

Single-minded approach to rare earths offers compelling proposition to large investors

Peak Resources Limited (ASX: PEK) is a company that I've always liked as I found that management has a single-minded approach to developing the Ngualla project as well as very clear communications with stakeholders, which makes Peak's proposition compelling to large investors. Consequently, the project has managed to attract strategic partners including Appian Natural Resources Fund (Appian) and the International Finance Corporation (IFC).

In July Peak received its A\$1.3m stage 2 investment funding from "Appian" and IFC, which will be used to complete the bankable feasibility study by 1Q17.

Over the second quarter, Peak continued to advance the project. The final pilot plant of the three stage-process has now been successfully commissioned and the piloting facility is now underway. In addition Peak has identified a number of potential sites in Europe for a rare earth refinery which is expected to be close to transport and key infrastructure to enable the supply of reagents.

From a regulatory perspective, the Company's ESIA Scoping Report has now been received from the National Environment Management Council (NEMC) in Tanzania. This is an important milestone as acceptance of the NEMC is necessary for the issuance of an Environmental Certificate (EC), which is in turn is needed to obtain a mining license.

We expect that when the Company reveals their third quarter activity that there will be clarification on whether a new

investor is expected to come on board as well as whether management has been able to secure off-take agreements with strategic partners. The Company's share price has come off around 15% over the last quarter and 5.36% since the beginning of September and we feel that clarity on both these issues are expected to restore investor confidence.