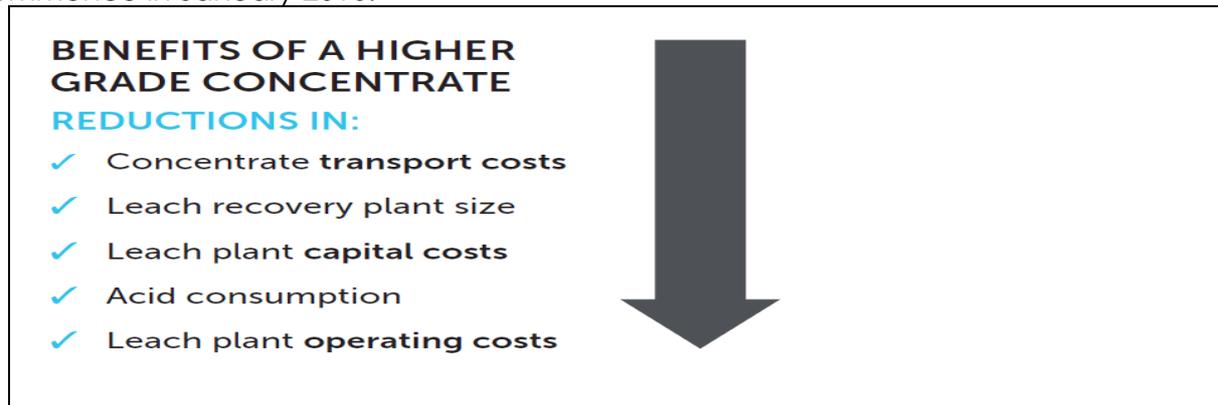


Figure 2 – Benefits of the Beneficiation process developed for Peak's bastnaesite mineralisation

About Peak

Peak is an ASX listed Company developing the Ngualla Rare Earth Project in Tanzania in conjunction with its partners Appian and IFC. Ngualla is a large, high grade, rare earth deposit, particularly rich in the high growth magnet metals neodymium and praseodymium. Peak has commenced the Bankable Feasibility Study on the Ngualla Project and has appointed AMEC Foster Wheeler as the lead engineer for the study.

About Appian

Appian Natural Resources Fund is a private equity fund which has been established to invest specifically in the metals and mining sector. Appian has a uniquely collaborative investment approach that seeks to partner with local owners, managers and investors to leverage its world-class operational and corporate finance expertise. With this value-add approach and long-term investment horizon, it aims to generate significant value for the investors and other stakeholders of both the Company and Appian. For more information, visit www.appiancapitaladvisory.com

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in about 100 countries, IFC use their capital, expertise and influence to help eliminate extreme poverty and boost shared prosperity. In FY14, IFC provided more than US\$22 billion in financing to improve lives in developing countries and tackle the most urgent challenges of development. For more information, visit www.ifc.org