PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

Quarterly Activities Report and Appendix 5B
September 2020

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HIGHLIGHTS:

Peak Resources Limited ("Peak" or the "Company") continues to progress the development of its 100% owned Ngualla Rare Earth Project ("Project") with the following events occurring during the Quarter:

- Oversubscribed Placement and SPP at $0.032 per share to raise $4m
- Board and management reset for finalisation of Tanzanian permitting
- Special Mining Licence grant continuing to progress
- Rare earths and security of supplies continues to be in focus

Capital Raise set to raise $4m

Post Quarter end Peak announced a Placement and Share Purchase Plan offer to raise a total of $4m:

$3.5m Placement

Peak announced on 21 October 2020 it has received binding commitments for the issue of 109,375,000 fully paid ordinary shares ("Shares") in the Company at an issue price of $0.032 per Share to sophisticated, professional and other exempt investors pursuant to section 708 of the Corporations Act 2001 (Cth) to raise A$3,500,000 before costs ("Placement"). The Placement was completed at a 8.5% discount to the last closing pricing of Shares prior to the announcement of the Placement. The Placement was well oversubscribed.

The funds raised from the Placement and SPP (together with existing cash at bank) will be used to maintain the Company's financial position and assets, and cover general operating expenses.

SPP Offer for $0.5m

In addition to the Placement, and to ensure wider participation by the Company's existing loyal shareholders, the Company also announced it will be making an offer to all eligible shareholders to participate in a share purchase plan (SPP) to raise up to $500,000. The Shares offered under the SPP will be priced at the same $0.032 per Share price as the Placement. Eligible shareholders under the SPP offer may apply for additional shares up to the $30,000 limit.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which is expected to be dispatched to shareholders on or around 29 October 2020.

Nd Neodymium
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Developing the Ngualla Project into an
– ethically sustainable
– long term
– high quality supplier of choice to the global high technology rare earth market

DIRECTORS

Non-Executive Chairman:
Tony Pearson

Non-Executive Directors:
Jonathan Murray
Bardin Davis

Chief Executive Officer:
Rocky Smith

Company Secretary:
Graeme Scott

CORPORATE DETAILS

AS AT 30 September 2020:

Ordinary Shares on issue: 1,411.1m

Listed Options:
PEKOD Listed:$0.03 14 April 2022: 88m

52 week range: 1.5c – 6.1c

Market Cap: $38.1 (at 2.7c)

ASX: PEK

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Board Management and reset for Finalisation of Tanzanian permitting

On 21 October 2020 the Company announced the appointment of Mr Bardin Davis as incoming Managing Director. Bardin has immediately become a director and will take up the Managing Director's duties in early January 2021.

Incoming Managing Director - Bardin Davis



Mr Davis holds over 20 years of investment banking and corporate experience in the mining and energy sectors. He is currently the CFO of UPC/AC Renewables Australia and previously held a number of senior investment banking roles in Hong Kong and Sydney. Previous roles include the Head of the Resources & Energy Group – Asia Pacific, Deputy Head of Corporates – Asia Pacific and Head of Advisory – Australia for HSBC and Head of Metals & Mining Asia for Macquarie Capital. Mr Davis has significant emerging markets experience and has worked on a broad range of international advisory, capital markets and financing transactions.

Mr Davis' immediate focus will be to finalise the receipt of the Special Mining License (SML) over the Company's 100% owned Ngualla rare earth deposit in Tanzania, and to oversee the negotiation of the framework agreement with the Tanzanian Government for the development of the Ngualla project on terms that will facilitate the assessment of project financing options.

Confirmation as Chairman - Tony Pearson

The Company also confirmed the appointment of Mr Tony Pearson as Non-executive Chairman. This followed him becoming acting chair following the director resignations noted below. Mr Pearson has been an independent Non-executive Director of Peak since August 2018.

Mr Pearson is a seasoned director following an executive career spanning over 20 years in the metals and mining industry, where he spent significant time in mining finance roles in addition to working with Robert Friedland's Ivanhoe Mines Group as Vice President – Corporate Development for SouthGobi Resources.

These changes followed the announcements during the Quarter that Mr Peter Meurer and Mr Rob Sennitt had resigned their respective positions as Non-executive Chairman and Non-executive Director to the Company. In addition, the Company also announced that CEO, Mr Rocky Smith would cease his employment with the Company at the end of October 2020.

The Board wishes to record its thanks to Mr Meurer, Mr Sennitt and Mr Smith for their service and significant contributions to Peak.

New Remuneration Model

The Company is also making a number of changes to Peak's remuneration framework to drive stronger alignment between the Company's Directors, management and shareholders. The most important of these changes include:

- Directors will receive two thirds of their fees in Shares, after deduction of PAYG;
- Directors will be expected to hold an amount of Peak Shares equivalent to one year's Directors' fees within two years; and
- A proposal whereby Key Management Personnel will be expected to hold an amount of Peak Shares equivalent to 50% of their base salary within two years.

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Further details regarding these arrangements, including proposed security issues to Directors, will be set out in the Company's Notice of Annual General Meeting to be issued to Peak shareholders shortly. The Company now anticipates holding the AGM in or around early to mid-December 2020.

Tanzania Special Mining Licence (SML) Status

Peak has previously advised that the Tanzanian Government's review of the Company's Special Mining License ("SML") application is continuing to progress. The Tanzanian Government has advised the Company that its technical due diligence of the project and the SML application undertaken by the Ministry of Minerals Technical Committee ("MMTC") is complete. The technical due diligence is an important step in the SML process as it was requested by the Tanzanian Government Cabinet before they would give their consent to the application.

As part of the technical due diligence process, productive meetings were held during the months of July and August to allow the Company to respond to queries the MMTC had with respect to the application. All queries were answered to the satisfaction of the MMTC. This process is now complete and the Company understands that the MMTC have finalised their Report.

The Technical Report is now awaiting submission to the Cabinet of the Tanzanian Government. With the completion of this important step, the Company is now only awaiting Cabinet approval of its SML application.

The SML is the final major regulatory requirement for the Project. Once approved, the Company will be in a position to negotiate an economic framework for the project with the Tanzanian Government, including the form and nature of the Government's free carried interest.

The associated Teesside Refinery is already fully permitted and the land on which the refinery is to be situated is secured under an option agreement. The Company has exercised the second option in relation to the site which is valid until June 2021.

Upon receipt of the SML, the Project will be the among the most advanced rare earth development projects that has a JORC Compliant Ore Reserve, completed definitive feasibility study and fully piloted process from ore to separated oxides that is permitted and ready to construct.

Tanzanian Operations

The Project site was re-opened in the Quarter to undertake maintenance activities ahead of the next wet season from December 2020. The site is manned on a reduced crew to conserve expenditure while the project awaits the granting of the SML.

Community Social Responsibility

Peak takes its community and social responsibilities very seriously and is proud of its record to date. The projects undertaken in the past and the manner in which it engages with the local community has resulted in widespread support for the Project.

As previously reported, due to the protracted SML application process and whilst the site remains closed for field and development activities the Company is not currently undertaking any major Community Programmes, however it has maintained its annual sponsorship of the local football tournament and annual nane nane festival which are well attended and supported community events.

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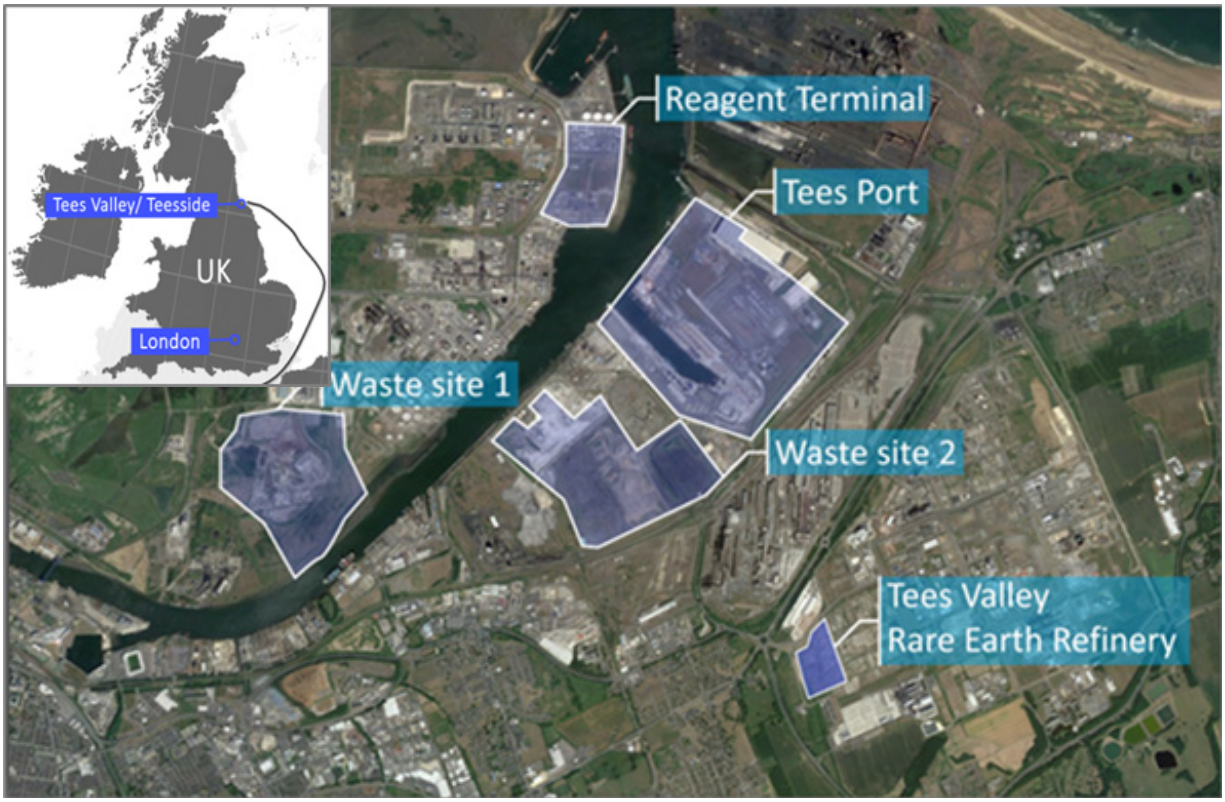
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UK Teesside Refinery

Planning permissions for the refinery and environmental licences for operation of the facility are all in place. Potential exists for Peak to create a go to rare earth processing hub at Teesside:

- Site fully permitted for construction and operation
- 250-year land option with room for expansion
- Excellent infrastructure and location to market
- Sustainable options for waste management and disposal
- Readily available low cost reagents



Market Update

There were significant investment activities in the rare earth sector during the Quarter, notably driven by government and OEMs.

China

During the quarter, "once in a century" flooding in southwest Sichuan affected two of Shenghe Resources Holding Co's subsidiaries, resulting in losses of tens of millions of dollars in plant and inventory. In contrast, Shenghe's expansion of their rare earth metal business from 12,000tpa to 20,000tpa continues as a part of their future growth plan to capitalise on projected growth in the sector driven by vehicle electrification.

It was also reported that a major Chinese producer has recently violated environmental regulations and is continuing to work to resolve these issues.

United States of America

During the Quarter, President Trump issued an executive order aimed at reducing the US vulnerability to critical minerals supply chain disruptions, of which rare earths are a part of.

This is the second executive order issued by the President to push the development of domestic mines and supply chains and reduce US dependence on China. Furthermore, the United States International Development Finance Corporation (DFC) has taken a $25 million equity stake in TechMet, to develop a Nickel/Cobalt mine in Brazil. Tesla is also reportedly in talks with BHP to secure nickel supply from their Nickel West operation with an aim to avoid supply shortages in the future. They also announced at Battery Day 2020 their plans to develop their own lithium mine from domestic clay deposits. These activities show that both government and OEMs are beginning to actively invest in supply chain security for these critical minerals.

Ongoing trade tensions between the US and China continue to support the push to diversify rare earth supply and gain the attention of investors resulting in improvements in market sentiment towards rare earths. The latest move includes the looming threat of China to blacklist the US and other countries from accessing rare earth products, potentially cutting supply to the rest of the world and increasing prices. The ongoing tensions have brought the rare earths back into the spotlight and resulted in stock exchange listed explorers and junior mining companies seeing buoyancy in stock prices in recent weeks.

Automotive sales

Global EV sales have rebounded significantly even during the global pandemic. EV sales in China were strong during August, surging 26% year on year, despite cuts in subsidies. Western Europe saw strong sales during September, rebounding to a new all-time high, whilst Tesla also set a new record in their quarterly sales.

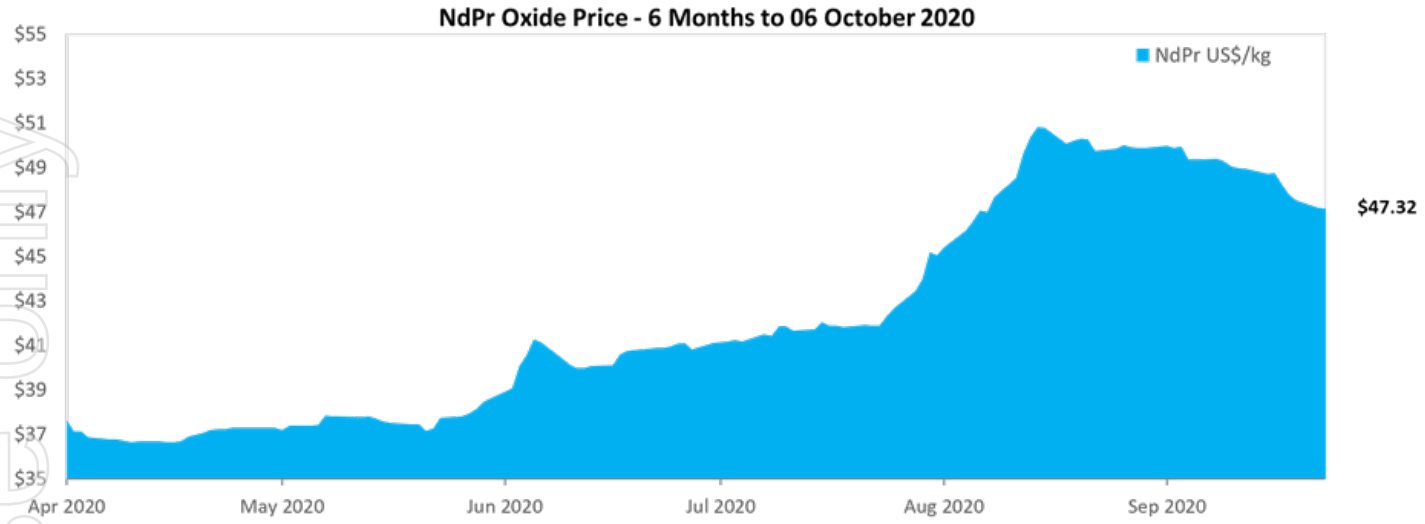
Each NEV unit represents an additional +1kg of incremental demand for NdPr. Peak's proposition is well positioned to help meet this increasing demand

It was also announced during the quarter that Hitachi is planning to sell their materials unit Hitachi Metals in a deal that could be worth more than US $6 billion. The unit manufactures components for cars and industrial equipment. The announcement did not identify the potential buyer.

Pricing Update

NdPr pricing surged during the Quarter to over US$50/kg and settled in a range of US$47-48/kg.

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NdPr Prices China in US$/kg since July 2015. Source Asian Metal (China Domestic)

Corporate

Additional Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) attached for the period ending 30 September 2020 provides details of the Company's financial activities.

No substantive expenditure was incurred on exploration, evaluation or development activities during the Quarter. A total amount of $91,676 was paid for directors fees (including deferments settled by issue of shares) and $17,068 payments to Steinepreis Paganin Lawyers & Consultants (including general corporate legal fees), an entity related to Non-executive Director Jonathan Murray (refer item 6.1 of the Appendix 5B).

As previously notified, as part of the Company's cash conservation measures directors and executives had agreed to defer respectively 100% and 50% of their fees and remuneration over the period of April 2020 to July 2020. The net amount due, after deduction of PAYG withholding tax, of $128,662 was settled on 7 August 2020 by the issue of 3,762,020 fully paid ordinary shares at a deemed value of $0.0342 per share following the approval received from shareholders at a General Meeting held on 6 August 2020. The gross amounts of the deferments settled in August totalled $200,461, directors fees $56,664 and remuneration $143,797.

Shareholder General Meeting held on 6 August 2020

The Company held a General Meeting of Shareholders on 6 August 2020 to ratify the Placement shares and Options issued in April, approve the issue of shares to Directors and executives in settlement of their deferred fees and remuneration, and also seek approval for adoption of a new constitution. All resolutions were passed on a poll at the meeting.

Annual General Meeting

The Company now expects to hold its Annual General Meeting in early to mid- December 2020. The confirmed date and Notice of meeting will be notified and dispatched to shareholders in due course.

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Corporate Structure and Cash at Hand:

The corporate structure as at 30 September 2020 was:

ASX: PEK

Ordinary Shares on Issue: 1,411.1 million

PEKOC Listed $0.03 14 April 2020 Options on Issue: 88 million

Unlisted Options outstanding: 152.8 million[>]
(exercise prices A$0.03 to A$0.15)

Unlisted Performance Rights outstanding: 15 million#

Cash at hand: $1.650 million

52 week range: 1.5c – 6.1c*

Market Cap: $38.1m (at 2.7c)

Liquidity: 2.006 million shares per trading day
(average over 3 months**)

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

* From 1 October 2019 to 30 September 2020 on ASX ** Average from 1 July 2020 to 30 September 2020 on ASX.
> Some subject to milestone and continuing service vesting criteria #subject to performance vesting criteria

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Summary of Mining Tenements and Areas of Interest

As at 30 September 2020

Project	Tenement	End of June 2020 Quarter	End of September 2020 Quarter	Status	Arrangement/Comment
Mikuwo	PL 9157/2013	100%	100%	Granted	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd
Mlingi	PL10897/2016	100%	100%	Granted	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd
Ngualla	SML/00601/2017	100%	100%	Pending	Held by 100% Tanzanian subsidiary company PR NG Minerals Ltd

**All tenements held are located in the Songwe Region of the United Republic of Tanzania.*



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Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

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Name of entity

PEAK RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
72 112 546 700	**SEPTEMBER 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(608)	(608)
	(c) production	-	-
	(d) staff costs (net of project allocations)	(195)	(195)
	(e) administration and corporate costs	(138)	(138)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	43	43
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(892)**	**(892)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(2)**	**(2)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,546	2,546
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(892)	(892)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,652**	**1,652**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	652	652
5.2	Call deposits	1,000	1,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,652**	**1,652**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – gross of share settled	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Bank Guarantee re office rent	30	30
7.4	**Total financing facilities**	30	30

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(892)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(892)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,652
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,652
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, the Board and Management reorganisation as announced on 21 October 2020 will lead to reduced recurring cash costs for employee costs and directors fees.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As announced on 21 October 2020, the Company is in the process of completing a $3.5m Placement and $500,000 Share Purchase Plan offer.

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Mining exploration entity and oil and gas exploration entity quarterly report

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Yes, as per 8.8.2 above, additional funding has been secured.	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....28 October 2020.....

Authorised by: .....Graeme Scott – Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.