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ASX Announcement 18 August 2025

Despatch of Scheme Booklet and Letters to Shareholders

Peak Rare Earths Limited (ASX: **PEK**) ("**Peak**" or the "**Company**") refers to the proposed acquisition by Shenghe Resources (Singapore) Pte. Ltd. ("**Shenghe**") of all the shares in Peak that Shenghe does not hold, by way of a scheme of arrangement ("**Scheme**").

Peak is pleased to confirm that the explanatory statement, which includes information about the Scheme, ("**Scheme Booklet**") has been despatched to Peak shareholders in the manner described in its ASX announcement on 11 August 2025.

Full details of the Scheme are included in the Scheme Booklet, which was released by Peak to the ASX on 11 August 2025. The Scheme Booklet includes the Independent Expert's Report and instructions about how to vote at the Scheme meeting.

The attached letters have been sent today by post to Peak shareholders who have elected to receive communications from Peak via post or who have not made an election as to the form of meeting documents in the manner described in Peak's ASX announcement on 11 August 2025. The letters contain instructions about how to view and download a copy of the Scheme Booklet and how to appoint a proxy and (depending on each shareholder's elected communication method) a hard copy of the Scheme Booklet. An email containing similar information has been despatched to those Peak shareholders who have elected to receive electronic communications from Peak.

Peak shareholders are advised to read the Scheme Booklet in its entirety before making any decision in relation to the Scheme. Peak shareholders are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to their Peak shares. Reasons for you to vote for or against the Scheme are set out in the Scheme Booklet.

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ASX Announcement 18 August 2025

Peak Independent Board Committee Recommendation

The Peak Independent Board Committee[1] unanimously recommends that Peak shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of Peak shareholders not associated with Shenghe.

Subject to those same qualifications, each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all of the Peak shares in which they have a relevant interest in favour of the Scheme at the Scheme meeting.[2]

Peak Shareholder Information Line

If Peak shareholders have any questions regarding the Scheme Booklet, they should contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside Australia) between 9.00am and 5.00pm (Sydney time) on Monday to Friday (excluding public holidays). Alternatively, if shareholders want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

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

Bardin Davis

Chief Executive Officer

Media inquiries:

Michael Vaughan

Fivemark Partners

+61 422 602 720

[1] The Peak Independent Board Committee comprises all Peak directors, excluding Non-Executive Director Shasha Lu. Dr Shasha Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to Peak's board of directors by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed in respect of the Scheme). Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak shareholders should vote on the Scheme.

[2] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak shareholders as further disclosed in section 10.1 of the Scheme Booklet. This includes the Peak Independent Board Committee's interest in Peak shares, for which they will receive consideration on the same terms as available to all other Peak shareholders.

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18 August 2025

Dear Shareholder,

Peak Rare Earths Limited – Scheme Booklet – Notice of Access

As announced by Peak Rare Earths Limited (ASX:PEK) (**Peak** or the **Company**) to the ASX on 11 August 2025, the Supreme Court of New South Wales has ordered that Peak convene a meeting of Peak shareholders (other than Shenghe Resources (Singapore) Pte. Ltd.) (**Scheme Meeting**) to consider and vote on the proposed acquisition of Peak by Shenghe Resources (Singapore) Pte. Ltd., by way of a scheme of arrangement (**Scheme**).

Scheme Booklet

Peak is pleased to advise that a copy of the scheme booklet prepared in connection with the Scheme (**Scheme Booklet**), which includes a copy of the independent expert's report and the notice of Scheme Meeting, is available electronically on Peak's website at www.peakrareearths.com/announcements/.

You can request a hard copy of the Scheme Booklet by contacting the Company's share registry, MUFG Corporate Markets, on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

Peak shareholders are advised to read the Scheme Booklet in its entirety before making any decision in relation to the Scheme. Peak shareholders are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to their Peak shares. Reasons for you to vote for or against the Scheme are set out in the Scheme Booklet.

Scheme Meeting

The Scheme Meeting will be held at 10.30am (Sydney time) on Tuesday, 16 September 2025 at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia.

If you are registered on the Peak share register as at 7.00pm (Sydney time) on Sunday, 14 September 2025, you will be entitled to vote at the Scheme Meeting.

Peak shareholders are encouraged to vote by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative to vote at the Scheme Meeting. Further information about how to participate in and vote at the Scheme Meeting, including how to lodge your proxy form, is set out in the notice of Scheme Meeting included at Appendix 4 of the Scheme Booklet.

Proxy appointment

Enclosed with this letter is a proxy form for the Scheme Meeting which provides instructions on how to appoint a proxy.

Proxy appointments must be submitted by 10.30am on Sunday, 14 September 2025. Peak strongly encourages its shareholders to consider lodging a directed proxy in the event they are not be able to attend the Scheme Meeting.

Updating your bank details

If the Scheme becomes effective and you have validly registered your bank account details with Peak's share registry, MUFG Corporate Markets, by the record date for the Scheme (**Record Date**), the Scheme consideration will be sent directly to your bank account by electronic funds transfer. If you have not registered your bank account details with MUFG Corporate Markets, the Scheme consideration will be sent by cheque to your address as shown on the Peak share register as at the Record Date.

You are encouraged to verify/update your bank account details online at https://au.investorcentre.mpms.mufg.com/ prior to the Record Date.

Alternatively, please complete the enclosed 'Request for Direct Credit of Payments' form and return it to MUFG Corporate Markets (for shareholders with a registered address in Australia, via the reply-paid envelope provided) if you wish to have your payments paid into your nominated AUD / NZD account.

Payment in foreign currencies

Shareholders with a registered address outside Australia can request that the Scheme consideration be directly credited to a foreign bank account via OFX, a global foreign exchange provider. To do so, prior to the Record Date, visit https://au.investorcentre.mpms.mufg.com/ and navigate to 'Payments and Tax' and select 'Foreign Currency Payment' as your payment method. You will need to authorise your Investor Centre and OFX accounts to be connected.

Peak Shareholder Information Line

Peak shareholders who have any questions relating to the Scheme or the Scheme Booklet should contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays). Further information can also be obtained from Peak's website at www.peakrareearths.com.

I look forward to your participation in the Scheme Meeting.

Yours sincerely



Russell Scrimshaw
Executive Chairman

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Peak RARE EARTHS

ABN 72 112 546 700

LODGE YOUR PROXY

ONLINE
https://au.investorcentre.mpms.mufg.com

BY MAIL
Peak Rare Earths Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
MUFG Corporate Markets (AU) Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

X99999999999

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PROXY FORM

I/We being a member(s) of Peak Rare Earths Limited (the **Company**) and entitled to participate in and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the scheme meeting of the Company to be held at **10:30am (Sydney time) on Tuesday, 16 September 2025 at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change their voting intention on an item of business, in which case an ASX announcement will be made.

STEP 2 VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

		For	Against	Abstain*
1	That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by Peak Rare Earths Limited)	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Appointment of Corporate Representative" form must be received prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufg-corporate-markets.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Sydney time) on Sunday, 14 September 2025,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged as follows:

ONLINE

https://au.investorcentre.mpms.mufg.com

Login to the Investor Centre using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN) - and postcode for their shareholding.

BY MOBILE DEVICE

QR Code

Our website is designed specifically for lodging proxies online. You can now lodge your proxy by scanning the QR code adjacent or enter the following link **https://au.investorcentre.mpms.mufg.com** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Peak Rare Earths Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to MUFG Corporate Markets (AU) Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

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All Registry communications to:
MUFG Corporate Markets (AU) Limited
A division of MUFG Pension & Market Services
Locked Bag A14
Sydney South NSW 1235 Australia
Email: support@cm.mpms.mufg.com
Website: au.investorcentre.mpms.mufg.com

Company or Trust in which investment is held – THIS MUST BE COMPLETED

Full Name(s) of Registered Holding

Account Designation

Registered Address

Postcode

Securityholder Reference Number (SRN)
Or Holder Identification Number (HIN)

A REQUEST FOR DIRECT CREDIT OF PAYMENTS

Please use a BLACK pen. Print CAPITAL letters inside the shaded areas.

A B C

1 2 3

Insert details of your Australian Financial Institution, Branch and Account into which you wish to have your payments made. This request will not cancel any reinvestment plan participation (if any) unless we receive specific instructions from you. A detailed payment advice will be provided for each payment.

A direct credit request form is required for each holding.

Name(s) in which your account is held

BSB Number *(must be 6 digits)*

Account Number

Name of Financial Institution

Branch Suburb/Town

B SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary/Director (delete one)

Director/Company Secretary (delete one)

Date / /

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth) (or for New Zealand companies, the *Companies Act 1993*).

Personal Information Collection Notification Statement: MUFG Pension & Market Services ("MPMS") advises that your personal information is collected by MPMS organisations for the administration of your investment as required or permitted by the *Corporations Act 2001* (Cth) and other legislation. Some or all of your personal information may be disclosed to contracted third parties, or related MPMS companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.mpms.mufg.com for a copy of the MPMS privacy policy, or contact us by phone on +61 1300 554 474 to request a copy.

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18 August 2025

Dear Shareholder,

Peak Rare Earths Limited – Scheme Booklet

As announced by Peak Rare Earths Limited (ASX:PEK) (**Peak** or the **Company**) to the ASX on 11 August 2025, the Supreme Court of New South Wales has ordered that Peak convene a meeting of Peak shareholders (other than Shenghe Resources (Singapore) Pte. Ltd.) (**Scheme Meeting**) to consider and vote on the proposed acquisition of Peak by Shenghe Resources (Singapore) Pte. Ltd., by way of a scheme of arrangement (**Scheme**).

Scheme Booklet

Peak is pleased to provide you with a copy of the scheme booklet prepared in connection with the Scheme (**Scheme Booklet**), which includes a copy of the independent expert's report and the notice of Scheme Meeting.

The Scheme Booklet is also available electronically on Peak's website at www.peakrareearths.com/announcements/.

Peak shareholders are advised to read the Scheme Booklet in its entirety before making any decision in relation to the Scheme. Peak shareholders are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to their Peak shares. Reasons for you to vote for or against the Scheme are set out in the Scheme Booklet.

Scheme Meeting

The Scheme Meeting will be held at 10.30am (Sydney time) on Tuesday, 16 September 2025 at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia.

If you are registered on the Peak share register as at 7.00pm (Sydney time) on Sunday, 14 September 2025, you will be entitled to vote at the Scheme Meeting.

Peak shareholders are encouraged to vote by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative to vote at the Scheme Meeting. Further information about how to participate in and vote at the Scheme Meeting, including how to lodge your proxy form, is set out in the notice of Scheme Meeting included at Appendix 4 of the Scheme Booklet.

Proxy appointment

Enclosed with this letter is a proxy form for the Scheme Meeting which provides instructions on how to appoint a proxy.

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Proxy appointments must be submitted by 10.30am on Sunday, 14 September 2025. Peak strongly encourages its shareholders to consider lodging a directed proxy in the event they are not be able to attend the Scheme Meeting.

Updating your bank details

If the Scheme becomes effective and you have validly registered your bank account details with Peak's share registry, MUFG Corporate Markets, by the record date for the Scheme (**Record Date**), the Scheme consideration will be sent directly to your bank account by electronic funds transfer. If you have not registered your bank account details with MUFG Corporate Markets, the Scheme consideration will be sent by cheque to your address as shown on the Peak share register as at the Record Date.

You are encouraged to verify/update your bank account details online at https://au.investorcentre.mpms.mufg.com/ prior to the Record Date.

Alternatively, please complete the enclosed 'Request for Direct Credit of Payments' form and return it to MUFG Corporate Markets (for shareholders with a registered address in Australia, via the reply-paid envelope provided) if you wish to have your payments paid into your nominated AUD / NZD account.

Payment in foreign currencies

Shareholders with a registered address outside Australia can request that the Scheme consideration be directly credited to a foreign bank account via OFX, a global foreign exchange provider. To do so, prior to the Record Date, visit https://au.investorcentre.mpms.mufg.com/ and navigate to 'Payments and Tax' and select 'Foreign Currency Payment' as your payment method. You will need to authorise your Investor Centre and OFX accounts to be connected.

Peak Shareholder Information Line

Peak shareholders who have any questions relating to the Scheme or the Scheme Booklet should contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays). Further information can also be obtained from Peak's website at www.peakrareearths.com.

I look forward to your participation in the Scheme Meeting.

Yours sincerely



Russell Scrimshaw
Executive Chairman

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Peak RARE EARTHS

SCHEME BOOKLET

For a scheme of arrangement between Peak Rare Earths Limited ACN 112 546 700 (**Peak**) and its shareholders in relation to the proposed acquisition by Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**)

The Peak Independent Board Committee unanimously recommends that you

VOTE IN FAVOUR

of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to what you should do, you should consult your financial, legal, tax or other professional adviser immediately.

If you have any questions, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays). Further information can also be obtained from Peak's website at www.peakrareearths.com.

Legal Adviser to Peak

CORRS CHAMBERS WESTGARTH

Financial Adviser to Peak

MACQUARIE

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Important Notices

Date of this Scheme Booklet

This Scheme Booklet is dated 11 August 2025.

Nature and purpose of this Scheme Booklet

This Scheme Booklet includes the Explanatory Statement for the Scheme as required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms and effect of the Scheme and explain the manner in which the Scheme will be considered and implemented (if approved). This Scheme Booklet provides such information as is prescribed by law or is otherwise material to the decision of Peak Shareholders whether to vote in favour of, or against, the Scheme Resolution, being information that is within the knowledge of the Peak Independent Board Committee and has not previously been disclosed to Peak Shareholders.

This Scheme Booklet is important and requires your immediate attention. If you have sold all of your Peak Shares, please ignore this Scheme Booklet. If you are a Peak Shareholder, you should read this Scheme Booklet in full, and consider its contents carefully, before deciding how to vote on the Scheme Resolution.

In particular, it is important that you consider the reasons to vote in favour of the Scheme and the reasons why you may not want to vote in favour of the Scheme, which are set out in Section 1. If you are in doubt about what you should do, you should consult your financial, legal, tax or other professional adviser immediately.

Contact information

If you have any questions, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays).

Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

Further information can also be obtained from Peak's website at www.peakrareearths.com.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report (including the Independent Technical Specialist's Report) contained in Appendix 1) are either defined in brackets when first used or are defined in the Glossary in Section 12. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet. The Independent Expert's Report and the Independent Technical Specialist's Report each contain their own defined terms which are sometimes different from those set out in the Glossary in Section 12.

No investment advice

This Scheme Booklet does not contain or constitute financial product advice and has been prepared without reference to the individual investment objectives, financial situation, taxation position or particular needs of any Peak Shareholder or any other person. It is important you read this Scheme Booklet in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should not be relied upon as the sole basis for any investment decision. If you are in doubt as to what you should do, you should consult your financial, legal, investment, taxation or other professional adviser.

Each Peak Shareholder's tax position is different. Therefore, Peak Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Scheme, including the application and effect of income tax and other tax laws to their particular circumstances.

A summary of the Australian income tax, stamp duty and GST consequences for Peak Shareholders is set out in Section 8. However, Peak Shareholders should not solely rely on the summary in Section 8 in substitution for specific advice on their own affairs from a registered tax agent.

Not an offer

This Scheme Booklet does not in any way contain or constitute an offer to Peak Shareholders, or a solicitation of an offer from the Peak Shareholders, in any jurisdiction.

Responsibility statement

Except as described below, the information in this Scheme Booklet has been prepared by, and is the responsibility of, Peak. To the maximum extent permitted by law, neither Shenghe nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisors is responsible for the accuracy or completeness of the Peak Information contained in this Scheme Booklet and disclaim any liability in this regard.

The Shenghe Information has been prepared by Shenghe and is the sole responsibility of Shenghe. To the maximum extent permitted by law, neither Peak nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisors is responsible for the accuracy or completeness of any Shenghe Information contained in this Scheme Booklet and disclaim any liability in this regard.

RSM Corporate Australia Pty Ltd has prepared, and is responsible for, the Independent Expert's Report contained in Appendix 1 of this Scheme Booklet. To the maximum extent permitted by law, none of Peak, Shenghe, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, or any other report or letter issued by a third party, and disclaim any liability in this regard. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet, other than that contained in the Independent Expert's Report.

ERM Australia Consultants Pty Ltd has prepared, and is responsible for, the Independent Technical Specialist's Report contained in Part F of the Independent Expert's Report. To the maximum extent permitted by law, none of Peak, Shenghe, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report and disclaim any liability in this regard. The Independent Technical Specialist does not assume any

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responsibility for the accuracy or completeness of the information contained in this Scheme Booklet, other than that contained in the Independent Technical Specialist's Report.

MUFG Corporate Markets has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Peak's Share Registry. MUFG Corporate Markets has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

No consenting person has withdrawn their consent to be named in this Scheme Booklet before the date of this Scheme Booklet.

ASIC and ASX involvement

A copy of this Scheme Booklet (including the Independent Expert's Report and the Independent Technical Specialist's Report) was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Scheme Meeting does not mean the Court:

- has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet.

Notice of Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, pass the Scheme Resolution by the Requisite Majority and thereby agree to the Scheme (with or without any alterations or conditions as approved by the Court to which Peak and Shenghe agree in writing) and, subject to the terms of the Scheme Implementation Deed, authorise Peak to agree to any such alterations or conditions and, subject to approval of the Scheme by the Court, implement the Scheme with or without any such alterations or conditions.

Further details with respect to the conduct of the Scheme Meeting, including how to raise questions during the Scheme Meeting and vote on the Scheme Resolution, are set out in Section 4 and in the Notice of Scheme Meeting.

Peak strongly encourages Peak Shareholders to consider lodging a directed proxy in the event they are not able to, or do not wish to, attend the Scheme Meeting. For further details regarding appointing proxies for the Scheme Meeting, see Section 4.

Notice of Second Court Hearing

On the Second Court Date, the Court will consider whether to approve the Scheme following the votes at the Scheme Meeting. Any Peak Shareholder may appear at the Court on the Second Court Date.

Any Peak Shareholder who wishes to oppose the approval of the Scheme by the Court on the Second Court Date may do so by filing with the Court, and serving on Peak, a notice of appearance in the prescribed form together with any affidavit on which the Peak Shareholder proposes to rely.

The Second Court Hearing is currently scheduled to be held at the Supreme Court of New South Wales at the Law Courts Building, 184 Philip Street, Sydney, New South Wales, Australia at 3.00pm (Sydney time) on 18 September 2025. Any change to the date or time of the Second Court Hearing will be announced by Peak on the ASX market announcements platform.

Foreign jurisdictions

The release, publication and distribution of this Scheme Booklet is subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. Persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

The financial information included in Section 5 of this Scheme Booklet is based on financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations that ensure compliance with International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

The financial information of Shenghe included in Section 6 of this Scheme Booklet is based on financial statements that have been prepared in accordance with the financial reporting standard in Singapore, which may differ from generally accepted accounting principles in other jurisdictions. The financial information of Shenghe's parent entity, Shenghe Resources, included in Section 6 of this Scheme Booklet is based on financial statements that have been prepared in accordance with Chinese accounting standards, which may also differ from generally accepted accounting principles in other jurisdictions.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to

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any person to whom, it would not be lawful to make such an offer.

Forward looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe Peak's or Shenghe's respective objectives, plans, goals, expectations, targets, estimates of Ore Reserves and Mineral Resources, production targets or guidance or future costs are or may be forward-looking statements.

Any statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of Peak's operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by those forward-looking statements.

The operations and financial performance of Peak are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of Peak. Peak Shareholders should note that the historical financial performance of Peak provides no assurance of the future financial performance of Peak. Those risks and uncertainties include factors and risks specific to the industry in which Peak operates such as commodity price volatility, discrepancies between actual or estimated costs of production and developing tenements, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, mineral exploration and production, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of Peak following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated and may never be achieved.

The forward-looking statements included in this Scheme Booklet are made only as at the date of this Scheme Booklet. Although Peak believes that the views reflected in any forward-looking statements included in the Peak Information (contained in Section 5) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. Although Shenghe believes that the views reflected in any forward-looking statements included in the Shenghe Information (described in Section 6) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct. None of the Peak Group, Shenghe Group, Peak Group's officers, Shenghe Group's officers, any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward- looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward- looking statement. All subsequent written and oral forward-looking statements attributable to any member of the Peak Group or any member of the Shenghe Group or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under law or Listing Rules, the Peak Group and the Shenghe Group do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Historical financial information

Section 5.6 contains historical financial information relating to Peak for the financial years ended 30 June 2023 and 30 June 2024, and the half year ended 31 December 2024.

The historical financial information in Section 5.6 is a summary only and has been extracted for the purposes of this Scheme Booklet only. The information has been extracted from the audited financial statements of Peak for the financial years ended 30 June 2023 and 30 June 2024, and the reviewed half year financial statements for the six months ended 31 December 2024.

Sections 6.2 and 6.3 contain historical financial information relating to certain entities in the Shenghe Group for the financial years ended 31 December 2023 and 31 December 2024.

The historical financial information in Sections 6.2 and 6.3 are a summary only and have been extracted for the purposes of this Scheme Booklet only. The information included in those Sections has been extracted from the audited financial statements of the relevant member of the Shenghe Group for the financial years ended 31 December 2023 and 31 December 2024.

Listing Rule Chapter 5 compliance statements

See Section 10.14 for the disclosures required under the Listing Rules in respect of all Mineral Resource and Ore Reserve estimates, exploration results and production targets contained in this Scheme Booklet.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the Last Practicable Date.

Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Sydney, Australia. All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions to the implementation of the Scheme (see Section 9.2 of this Scheme Booklet).

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Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

No website is part of this Scheme Booklet

Peak and Shenghe's parent entity Shenghe Resources each maintain their own websites. Any references in this Scheme Booklet to those or other websites are for information purposes only and do not form part of this Scheme Booklet.

Currency

All references in this Scheme Booklet to "$", "A$", "AUD" or "Australian dollars" are to Australian currency. All references in this Scheme Booklet to "US$", "USD" or "United States dollars" are to the currency of the United States of America. All references in this Scheme Booklet to "TZS" or "Tanzanian shilling" are to Tanzanian currency. All references in this Scheme Booklet to "CNY" or "Chinese yuan" are to the currency of the People's Republic of China.

Financial data

The financial information in this Scheme Booklet is presented in an abbreviated form and does not contain all the disclosures that are usually provided for in an annual report prepared in accordance with the Corporations Act.

Privacy and personal information

Peak and its respective agents and representatives have collected your personal information from the Peak Share Register for the purposes of providing you with this Scheme Booklet. Peak and Shenghe may need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of Peak Shareholders, together with contact details of individuals appointed by Peak Shareholders as proxies, body corporate representatives or attorneys. The collection of some of this information is required or authorised by the Corporations Act.

Peak Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Share Registry if they wish to exercise those rights.

The information may be disclosed on a confidential basis to print and mail service providers, to Peak, Shenghe and their respective advisers and agents, and to regulators such as ASIC. If the information outlined above is not collected, Peak may be hindered in, or prevented from, conducting or effecting Scheme.

Peak Shareholders who appoint an individual as their proxy, body corporate representative should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the Peak Share Register. The Peak Share Register contains personal information about Peak Shareholders.

Supplementary information

In certain circumstances, Peak may provide additional disclosure to Peak Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, Peak Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme. Refer to Section 10.12 for information about the steps that Peak will take if any such additional disclosure is required.

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Peak Chairman Letter

Dear Peak Shareholders,

On behalf of the Peak Independent Board Committee, I am pleased to provide you with this Scheme Booklet, which contains important information relating to the proposed acquisition of Peak by Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**), a wholly owned Subsidiary of Shenghe Resources Holding Co., Ltd (**Shenghe Resources**), by way of a scheme of arrangement (**Scheme**).[1]

Shenghe Resources is a major rare earths company listed on the Shanghai Stock Exchange and has been a long-standing supporter of Peak and the Ngualla Rare Earth Project (**Ngualla Project**).[2]

Shenghe is a 19.70% shareholder in Peak and has binding offtake rights in relation to rare earth production from the Ngualla Project. Shenghe has had a representative on the Peak Board (in Dr Shasha Lu) since November 2022.

This Scheme Booklet sets out details of the proposed transaction and important matters relevant to your vote in relation to the Scheme.

Background

In support of an integrated funding solution for the Ngualla Project, Peak initiated a global equity partnering and project financing process in late 2023. This entailed the preparation of detailed equity and debt project financing information memorandums and active engagement with prospective equity investors and strategic and joint venture partners, as well as international development banks, export credit agencies and commercial banks. The engagement and targeting of prospective strategic partners and acquirors extended to Australia, North America, the United Kingdom, Europe, Asia, South Africa, Eastern Africa and the Middle East.

Following a comprehensive evaluation of strategic and funding options, Peak signed a non-binding term sheet with Shenghe Resources in July 2024 in relation to a proposed integrated investment, funding and development solution for the Ngualla Project. The proposed transaction involved Shenghe Resources investing approximately A$96 million to subscribe for a 50% interest in Peak's wholly owned subsidiary, Ngualla Group UK Limited (**NGUK**), which holds an 84% interest in the Ngualla Project, with the remaining development costs for the Ngualla Project to be funded through a Shenghe Resources-arranged debt facility (**NGUK Transaction**). The NGUK Transaction implied a valuation of approximately A$96 million for Peak’s 84% interest the Ngualla Project, noting that Peak would have gained a 50% effective interest in the ~A$96 million increase in NGUK’s cash balance (i.e., A$48 million) and its equity interest in NGUK would have been diluted from 100% to 50%.

Despite making progress towards finalising the binding terms of the NGUK Transaction, recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between Peak and Shenghe Resources.[3] Consequently, Peak and Shenghe Resources explored alternate transaction structures that could support greater transaction and project certainty, and a superior outcome for both companies and their shareholders. After careful

[1] A Court-approved scheme of arrangement under Part 5.1 of the Corporations Act.

[2] Peak has an 84% interest in the Ngualla Project.

[3] Rare earth elements are essential to the manufacture of electric vehicle motors, renewable energy infrastructure (such as wind turbines), high-end electronics and robotics as well as certain military technologies. In recent years, there has been rising geopolitical tension associated with the security of supply of rare earths elements as part of ongoing international trade tensions between the United States of America and the People’s Republic of China. The imposition of new restrictions on the export and transfer of rare earths technologies out of the People’s Republic of China and ongoing uncertainty regarding the imposition of tariffs on the import of rare earth elements into the United States of America have contributed to these increasing trade tensions. Peak believes that such geopolitical tensions and regulatory policies, especially restrictions focused on the export or transfer of rare earths technologies out of the People’s Republic of China, have the potential to materially adversely affect the ability of Peak to develop the Ngualla Project in joint venture with Shenghe.

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consideration, the Peak Independent Board Committee[4] believes that the proposed Scheme offers a superior outcome compared to the NGUK Transaction, and is the most attractive option currently available for Peak and its shareholders.

Scheme Consideration

The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares on issue as at the record date for the Scheme.

Based on Peak's existing fully diluted issued capital of 440,111,880, each Peak Shareholder on the record date for the Scheme (other than Shenghe) will receive a cash amount of no less than $0.359 (rounded to three decimal places) per Peak Share if the Scheme is implemented.[5] The final Scheme Consideration per Peak Share will be announced by Peak to the ASX on the Effective Date.

The Scheme Consideration of no less than $0.359 cash per Peak Share represents a substantial and attractive premium of:

- 199% to Peak's last closing share price prior to the announcement of the Scheme of $0.12 per share on 9 May 2025; and
- 173% to Peak's 30-day volume-weighted average price of $0.132 per share on 9 May 2025.

The Scheme values 100% of Peak at ~A$158 million, which represents an approximate premium of 64.5% compared to an implied value of ~A$96 million for Peak's 84% interest in the Ngualla Project under the proposed NGUK Transaction.

Peak Independent Board Committee recommendation

The Peak Independent Board Committee has considered the potential advantages and disadvantages of the Scheme and unanimously recommends that Peak Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[6,7] Subject to these same qualifications, each member of the Peak Independent Board Committee also intends to vote, or cause to be voted, all Peak Shares in which they have a Relevant Interest (being in aggregate 1.01% of Peak Shares) in favour of the Scheme at the Scheme Meeting.

In reaching this unanimous recommendation, the Peak Independent Board Committee considered, amongst other factors, various alternatives for the future of Peak, particularly with regard to the funding and development of the Ngualla Project. After considering these alternatives, the Peak Independent Board Committee unanimously formed the view that, on balance, the combination of value and certainty offered by the cash consideration under the Scheme is likely to deliver a superior outcome for Peak shareholders now compared to what would otherwise be available, on a future risk adjusted basis, should Peak seek to fund, develop and operate the Ngualla Project on a standalone basis.

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[4] The Peak Independent Board Committee comprises all Peak Directors, excluding Non-Executive Director Shasha Lu. Dr Shasha Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to the Peak Board by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed). Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak Shareholders should vote on the Scheme.

[5] Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share.

[6] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[7] Please refer to Appendix 1, which contains the Independent Expert's Report.

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Reasons to vote in favour of the Scheme are set out in detail in Section 1.2. There are also reasons why you may choose to vote against the Scheme which are set out in Section 1.3. General investment risks, certain risks relating to holding Peak Shares and specific risks relating to the Scheme are set out in Section 7.

In considering the unanimous recommendation of the Peak Independent Board Committee, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme, which may differ from those of other Peak Shareholders, as further disclosed in Section 10.1.

Independent Expert's Report

Peak appointed RSM Corporate Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme. The Independent Expert concluded that the Scheme is fair and reasonable for Peak Shareholders not associated with the Scheme (**Non-Associated Shareholders**), and as such, is in the best interests of the Non-Associated Shareholders in the absence of a superior proposal.

A copy of the Independent Expert's Report is included in Appendix 1. You are encouraged to read the Independent Expert's Report in its entirety.

Implementation of the Scheme

Implementation of the Scheme is subject to certain Conditions which are described in detail in Section 9.2, including approval by the Requisite Majority of Peak Shareholders (other than Excluded Shareholders) at the Scheme Meeting and by the Court at the Second Court Hearing. Peak and Shenghe have termination rights under the Scheme Implementation Deed in certain circumstances, which are summarised in Section 9.9.

Your vote is important in determining whether or not the Scheme proceeds

Your vote is important and I encourage you to vote by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative to vote at the Scheme Meeting (refer to Section 4 for instructions).

This Scheme Booklet is being dispatched to Peak Shareholders shortly after its release to the ASX. Peak Shareholders who have elected to receive electronic communications will be sent an email containing instructions on how to view and download a copy of this Scheme Booklet, as well as instructions on how to appoint their proxies for the Scheme Meeting. Peak Shareholders who have elected to receive communications via post will receive a printed copy of this Scheme Booklet together with a personalised Proxy Form for the Scheme Meeting. All other Peak Shareholders will receive a letter, together with a personalised Proxy Form for the Scheme Meeting, with instructions about how to view and download a copy of the Scheme Booklet.

The Notice of Scheme Meeting is contained in Appendix 4 to this Scheme Booklet. The Notice of Scheme Meeting contains further instructions on how to attend the Scheme Meeting and how to cast your vote.

You should read this Scheme Booklet (including the Independent Expert's Report) carefully and in its entirety. You should also seek independent legal, financial, tax or other professional advice before deciding how to vote in respect of the Scheme.

If you require any further information, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside Australia) between 9.00am and 5.00pm (Sydney time) on Monday to Friday (excluding public holidays). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

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Closing remarks

On behalf of the Peak Independent Board Committee, I would like to thank you for your ongoing support of Peak and consideration of this compelling opportunity. We believe that implementation of the Scheme delivers an attractive outcome for Peak Shareholders and I look forward to your participation either in person or by proxy at the Scheme Meeting.

Yours faithfully,



Russell Scrimshaw
Executive Chairman
Peak Rare Earths Limited

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Key dates and next steps

Key dates and indicative timetable

Event	Date
First Court Date – Court approval for dispatch of this Scheme Booklet and convening of the Scheme Meeting	Friday, 8 August 2025
Date of this Scheme Booklet	Monday, 11 August 2025
Deadline for receipt of completed Proxy Forms (including proxies lodged online), powers of attorney for the Scheme Meeting	10.30am (Sydney time) on Sunday, 14 September 2025
Eligibility of Peak Shareholders to vote at the Scheme Meeting	7.00pm (Sydney time) on Sunday, 14 September 2025
Scheme Meeting	10.30am (Sydney time) on Tuesday, 16 September 2025
If the Scheme is approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting	
Second Court Date – for approval of the Scheme	Thursday, 18 September 2025
Effective Date of the Scheme – date on which the Scheme becomes Effective and is binding on the Peak Shareholders	Friday, 19 September 2025
If the Scheme is approved by the Court and becomes Effective	
Last day of trading of Peak Shares on the ASX	Friday, 19 September 2025
Record Date – all Peak Shareholders who hold Peak Shares on this date will be entitled to receive the Scheme Consideration (other than Shenghe)	7.00pm (Sydney time) on Tuesday, 23 September 2025
Implementation Date – all Scheme Shareholders will be paid the Scheme Consideration to which they are entitled, and the Scheme Shares will be transferred to Shenghe	Tuesday, 30 September 2025

All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of Peak and Shenghe, including the Court approval process, other regulatory authority approvals and the satisfaction or waiver of the Conditions to the completion of the Scheme. Any changes to the above timetable will be announced to the ASX and available under Peak's profile at www.asx.com.au.

All references to time in this Scheme Booklet are references to the time in Sydney, Australia, unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Next steps

Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Consider your options

The options available to you in respect of the Scheme are set out in Section 4. You should refer to Section 1 for further guidance on the reasons to vote in favour of or against the Scheme Resolution at the Scheme Meeting and Section 7 for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Scheme, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside Australia), Monday to Friday (excluding public holidays) between 9.00am and 5.00pm (Sydney time). Alternatively, if you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

Vote at the Scheme Meeting

Your vote is important and the Peak Independent Board Committee urges you to vote on the Scheme Resolution at the Scheme Meeting in person or by proxy. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds. You should refer to Section 4 for further guidance on the voting process at the Scheme Meeting.

The Peak Independent Board Committee unanimously recommends you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[8,9] Subject to those same qualifications, each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all of the Peak Shares in which they have a Relevant Interest in favour of the Scheme at the Scheme Meeting.

[8] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[9] Please refer to Appendix 1, which contains the Independent Expert's Report.

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1 Key considerations in relation to the Scheme

1.1 Summary of the reasons why you might vote for or against the Scheme

(a)	**Reasons to vote in favour of the Scheme**
✓	The Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe
✓	The Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal
✓	The consideration under the Scheme represents a significant premium to the trading prices of Peak Shares on the ASX prior to the Scheme announcement and Peak's recent equity raise
✓	100% cash consideration provides certain value with no associated brokerage costs
✓	The Scheme is considered superior to other transactions considered with Shenghe Resources
✓	No Superior Proposal has emerged
✓	The Scheme allows you to sell your entire holding of Peak Shares
✓	If the Scheme does not proceed, the Peak Share price will continue to be subject to market volatility and may fall to a price that is below the Scheme Consideration, in the absence of a Superior Proposal
✓	There are risks to not voting for the Scheme
(b)	**Reasons to vote against the Scheme**
✗	You may disagree with the Peak Independent Board Committee's unanimous recommendation or the Independent Expert's conclusion
✗	You may believe it is in your best interests to maintain your current investment and risk profile
✗	You may prefer to retain your Peak Shares and have the opportunity to participate in the future financial performance of Peak as a standalone, ASX-listed company
✗	You may believe a Superior Proposal for Peak may materialise in the future
✗	The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances

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1.2 Reasons to vote in favour of the Scheme

(a) **The Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe**[10,11]

In reaching this recommendation, the Peak Independent Board Committee has assessed the Scheme having regard to the reasons to vote in favour of, and against, the Scheme, as set out in this Scheme Booklet.

In forming its views in this regard, the Peak Independent Board Committee considered, amongst other factors, various alternatives for the future of Peak, particularly with regard to the funding and development of the Ngualla Project. This included an evaluation of Peak's strategic plan as an independent company and the inherent risks around achieving this strategic plan, including those relating to project funding, development and construction execution risk, exposure to a prolonged period of depressed rare earth prices and potential risks around the retention of the Ngualla Project Special Mining Licence in the event of a prolonged delay in commencing construction and development. After considering alternatives for the future of Peak, the Peak Independent Board Committee unanimously formed the view that, on balance, the combination of value and certainty offered by the cash consideration under the Scheme is likely to deliver a superior outcome for Peak shareholders now compared to what would otherwise be available, on a future risk adjusted basis, should Peak seek to fund, develop and operate the Ngualla Project on a standalone basis.

The Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme and each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all Peak Shares in which they have a Relevant Interest in (being in aggregate 1.01% of Peak Shares) in favour of the Scheme at the Scheme Meeting, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[12,13] The Relevant Interests of the Peak Independent Board Committee in Peak Shares as at the date of this Scheme Booklet are set out in Section 10.1.

(b) **The Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal**

The Peak Independent Board Committee appointed RSM Corporate Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme, and to provide an opinion as to whether the Scheme is in the best interests of the Peak Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal.

The Independent Expert has assessed the value of a Peak Share prior to the implementation of the Scheme to be in the range of $0.273 to $0.341 per Peak Share on a controlling basis. The Scheme Consideration of no less than $0.359 cash per Peak Share is in excess this range.

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[10] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[11] Please refer to Appendix 1, which contains the Independent Expert's Report.

[12] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[13] Please refer to Appendix 1, which contains the Independent Expert's Report.

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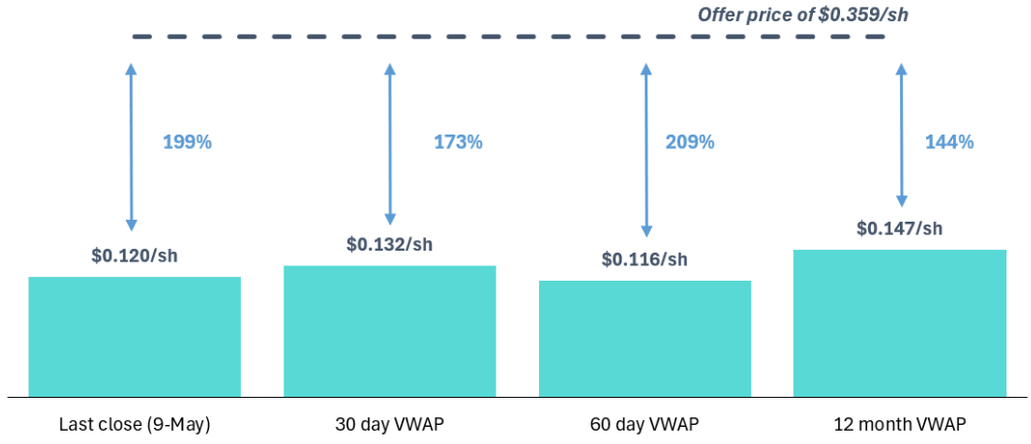
The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is set out in Appendix 1. The Peak Independent Board Committee encourages you to read this report in its entirety.

(c) **The consideration under the Scheme represents a significant premium to the trading prices of Peak Shares on the ASX prior to the Scheme announcement and Peak's recent equity raise**

The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares on issue as at the Record Date. Based on Peak's existing fully diluted issued capital of 440,111,880, Scheme Shareholders will receive a cash amount of no less than $0.359 per Peak Share if the Scheme is implemented.[14] The final Scheme Consideration per Peak Share will be announced by Peak to the ASX on the Effective Date.

Based on the cash consideration of no less than $0.359 per Peak Share under the Scheme represents a:

- 199% premium to Peak's closing share price of $0.12 per share on 9 May 2025;[15] and
- 173% premium to the 30-day VWAP of $0.132 per share on 9 May 2025.



Note: All VWAPs calculated based on trading days for the relevant period up to and including 9 May 2025.

(d) **100% cash consideration provides certain value with no associated brokerage costs**

The Scheme Consideration is 100% cash and therefore provides certainty of value for your Peak Shares (subject to the Scheme becoming Effective) and the opportunity for you to realise certain value in the near term, which may not be achieved if the Scheme does not proceed.

The Scheme also provides an opportunity for you to sell all of your Peak Shares at once with no associated brokerage costs.

Specifically, if all of the Conditions are satisfied or waived and the Scheme is implemented, you will receive the cash Scheme Consideration (for the Peak Shares held by you on the

[14] Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share.

[15] Being the last date on which Peak Shares traded prior to the announcement of the Scheme.

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Record Date) when the Scheme is implemented (implementation is expected to be on or about 30 September 2025).

The certainty of the 100% cash consideration should be compared with the potential risks and uncertainties of continuing to hold Peak Shares as outlined in Section 7, including that if the Scheme does not proceed, the price of Peak Shares may fall.

(e) **The Scheme is considered superior to other transactions considered with Shenghe Resources**

In July 2024, Peak and Shenghe Resources (the ultimate parent company of Shenghe) signed a non-binding term sheet (**Shenghe Resources Term Sheet**) covering an integrated investment, funding and development solution for the Ngualla Project.[16]

The proposed transaction (**NGUK Transaction**) envisaged Shenghe Resources investing ~A$96 million to subscribe for a 50% interest in Peak's wholly owned Subsidiary, Ngualla Group UK Limited (**NGUK**), which holds an 84% interest in Mamba Minerals Corporation Limited (**Mamba Minerals**) and an effective 84% interest in the Ngualla Project. The Government of Tanzania holds a 16% free-carried interest in Mamba Minerals and the Ngualla Project. The NGUK Transaction implied a value of ~A$96 million for Peak's interest in the Ngualla Project, noting that Peak would have gained a 50% effective interest in the ~A$96 million increase in NGUK's cash balance (i.e., A$48 million) and its equity interest in NGUK would have been diluted from 100% to 50%.

Following the signing of the Shenghe Resources Term Sheet, Peak made substantial progress with Shenghe Resources in seeking to finalise the terms of binding transaction documentation to implement the NGUK Transaction.

However, recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties.[17] As a result, Peak evaluated alternate transaction structures to the NGUK Transaction that could support greater transaction and project certainty, and a superior outcome for Peak, Shenghe Resources and their respective shareholders.

The Peak Independent Board Committee believes that the Scheme delivers a superior outcome compared to the NGUK Transaction for the following reasons:

- the Scheme has the potential to provide a significantly higher value outcome for Peak Shareholders on a risk-weighted basis, with an implied value for Peak of ~A$158 million, compared to a value of ~A$96 million for Peak's interest in the Ngualla Project under the NGUK Transaction;
- the Scheme is considered to be unlikely to give rise to the same geopolitical and regulatory risks that ultimately resulted in the parties agreeing to discontinue the NGUK Transaction; and
- Peak Shareholders will have an opportunity to realise an attractive price for their Peak Shares and avoid potential risks around the funding, development and operation of the Ngualla Project.

[16] Refer to Peak's announcement lodged with the ASX on 24 July 2024 titled "*Signed Term Sheet with Shenghe for A$96m Investment and Fully Funded Project Solution for Ngualla*".

[17] Rare earth elements are essential to the manufacture of electric vehicle motors, renewable energy infrastructure (such as wind turbines), high-end electronics and robotics as well as certain military technologies. In recent years, there has been rising geopolitical tension associated with the security of supply of rare earths elements as part of ongoing international trade tensions between the United States of America and the People's Republic of China. The imposition of new restrictions on the export and transfer of rare earths technologies out of the People's Republic of China and ongoing uncertainty regarding the imposition of tariffs on the import of rare earth elements into the United States of America have contributed to these increasing trade tensions. Peak believes that such geopolitical tensions and regulatory policies, especially restrictions focused on the export or transfer of rare earths technologies out of the People's Republic of China, have the potential to materially adversely affect the ability of Peak to develop the Ngualla Project in joint venture with Shenghe.

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(f) **No Superior Proposal has emerged**

Peak appointed Macquarie Capital (Australia) Limited (**Macquarie Capital**) in April 2022 to act as its financial adviser to (amongst other things) assist Peak in assessing strategic interest and options for the funding, development and value maximisation of the Ngualla Project. Since that time, Peak has conducted various investigations (with the assistance of Macquarie Capital in its role as financial adviser) into potential transactions, including an international strategic partnering process, to seek to maximise value for Peak Shareholders. The strategic partnering process entailed targeting and engaging with prospective strategic partners and acquirors from Australia, North America, the United Kingdom, Europe, Asia, South Africa, Eastern Africa and the Middle East. After completing that review, the Peak Independent Board Committee came to the view that the Scheme proposal from Shenghe was the best available proposal for Peak Shareholders to consider.

There remains the potential for a proposal which is superior to the Scheme to emerge. However, as at the date of this Scheme Booklet, no Superior Proposal has been received by Peak and the Peak Independent Board Committee is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

Under the terms of the Scheme Implementation Deed, the Peak Independent Board Committee is not permitted to encourage or solicit a Competing Proposal. However, the Peak Independent Board Committee is able to consider any other Competing Proposal (provided that the Peak Independent Board Committee has determined, acting reasonably and in good faith after receiving advice from its financial and legal advisers, that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal and that failing to respond to such a proposal would constitute, or would be reasonably likely to constitute, a breach of the fiduciary or statutory duties of the Peak Independent Board Committee, and subject always to Shenghe's right to match that Superior Proposal), there can be no assurance that any Competing Proposal will emerge at any time or that the Competing Proposal will be a Superior Proposal.

If a Superior Proposal is received, this will be announced to the ASX, and the Peak Independent Board Committee will carefully consider the proposal and advise Peak Shareholders of their recommendation.

(g) **The Scheme allows you to sell your entire holding of Peak Shares**

The Scheme provides you with an opportunity to dispose of all of your Peak Shares in a single transaction for cash consideration of no less than $0.359 for each Peak Share held by you at the Record Date.[18]

(h) **If the Scheme does not proceed, the Peak Share price will continue to be subject to market volatility and may fall to a price that is below the Scheme Consideration, in the absence of a Superior Proposal**

If the Scheme is not implemented, Peak Shares will continue to remain quoted on the ASX and the price at which Peak Shares trade will continue to be subject to market volatility (including general stock market movements, the impact of general economic conditions and the demand for listed securities) and Peak Shareholders will continue to be exposed to the risks associated with Peak's business (see Section 7 for a summary of the key risks). As such, if the Scheme is not implemented, the price at which Peak Shares trade may fall to a price that is below the Scheme Consideration (including, potentially, to a price that is equal,

[18] The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares on issue as at the Record Date. Based on Peak's existing fully diluted issued capital of 440,111,880 (ie. the total number of shares and performance rights that Peak has on issue), Scheme Shareholders will receive a cash amount of no less than $0.359 per Peak Share (rounded to three decimal places) if the Scheme is implemented. Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share.

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close to or below the closing Peak Share price on the last trading date prior to the Announcement Date of $0.12 per share), at least in the immediate near-term.

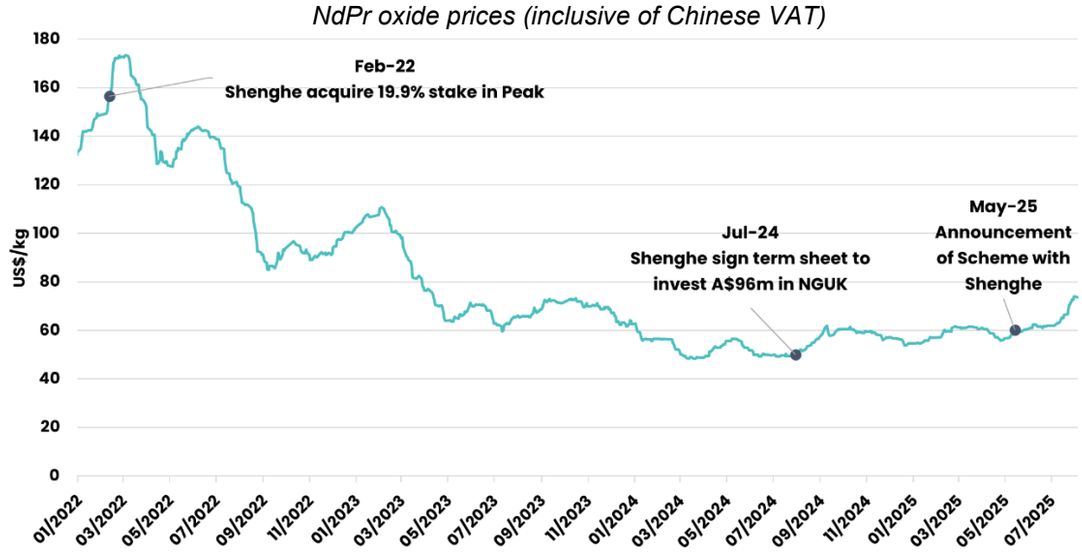
(i) **There are risks to not voting for the Scheme**

The Peak Independent Board Committee considers that, if the Scheme does not complete and no alternative proposal emerges, the Peak Share price may decline, perhaps materially.

There are risks associated with the Scheme not being implemented, including:

- **Near-term funding risks** – if the Scheme is not implemented, it is likely that Peak will need to undertake a further capital raising or other financing to support ongoing corporate and Ngualla Project costs and working capital requirements;
- **Project development funding risks** – if the Scheme is not implemented, Peak will need to secure a substantial amount of debt and equity funding to progress the development of the Ngualla Project;
- **Project development risk** – if the Scheme is not implemented and Peak progresses development of the Ngualla Project, it will be subject to a series of development execution risks relating to cost and timing overruns, commissioning and meeting any project debt finance completion tests;
- **Operational risks** – if the Scheme is not implemented and the Ngualla Project is developed, Peak will be subject to a series of operational risks including increases in operating costs, logistical constraints, exposure to climatic events, environmental breaches and safety accidents;
- **Retention of the Ngualla Project Special Mining Licence** – in the event of a prolonged delay in commencing construction and development of the Ngualla Project, there is risk that the Government of Tanzania could seek to terminate the Ngualla Project Special Mining Licence; and
- **Exposure to a prolonged decrease in rare earth prices** – market conditions for rare earths have deteriorated considerably since Shenghe purchased its Peak shareholding in February 2022, with rare earth prices falling by approximately 62% between that time and when the Scheme was announced in May 2025. A further deterioration in rare earth (and in particular neodymium and praseodymium (**NdPr**) oxide) prices could significantly impact Peak's future profitability and its capacity to meet interest and principal servicing requirements in relation to any project debt financing.

NdPr oxide prices (inclusive of Chinese VAT)



Refer to Section 7 for further risks if the Scheme is not implemented.

The Scheme removes these risks and uncertainties for Peak Shareholders and the Peak Independent Board Committee considers that it allows Peak Shareholders to realise their investment in Peak at a certain price and at a significant premium to the trading prices of Peak Shares on the ASX prior to the Scheme announcement and Peak's recent equity raise. If the Scheme is approved and implemented, these risks and uncertainties will be assumed by Shenghe, as the sole shareholder of Peak following implementation of the Scheme.

1.3 Reasons to vote against the Scheme

(a) **You may disagree with the Peak Independent Board Committee's unanimous recommendation or the Independent Expert's conclusion**

You may disagree with the unanimous recommendation of the Peak Independent Board Committee and the conclusion of the Independent Expert, who has concluded the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal. Refer to Appendix 1 for a copy of the Independent Expert's Report.

(b) **You may believe it is in your best interests to maintain your current investment and risk profile**

You may wish to keep your Peak Shares as you may want to preserve your investment in a publicly listed company that has the specific characteristics of Peak. You may consider that, despite the risks relevant to Peak's potential future operations (including those set out in Section 7), Peak may be able to return greater value from its assets by remaining independent or by seeking alternative commercialisation strategies.

(c) **You may prefer to retain your Peak Shares and have the opportunity to participate in the future financial performance of Peak as a standalone, ASX-listed company**

If the Scheme is approved and becomes effective, it is expected to complete on 30 September 2025. This timeframe may be inconsistent with your investment objectives.

You may consider that Peak has stronger long term growth potential and that the Scheme Consideration does not fully reflect your view on long term value. You may therefore prefer to retain your Peak Shares and realise the value of your Peak Shares over the longer term. However, there is no guarantee as to Peak's future performance, and you will continue to be subject to the risks associated with holding Peak Shares, including those set out in Section 7.

(d) **You may believe a Superior Proposal for Peak may materialise in the future**

You may believe there is a possibility that a Superior Proposal could emerge in the foreseeable future.

However, as noted in Section 1.2(f) above, as at the date of this Scheme Booklet, no Superior Proposal has been received by Peak and the Peak Independent Board Committee is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

(e) **The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances**

If the Scheme is implemented, you may incur tax on the transfer of your Peak Shares. The tax consequences of the Scheme may vary depending on the specific circumstances of each Peak Shareholder. You may consider that the tax consequences of the Scheme would not suit your financial objectives. Please refer to Section 8 for further information on the Australian tax implications.

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The disposal of the Peak Shares to Shenghe in accordance with the Scheme will give rise to a CGT event. The time of the CGT event should be the date the Peak Shares are disposed of, which will occur on the Implementation Date.

All Peak Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Peak Shareholders, any foreign tax consequences.

1.4 Other relevant considerations

(a) **The Scheme may be implemented even if you do not vote, or vote against the Scheme**

Even if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting and by the Court. If this occurs and you are a Scheme Shareholder, your Peak Shares will be transferred to Shenghe and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

(b) **Costs of the Scheme**

Peak has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These costs include those attributable to negotiations with Shenghe, retention of advisers, provision of information to Shenghe, facilitating Shenghe's access to due diligence, engaging with ASIC, ASX and the Court, engagement of the Independent Expert and the Independent Technical Specialist, and the preparation of this Scheme Booklet. If the Scheme is not implemented in circumstances where no Superior Proposal emerges and is completed, Peak will not receive any material value for the costs it has incurred in connection with the Scheme.

Under the Scheme Implementation Deed, a reimbursement fee of $1.55 million (excluding GST) may become payable by Peak to Shenghe in certain circumstances.

Failure by Peak Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the Peak Reimbursement Fee. Further details of the circumstances in which the Peak Reimbursement Fee may become payable to Shenghe are in Section 9.7.

(c) **If the Scheme does not proceed, Peak Shareholders will not be able to realise their investment and receive the all cash Scheme Consideration**

If the Scheme is not approved or all outstanding Conditions are not satisfied or waived (where capable of waiver), the Scheme will not proceed. In that case, Peak Shareholders will not be able to realise their investment and receive the all cash Scheme Consideration and, in the absence of another proposal comparable to the Scheme:

- Peak will continue to operate as a standalone company listed on the ASX; and
- Peak Shareholders will retain their Peak Shares and continue to be subject to the risks associated with holding Peak Shares, including those set out in Section 7.

(d) **Warranties by Scheme Shareholders**

If the Scheme becomes Effective, each Scheme Shareholder will be deemed to have given certain warranties in favour of Shenghe, including that:

- all Peak Shares (including any rights and benefits attaching to those Peak Shares) transferred to Shenghe under the Scheme will, as at the date of the transfer, be fully paid and free from all mortgages, charges, pledges, liens, security interests and other Encumbrances of any kind whether legal or otherwise, and restrictions on transfer of any kind;

- they have full power and capacity to sell and to transfer their Peak Shares, and all rights and benefits attaching to those Peak Shares to Shenghe under the Scheme; and
- they have no existing right to be issued any Peak Shares or other securities in Peak.

(e) **The Scheme has a number of Conditions**

In addition to the need to obtain Peak Shareholder and Court approval, the Scheme is subject to a number of other Conditions, including regulatory approvals required to be obtained in Tanzania in connection with the Scheme. These Conditions are outlined in Section 9.2. All these Conditions need to be satisfied (or alternatively waived, in the case of certain Conditions that are capable of being waived) in order for the Scheme to proceed.

As at the date of this Scheme Booklet:

- the Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal;
- the Condition in paragraph 10 of Section 9.2 (Confirmation letter from the Mining Commission of Tanzania) has been satisfied; and
- the Peak Board is not aware of any Material Adverse Change or any Prescribed Occurrences having occurred.

The Peak Independent Board Committee has reviewed the Conditions that remain to be satisfied and does not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Scheme Booklet, the Peak Independent Board Committee is not aware of any matter that would result in a breach or non-fulfilment of any of those Conditions.

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2 Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Scheme but must be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Question	Answer	Further information
Overview of the Scheme and Scheme Consideration		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Peak Shareholder and you are being asked to vote on the Scheme Resolution which, if approved and if the other Conditions to the Scheme are satisfied or waived (as applicable), will result in Shenghe, acquiring all Peak Shares held by Scheme Shareholders in consideration for the payment by Shenghe of the Scheme Consideration. If you have sold your Peak Shares, please disregard this Scheme Booklet. This Scheme Booklet is intended to help you decide how to vote on the Scheme Resolution which will need to be passed by the Requisite Majority at the Scheme Meeting. You should read this Scheme Booklet carefully and, if necessary, consult your legal, tax, financial or other independent professional adviser before making a decision in respect of the Scheme.	N/A
What is the Scheme?	A scheme of arrangement is a statutory procedure under Part 5.1 of the Corporations Act that is commonly used in Australia to enable one company to acquire another company. The Scheme is a scheme of arrangement between Peak and Peak Shareholders under which, if the Scheme becomes Effective, will result in Shenghe acquiring all of the Peak Shares held by Scheme Shareholders in consideration for the payment by Shenghe of the Scheme Consideration. In order for the Scheme to become Effective, it requires the approval of the Requisite Majority of Peak Shareholders at the Scheme Meeting and the Court, and for all other Conditions to the Scheme being satisfied or waived (as applicable). The terms of the Scheme are set out in full in Appendix 2.	Section 3
What happened to the scheme with Chenguang?	The Scheme Implementation Deed was originally entered into between Peak and Chenguang on 14 May 2025. On 24 July 2025, Peak, Chenguang and Shenghe entered into the Amendment and Novation Deed pursuant to which it was agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe. Accordingly, Shenghe became the proposed acquirer of Peak under the Scheme in place of Chenguang.	Section 3.1
Who is entitled to participate in the Scheme?	Each person who is a Peak Shareholder other than Shenghe as at 7.00pm (Sydney time) on the Record Date (expected to be 23 September 2025) will be entitled to participate in the Scheme.	Section 4.4
What is the Scheme Consideration?	The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares	Section 3.2

Question	Answer	Further information
	on issue as at the Record Date. Based on Peak's existing fully diluted issued capital of 440,111,880, Scheme Shareholders will receive a cash amount of no less than $0.359 per Peak Share if the Scheme is implemented.[19] The final Scheme Consideration per Peak Share will be announced by Peak to the ASX on the Effective Date.	
What premium does the Scheme Consideration represent?	Based on cash consideration of no less than $0.359 per Peak Share, the Scheme Consideration represents a: • 199% premium to Peak's last closing share price prior to the announcement of the Scheme of $0.12 per share on 9 May 2025; and • 173% premium to the 30-day VWAP prior to the announcement of the Scheme of $0.132 per share on 9 May 2025. The final Scheme Consideration per Peak Share will be announced by Peak to the ASX on the Effective Date.[20]	Section 1.2(c)
Why is the Scheme Consideration 'no less than $0.359' per Peak Share? Why could it vary from this?	As the Scheme values 100% of Peak at $157,992,038, the Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of the Peak Shares on issue as at the Record Date. Accordingly, the Scheme Consideration per Peak Share will depend on the number of Peak Shares on issue on the Record Date. Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share. If all Performance Rights on issue as at the Last Practicable Date vest into Peak Shares, the Scheme Consideration per Peak Share will be $0.359.	Section 3.2
How is Shenghe funding the Scheme Consideration?	The Scheme Consideration will be fully funded by Shenghe from its own cash reserves. As at 1 August 2025, Shenghe held total cash on hand amounting to approximately US$119.7 million[21], which is considered to be sufficient to cover the entire Scheme Consideration.	Section 6.8

[19] Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share.

[20] See footnote 18.

[21] Equivalent to approximately A$182 million (based on USD/AUD exchange rate of 1:1.52). If the Scheme is implemented, the maximum amount of the Scheme Consideration that Shenghe may be required to pay to Scheme Shareholders under the Scheme is approximately A$127.5 million (assuming that Shenghe's shareholding in Peak does not change prior to the Record Date). This figure includes the Scheme Consideration payable in respect of all Scheme Shares which are converted as a result of the exercise of Performance Rights prior to the Record Date.

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Question	Answer	Further information
When and how will I receive the Scheme Consideration?	If the Scheme becomes Effective, the Scheme Consideration will be paid on the Implementation Date (currently expected to be 30 September 2025). If you have validly registered your bank account details with the Share Registry by the Record Date, the Scheme Consideration will be sent directly to your bank account by electronic funds transfer. If you have not registered your bank account details with the Share Registry, the Scheme Consideration will be sent by cheque to your address as shown on the Share Register as at the Record Date (as applicable). You are encouraged to verify/update your bank account details online at https://au.investorcentre.mpms.mufg.com/ prior to the Record Date. Shareholders with a registered address outside Australia who would like their Scheme Consideration to be directly credited to a foreign bank account should refer to Section 3.6 for further information.	Sections 3.2 and 3.6
Can I sell my Peak Shares now?	You can sell your Peak Shares on-market at any time before the close of trading on the ASX on the Effective Date (assuming the Scheme is approved by Peak Shareholders (other than Excluded Shareholders) at the Scheme Meeting) at the prevailing on-market price at that time (which may vary from the Scheme Consideration). If you do so, you will not receive the Scheme Consideration (and you may incur brokerage costs).	Section 4.1
Voting recommendations and relevant considerations regarding Peak Shareholder's vote		
What is the Peak Independent Board Committee's recommendation and how does the Peak Independent Board Committee intend to vote?	The Peak Independent Board Committee has carefully considered the advantages and disadvantages of the Scheme and unanimously recommends that you **vote in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[22,23] Subject to those same qualifications, each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all of the Peak Shares in which they have a Relevant Interest in favour of the Scheme at the Scheme Meeting.	Section 1
What is the Independent Expert's conclusion?	The Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal. The reasons why the Independent Expert reached its conclusions are set out in the Independent Expert's Report, which is set out in Appendix 1. The Peak Independent Board Committee encourages you to read the Independent Expert's Report in full before deciding how to vote on the Scheme.	Appendix 1

[22] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[23] Please refer to Appendix 1, which contains the Independent Expert's Report.

Question	Answer	Further information
What if the Independent Expert changes its conclusion in respect of the Scheme?	If the Independent Expert changes its conclusion in respect of the Scheme, this will be announced to the ASX and the Peak Independent Board Committee will carefully consider the Independent Expert's revised conclusion and advise Peak Shareholders of their recommendation in respect of the Scheme. As noted in Section 9.2, it is a Condition to the Scheme becoming Effective that the Independent Expert concludes that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe and does not adversely change or qualify that conclusion or withdraw its report. This Condition is for the benefit of Peak only and, if it were to not be satisfied (and Peak did not waive it), unless Peak and Shenghe agreed on an alternative course of action during a prescribed consultation period, Peak would be entitled to terminate the Scheme Implementation Deed (in which case, the Scheme would not proceed).	Section 9.2
What are the key reasons to vote in favour of the Scheme?	The key reasons for the Peak Independent Board Committee's recommendation include: • the Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe; • the Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal; • the consideration under the Scheme represents a significant premium to the trading prices of Peak Shares on the ASX prior to the Scheme announcement and Peak's recent equity raise; • 100% cash consideration provides certain value with no associated brokerage costs; • the Scheme is considered superior to other transactions considered with Shenghe Resources; • no Superior Proposal has emerged; • the Scheme allows you to sell your entire holding of Peak Shares; • if the Scheme does not proceed, the Peak Share price will continue to be subject to market volatility and may fall to a price that is below the Scheme Consideration, in the absence of a Superior Proposal; and • there are risks to not voting for the Scheme.	Section 1.2
What are the key reasons to vote against the Scheme?	There are also reasons why you may choose to vote against the Scheme, including: • you may disagree with the Peak Independent Board Committee's unanimous recommendation or the Independent Expert's conclusion; • you may believe it is in your best interests to maintain your current investment and risk profile;	Section 1.3

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Question	Answer	Further information
	• you may prefer to retain your Peak Shares and have the opportunity to participate in the future financial performance of Peak as a standalone, ASX-listed company; • you may believe a Superior Proposal for Peak may materialise in the future; and • the potential tax consequences of the Scheme may not suit your current financial position or tax circumstances.	
How are Performance Rights being treated under the Scheme?	As at the Last Practicable Date, Peak had 9,574,890 Performance Rights on issue. It is a Condition to the Scheme that Peak does all things necessary by 8.00am on the Second Court Date to ensure that, before the Record Date, all Performance Rights have been vested or otherwise lapsed. In accordance with the Scheme Implementation Deed, the Peak Board has resolved to accelerate the vesting of, and to waive any vesting conditions or vesting periods applying to, all Performance Rights with effect from the Court approving the Scheme under section 411(4)(b) of the Corporations Act. Peak will take all reasonable steps and actions as are necessary to ensure that all vested Performance Rights are exercised prior to the Record Date.	Sections 10.1 and 10.2
Scheme implementation and process		
How will the Scheme be implemented?	If the Scheme becomes Effective, no further action is required on the part of the Scheme Shareholders in order to implement the Scheme. Under the Scheme, Peak is given authority to effect a valid transfer of all Peak Shares held by Scheme Shareholders to Shenghe and to enter the name of Shenghe in the Peak Share Register as the holder of all Peak Shares. If the Scheme becomes Effective, each Scheme Shareholder will receive the Scheme Consideration on the Implementation Date.	Sections 3.4 and 3.6
When will the Scheme become Effective and be implemented?	Subject to the satisfaction or waiver (as applicable) of the Conditions (including the Scheme being approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting), the Scheme will become Effective on the date on which the Court order approving the Scheme is lodged with ASIC. The Scheme is currently expected to become Effective on 19 September 2025 and to be implemented on 30 September 2025.	Sections 3.4 and 3.6
If the Scheme is implemented, when will Peak Shares cease trading on the ASX?	Peak will apply to the ASX for Peak Shares to be suspended from official quotation on the ASX from the close of trading on the Effective Date. Peak will apply for termination of the official quotation of Peak Shares on the ASX and for Peak to be removed from the official list of ASX with effect on and from close of trading on the Trading Day immediately following the Implementation Date.	Section 3.11
Are there conditions that need to be satisfied before the Scheme can proceed?	Implementation of the Scheme is subject to satisfaction or waiver (where applicable) of a number of Conditions contained in the Scheme Implementation Deed. As at the Last Practicable Date, the Conditions that remain to be satisfied or waived (as applicable) before the Scheme can be implemented are set out in Section 9.2 and include:	Section 9.2

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Question	Answer	Further information
	• receipt of approval from the Fair Competition Commission of Tanzania and the Mining Commission of Tanzania; • no restraint of the Scheme by a Government Agency; • approval of the Scheme by the Requisite Majority of Peak Shareholders (other than Excluded Shareholders); • the Independent Expert continuing to conclude that the Scheme is in the best interests of the Peak Shareholders not associated with Shenghe; • Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act; • no Prescribed Occurrence or Material Adverse Change occurring in relation to Peak; • no material breach of the warranties given by Peak under the Scheme Implementation Deed; and • Peak taking all necessary steps to ensure that all outstanding Performance Rights vest, or otherwise lapse, before the Record Date. As at the date of this Scheme Booklet, the Peak Board is not aware of any circumstances which would cause any Condition not to be satisfied.	
Can the Scheme Implementation Deed, or the Scheme, be terminated?	The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in Section 9.9. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.	Section 9.9
What happens if the Conditions are not satisfied or the Scheme Implementation Deed is terminated?	If any of the Conditions to the Scheme are not satisfied or waived (where applicable), including if the Scheme is not approved by the Requisite Majority of Peak Shareholders and by the Court, or the Scheme Implementation Deed is terminated, the Scheme will not be implemented. The consequences of the Scheme not being implemented include: • you will retain your Peak Shares, you will not be paid the Scheme Consideration, and you will continue to retain the benefits of your investment in Peak as a standalone entity, as well as be exposed to the risks associated with that investment (see Section 7); • the Peak Board and management will continue to operate Peak's business; • the expected benefits of the Scheme will not be realised and equally some of the disadvantages of the Scheme will no longer be relevant. These advantages and disadvantages are set out in Section 1; • Peak may be in a challenged financial position and be required to undertake further capital raisings in order to fund its ongoing working capital requirements and progress the development of the Ngualla Project within the development timeline requirements of the Government of Tanzania; • Peak's Share price may fall;	Sections 3 and 7

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Question	Answer	Further information
	• Peak will have incurred significant costs and management time and resources for no outcome; and • in certain circumstances, Peak will be required to pay the Peak Reimbursement Fee. See the question titled "*Is there a reimbursement fee?"* below for more information.	
What happens if a Competing Proposal is received?	Under the Scheme Implementation Deed, Peak is bound by certain exclusivity obligations, including in relation to a Competing Proposal. For example, it restricts Peak from taking certain actions that may encourage or solicit a Competing Proposal, obliges Peak to disclose certain information to Shenghe in connection with a Competing Proposal and also gives Shenghe a right to match a Superior Proposal in certain circumstances. See the question titled *"Is a Superior Proposal likely? What happens if a Superior Proposal emerges?"* for more information about Peak's obligations on receiving a Competing Proposal that the Peak Independent Board Committee determines is a Superior Proposal. Until the Scheme becomes Effective, there is nothing preventing third parties from making unsolicited Competing Proposals for Peak. Subject to Peak's exclusivity obligations under the Scheme Implementation Deed, the Peak Independent Board Committee will carefully consider a Competing Proposal and advise you of their recommendation.	Section 9.5
Is a Superior Proposal likely? What happens if a Superior Proposal emerges?	At the date of this Scheme Booklet, no Superior Proposal for Peak has emerged. The Scheme Implementation Deed contains certain exclusivity arrangements applicable to Peak. For example, it restricts Peak from taking certain actions that may encourage or solicit a Competing Proposal, obliges Peak to disclose certain information to Shenghe in connection with a Competing Proposal and also gives Shenghe a right to match a Superior Proposal in certain circumstances. Until the Scheme becomes Effective, there is nothing preventing third parties from making unsolicited Competing Proposals for Peak. However, where the Peak Independent Board Committee, acting in good faith and in order to satisfy what they consider to be their statutory or fiduciary duties (having received written legal advice), determines that a Competing Proposal is a Superior Proposal, Peak must provide Shenghe with the material terms and conditions of the Competing Proposal and Shenghe has a right, within 5 Business Days of receiving notice, to provide or announce a matching or superior proposal to the terms of the Competing Proposal, which must be considered by the Peak Independent Board Committee acting reasonably and in good faith. If the Peak Independent Board Committee determines that the counterproposal (taking into account all of its terms and conditions) would provide an equivalent or superior outcome for Peak Shareholders as a whole compared with the Competing Proposal, then Peak and Shenghe must use reasonable endeavours to agree and enter such documentation as is reasonably necessary to reflect the counterproposal. While at this time the Peak Independent Board Committee considers it unlikely, it is possible that, if Peak were to	Section 9.5

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Question	Answer	Further information
	continue as a standalone company, a Superior Proposal for Peak may materialise in the future. Further information regarding Competing Proposals, Superior Proposals and the exclusivity arrangements under the Scheme Implementation Deed is set out in Section 9.	
Is there a reimbursement fee?	Peak must pay Shenghe a reimbursement fee, being $1.55 million (excluding GST), in certain circumstances. The Peak Reimbursement Fee will not be payable as a result of the Scheme not receiving approval by the Requisite Majority of Peak Shareholders at the Scheme Meeting. Shenghe must pay Peak the Shenghe Reimbursement Fee of $1.55 million (excluding GST) in certain circumstances. Further information regarding the Peak Reimbursement Fee and the Shenghe Reimbursement Fee and when they are payable is set out in Sections 9.7 and 9.8.	Sections 9.7 and 9.8
What warranties do I give?	Under the Scheme, each Scheme Shareholder is deemed to have warranted to Shenghe and Peak on the Implementation Date that: • all Peak Shares (including any rights and benefits attaching to those Peak Shares) transferred to Shenghe under the Scheme will, as at the date of the transfer, be fully paid and free from all mortgages, charges, pledges, liens, security interests and other Encumbrances of any kind whether legal or otherwise, and restrictions on transfer of any kind; • they have full power and capacity to sell and to transfer their Peak Shares, and all rights and benefits attaching to those Peak Shares to Shenghe under the Scheme; and • they have no existing right to be issued any Peak Shares or other securities in Peak.	Section 3.5
Will I have to pay brokerage fees on the disposal of my Peak Shares?	Scheme Shareholders will not pay brokerage fees on the disposal of their Peak Shares as part of the Scheme.	Section 3.9
Can I attend the Court and oppose the Court approval of the Scheme?	If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on Peak, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely on at the hearing. The notice of appearance and affidavit must be served on Peak at least one day before the Second Court Date.	Section 3.4 and Notice of Scheme Meeting contained in Appendix 4
What are the risks for me if the Scheme is not implemented?	Peak Shareholders may be subject to certain risks if the Scheme is not implemented, which are set out in Section 7.	Section 7
Scheme Meeting and voting on the Scheme		
When and where will the Scheme Meeting be held?	The Scheme Meeting to approve the Scheme is scheduled to be held on Tuesday, 16 September 2025 commencing at 10.30am (Sydney time) at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia.	Sections 4.2 and 4.3 and Notice of Scheme Meeting contained in Appendix 4

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Question	Answer	Further information
	Peak strongly encourages Peak Shareholders to consider lodging a directed proxy in the event they are not be able to attend the Scheme Meeting. Further details of the Scheme Meeting, including how to vote are contained in Section 4, and the Notice of Scheme Meeting contained in Appendix 4.	
What if I cannot, or do not wish to, attend the Scheme Meeting?	If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and appointing proxies for the Scheme Meeting, see Section 4 and the Notice of Scheme Meeting contained in Appendix 4.	Sections 4.1 and 4.6 and the Notice of Scheme Meeting contained in Appendix 4
What vote is required to approve the Scheme?	The Scheme needs to be approved by the Requisite Majority of Peak Shareholders (other than Excluded Shareholders), which is: • unless the Court orders otherwise, a majority in number (more than 50%) of Peak Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution at the Scheme Meeting. Even if the Scheme Resolution is approved at the Scheme Meeting, the Scheme is still subject to other outstanding Conditions including the approval of the Court.	Section 3.4
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting you are encouraged to appoint a proxy, attorney or corporate representative (if applicable) to vote on your behalf. For further details regarding voting at, and appointing a proxy, attorney or corporate representative for the Scheme Meeting, see Section 4 and the Notice of Scheme Meeting contained in Appendix 4.	Sections 3.4, 4.4 and 4.6, and the Notice of Scheme Meeting contained in Appendix 4
Who can vote?	If you are registered as a Peak Shareholder at 7.00pm (Sydney time) on 14 September 2025 you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting. For further details regarding eligibility to vote, see Section 4 and the Notice of Scheme Meeting contained in Appendix 4. Shenghe will be excluded from voting on these resolutions.	Section 4.4 and the Notice of Scheme Meeting contained in Appendix 4
What are my options?	You have the following options in relation to your Peak Shares: • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your Peak Shares on market at any time before the close of trading on the ASX on the Effective Date; or • do nothing. Peak encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances	Section 4.1

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Question	Answer	Further information
	and seek professional advice before making any decision in relation to your Peak Shares.	
Why should I vote?	Your vote will be important in determining whether the Scheme will proceed. The Peak Independent Board Committee unanimously recommends you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[24,25] Some considerations that may be relevant to your vote are set out in further detail in Section 1.	Section 1
How do I vote?	You may vote at the Scheme Meeting: • by attending the Scheme Meeting physically in person; or • by appointing a proxy or attorney to attend the Scheme Meeting or, in the case of corporate shareholders, a corporate representative to attend the Scheme Meeting to vote on their behalf. For further details regarding voting at, and appointing a proxy, attorney or corporate representative for, the Scheme Meeting, see Section 4.6 and the Notice of Scheme Meeting contained in Appendix 4.	Section 4.6 and the Notice of Scheme Meeting contained Appendix 4
What happens if I do not vote?	If you do not vote and the Scheme is approved by a Requisite Majority of Peak Shareholders, and all other Conditions to the Scheme are satisfied or waived (where applicable) such that the Scheme becomes Effective, your Peak Shares will be transferred to Shenghe in consideration for Shenghe paying you the Scheme Consideration for your Peak Shares. If the Scheme is not approved by the Requisite Majority of Peak Shareholders, or otherwise does not become Effective, the Scheme will not be implemented, Peak will remain a standalone ASX-listed company and you will remain a Peak Shareholder.	Sections 1.4(a), 3.4 and 4.1
If I wish to support the Scheme, what should I do?	If you wish to support the Scheme, you should vote in favour of the Scheme Resolution at the Scheme Meeting. The Peak Independent Board Committee unanimously recommends you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[26,27]	Section 4, Notice of Scheme Meeting contained in Appendix 4

[24] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[25] Please refer to Appendix 1, which contains the Independent Expert's Report.

[26] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[27] Please refer to Appendix 1, which contains the Independent Expert's Report.

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Question	Answer	Further information
	If you are a registered Peak Shareholder and are unable to attend the Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney. See Section 4 and the Notice of Scheme Meeting contained in Appendix 4 for directions on how to vote and important voting information generally.	
What happens if I vote against the Scheme?	If, despite the Peak Independent Board Committee's unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting. However, you should note that if the Scheme is approved by the Requisite Majority of Peak Shareholders and by the Court, and all other Conditions to the Scheme are satisfied or waived (where applicable) such that the Scheme becomes Effective, your Peak Shares will be transferred to Shenghe in consideration for the Scheme Consideration. This will occur even if you voted against the Scheme at the Scheme Meeting. If the Scheme is not approved by the Requisite Majority of Peak Shareholders, or otherwise does not become Effective, the Scheme will not be implemented, Peak will remain a standalone ASX-listed company and you will remain a Peak Shareholder.	Sections 1.4(a), 3.4 and 4.1
How will voting at the Scheme Meeting be conducted?	Voting at the Scheme Meeting will be conducted by way of a poll. This means that every Peak Shareholder at the Scheme Meeting who is present in person, or by proxy, attorney or corporate representative, will have one vote for each Scheme Share held by them.	Sections 3.4 and 4.4 and the Notice of Scheme Meeting contained in Appendix 4
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX once available and will also be available on Peak's website.	Section 3.4
Information about Shenghe and the Shenghe Group		
Who is Shenghe?	Shenghe is the company that is offering to acquire your Peak Shares under the Scheme. Shenghe is a wholly-owned Subsidiary of Shenghe Resources. The core activities of Shenghe encompass project investment and international trade related to commodities associated with rare earths, mineral sands and other metals. Shenghe is an existing 19.70% shareholder in Peak and has binding offtake rights to rare earths production from the Ngualla Project in which Peak holds an 84% interest. See Section 6 for further information on Shenghe.	Section 6.2
Who is Shenghe Resources?	Shenghe Resources is a major rare earths company listed on the Shanghai Stock Exchange (SSE: 600392), having a market capitalisation of ~US$5.16 billion as at the Last Practicable Date. Besides extensive international investment and trading, Shenghe Resources' operations span rare earth mining, beneficiation, refining, separation and alloy and metals production.	Section 6.3

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Question	Answer	Further information
	As an international rare earths group with technical expertise and funding capacity, Shenghe Resources (through its subsidiaries) has invested in various projects of rare earths and heavy mineral sands in the United States, Canada, Australia, Greenland, Tanzania and Madagascar. Notably, Shenghe Resources assisted the recommencement of commercial operation of the Mountain Pass rare earths mine in California, U.S. in 2017, and is operating the Fungoni mineral sands mine in Tanzania. Shenghe Resources is the ultimate parent company of Shenghe (and Chenguang, the party who originally proposed to acquire Peak pursuant to the Scheme prior to the novation of those arrangements to Shenghe).	
What are Shenghe's intentions if the Scheme proceeds?	If the Scheme is implemented, Shenghe currently intends to develop the Ngualla Project mine as its primary business focus, subject to relevant governmental approvals. See Section 6.7 for further details of Shenghe's intentions in relation to Peak if the Scheme is implemented.	Section 6.7
Tax implications		
What are the tax implications of the Scheme?	If the Scheme becomes Effective, there will be tax consequences for Peak Shareholders which may include tax being payable on any gain on disposal of their Peak Shares. Section 8 provides a general description of the Australian tax consequences of the Scheme. The tax consequences of the Scheme may vary depending on the nature and characteristics of each Peak Shareholder and their individual circumstances. It is recommended you seek professional tax advice in regard to the income tax implications associated with the Scheme.	Section 8
General questions		
What other information is available?	You should read the detailed information in relation to the Scheme provided in this Scheme Booklet. Further information in relation to Peak can be obtained from ASX on its website www.asx.com.au.	N/A
Who can help answer my questions about the Scheme?	If you require further information or have questions in relation to the Scheme, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside Australia), Monday to Friday (excluding public holidays) between 9.00am and 5.00pm (Sydney time). or consult your legal, investment, taxation, financial or other professional adviser. If you want to contact Peak's share registry, MUFG Corporate Markets, please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).	N/A

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3 Key features of the Scheme

3.1 Scheme

On 14 May 2025, Peak entered into the Scheme Implementation Deed with Chenguang pursuant to which, among other things, Peak agreed to propose the Scheme.

On 24 July 2025, Peak, Chenguang and Shenghe entered into the Amendment and Novation Deed pursuant to which it was agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe. Accordingly, Shenghe became the proposed acquirer of Peak under the Scheme in place of Chenguang.

As part of the Scheme, Shenghe intends to acquire all of the Peak Shares held by Scheme Shareholders by way of a scheme of arrangement which, if implemented, will result in Peak becoming a wholly owned Subsidiary of Shenghe and Peak being removed from the official list of ASX. A copy of the Scheme is set out in Appendix 2 of this Scheme Booklet.

The Scheme is subject to several Conditions including Tanzanian regulatory approvals, approval by the Requisite Majority of Peak Shareholders at the Scheme Meeting and approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date. For further details of the Conditions, refer to Section 9.2.

If the Scheme becomes Effective, Shenghe will become bound to pay the Scheme Consideration to Scheme Shareholders on the Implementation Date.

Shenghe has executed the Deed Poll pursuant to which Shenghe has agreed, subject to the Scheme becoming Effective, to acquire the Peak Shares held by Scheme Shareholders for the Scheme Consideration. A copy of the Deed Poll is set out in Appendix 3 of this Scheme Booklet.

A summary of the key terms of the Scheme Implementation Deed is set out in Section 9. A copy of the Scheme Implementation Deed was released to the ASX by Peak on 15 May 2025, with an amended version released to the ASX by Peak on 25 July 2025 following the Amendment and Novation Deed. A copy of the Scheme Implementation Deed is also available on Peak's website (www.peakrareearths.com/announcements/).

3.2 Scheme Consideration

The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares on issue as at the Record Date.

Based on Peak's existing fully diluted issued capital of 440,111,880, each Scheme Shareholder will receive a cash amount of no less than $0.359 (rounded to three decimal places) per Peak Share held as at the Record Date if the Scheme is implemented.[28] The final Scheme Consideration per Peak Share will be announced by Peak to the ASX on the Effective Date.

For Peak Shareholders, payments will be made by direct deposit into your nominated bank account, as advised to the Share Registry as at the Record Date. If you have not nominated a bank account, payment will be made by Australian dollar cheque.

[28] Whilst Peak has no intention to issue any further securities prior to the Record Date, the fully diluted issued capital of Peak may decrease if any of the Performance Rights on issue as at the Last Practicable Date were to lapse prior to the Effective Date. If any of the Performance Rights on issue lapse prior to the Effective Date, then the Scheme Consideration will be higher due to a lesser number of Shares being on issue as at the Record Date. If all of the Performance Rights on issue as at the Last Practicable Date were to lapse, the Scheme Consideration would increase to $0.367 (rounded to three decimal places) per Peak Share.

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You are encouraged to verify/update your bank account details online at https://au.investorcentre.mpms.mufg.com/ prior to the Record Date.

Shareholders with a registered address outside Australia who would like their Scheme Consideration to be directly credited to a foreign bank account should refer to Section 3.6 for further information.

3.3 Peak Independent Board Committee's recommendation and voting intentions

The Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme and each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all Peak Shares in which they have a Relevant Interest in (being in aggregate 1.01% of Peak Shares) in favour of the Scheme at the Scheme Meeting, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[29,30] Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes each member of the Peak Independent Board Committee interests in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

In making this recommendation, the Peak Independent Board Committee has considered the potential advantages and disadvantages of the Scheme, including the information set out in Section 1 (Key considerations in relation to the Scheme), Section 7 (Risk factors) and the Independent Expert's Report contained in Appendix 1.

In considering whether to vote in favour of the Scheme Resolution, the Peak Independent Board Committee encourages you to:

- carefully read this Scheme Booklet (including the Independent Expert's Report) in its entirety;
- consider the choices available to you as outlined in Section 4.1;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- obtain legal advice from your legal advisers on the Scheme and the implications of the Scheme becoming Effective;
- obtain financial advice from your broker or financial adviser on the Scheme; and
- obtain tax advice on the implications of the Scheme becoming Effective.

Pursuant to the Scheme Implementation Deed, a member of the Peak Independent Board Committee may change their recommendation, without triggering the payment of the Peak Reimbursement Fee, under certain circumstances as summarised in Section 9.3.

3.4 Key steps for implementing the Scheme

The key steps to implement the Scheme and relevant information concerning these steps are set out below.

[29] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[30] Please refer to Appendix 1, which contains the Independent Expert's Report.

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All dates following the Scheme Meeting are indicative only and may be subject to change. Peak will announce to the ASX any change to the dates in the timetable set out in the "Key dates and next steps" section of this Scheme Booklet.

Preliminary steps

Peak and Chenguang entered into the Scheme Implementation Deed on 14 May 2025, pursuant to which, among other things, Peak agreed to propose the Scheme.

On 24 July 2025, Peak, Chenguang and Shenghe entered into the Amendment and Novation Deed pursuant to which it was agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe. Accordingly, Shenghe became the proposed acquirer of Peak under the Scheme in place of Chenguang.

Shenghe has executed the Deed Poll, pursuant to which Shenghe, subject to the Scheme becoming Effective, agrees to provide the Scheme Consideration to which each Scheme Shareholder is entitled under the terms of the Scheme in consideration for the transfer to it of each Scheme Share on the Implementation Date.

A copy of the proposed Scheme is set out in Appendix 2 to this Scheme Booklet.

A copy of the Deed Poll is set out in Appendix 3 to this Scheme Booklet.

Remaining requirements for the Scheme to become Effective and be implemented

The Scheme will only become Effective and be implemented if:

- the Scheme Resolution is approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting;
- the Scheme is approved by the Court at the Second Court Hearing; and
- the other Conditions (which are summarised in Section 9.2) are satisfied (or, if applicable, waived).

Scheme Meeting

The Court has ordered that the Scheme Meeting to approve the Scheme be held at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia on Tuesday, 16 September 2025 at 10.30am (Sydney time). Further information about the Scheme Meeting, including the Scheme Resolution, can be found in the Notice of Scheme Meeting in Appendix 4.

Each Peak Shareholder (other than Excluded Shareholders) who is registered on the Peak Share Register at 7.00pm (Sydney time), 14 September 2025 (being the date that is two days before the Scheme Meeting) is entitled to attend and vote at the Scheme Meeting. Instructions on how to attend and vote at the Scheme Meeting are set out in Appendix 4.

Peak has decided to hold the Scheme Meeting in person.

See Section 4.6 for further information.

Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Peak Shareholders (other than Excluded Shareholders) present and voting at the Scheme

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Meeting (in person or by proxy, corporate representative or attorney) (**Headcount Test**); and

- at least 75% of the total number of votes which are cast at the Scheme Meeting.

Voting on the Scheme Resolution will be conducted by way of a poll. Peak Shareholders (other than Excluded Shareholders) who are present in person, or by proxy, attorney or corporate representative will have one vote for each Peak Share that they hold.

Shenghe will be excluded from voting on these resolutions.

It should be noted that the Court has the power to waive the Headcount Test.

The Scheme Resolution is set out in the Notice of Scheme Meeting in Appendix 4. Guidance on eligibility for voting, and instructions on how to participate in and vote at the Scheme Meeting, is set out in Section 4 and the Notice of Scheme Meeting in Appendix 4.

Voting is not compulsory. However, the Peak Independent Board Committee unanimously recommends that Peak Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[31,32] Every vote in favour of the Scheme will increase the likelihood of the Requisite Majority being met and the Scheme becoming Effective.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Peak Shareholders and the Court, and becomes Effective. If this occurs, your Peak Shares will be transferred to Shenghe and you will receive the Scheme Consideration in respect of the Peak Shares you hold on the Record Date even though you did not vote on, or voted against, the Scheme. The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.

Please note that the Scheme Meeting may be postponed or adjourned if satisfaction or waiver (where permitted) of a Condition is delayed. Any postponement or adjournment of the Scheme Meeting will be announced to the ASX.

Second Court Hearing and approval of the Scheme

In the event that:

- the Scheme Resolution is approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting; and

- all Conditions have been satisfied, remain capable of being satisfied, or have been waived (if applicable),

Peak will apply to the Court for orders approving the Scheme at the Second Court Hearing. The Court has a broad discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act. The Second Court Hearing is scheduled to occur on the Second Court Date (currently expected to be 3.00pm (Sydney time) on Thursday, 18 September 2025). The Court may refuse to make the orders approving the Scheme even if the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting. You

[31] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[32] Please refer to Appendix 1, which contains the Independent Expert's Report.

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should be aware that the Second Court Date may be postponed for a number of reasons, including a delay in satisfying a Condition.

ASIC has been requested to issue a written statement indicating that it has no objection to the Scheme. Typically, ASIC provides this statement shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

With the Court's permission, any interested person (including a Peak Shareholder) has the right to seek leave to appear and be heard at the Second Court Hearing and may oppose the approval of the Scheme at the Second Court Hearing or make submissions to the Court in relation to the Scheme. If you wish to oppose in this manner, you must file with the Court and serve on Peak a notice of appearance in the prescribed form together with any affidavit that you propose to rely on. The notice of appearance and affidavit must be served on Peak at least one day prior to the Second Court Date.

Pursuant to the Scheme Implementation Deed, if the Court refuses to make orders approving the Scheme, Peak must, at Shenghe's request, appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent senior counsel of the Western Australian bar practising in the field of corporate law indicates that, in their view, an appeal would have negligible prospect of success before the End Date).

Effective Date

If the Court makes orders approving the Scheme and all other Conditions have been satisfied or waived (where capable of waiver), then Peak will lodge with ASIC an office copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Scheme. As soon as a copy of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective and will be binding on Peak and each Scheme Shareholder. The date on which this occurs is the Effective Date, which is expected to be 19 September 2025. Peak will, on the Scheme becoming Effective, give notice of that event to the ASX.

If the Scheme becomes Effective:

- Shenghe will become bound to pay the Scheme Consideration to the Scheme Shareholders on the Implementation Date; and

- subject to payment of the Scheme Consideration by Shenghe, Peak will become bound to take the steps required for Shenghe to become the holder of all Peak Shares.

Suspension from trading in Peak Shares on the ASX

If the Scheme becomes Effective, Peak intends to apply to the ASX for Peak Shares to be suspended from trading on the ASX from the close of trading on the Effective Date.

Record Date

If the Scheme becomes Effective, Peak Shareholders other than Shenghe on the Peak Share Register on the Record Date (currently expected to be 7.00pm (Sydney time) on 23 September 2025, being the date which is the second Trading Day after the Effective Date) will be entitled to receive the Scheme Consideration in respect of the Peak Shares they hold as at the Record Date.

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Dealings on or before the Record Date

For the purpose of determining which Peak Shareholders are eligible to participate in the Scheme, dealings in Peak Shares will be recognised only if:

- in the case of dealings of the type to be affected using CHESS, the transferee is registered on the Peak Share Register as the holder of the relevant Peak Shares on or before the Record Date (currently expected to be 23 September 2025); and

- in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received by the Share Registry on or before 5.00pm on the Record Date at the place where the Share Register is kept.

For the purposes of determining entitlements under the Scheme, Peak will not accept for registration or recognise for any purpose (except a transfer to Shenghe pursuant to the Scheme and any subsequent transfer by Shenghe or its successors in title) any transfer or transmission application or other request in respect of Peak Shares received after such times, or received prior to such time but not in registrable or actionable form, as appropriate.

Dealings after the Record Date

For the purpose of determining entitlements to the Scheme Consideration, Peak must maintain the Peak Share Register in its form as at the Record Date (currently expected to be 23 September 2025) until the Scheme Consideration has been provided to the Scheme Shareholders and Shenghe has been entered in the Share Register as the holder of all the Scheme Shares. The Peak Share Register in this form and the terms of the Scheme will solely determine entitlements to the Scheme Consideration. After the Record Date:

- all statements of holding of Peak Shares will cease to have effect as documents of title in respect of such Peak Shares (other than statements of holding in favour of Shenghe and its successors in title); and

- each entry on the Peak Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Peak Shares relating to that entry.

3.5 Warranties by Scheme Shareholders

The effect of clause 5.5(b) of the Scheme is that all Scheme Shareholders, including those who vote against the Scheme and those who do not vote on the Scheme Resolution, will be deemed to have warranted to Shenghe that:

- all Peak Shares (including any rights and benefits attaching to those Peak Shares) transferred to Shenghe under the Scheme will, as at the date of the transfer, be fully paid and free from all mortgages, charges, pledges, liens, security interests and other Encumbrances of any kind whether legal or otherwise, and restrictions on transfer of any kind;

- they have full power and capacity to transfer their Peak Shares, and all rights and benefits attaching to Peak Shares to Shenghe; and

- they have no existing right to be issued any Peak Shares or other securities in Peak.

3.6 Implementation and payment of the Scheme Consideration

Once the Scheme is Effective, on the Implementation Date (which is five Business Days after the Record Date or such other date as the parties agree in writing), the Scheme will be implemented by Peak and Shenghe undertaking the following steps in accordance with the terms of the Scheme and the Deed Poll.

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Deposit of aggregate Scheme Consideration by Shenghe

By no later than the Business Day before the Implementation Date, Shenghe will deposit (or will procure the deposit of) the aggregate Scheme Consideration payable to all Scheme Shareholders in cleared funds to an Australian dollar denominated trust account with an ADI (as defined in the Scheme) operated by or on behalf of Peak to be held on trust by Peak for Scheme Shareholders.

Transfer of all Peak Shares to Shenghe

Subject to payment of the aggregate Scheme Consideration by Shenghe, all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Shenghe by Peak (on behalf of Scheme Shareholders) and Peak will enter the name of Shenghe in the Peak Share Register in respect of all Peak Shares.

Payment of Scheme Consideration to Peak Shareholders

The Scheme Consideration will be paid by Peak by either:

- making a payment to your nominated bank account with the Share Registry as at the Record Date. You are encouraged to verify/update your bank account details online at https://au.investorcentre.mpms.mufg.com/ prior to the Record Date; or

- sending a cheque to the Scheme Shareholder's address as shown in the Peak Share Register as at the Record Date.

Shareholders with a registered address outside Australia can request that the Scheme Consideration be directly credited to a foreign bank account via OFX, a global foreign exchange provider. To do so, prior to the Record Date, visit https://au.investorcentre.mpms.mufg.com/ and navigate to 'Payments and Tax' and select 'Foreign Currency Payment' as your payment method. You will need to authorise your Investor Centre and OFX accounts to be connected. Note that fees may apply.

For any unclaimed funds, the Scheme Consideration will be paid into a separate bank account and held by the Share Registry on trust for you until claimed or applied under laws dealing with unclaimed money. If you wish to confirm your current address details with the Share Registry, you may do so by contacting the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays).

Where a cheque is returned to Peak or has not been presented for payment within 6 months after the date on which the cheque was sent, Peak may cancel the cheque. The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 6 of the *Unclaimed Money Act 1990* (WA)).

If any amount is required by law to be paid to a Government Agency in respect of the acquisition of the Scheme Shares from a Scheme Shareholder (**Withholding Amount**), Shenghe is permitted to deduct the Withholding Amount from the Scheme Consideration otherwise payable to the relevant Scheme Shareholders and remit such amounts to the Government Agency. The net payment payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.

Similarly, if notice is given to Peak or Shenghe of an order or direction of a court or other Government Agency that:

- requires consideration to be provided to a third party in respect of Scheme Shares held by a Scheme Shareholder, then Peak will be entitled to provide that consideration in accordance with the order or direction; or

- prevents Peak from providing consideration to any particular Scheme Shareholder, or if the payment is otherwise prohibited by law, then Peak will be entitled to retain an amount equal to the Scheme Consideration that would have been paid to that Scheme Shareholder until such time the payment is permitted by an order or direction or otherwise by law,

and to the extent that amounts are so deducted or withheld, such amounts will be treated as having been paid to the person in respect of which such deduction and withholding was made.

3.7 Independent Expert's Report

Peak has engaged RSM Corporate Australia Pty Ltd to act as the Independent Expert in connection with the Scheme.

The Independent Expert has reviewed the terms of the Scheme and concluded, and as at the Last Practicable Date continues to conclude, that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal.

The Independent Expert's Report is set out in Appendix 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

3.8 Taxation

You should seek your own professional advice regarding the individual tax consequences applicable to you. A general outline of the tax implications for Australian residents is set out in Section 8.

3.9 No brokerage or stamp duty

No brokerage or stamp duty will be payable by Scheme Shareholders on the transfer of their Scheme Shares under the Scheme.

3.10 Deed Poll

Shenghe has executed the Deed Poll, pursuant to which Shenghe, subject to the Scheme becoming Effective, undertakes in favour of each Scheme Shareholder to observe and perform all of its obligations under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration.

A copy of the Deed Poll is contained in Appendix 3 to this Scheme Booklet.

3.11 Delisting of Peak

Following the implementation of the Scheme, Peak will apply for termination of the official quotation of Peak Shares on the ASX, and for Peak to be removed from the official list of ASX.

3.12 End Date

The Scheme will lapse and be of no further force or effect if:

- the Effective Date does not occur on or before the End Date; or
- the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

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unless Peak and Shenghe otherwise agree in writing. The End Date is currently 14 December 2025 (unless extended in accordance with the Scheme Implementation Deed).

3.13 Further questions

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays) or consult your legal, investment, taxation, financial or other professional adviser.

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4 Scheme Meeting and voting information

4.1 Your choices as a Peak Shareholder

As a Peak Shareholder, you have the following options set out below in relation to your Peak Shares.

You should read this Scheme Booklet (including the Independent Expert's Report and the Independent Technical Specialist's Report) carefully in its entirety before making any decision in respect of the Scheme, including how to vote on the Scheme Resolution at the Scheme Meeting.

The Peak Independent Board Committee encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Peak Shares.

Vote in favour of the Scheme Resolution at the Scheme Meeting

The Peak Independent Board Committee unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[33,34] The reasons for the Peak Independent Board Committee's unanimous recommendation are set out in Section 1.2.

Further, the Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. Section 4.6 sets out instructions on how Peak Shareholders can vote on the Scheme Resolution.

Vote against the Scheme Resolution at the Scheme Meeting

If, despite the Peak Independent Board Committee's unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may choose to vote against the Scheme Resolution.

However, if all of the Conditions to the Scheme are satisfied or waived as applicable (including the Scheme Resolution being approved by the Requisite Majority at the Scheme Meeting) and the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders (being those Peak Shareholders who are Peak Shareholders as at the Record Date other than Shenghe), whether or not they attended the Scheme Meeting, whether or not they voted, and whether they voted for or against the Scheme Resolution. In these circumstances, your Peak Shares will be transferred to Shenghe by operation of the Scheme and you will receive the Scheme Consideration.

This Section 4 sets out instructions on how Peak Shareholders can vote on the Scheme Resolution.

Seek to sell your Peak Shares on the ASX

You can seek to sell your Peak Shares on the ASX for cash at any time before the cessation of trading of Peak Shares on the ASX. If the Scheme is approved by the Requisite Majority of

[33] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[34] Please refer to Appendix 1, which contains the Independent Expert's Report.

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Peak Shareholders at the Scheme Meeting and by the Court at the Second Court Hearing, trading in Peak Shares on the ASX is expected to cease at the close of trading on the ASX on the day on which the Scheme becomes Effective (currently expected to be 19 September 2025).

If you are considering selling your Peak Shares on the ASX you should have regard to the prevailing trading prices of Peak Shares at the time and compare those to the Scheme Consideration (noting that the Scheme Consideration will only be provided if the Scheme becomes Effective). You should also have regard to the taxation consequences associated with selling your Peak Shares on the ASX compared to having those shares acquired pursuant to the Scheme. You should contact your stockbroker for information on how to effect that sale, and you should also consult with your financial, taxation, legal or other professional adviser before making any decisions.

If you sell your Peak Shares on the ASX and they are not on the Peak Share Register as at the Record Date:

- you will not be entitled to receive the Scheme Consideration in respect of those Peak Shares you sell;
- you may incur brokerage charges;
- you may incur a liability for CGT; and
- you will not be able to participate in a Superior Proposal, if one emerges prior to the Effective Date, noting that, at the date of this Scheme Booklet, no Superior Proposal has emerged and the Peak Independent Board Committee has not received notice from any third party of an intention to make any Competing Proposal or Superior Proposal.

Do nothing

If, despite the Peak Independent Board Committee's unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the Conditions to the Scheme are satisfied or waived as applicable (including the Scheme Resolution being approved by the Requisite Majority at the Scheme Meeting) and the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders (being those Peak Shareholders who are Peak Shareholders as at the Record Date other than Shenghe), whether or not they attended the Scheme Meeting, whether or not they voted, and whether they voted for or against the Scheme Resolution. In these circumstances, your Peak Shares will be transferred to Shenghe by operation of the Scheme and you will receive the Scheme Consideration.

If you want to receive the Scheme Consideration, your vote is important. If the Scheme Resolution is not approved by the Requisite Majority at the Scheme Meeting, the Scheme may not be implemented, in which case you will not be entitled to receive the Scheme Consideration.

If the Scheme is not approved due to the Headcount Test not being satisfied, Peak or Shenghe may, by written notice to the other, require the approval of the Court to be sought pursuant to the Court's discretion to disregard the Headcount Test, provided that the party has, in good faith, reasonably formed the view that the prospect of the Court exercising its discretion in this way is reasonable, in accordance with their obligations under clause 3.6(d) of the Scheme Implementation Deed.

You should carefully read this Scheme Booklet in its entirety before making any decision on how to vote on the Scheme. The frequently asked questions in Section 2 may help answer some of your questions. If you are in any doubt about what you should do, you should consult with a financial, legal, taxation or other professional adviser.

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If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the Peak Shareholder Information Line on 1300 630 625 (within Australia) or +61 2 9129 5052 (outside of Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday (excluding public holidays) or consult your legal, investment, taxation, financial or other professional adviser.

4.2 Scheme Meeting

The Scheme Meeting will be held at 10.30am (Sydney time) on Tuesday, 16 September 2025 as an in-person meeting. Peak Shareholders (other than Excluded Shareholders) (or their proxies, attorneys or corporate representative) will be able to attend and vote at the Scheme Meeting in person at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia.

A copy of the Notice of Scheme Meeting is set out in Appendix 4 to this Scheme Booklet.

4.3 Your vote is important

It is a Condition to the Scheme that the Scheme Resolution be approved by the Requisite Majority of Peak Shareholders at the Scheme Meeting. For this reason, the Peak Independent Board Committee unanimously recommends you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[35,36]

If you are unable to attend the Scheme Meeting, or even if you plan on attending the Peak Meeting, the Peak Independent Board Committee urges you to do the following (as applicable):

- if you have elected to receive communications from Peak electronically, access your personalised link to appoint your proxy online by following instructions which the Share Registry will email to you; or
- if you have elected to receive communications from Peak by post (or have not made a communication election), appoint your proxy by following the instructions on the personalised Proxy Form which you will receive via post.

4.4 Who is entitled to vote at the Scheme Meeting?

If you are registered on the Peak Share Register as a Peak Shareholder (other than Excluded Shareholders) at 7.00pm (Sydney time), 14 September 2025, then you will be entitled to attend and vote at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

Voting is not compulsory, however, all Peak Shareholders will be bound by the result of the vote whether or not they were present at the Scheme Meeting and whether or not they voted on, or in favour of or against, the Scheme Resolution.

4.5 Joint holders

In the case of Peak Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Peak Shareholder votes in respect of jointly held Peak Shares, only the vote of the Peak Shareholder whose name appears first in the Peak Share Register will be counted.

[35] In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

[36] Please refer to Appendix 1, which contains the Independent Expert's Report.

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4.6 Voting in person, by attorney or corporate representation

You can vote:

- **in person**, by attending and voting at the Scheme Meeting in person;
- **by proxy**, by appointing a proxy online at https://au.investorcentre.mpms.mufg.com/ or by completing, signing and lodging a Proxy Form for the Scheme Meeting, in accordance with the instructions set out in Appendix 4 and on the Proxy Form. To be valid, your online proxy appointment or Proxy Form (together with any power of attorney under which it is signed) must be received by the Share Registry no later than 10.30am (Sydney time), 14 September 2025;
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting in person on your behalf and providing a duly executed power of attorney to the Share Registry by no later than 10.30am (Sydney time), 14 September 2025; or
- **by corporate representative**, in the case of a body corporate which is a Peak Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting in person on your behalf and providing a duly executed certificate of appointment (in accordance with section 250D of the Corporations Act) prior to or at the Scheme Meeting.

Further details on how to vote are contained in Appendix 4.

4.7 How to ask questions

Peak Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their question to info@peakrareearths.com prior to 5.00pm (Sydney time) on 14 September 2025. Alternatively, Peak Shareholders can submit questions when attending the Scheme Meeting.

4.8 Alternative arrangements

If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the Scheme Meeting, Peak Shareholders will be given as much notice as possible. Any changes to the Scheme Meeting will be communicated by Peak via ASX announcement.

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5 Peak Information

5.1 Introduction

The information contained in this Section 5 has been prepared by Peak. The information concerning Peak, and the intentions, views and opinions contained in this Section 5 are the responsibility of Peak. Shenghe does not assume any responsibility for the accuracy or completeness of the information in this Section 5.

5.2 Overview of Peak

(a) Background and Strategy

Peak is an Australian headquartered rare earth focused exploration and development company listed on the ASX (ASX: PEK). Peak was incorporated in January 2005 and was listed on the ASX in November 2006.

Peak is focused on delivering its high-grade Ngualla Rare Earth Project located in Tanzania (**Ngualla Project**). The Ngualla Project is considered to be one of the largest and highest grade NdPr rare earth deposits in the world.



As at the Last Practicable Date, Peak had a market capitalisation of approximately $137.8 million.

(b) Ngualla Rare Earth Project (Peak 84% / Government of Tanzania 16%)

The Ngualla Project is Peak's flagship asset and is a globally significant rare earth exploration and development project.

The Ngualla Project is located approximately 147km from the city of Mbeya in the South-West of Tanzania and on the edge of the East African Rift Valley. It has a large and high-grade Ore Reserve (18.5Mt grading at 4.8% Rare Earth Oxide (**REO**) for 887kt REO) and Mineral Resource (214.4Mt grading 2.15% REO for 4.6Mt REO).[37] The deposit benefits from a comparatively high composition of NdPr to REO and low levels of radionuclides and acid consuming elements.

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37 Refer to Section 5.3 for a detailed breakdown of Peak's Ore Reserve and Mineral Resource estimates between the various JORC categories.

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Peak holds an 84% interest in Mamba Minerals, the Tanzanian company that in turn holds the Special Mining Licence for the Ngualla Project. The Government of Tanzania holds a 16% free-carried interest in Mamba Minerals.

The development of the Ngualla Project is supported by the grant of the Special Mining Licence as well as a Framework Agreement entered into with the Government of Tanzania. It entails the construction of a mine, mill, beneficiation plant, community projects and associated infrastructure. Following construction and commissioning, the Ngualla Project will produce a rare earth concentrate that will initially be shipped to refineries that will produce NdPr oxide and other separated rare earths products. Longer-term there is the potential for the Ngualla Project to move further downstream into the production of a mixed rare earth carbonate and potentially NdPr oxide.

NdPr oxide is a critical component of high-strength permanent magnets, which are used in the production of electric vehicles, direct drive wind turbines, robotics, power tools, smart phones and other electrical appliances. The demand outlook for NdPr oxide is strong and closely aligned to global trends around decarbonisation, the electrification of transport, renewable energy generation and increasing use of robotics.

The Ngualla Project has the benefit of a complete offtake solution covering 100% of its rare earths production for an initial 7-year term with Shenghe, as further detailed in Section 5.5(b).

Key aspects of the Ngualla Project include:

- high-grade bastnaesite ore (TREO – 4.8% and NdPr – 1.02%) with low levels of radionuclides;
- an initial +24-year life of mine supported by JORC compliant Ore Reserves, which account for less than 20% of estimated Mineral Resources;
- average targeted production of 16.2ktpa of high-grade rare earth concentrate containing 3.6ktpa of NdPr oxide over its life of mine;
- a Special Mining Licence and a binding Framework Agreement with the Government of Tanzania;
- completed studies including a Bankable Feasibility Study (**BFS**), BFS Update and Front-End Engineering & Design Study; and
- significant exploration and development upside, including rare earths as well as other critical minerals including phosphate, fluorspar and niobium.

(c) **Teesside site**

On 9 July 2025, Peak announced the sale of its non-core Teesside site in the United Kingdom for £3.5 million (~A$7.3 million)[38]. Under the terms of the sale agreement, Peak has undertaken to surrender an environmental permit over the site.

The sale has completed and Peak has received sale consideration of £3.45 million, with additional consideration of £50,000 payable to Peak on the successful surrender of the environmental permit. Peak has also agreed to fund any site works or rehabilitation requirements associated with the surrender of the environmental permit, up to a cap of £50,000.

The Teesside site was originally secured to support the development of a rare earth refinery. However, it is no longer core given:

[38] Based on an A$/£ exchange rate of 0.4820.

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- the adoption of a sequenced development strategy entailing the initial development of the Ngualla Project as a standalone high-grade concentrate project; and
- a longer-term intention of developing Tanzanian downstream operations, including a mixed rare earth carbonate facility.

5.3 Ore Reserves and Mineral Resources

Peak's Ore Reserves and Mineral Resource estimates are set out below.

Ngualla Project Ore Reserve estimate

Classification	Ore tonnes	TREO grade	Contained TREO
	Mt	%	kt
Proved	17.0	4.78	813
Probable	1.5	5.10	74
Total	**18.5**	**4.80**	**887**

Ngualla Project Mineral Resource estimate – all resources ≥1% TREO

Cut-off grade	Classification	Tonnage	REO grade	Contained REO
		Mt	%	kt
1% TREO	Measured	86.1	2.61	2,250
	Indicated	112.6	1.81	2,040
	Inferred	15.7	2.15	340
	Total	**214.4**	**2.15**	**4,630**

Please refer to Section 10.14 for the disclosures required under the Listing Rules in respect of all Ore Reserve, Mineral Resource and production targets contained in this Section 5.

5.4 Environmental, social and governance

Peak has a fundamental belief in "kazi wajibu utu" which means "working responsibly to better humanity" in Swahili. Peak acts consistently with this principle which means it acts with integrity to achieve its purpose and to ensure the safety, health and wellbeing of its people and communities. Peak is accountable to its shareholders, employees and stakeholders to deliver and operate its assets by employing a sustainability ethos and a progressive mindset.

Demand for rare earths is expected to continue to increase strongly in the coming years as the world transitions towards electrified transport, cleaner energy and greater use of robotics. Peak's mission is meeting this demand while delivering its high-grade Ngualla Project to enable low carbon technologies to power the green transformation.

Sustainability is mapped across many facets of the organisation when considering environment, social and governance (**ESG**) issues. Peak is focused on managing its sustainability risk profile, to ensure its future ESG goals are set with appropriate structures and processes to enhance ESG performance and sophistication as the company develops.

Peak's most recent report on sustainability can be viewed in the 2024 Annual Report released to the ASX on 28 October 2024. To gain a comprehensive view of Peak's sustainability commitments, interested persons can access the Peaks's sustainability information on the company's website at www.peakrareearths.com/sustainability/.

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5.5 Key arrangements with Shenghe and Shenghe Resources

(a) Director appointment right

On 19 October 2022, Peak announced that it had signed a non-binding offtake and strategic co-operation memorandum of understanding (**MOU**) to support the development of the Ngualla Project with Shenghe, a wholly owned Subsidiary of Shenghe Resources.

Pursuant to the MOU, Shenghe was granted the right to appoint one Non-Executive Director to the Peak Board, subject to Shenghe maintaining a shareholding of at least 10% in Peak.

Shenghe has had a representative on the Peak Board, in Dr Shasha Lu, since late November 2022.

(b) Offtake agreement

On 9 August 2023, Peak announced that it had entered into a binding offtake agreement with Shenghe. The offtake agreement was approved by Peak Shareholders at a general meeting on 17 June 2024.

The offtake agreement covers 100% of rare earth concentrate produced by the Ngualla Project and is for an initial period of 7 years (which may be extended further by mutual agreement). Under the offtake agreement, product is sold by applying a market-based pricing formula that is based on the value of contained rare earth oxides (as quoted by Asianmetal.com) within the product, less deductions relating to value-added tax, trading fees as well as refining recoveries, processing costs, charges and margins.

The offtake agreement also contemplates entering into subsequent offtake agreements in respect to a minimum of 50% of any intermediate rare earth products (such as a future mixed rare earth carbonate) or final separated rare earth oxides from the Ngualla Project.

Key terms of the binding offtake agreement include:

- **Products** – 100% of rare earth concentrate and, subject to entering into subsequent binding offtake agreements, a minimum of 50% of any intermediate (e.g. a mixed rare earth carbonate) or final separated rare earth products (e.g. NdPr oxide);
- **Take-or-Pay** – Shenghe is obligated to pay for and take delivery of all agreed products;
- **Pricing** – market-based pricing formula based on the value of contained rare earth oxides less deductions relating to VAT, trading fees as well as refining recoveries, charges and margins; and
- **Term** – an initial term of 7 years, which may be extended by mutual agreement.

All conditions precedent within the offtake agreement have been either satisfied or waived.

(c) NGUK Transaction

As noted in Section 1.2(e), Peak and Shenghe Resources signed a non-binding term sheet in July 2024 covering an integrated investment, funding and development solution for the Ngualla Project.

However, recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties.[39] As a result,

[39] Rare earth elements are essential to the manufacture of electric vehicle motors, renewable energy infrastructure (such as wind turbines), high-end electronics and robotics as well as certain military technologies. In recent years, there has been rising geopolitical tension associated with the security of supply of rare earths elements as part of ongoing international trade tensions between the United States of America and the

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Peak evaluated alternate transaction structures to the NGUK Transaction that could support greater transaction and project certainty, and a superior outcome for Peak, Shenghe Resources and their respective shareholders. Ultimately, Peak agreed not to proceed with the NGUK Transaction and instead pursue the Scheme, which the Peak Independent Board Committee believes delivers a superior outcome compared to the NGUK Transaction for the reasons set out in Section 1.2(e).

(d) **Conditional placement to Shenghe**

Peak and Shenghe had previously agreed, at the same time as entering into the Scheme Implementation Deed, that in the event that:

- the Scheme Implementation Deed is terminated because the PRC Regulatory Approvals Condition has not been satisfied; or
- the PRC Regulatory Approvals Condition has not been satisfied by the End Date and the Scheme Implementation Deed has been terminated (provided that none of the other Conditions remain outstanding as at the End Date other than Conditions that remain outstanding as a result of, or otherwise due in whole or in part to, the PRC Regulatory Approvals Condition not having been satisfied by the End Date),

then, at Peak's election (and, if required, subject to Peak Shareholder approval being obtained), Peak can require Shenghe to subscribe for $1.55 million worth of Peak Shares (**Conditional Placement**) at a price representing a 20% discount to the Scheme Consideration (**Subscription Price**). Based on the Scheme Consideration of no less than $0.359 per Peak Share, the Subscription Price payable by Shenghe in such circumstances would be $0.2872 per Peak Share.

Pursuant to the Amendment and Novation Deed, Peak agreed to release Shenghe from its obligations with respect to the Conditional Placement on the basis that, with effect from the execution of the Amendment and Novation Deed, the Scheme would no longer be subject to the PRC Regulatory Approvals Condition as Shenghe (being a Singaporean incorporated entity) proposes to fund the acquisition via funds it holds outside of the People's Republic of China.

(e) **Arrangements regarding expenditure at the Ngualla Project**

Pursuant to the Scheme Implementation Deed, Peak has agreed to, amongst other things, carry on and operate the Ngualla Project in the ordinary and normal course and substantially consistent with the budget approved by Shenghe and Peak.

5.6 Historical financial information

(a) **Basis of presentation of historical financial information**

The selected historical financial information in this Section 5.6 has been extracted from Peak's audited financial statements for the financial years ended 30 June 2023 (**FY23**) and 30 June 2024 (**FY24**) and the reviewed interim financial statements for the six months ended 31 December 2024 (**HY25**), which have been (or are taken to have been) lodged with ASIC and are available on Peak's website at www.peakrareearths.com/announcements/ and the ASX website at www.asx.com.au.

This Section contains the following historical financial information for Peak:

People's Republic of China. The imposition of new restrictions on the export and transfer of rare earths technologies out of the People's Republic of China and ongoing uncertainty regarding the imposition of tariffs on the import of rare earth elements into the United States of America have contributed to these increasing trade tensions. Peak believes that such geopolitical tensions and regulatory policies, especially restrictions focused on the export or transfer of rare earths technologies out of the People's Republic of China, have the potential to materially adversely affect the ability of Peak to develop the Ngualla Project in joint venture with Shenghe.

- historical consolidated statement of profit or loss and other comprehensive income for FY23, FY24 and the six months ended 31 December 2024;
- historical consolidated statement of financial position as at 30 June 2023, 30 June 2024 and 31 December 2024; and
- historical consolidated statement of cash flows for FY23, FY24 and the six months ended 31 December 2024,

(together, the **Peak Historical Financial Information**).

The Peak Historical Financial Information presented in this Section 5.6 is in an abbreviated form and has been prepared solely for inclusion in this Scheme Booklet. As such, it does not contain all disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Accordingly, Peak recommends that the following be read in conjunction with the financial statements of Peak for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

Peak's auditor issued an unqualified review conclusion on the HY25 financial statements with a material uncertainty paragraph related to the Company's ability to continue as a going concern. This was expressed to be because Peak's cash flow forecasts indicate that the Company's ability to continue as a going concern is dependent on its ability to raise additional capital and/or secure project funding.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

It should be noted that past financial performance is not an indicator of future performance.

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(b) **Historical consolidated statement of profit or loss and other comprehensive income**

	Half-Year	Year Ended	
	31-Dec 2024	30-Jun 2024	30-Jun 2023
	$	$	$
Interest income	82,772	572,164	111,705
R&D rebate	529,815	384,831	586,281
Total income	**612,587**	**956,995**	**697,986**
Employee benefits expenses	(1,657,782)	(4,047,706)	(3,157,157)
Share based payments expenses	(621,395)	(1,523,124)	(1,665,584)
Depreciation expenses	(198,350)	(483,060)	(320,209)
Loss on disposal of investment	-	(7,175)	-
Share based payments for government participation	-	-	(21,189,140)
Finance costs	(8,731)	(27,608)	(15,379)
Administrative and other costs	(2,039,626)	(3,050,146)	(3,853,724)
Pre-development and technical feasibility costs	(2,860,740)	(8,685,767)	(3,297,432)
Exploration and evaluation costs	(11,736)	(1,308,239)	-
Loss before income tax	**(6,785,773)**	**(18,175,830)**	**(32,800,639)**
		-	-
Loss after income tax	**(6,785,773)**	**(18,175,830)**	**(32,800,639)**
Other comprehensive income/(loss) net of tax			
Items that could be transferred to profit or loss in future:			
Exchange differences on translation of foreign operations	4,692,212	(2,157,806)	1,900,864
Total comprehensive loss for the year	**(2,093,561)**	**(20,333,636)**	**(30,899,775)**
Loss after income tax attributable to:			
Members of the parent	(6,391,689)	(17,281,399)	(29,386,856)
Non-controlling interests	(394,084)	(894,431)	(3,413,783)
	(6,785,773)	**(18,175,830)**	**(32,800,639)**
Total comprehensive loss attributable to:			
Members of the parent	(2,444,316)	(19,439,205)	(27,485,992)
Non-controlling interests	350,755	(894,431)	(3,413,783)
	(2,093,561)	**(20,333,636)**	**(30,899,775)**

As noted in Section 5.6(a), the financial information presented above should be read in conjunction with the financial statements for the respective periods.

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(c) Historical consolidated statement of financial position

	As at 31-Dec 2024 $	As at 30-Jun 2024 $	As at 30-Jun 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	4,775,607	7,625,845	25,852,484
Trade and other receivables	209,007	116,095	251,377
Prepayments & Deposits	245,779	126,268	169,957
Assets held for sale	3,490,457	3,490,457	-
Total current assets	**8,720,850**	**11,358,665**	**26,273,818**
Non-current assets			
Other financial assets	63,795	63,794	63,794
Property plant and equipment	906,914	852,118	535,479
Right-of-use asset	358,546	558,392	3,604,882
Exploration and evaluation costs	65,247,109	59,754,156	60,997,405
Investment	-	-	8,000
Total non-current assets	**66,576,364**	**61,228,460**	**65,209,560**
Total assets	**75,297,214**	**72,587,125**	**91,483,378**
LIABILITIES			
Current liabilities			
Trade and other payables	1,668,969	1,719,219	2,140,418
Provisions	290,094	220,519	180,554
Lease liability – current	126,933	212,990	145,398
Total current liabilities	**2,085,996**	**2,152,728**	**2,466,370**
Non-current liabilities			
Lease liability – non-current	199,495	361,766	133,865
Total non-current liabilities	**199,495**	**361,766**	**133,865**
Total liabilities	**2,285,491**	**2,514,494**	**2,600,235**
Net assets	**73,011,723**	**70,072,631**	**88,883,143**
EQUITY			
Equity attributable to equity holders of the Company			
Contributed equity	171,285,515	166,874,257	166,874,257
Reserves	12,698,097	8,129,329	8,764,011
Accumulated losses	(128,203,570)	(121,811,881)	(104,530,482)
Equity attributable to equity holders of the Company	**55,780,042**	**53,191,705**	71,107,786
Non-controlling interests	17,231,681	16,880,926	17,775,357
Total Equity	**73,011,723**	**70,072,631**	**88,883,143**

As noted in Section 5.6(a), the financial information presented above should be read in conjunction with the financial statements for the respective periods.

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(d) Historical consolidated statement of cash flows

	Half-Year Ended	Year Ended	
	31-Dec 2024 $	30-Jun 2024 $	30-Jun 2023 $
OPERATING ACTIVITIES			
Payments to suppliers and employees	(7,743,490)	(18,423,813)	(9,848,732)
Finance costs paid	(8,731)	(27,608)	(15,379)
Interest received	86,273	620,314	53,122
Government Rebates Received	529,815	384,831	586,281
Cash used in operating activities	**(7,136,133)**	**(17,446,276)**	**(9,224,708)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(23,273)	(761,299)	(370,338)
Proceeds from sale of investments	-	825	-
Cash used in investing activities	**(23,273)**	**(760,474)**	**(370,338)**
FINANCING ACTIVITIES			
Proceeds from issue of equity shares	4,793,947	-	27,582,500
Costs of issuing equity shares	(330,519)	-	(1,513,612)
Payment of lease liabilities	(121,925)	(221,286)	(123,900)
Cash used in financing activities	**4,341,503**	**(221,286)**	**25,944,988**
Net decrease in cash and cash equivalents	(2,817,903)	(18,428,036)	16,349,942
Balance at the beginning of the year	7,625,845	25,852,484	9,479,379
Effect of foreign currency translation	(32,335)	201,397	23,163
Balance at the end of the year	**4,775,607**	**7,625,845**	**25,852,484**

As noted in Section 5.6(a), the financial information presented above should be read in conjunction with the financial statements for the respective periods.

(e) Material changes in Peak's financial position and financial performance

To the knowledge of the Peak Board, and except as disclosed in this Section 5.6(e) or elsewhere in this Scheme Booklet, the financial position and financial performance of Peak have not materially changed since 31 December 2024.

Between the 31 December 2024 and 30 June 2025, the financial position and financial performance of Peak has materially changed as follows:

- there has been an increase in the balance of cash and cash equivalents from $4,775,607 to $10,025,239; and
- there has been an increase in the balance of share capital from $171,285,515 to $182,377,084, which is attributable to the completion of the series of capital raisings outlined below (net of associated costs).

Material financial developments since 31 December 2024 include:

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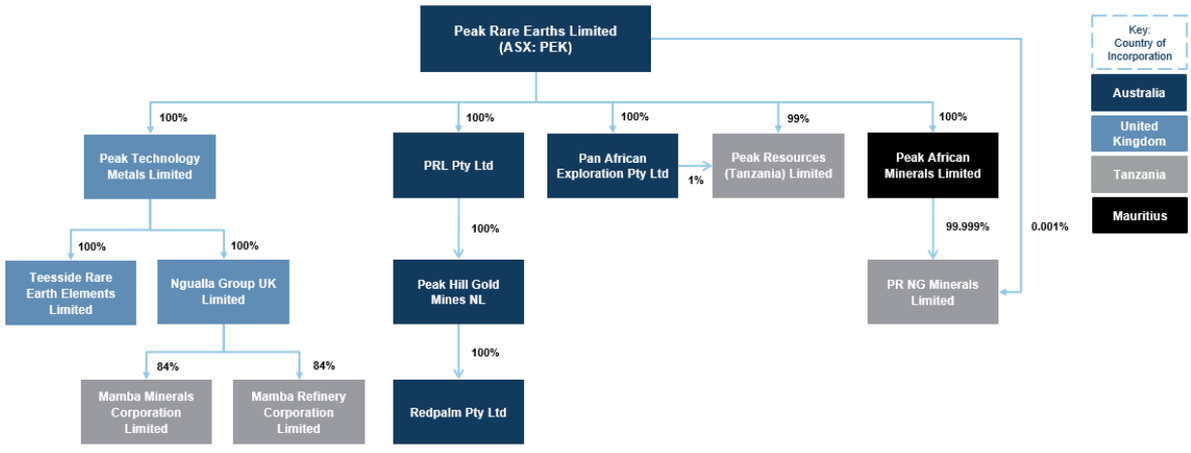
- on 3 January 2025, Peak completed a share purchase plan and issued 20,000,000 Peak Shares at an issue price of $0.10 per share, raising $2,000,000;
- on 17 January 2025, Peak completed a placement of 17,029,317 Peak Shares to Shenghe at an issue price of $0.10 per share, raising $1,702,931;
- on 30 June 2025, Peak completed the Entitlement Offer and issued 74,920,378 Peak Shares at $0.10 per share, raising $7,492,038 (before costs) (inclusive of the funds raised from the sale of the Peak Shares that would otherwise have been offered to ineligible shareholders under the Entitlement Offer); and
- on 9 July 2025, Peak completed the sale of the Teesside site and received sale consideration of £3.45 million, with additional consideration of £50,000 payable to Peak on the successful surrender of an environmental permit. See Section 5.2(c) for further details.

An electronic copy of the annual financial report of Peak for the half year ended 31 December 2024 is available on the ASX's website www.asx.com.au under ASX code "PEK" or on Peak's website at www.peakrareearths.com/reports/.

(f) Forecast financial information

Peak has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Peak has concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy or market practice.

5.7 Corporate structure



5.8 Directors and senior management

(a) Directors

At the date of this Scheme Booklet, the Peak Directors are:

Executive Directors	
Dr Russell Scrimshaw AM	Dr Russell Scrimshaw is a distinguished corporate executive and company director with experience in large scale mining project development and operations, product marketing, finance, business

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(Executive Chairman; Appointed 15 August 2022)	development and technology. Dr Scrimshaw was a founding director of Fortescue Metals Group and served in executive roles including Deputy CEO and Executive Director. He was a key part of the management team that developed Fortescue's mining, port and rail operations and was instrumental in establishing Fortescue's strong relationships with large steel mill groups across a vast Asian customer base. More recently Dr Scrimshaw was Chairman of UK-listed Sirius Minerals PLC (acquired by Anglo American in 2020), which is developing a large Polyhalite fertiliser project in North Yorkshire. He has also held senior executive positions at the Commonwealth Bank of Australia and Optus. Dr Scrimshaw is currently Chairman of the Garvan Research Foundation, a Non-Executive Director of the Garvan Institute of Medical Research, Non-Executive Chairman of ARI Pty Ltd and Non-Executive Chairman of Stella Vista Pty Ltd.
Non-Executive Director	
The Hon. Mr Abdullah Mwinyi (Non-Executive Director; Appointed 15 November 2020)	The Hon. Mr Mwinyi is a member of the Tanzanian Parliament, having entered Parliament in 2007, and was also a Member of the East African Legislative Assembly (2007 – 2017), where he was Chair of the Legal, Privileges and Rules Committee and the Regional Affairs and Conflict Resolution Committee. The Hon. Mr Mwinyi is a lawyer by profession and, in 2007, established Asyla Attorneys, where he specialised in corporate, commercial, labour and employment law.
Mr Nick Bowen (Non-Executive Director; Appointed 5 June 2023)	Mr Nick Bowen has extensive experience in the construction, development and operation of international mining projects. He has spent over 35 years with ASX-listed construction and contract mining companies operating in both Australia and overseas, including Africa. Previous roles include 12 years as Managing Director of Macmahon Holdings Limited, two years as Executive Global Head of Mining Services with Orica Limited and nine years as Managing Director of mining contractor Eltin Limited. He has also held the head executive role at the Lubambe Copper Mine in Zambia and the Sishen Iron Ore Mine in South Africa. Nick is a Life Member of the Western Australian Chamber of Minerals and Energy, Member of the Australian Institute of Mining and Energy and Fellow of the Australian Institute of Company Directors. Mr Bowen has served as a Non-Executive Director of Aveng Limited (listed on the Johannesburg Stock Exchange) from 17 July 2023. Mr Bowen is Chair of the Peak Nomination & Remuneration Committee and the Technical & Development Committee.
Ms Hannah Badenach (Non-Executive Director; Appointed 1 July 2023)	Ms Hannah Badenach is an experienced executive and company director with more than 20 years of experience in resources, supply chain, business development, commodity trading and marketing in global markets across Africa, Europe, Asia, South America and the Middle East. Ms Badenach has extensive African and Chinese experience, has built and run multiple metal supply chains across Africa (including Tanzania) and has an extensive network in China across sales and marketing. She holds a Bachelor of Arts/Law (HONS) from the University of Tasmania and is a graduate of the Australian Institute of Company Directors. Ms Badenach was a Non-Executive Director of ASX-listed public company, Aspire Mining Limited, until January 2023. Ms Badenach is Chair of the Peak Audit Risk and Sustainability Committee.

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Dr Shasha Lu[40] (Non-Executive Director; Appointed 30 November 2022)	Since early 2014, Dr Shasha Lu has been the Managing Director of Shenghe Resources Overseas Development where she leads and manages overseas investment, cross-border corporate management, international trade and the building of a complete rare earth/monazite supply chain. Prior to that, Dr Lu was an Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd & Sino-Australia International Mineral Resources Limited, responsible for overseas investment, scientific research and management. Dr Lu has previous experience as a director of ASX-listed companies, having been an Executive Director of Arafura Resources Limited (ASX:ARU) and an Executive Director and Vice President of Globe Metals and Mining Corporation (ASX:GBE). Dr Lu holds a Bachelor and a Masters of Medical Science from Nanjing University, a Doctorate of Medical Science (PhD) from Tianjin Medical University & Karolinska Institute, a Post-Doctorate of Medical Science from Karolinska Institute, and an Executive Master of Business Administration from Nanjing University. Dr Lu is also a graduate of the Australian Institute of Company Directors (GAICD).

(b) Senior management

At the date of this Scheme Booklet, the senior management personnel of Peak are:

Name	Role
Bardin Davis	Chief Executive Officer, Peak
Philip Rundell	Company Secretary & Chief Financial Officer, Peak
Justin Grinceri	Deputy Chief Financial Officer, Peak
Ismail Diwani	Chief Executive Officer, Mamba Minerals
Johan Coetzee	Project Director, Mamba Minerals

If the Scheme is implemented, the Peak Board and senior management team will be reconstituted as described in Section 6.7.

(c) Peak Directors' interests in the Shenghe Group

Dr Shasha Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to the Peak Board by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed).

Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak Shareholders should vote on the Scheme.

No member of the Peak Independent Board Committee, holds any interest in the Shenghe Group. No member of the Peak Independent Board Committee acquired or disposed of a

[40] Dr Shasha Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to the Peak Board by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed). Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak Shareholders should vote on the Scheme.

Relevant Interest in any shares in a member of the Shenghe Group in the four month period ending on the date of this Scheme Booklet.

5.9 Issued capital

(a) Issued securities

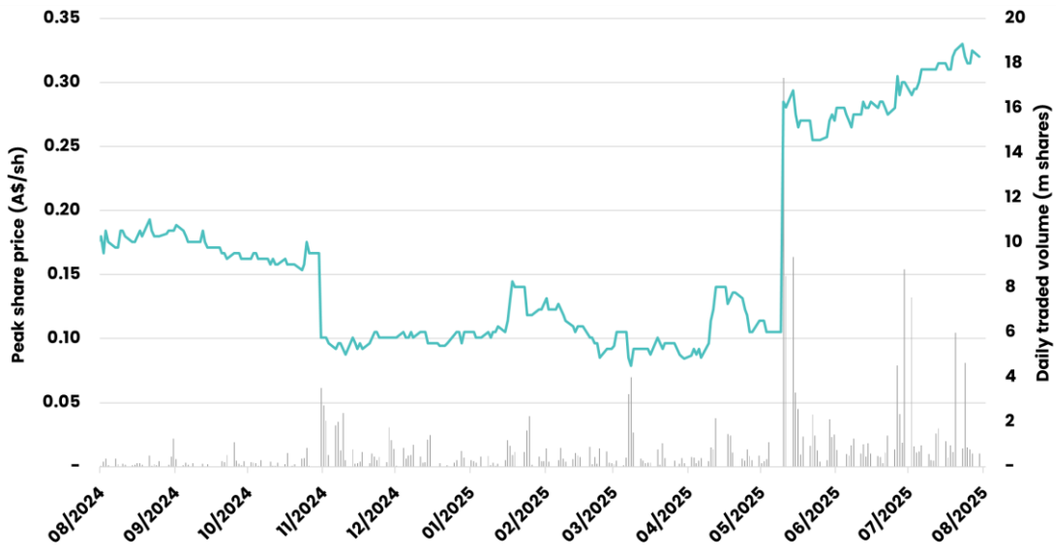
As at the Last Practicable Date, the total securities of Peak on issue were as follows:

- 430,536,990 fully paid ordinary shares; and
- 9,574,890 Performance Rights.

See Section 10.2 for details regarding the treatment of Performance Rights in connection with the Scheme.

(b) Recent Peak Share price history

The following chart shows the closing price and corresponding daily volume traded over the last 12 months up to and including the Last Practicable Date:



Source: IRESS as at the Last Practicable Date. This data has been reproduced without permission.

(c) Last 12 months trading history of Peak Shares

Peak Shares are listed on the ASX under the ASX Code "PEK". As at the Last Practicable Date:

- the last recorded traded price of Peak Shares was $0.320;
- the 30-day VWAP of Peak Shares was $0.304;
- the 60-day VWAP of Peak Shares was $0.287;
- the 90-day VWAP of Peak Shares was $0.268;
- the highest recorded traded price of Peak Shares in the previous three months was $0.335 on 25 July 2025; and

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- the lowest recorded traded price of Peak Shares in the previous three months was $0.101 on 9 May 2025.

The last recorded traded price of Peak Shares immediately before public announcement of the Scheme on 15 May 2025 was $0.12, on 9 May 2025.

The current price of Peak Shares on the ASX can be obtained from the ASX website (www.asx.com.au) or www.peakrareearths.com.

(d) **Substantial holders**

As at the Last Practicable Date, so far as is known to Peak, there are no substantial holders of Peak Shares, except as set out below:

Substantial holder	Peak Shares	Voting Power[1]
Shenghe and its Associates[2]	84,896,893	19.72%

Notes:

1 Based on 430,536,990 Peak Shares outstanding as at the Last Practicable Date.

2 Includes 90,000 Peak Shares held by Dr Shasha Lu, an Associate of Shenghe. See Section 6.6 for further details. As at the Last Practicable Date, so far as is known to Peak, Shenghe itself is the registered holder of 84,806,893 Peak Shares (representing approximately 19.70% of the total number of Peak Shares).

5.10 Intentions regarding the business, assets and employees of Peak

If the Scheme is implemented, the existing Peak Board and senior management will be reconstituted in accordance with the instructions of Shenghe as the only Shareholder in Peak, as explained further in Section 6.7. Accordingly, it is not possible for the Peak Board to provide a statement of their intentions regarding:

- the continuation of the business of Peak or how Peak's existing business will be conducted;
- any major changes to be made to the business of Peak, including any redeployment of the fixed assets of Peak; or
- the future employment of the present employees of Peak,

after the Scheme is implemented.

If the Scheme is implemented, Shenghe will have 100% ownership of Peak's issued shares and will control Peak. See Section 6.7 for further information.

In the event that the Scheme does not proceed, the Peak Board intends that Peak will continue its current strategic plans and operate on a standalone basis and will remain listed on the ASX. This would require, amongst other things, Peak to complete the land compensation process in relation to the Ngualla Project by the end of October 2025, which is expected to cost approximately $0.8 million (in addition to the amounts incurred in respect of this process prior to the Last Practicable Date, and other amounts which may be payable over the life of the project). Accordingly, in such circumstances, Peak would need to:

- raise capital to fund ongoing corporate, working capital and Ngualla Project costs;
- secure either: (i) an alternate debt and equity funding solution to support the development of the Ngualla Project; or (ii) another proposal to acquire Peak; and

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- seek to execute an Engineering, Procurement and Construction (EPC) or an Engineering, Procurement and Construction Management (EPCM) contract in relation to the Ngualla Project.

5.11 Publicly available information

As an ASX listed company and a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act, Peak is subject to regular reporting and disclosure requirements of the Corporations Act and Listing Rules. Broadly, these require it to announce price sensitive information to the ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Additionally, copies of documents lodged with ASIC in relation to Peak may be obtained using services provided by ASIC, information in respect of which can be found on the ASIC website at www.asic.gov.au. Please note, ASIC may charge a fee in respect of such services.

Peak Shareholders may obtain copies of the below documents free of charge from Peak's website at www.peakrareearths.com/announcements/, by request to Peak at info@peakrareearths.com (in which case Peak will provide the copy within two Business Days of the request) or by visiting the ASX website under the ASX code "PEK" at www.asx.com.au:

- the annual financial report of Peak for the year ended 30 June 2024 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC);
- the half year financial report of Peak for the half year ended 31 December 2024 (being the half year financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to the ASX by Peak since the lodgement with ASIC of the annual financial report of Peak for the year ended 30 June 2024 referred to above and before lodgement of this Scheme Booklet with ASIC.

Further announcements concerning developments at Peak may be made and placed on these websites after the date of this Scheme Booklet.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by Peak to the ASX from the date of the announcement of the Scheme Implementation Deed on 15 May 2025 to the Last Practicable Date is included below.

Date	Announcement
28 July 2025	Quarterly Activities Report and Appendix 5B – June 2025 Quarter
25 July 2025	Scheme Update
10 July 2025	Application for quotation of securities - PEK
9 July 2025	Teesside site sold for GBP3.5 million
30 June 2025	Change of Director's Interest Notice x 3
30 June 2025	Application for quotation of securities - PEK

Date	Announcement
30 June 2025	Scheme Condition Satisfied & Mining Commission Approval
27 June 2025	Successful Completion of Entitlement Offer
13 June 2025	Reminder of Entitlement Offer Closing Date
30 May 2025	Entitlement Offer Opens and Despatch of Documents
30 May 2025	Entitlement Offer Booklet
28 May 2025	Entitlement Offer Timetable
26 May 2025	Update – Proposed issue of Securities – PEK
26 May 2025	Delay in Entitlement Offer Opening
16 May 2025	Entitlement Offer Ex Date

5.12 Litigation

As far as the Peak Board is aware, as at the Last Practicable Date, the Peak Group is not currently subject to any material legal disputes and is not party to any material litigation proceedings.

5.13 Further information

For a summary of the risks associated with the Scheme and Peak, refer to Section 7.

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6 Shenghe Information

6.1 Introduction

The information contained in this Section 6 has been prepared by Shenghe. The information in relation to Shenghe and the Shenghe Group has been prepared as at the date of this Scheme Booklet and is the responsibility of Shenghe. Peak does not assume any responsibility for the accuracy or completeness of the information in this Section 6.

6.2 Overview of Shenghe

(a) Background and strategy

Established on 27 January 2016 in Singapore, Shenghe is a wholly-owned subsidiary of Leshan Shenghe Rare Earth Co., Ltd., which is in turn a wholly-owned subsidiary of Shenghe Resources. The core activities of Shenghe encompass project investment and international trade related to commodities associated with rare earths, mineral sands and other metals.

(b) Key assets and operations

As an overseas investment platform of Shenghe Resources, Shenghe strategically invests in companies that undertake rare earth projects, heavy mineral sands projects and processing plants through equity participation.

As at 30 June 2025, the main investments and shareholding positions of Shenghe are as follows:

- MP Materials Corp (NYSE: MP) (holding ~8.4% together with another subsidiary of Shenghe Resources)
- Peak Rare Earths Limited (ASX: PEK) (holding 19.86%)[41]
- Vital Metals Limited (ASX: VML) (holding 9.99%)
- WIM Resource Pty Ltd (holding 9.2%)
- Vietnam Rare Earth Company Limited (holding 100%)

As an international trading company, Shenghe is primarily engaged in the international trade of rare earth products, mineral sands products and related minerals, collaborating with a global network of suppliers and buyers.

(i) Historical statement of profit or loss

	Year Ended	
	31-Dec 2024	31-Dec 2023
	US$	US$
Revenue	69,748,783	48,929,864
Cost of sales	(63,517,271)	(46,531,088)
Gross profit	6,231,512	2,398,776
Interest income	353,080	305,131
Other income and gains	-	6,153,049
Administrative expenses	(743,350)	(648,797)

[41] As at the Last Practicable Date, Shenghe's shareholding in Peak is 19.70%. Shenghe's percentage shareholding decreased between 30 June 2025 and the Last Practicable Date as a result of the conversion of Performance Rights into Peak Shares.

Other losses	(3,148)	(14,507)
Profit before tax	5,838,094	8,193,652
Income tax expense	(932,350)	(540,484)
Profit for the year	4,905,744	7,653,168

(ii) Historical statement of financial position

	As at 31-Dec 2024 US$	As at 31-Dec 2023 US$
Total current assets	27,380,653	20,948,817
Total non-current assets	136,757,697	179,305,416
Total assets	164,138,350	200,254,233
Total current liabilities	82,384,579	80,784,836
Total liabilities	82,384,579	80,784,836
Total equity	81,753,771	119,469,397
Total equity and liabilities	164,138,350	200,254,233

(iii) Historical statement of cash flows

	Year Ended 31-Dec 2024 US$	Year Ended 31-Dec 2023 US$
Net cash flows used in operating activities	(6,449,602)	(6,977,553)
Net cash flows from (used in) investing activities	4,180,254	(10,985,666)
Net cash flows from financing activities	98,134	3,975,588
Net decrease in cash and cash equivalents	(2,171,214)	(13,987,631)
Cash and cash equivalents, statement of cash flows, ending balance	8,697,594	10,868,808

6.3 Overview of Shenghe Resources

(a) Background and strategy

Shenghe Resources is a global leading rare earths company listed on the Shanghai Stock Exchange (SSE: 600392), with a strategic focus on rare earths and relevant critical minerals with expertise in research and development, production, and international co-operation.

Shenghe Resources is a leading developer, producer and supplier of rare earths and heavy mineral sands, and a significant importer of rare earth concentrate into China. Its operations span rare earth research and development, mining, beneficiation, refining, trading and alloy and metals production. It supplies rare earth and related products in China and internationally. Shenghe Resources is also involved in the production and supply of mineral sands related products including titanium concentrate, rutile, garnet, monazite, and zircon sands.

As at the Last Practicable Date, Shenghe Resources had a market capitalisation of approximately US$5.16 billion (based on USD/CNY exchange rate of 1:7.1395).

(b) Key assets and operations

As at 30 June 2025, Shenghe Resources (through its subsidiaries) has made numerous international investments, including:

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1. ~8.4% stake in MP Materials Corp. (NYSE: MP) (**MP**), which in turn owns a rare earths mine and facilities in the United States. Shenghe Resources has been a supportive major shareholder through long-term offtake;

2. 100% stake in Vietnam Rare Earth Company, which has as its core asset a rare earths metal and recycling plant in Vietnam;

3. ~8.34% stake in Energy Transition Minerals Ltd. (ASX: ETM), which has as its core asset a rare earths project in Greenland;

4. ~19.86% stake in Peak, which has as its core asset the Ngualla Project in Tanzania;[42]

5. ~9.2% stake in Australia-based WIM Resource Pty Ltd, which has as its core asset the Avonbank mineral sands project in Victoria, Australia;

6. 9.99% stake in Australia-based Vital Metals Ltd, which has as its core asset the Nechalacho rare earth project in the North-West Territories of Canada;

7. 65% stake in a portfolio of heavy mineral sands assets in Madagascar; and

8. 100% stake in Strandline Resources UK Limited (now named Africa Resources Co. Ltd), which holds 84% of Nyati Mineral Sands, which owns the Fungoni mineral sands project, Tajiri mineral sands project and 17 other prospecting licences along the coastline of Tanzania.

Shenghe Resources also builds and is operating a complete, international supply chain of both heavy minerals and rare earths materials, from mining, heavy mineral separation, rare earth beneficiation, refining, separation, rare metal making and recycling.

Through global cooperation, offtake arrangements, international investment, developing long term contracts and creating trading opportunities, Shenghe Resources has also established an integrated marketing and supply network for rare earth products, including bastnaesite products.

(i) Historical consolidated statement of profit or loss

Shenghe Resources' consolidated total revenue of the year ended 31 December 2024 was CNY 11.4 billion, equivalent to ~US$1.6 billion (based on USD/CNY exchange rate of 1:7.1522).

	Year Ended	
	31-Dec 2024	**31-Dec 2023**
	CNY	**CNY**
Total revenue	11,371,025,717.40	17,877,446,725.09
Total costs	11,169,892,384.31	17,446,757,320.37
Operating profit	311,967,965.71	451,900,233.13
Profit before tax	302,965,425.03	458,693,474.02
Net Profit	234,255,627.69	396,570,256.16

(ii) Historical consolidated statement of financial position

Shenghe Resources' consolidated total assets as of 31 December 2024 were CNY 15.5 billion, equivalent to ~US$2.2 billion (based on USD/CNY exchange rate of 1:7.1522).

[42] As at the Last Practicable Date, Shenghe's shareholding in Peak is 19.70%. Shenghe's percentage shareholding decreased between 30 June 2025 and the Last Practicable Date as a result of the conversion of Performance Rights into Peak Shares.

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	As at 31-Dec 2024 CNY	As at 31-Dec 2023 CNY
Total current assets	9,383,322,941.30	9,730,047,863.33
Total non-current assets	6,118,929,391.97	5,595,717,076.32
Total assets	15,502,252,333.27	15,325,764,939.65
Total current liabilities	5,197,716,485.84	4,979,636,006.87
Total non-current liabilities	655,737,041.83	583,730,027.32
Total liabilities	5,853,453,527.67	5,563,366,034.19
Total equity	9,648,798,805.60	9,762,398,905.46

(iii) Historical consolidated statement of cash flows

	Year Ended	
	31-Dec 2024 CNY	31-Dec 2023 CNY
Net cash flows from operating activities	72,423,318.92	390,856,768.17
Net cash flows from investing activities	-528,262,439.59	-790,883,383.59
Net cash flows from financing activities	349,496,372.18	-237,350,468.85

6.4 Shenghe ownership structure



If the Scheme becomes Effective and is implemented, Peak will become a wholly owned Subsidiary of Shenghe, and Peak's Subsidiaries will in turn become part of the Shenghe Group.

6.5 Directors and senior management

At the date of this Scheme Booklet, the directors and senior management of Shenghe are:

Officeholder	
Quangen Wang (Chief Executive Officer and Director)	Mr. Quangen Wang is the Chief Executive Officer and a Director of Shenghe. Mr. Wang is also the largest individual shareholder of Shenghe Resources with extensive professional experience in rare earths industry, extensive managerial skills, and profound strategic vision. He has led the listing of Shenghe Resources, Shenghe Resources' overseas development strategy, its Africa hub strategy, and major overseas investments, mergers and acquisitions projects, including the Mountain Pass rare earth project in the United States.
Shasha Lu (Director)	Dr Shasha Lu is a Director of Shenghe and has been nominated to the Peak Board by Shenghe. Since 2014, Dr Lu has leads and manages overseas investment, cross-border corporate management, international trade and the building of a complete rare earth/monazite supply chain of Shenghe Resources. She has previous experience as a director of ASX-listed companies, having been an Executive Director of Arafura Resources Limited (ASX:ARU) and an Executive Director and Vice President of Globe Metals and Mining Corporation (ASX:GBE). Dr Lu holds a Bachelor and a Masters of Medical Science from Nanjing University, a Doctorate of Medical Science (PhD) from Tianjin Medical University & Karolinska Institute, a Post-Doctorate of Medical Science from Karolinska Institute, and an Executive Master of Business Administration from Nanjing University. Dr Lu is also a graduate of the Australian Institute of Company Directors (GAICD).
Pit Yau Ho (Director)	Ms. Pit Yau Ho has been the director of Shenghe since September 2020, and has been the director of WYS Management Services Pte, Ltd. since 2014. Ms. Pit Yau Ho is responsible for local compliance and government relations.
Mee Lian Yong (Secretary)	The secretary of Shenghe.

6.6 Interests in Peak's securities

As at the Last Practicable Date:

- Shenghe has a Relevant Interest in 84,806,893 Peak Shares (representing approximately 19.70% of the total number of Peak Shares); and
- Shenghe's Associate, Dr Shasha Lu, has a Relevant Interest in 90,000 Peak Shares (representing approximately 0.02% of the total number of Peak Shares),

and hence Shenghe has Voting Power in Peak of approximately 19.72%.

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6.7 Shenghe's intentions upon the Scheme becoming Effective

This Section 6.7 sets out the present intentions of Shenghe in relation to the following:

- the continuation of the business of Peak;
- any major changes to be made to the business of Peak; and
- the future employment or engagement of Peak's present employees and contractors.

These intentions have been formed based on facts and information concerning Peak, and the general business and economic environment, which are known to Shenghe at the time of preparing this Scheme Booklet. Final decisions will only be made by Shenghe in light of all material facts and circumstances at the relevant time. Accordingly, statements set out in this Section 6.7 are statements of current intention only and may vary as any new information becomes available or circumstances change.

Shenghe's current intentions if the Scheme becomes Effective are set out below.

ASX listing

If the Scheme is implemented, Peak will be delisted from the ASX on or shortly after implementation of the Scheme.

Peak Board composition

If the Scheme is implemented, then Shenghe intends to replace the members of the Peak Board and the boards of its Subsidiaries (other than any members who are nominees of the Government of Tanzania) with nominees of Shenghe (who are yet to be identified as at the date of this Scheme Booklet).

Business, assets and employees

If the Scheme is implemented, then Shenghe intends to review Peak's business operations and organisational structure to ensure that the combined Peak Group and Shenghe Group has the appropriate mix and level of employees and skills to enhance the business going forward and enable it to pursue growth opportunities. If the Scheme is implemented, Shenghe's current intention is to:

- retain Peak's existing employees to the extent that it is commercially appropriate to do so, including to maintain the stability of Peak's Tanzanian team to the greatest extent possible;
- endeavour to develop the Ngualla Project mine as its primary business focus, subject to relevant governmental approvals; and
- investigate opportunities to integrate and grow Peak's business, which may include reviewing and selecting a head office location accordingly.

6.8 Funding of the Scheme Consideration

If the Scheme is implemented, the maximum amount of the Scheme Consideration that Shenghe may be required to pay to Scheme Shareholders under the Scheme is approximately A$127.5 million (assuming that Shenghe's shareholding in Peak does not change prior to the Record Date). This figure includes the Scheme Consideration payable in respect of all Scheme Shares which are converted as a result of the exercise of Performance Rights prior to the Record Date. The maximum amount payable by Shenghe reflects the fact that under the Scheme, Shenghe will not acquire any Peak Shares that it holds on the Implementation Date (based on the number of Peak Shares held by Shenghe as at the Last

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Practicable Date, these shares have a value of approximately $30.4 million at the Scheme Consideration price of no less than $0.359 per share).

The Scheme Consideration will be fully funded by Shenghe from its own cash reserves. As at 1 August 2025, Shenghe held total cash on hand amounting to approximately US$119.7 million (equivalent to approximately A$182 million (based on USD/AUD exchange rate of 1:1.52), which is considered to be sufficient to cover the entire Scheme Consideration.

6.9 Additional disclosures

Dealings in Peak Shares in previous four months

As part of the Entitlement Offer announced on 15 May 2025, Shenghe acquired 14,878,403 Peak Shares at a purchase price of $0.10 per Peak Share.

Neither Shenghe nor its Associates has provided, or agreed to provide, consideration for Peak Shares under a purchase or agreement during the period of four months before the date of this Scheme Booklet except for the consideration to be provided under the Scheme and the acquisition of Peak Shares under the Entitlement Offer, as referred to in this Scheme Booklet.

No inducing benefits given in previous four months

During the four months before the date of this Scheme Booklet, neither Shenghe nor any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate to:

- vote in favour of the Scheme; or
- dispose of Peak Shares,

and which benefit was not offered to all Peak Shareholders under the Scheme.

Benefits to Peak officers

There are no payments or other benefits that are proposed to be made by Shenghe or any of its Associates:

- to any director, secretary or senior manager of Peak as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Peak or in a Related Body Corporate of Peak; or
- to any director, secretary or senior manager of any Related Body Corporate of Peak as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Peak.

6.10 Other material information

As at the date of this Scheme Booklet, the directors of Shenghe are not aware of any circumstances which would cause any Conditions not to be satisfied.

Except as otherwise disclosed in this Scheme Booklet, the directors of Shenghe are not aware of any information, as at the date of this Scheme Booklet, that is material to the making of a decision in relation to the Scheme which has not been previously disclosed to Peak Shareholders.

7 Risk factors

7.1 Introduction

There are a number of potential risks that Peak Shareholders should be aware of when considering the Scheme and deciding how to vote.

This Section outlines:

- general investment risks (refer to Section 7.2);
- specific risks associated with your current investment in Peak (refer to Section 7.3); and
- specific risks relating to the Scheme (refer to Section 7.4).

If the Scheme proceeds, Peak Shareholders who hold their Peak Shares on the Record Date will receive the Scheme Consideration, will cease to hold Peak Shares and will also no longer be exposed to the risks set out below (and other risks to which Peak may be exposed).

However, if the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal is received by Peak (or otherwise emerges) and is ultimately consummated, Peak will continue to operate as a standalone entity listed on the ASX and Peak Shareholders will continue to hold their Peak Shares and be exposed to risks and opportunities associated with that investment.

The risk factors presented in this Section 7 are not an exhaustive list of all risks and risk factors related to an investment in Peak or the Scheme. Additional risks and uncertainties not currently known to Shenghe or Peak may also have an adverse impact on Peak Shareholders.

This Section does not consider the investment objectives, financial situation, position or particular needs of Peak Shareholders. Each Peak Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

You should carefully consider the risks mentioned in this Section 7, as well as the other information contained in this Scheme Booklet before voting on the Scheme. You should also consult a licenced financial adviser or other suitable professional adviser if you are uncertain about any matters in this Scheme Booklet.

7.2 General investment risks

Like many listed companies, Peak is exposed to general risks that could materially adversely affect its assets and liabilities, the future operating and financial position, profits, prospects of Peak, the potential to make distributions to Peak Shareholders, and the price and/or value of Peak Shares. General risks that may impact on Peak or the market for Peak Shares include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, new or existing tariffs, and consumer demand and preferences;
- regulatory risks and changes to government policy (including fiscal, monetary, taxation, tariff, employment and environmental policies), legislation or regulation (including accounting and reporting standards);
- the nature of competition in the markets in which Peak operates;
- weather conditions, natural disasters or catastrophes, pandemics and other global health events generally, and other general operational and business risks;

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- variations in Peak's operating results; and
- the overall performance of the Australian and international stock markets, changes in investor sentiment, recommendations by securities analysts or the operating and trading price performance of other comparable listed entities.

While there is a possibility of future benefits to Peak Shareholders that arise from some of these risks, equally, some of these factors could affect Peak's Share price regardless of Peak's underlying operating performance.

7.3 Risks associated with your current investment in Peak Shares

There are a range of business-specific risks associated with your current investment in Peak Shares, as set out below. You will only continue to be exposed to these risks if the Scheme does not proceed, in which case, in the absence of a comparable proposal to the Scheme or Superior Proposal which is ultimately consummated, Peak will continue to operate as a standalone entity listed on the ASX. The risks set out in this Section 7.3 may materially adversely affect the operating or financial performance of Peak and the investment returns or value of Peak Shares. Some of these risks may be mitigated by appropriate controls, systems and other actions, but others will be outside the control of Peak.

(a) Permits and licences risk

The operations of Peak require it to obtain licences for operating, permits and, in some cases, renewals of existing licences and permits, from authorities in Tanzania. Peak believes that it currently holds, has applied for or is well positioned to secure all necessary licences and permits to carry on the activities it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licences and permits. However, the ability of Peak to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies.

Further, in the event of a prolonged delay in commencing construction and development of the Ngualla Project, there is a risk that the Government of Tanzania could seek to terminate the Ngualla Project Special Mining Licence.

(b) Title risk

Interests in mineral licences in Tanzania are governed by the applicable legislation in Tanzania and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Peak could lose title to, or its interest in, licences if the conditions are not met or if insufficient funds are available to meet expenditure commitments.

If any of the licences are not renewed or terminated, Peak may suffer damage through loss of opportunity to discover and develop any mineral resources to which it otherwise would have had a right.

Where a licensee has met the terms of the grant, renewal should not be denied. However, if development conditions are not met, there is no guarantee that current or future licences or future applications for production licences will be approved.

Mineral licences in Tanzania are also subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. For example, Peak's 84% owned Subsidiary, Mamba Minerals, holds a Special Mining Licence for the Ngualla Project. The Special Mining Licence is subject to a series of conditions including requirements around a mine and development plan, the commencement of mining activities, financing, beneficiation, environmental management, local content and corporate social responsibility

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requirements. If there is a failure to meet the commitments, this could lead to forfeiture of the licence.

There is also a risk that:

- mineral licence applications in which Peak acquires an interest in the future may not be able to be transferred to Peak; and
- mineral licence applications may not be approved or tenement terms renewed.

(c) **Near-term funding risk**

If the Scheme is not implemented, it is likely that Peak will need to undertake a further capital raising or other financing to support ongoing corporate and Ngualla Project costs and working capital requirements. There can be no assurance that Peak will be able to complete a further capital raising or additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to Peak. This may have an adverse effect on:

- Peak's financial position and prospects; and
- Peak's current strategies and intentions for the Ngualla Project,

and create uncertainty as to whether Peak can continue as a going concern.

In this regard, Peak notes that its auditor included a material uncertainty paragraph on Peak's 31 December 2024 half-year accounts and the existence of some doubt about Peak's ability to continue as a going concern. Whilst Peak has recently completed the Entitlement Offer to raise $7,492,038 (before costs) to seek to ensure that Peak was sufficiently funded whilst it pursued implementation of the Scheme, Peak expects that a significant portion of these funds will be spent by 31 December 2025 on the Ngualla Project (including land compensation costs) as well as Peak corporate costs and working capital requirements.

(d) **Project development funding risk**

If the Scheme is not implemented, Peak will need to secure a substantial amount of debt and equity funding to progress the development of the Ngualla Project. There is no certainty that this funding can be secured on attractive and acceptable terms.

Any equity financing may dilute existing shareholdings. Debt financing, if available, may involve granting security over Peak's interests in Mamba Minerals and the Ngualla Project and restrictions on financing and operating activities.

Any future deterioration in rare earth prices, increases in operating costs or poor operating performance could significantly impact Peak's capacity to meet interest and principal servicing requirements in relation to any project debt financing and result in the enforcement of security by lenders over Peak's interests in Mamba Minerals and the Ngualla Project.

(e) **Project development risk**

If the Scheme is not implemented and Peak progresses development of the Ngualla Project, it will be subject to a series of development execution risks relating to cost and timing overruns, commissioning and meeting any project debt finance completion tests.

(f) **Operational risk**

If and when the Ngualla Project becomes operational, the project may be impacted by a variety of risks and hazards, including that:

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- rare earth projects are technically and commercially challenging and specialised and there is a risk that Peak may lose key executives and management personnel;
- there is a limited pool of experienced project development and technical personnel with experience in operating within remote mine sites in Africa and there is a risk that Peak may fail to obtain the services of these personnel;
- the Ngualla Project will require significant training and development of the local community and there is a risk that Peak may not be successful in its endeavours to train and develop the local community;
- lower than forecast rare earth recoveries or throughputs in processing will lead to lower than anticipated production of rare earth concentrate;
- operating a project in a remote location provides a range of health, safety, environmental and climatic risks that will need to be managed. For example, the Ngualla Project is located in a high rainfall area, with the potential for high rainfall events to impact operations, infrastructure and logistics. While Peak will establish processes to guard against these risks, there is no guarantee that these processes will be successful in all instances; and
- any production, exploration and appraisal activities may be affected by a range of factors, including:
    - adverse geological conditions including mineral variability;
    - unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
    - mechanical failure of operating plant and equipment;
    - industrial and environmental accidents, industrial disputes and other force majeure events;
    - unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment;
    - the transportation of rare earth products and the sourcing of consumables and spare parts may be adversely impacted by port and logistics constraints; and
    - inability to obtain necessary consent or approvals.

Any of the above risks, if they materialise, could have a material adverse impact on Peak's activities and ability to develop and operate the Ngualla Project.

(g) **Land access risk**

Access to Peak's Ngualla Project and licences may be limited due to seasonal weather conditions. Unexpected weather, such as significant amounts of precipitation occurring outside the wet season, violent tropical storms or flooding may delay or adversely impact Peak's drilling or operational activities.

(h) **Sovereign risk**

The Ngualla Project is located in the United Republic of Tanzania, which is considered to be a developing country and, as such, subject to emerging legal and political systems compared with the systems in place in Australia.

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Sovereign risks associated with operating in Tanzania include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of Peak and the market price of its Shares.

To some extent, these risks may be expected to be mitigated by the Framework Agreement and other arrangements that Peak has with the Tanzanian Government.

(i) **Exploration risk**

Peak Shareholders should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that further exploration by Peak will be successful.

The success of Peak will also depend upon Peak having access to sufficient development capital, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the resources and reserves of Peak and possible relinquishment of its licences.

(j) **Environmental risk**

The operations and proposed activities of Peak are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, Peak's activities are expected to have an impact on the environment. It is Peak's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall, may impact on Peak's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Peak for damages, clean-up costs or penalties in the event of certain discharges into the environment or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making Peak's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes and/or mining activities.

(k) **Ore Reserve and Mineral Resources estimates risk**

Ore Reserves, Mineral Resources and other estimates of rare earths and other mineral occurrences are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates, including that rare earths mined may be of a different quality, tonnage or strip ratio from the estimates.

Ore Reserves, Mineral Resources and revenue estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to the estimates of rare earth reserves could affect the proposed development and mining plans.

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(l) **JORC Code differs from reporting requirements in other countries**

Peak Shareholders outside Australia should note that while Ore Reserve and Mineral Resource estimates of Peak in this Scheme Booklet and Peak's ASX announcements comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC Code**), they may not comply with the relevant guidelines in other countries. Information describing Peak's mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of other countries.

Peak Shareholders should not assume that quantities reported as "resources" by Peak will be converted to reserves under the JORC Code or any other reporting regime or that Peak will be able to legally and economically extract them.

(m) **Tax risks**

Peak often relies on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with Peak's interpretation of these laws. If Peak's tax positions are challenged by relevant tax authorities:

- the imposition of additional taxes could require Peak to pay taxes that it currently does not collect or pay, or increase the costs of Peak's services to track and collect such taxes; and

- there is a risk that a dispute with the relevant tax authority might arise and, if Peak is unable to successfully negotiate a resolution or defend the dispute, an adverse order may be made against Peak,

which could have a negative effect on Peak's business, financial condition and results of operations.

(n) **Foreign exchange risk**

Peak currently has interests in tenures located in Tanzania and England, and expenditure required in United States dollars, British pounds and Tanzanian schillings.

The development of the Ngualla Project is likely to require the sourcing and procurement of equipment and materials from the People's Republic of China and South Africa, which could result in significant exposure to movements in foreign exchange rates relating to the Renminbi and South African Rand.

Furthermore, international prices of various commodities are denominated in the United States dollar, whereas the income and expenditure of Peak will be taken into account in Australian currency, which will expose Peak to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

To comply with Australian reporting requirements, the income, expenditure and cash flows of Peak will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of Peak being exposed to the fluctuations and the volatility of the rate of exchange between other currencies and the Australian dollar, as determined by international markets.

In addition, at this stage, Peak has decided not to put in place any hedges in relation to foreign exchange. This may result in Peak being exposed to exchange risk, which may have an adverse impact on the profitability and/or financial position of Peak.

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(o) **Commodity price volatility risk**

If Peak achieves commercial production (which is in no way guaranteed), its revenue will be exposed to volatility in rare earth prices. Commodity prices fluctuate. Fluctuations in rare earth prices may be beyond the control of Peak and affected by factors such as shifts in global supply and demand, technological advancements, forward selling activities and other macro-economic factors.

A further deterioration in rare earth prices could significantly impact Peak's future profitability and its capacity to meet interest and principal servicing requirements in relation to any project debt financing.

Peak has sought to mitigate this risk to a degree by entering into an offtake agreement with Shenghe in respect to 100% of the rare earth concentrate produced from the Ngualla Project for an initial period of 7 years, commencing from the date that commercial production commences.

(p) **Litigation risk**

There is a risk that where formal legal proceedings are commenced against Peak and Peak is unable to successfully negotiate a resolution or defend a matter, or any other proceedings that have been threatened or brought against Peak, an adverse damages order may be made against Peak which may impact on Peak's financial position. The outcome of such proceedings would be subject to the determination of the relevant Court.

(q) **Liquidity and volatility risk**

An investment in Peak Shares should be regarded as speculative. However, the past performance of Peak is not necessarily an indication as to the future performance of Peak, as the trading price of Peak Shares can go up or down.

(r) **Potential mergers and acquisitions risk**

As part of its business strategy, Peak may make acquisitions or divestments of, or significant investments in, companies, products, technologies, resource-related projects or other assets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions or divestments of companies, products, technologies, resource-related projects or other assets. There is no guarantee that any proposals will be received that Peak considers will provide acceptable shareholder value.

(s) **Exposure to natural events – climate change risk**

Peak's operations could be impacted by natural events, such as significant rain events and flooding, or prolonged periods of adverse weather conditions including floods, drought, water scarcity and temperature extremes.

Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to mining locations or necessary infrastructure, or restrictions to or delays in respect of deliveries of key consumables required for Peak's operations. This could impact Peak's financial performance and position.

Whilst Peak is able to transfer some of the above risks to third parties through insurance, many of the associated risks are not able to be insured, or, in Peak's opinion, the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

(t) **Technological risk**

This risk relates mainly to the threat of substitution of rare earths by other materials in the manufacture of high strength magnets and other rare earth applications such as catalysts. In

addition, the amount of rare earths being used in these devices is continuously being engineered down which could ultimately affect demand.

(u) **Contractual risk**

The ability of Peak to achieve its objectives will depend on the performance by the other parties to contracts which Peak may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for Peak to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

(v) **Competition risk**

The mining industry is highly competitive. Peak's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them.

(w) **No certainty that Peak will pay dividends**

Peak has not previously paid a dividend. Any future determination as to the payment of dividends by Peak will be at the discretion of the Peak Board and will depend on the financial condition of Peak, future capital requirements and general business and other factors considered relevant to the Peak Board. No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by Peak.

(x) **Workplace health and safety**

Peak's operations involve workplace health and safety hazards and risks. Employees and contractors may be involved in workplace accidents or exposed to other health risks associated with the mining industry, including musculoskeletal disorders, fatigue, mental health illnesses and exposure to airborne contaminants, noise, diesel particulate matter, respirable dust, welding fumes and carcinogens. Unforeseen or past workplace exposures may lead to long-term health issues and potential compensation liabilities.

Unforeseen workplace accidents may occur at mine sites from time to time which could result in personal injury or death of employees or contractors. Some hazards include (among other things): construction risks, geotechnical structure instability, working with hazardous energy and substances, working on roads and other areas where mobile equipment operates, lifting operations, and inrush of substances, explosives, fires and explosions. Any workplace accidents, injuries and deaths have the potential to result in disruption to Peak's operations and legal liability. As with all mining operations and exploration projects, the operations and activities of Peak are expected to have inherent workplace health and safety risks and hazards.

Peak may be liable for workplace incidents that occur to Peak employees or other persons under applicable workplace health and safety laws. If Peak is liable under such laws, in whole or in part, Peak may be liable for financial penalties, which may adversely impact Peak's operations, financial performance and financial position. In addition, any workplace incidents may have reputational consequences for Peak.

(y) **Community and social**

Peak's relationship with the communities in which it operates is important to ensure the future success of its existing operations and the construction and development of its mining project. While Peak believes its relationships with the communities in which it operates are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. A failure by Peak to adequately respond to changes in environmental laws (including those relating to climate change) or comply with regulations governing access may adversely affect Peak's relationship with key stakeholders, community relations and its social licence to operate.

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The growing use of social media to generate, publish and discuss community news and issues and to connect with others has made it significantly easier, among other things, for individuals and groups to share their opinions of Peak and its activities, whether true or not. Peak will not have direct control over how it is perceived by others and any resulting loss of reputation could have a material adverse effect on Peak's business, financial performance and financial position and operations.

(z) **Bribery and corruption**

Peak's operations are subject to various anti-corruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to government officials or other persons to obtain or retain business or gain some other business advantage. Peak maintains anti-bribery policies, anti-corruption training programs, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. Instances of fraud, bribery and corruption, and violations of laws and regulations could have a material adverse effect on Peak's reputation, business, results of operations, financial condition and the price of Peak shares.

(aa) **Unknown risk**

Additional risks and uncertainties not currently known to Peak may also have a material adverse effect on Peak's operations, financial performance and financial position and the information set out in this Section 7 does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Peak.

7.4 Risks related to the Scheme

(a) **Implications for Peak and Peak Shareholders if the Scheme is not implemented**

If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration and, if no comparable proposal to the Scheme or Superior Proposal is received by Peak (or otherwise emerges) that is ultimately consummated, Peak will continue to operate as a standalone ASX-listed entity. Unless Peak Shareholders choose to sell their Peak Shares on the ASX, Peak Shareholders will continue to hold Peak Shares and will be exposed to both risks (including those set out Sections 7.2 and 7.3) and potential future benefits in retaining exposure to Peak's business and assets.

The Peak Share price will also remain subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by Peak (or otherwise emerges), the Peak Share price may trade at a price different from the Scheme Consideration (including, potentially, to a price that is equal, close to or below the closing Peak Share price on the last trading date prior to the Announcement Date of $0.12 per share), at least in the immediate near-term (see Section 1.2(h)).

If the Scheme is not implemented, the Peak Directors intend that Peak will continue its current strategic plans and operate on a standalone basis and will remain listed on the ASX.

While it is not possible to predict the future performance of Peak or the Peak Share price, in deciding whether or not to vote in favour of the Scheme, you should have regard to the prospects of Peak on a standalone basis (that is, if the Scheme is not approved and implemented).

In addition, if the Scheme is not implemented:

- the advantages of the Scheme described in Section 1.2 of this Scheme Booklet will not be realised and the relevant potential disadvantages and risks of the Scheme described in Section 1.3 and 7.4(d) of this Scheme Booklet will not arise; and

- as described in Section 10.7, Peak expects to pay an aggregate of approximately $1.8 million (excluding GST) if the Scheme is not implemented.

(b) **The Scheme Implementation Deed may be terminated by Peak or Shenghe in certain circumstances and the Scheme is also subject to certain Conditions**

Each of Peak and Shenghe has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in Section 9.9.

The Scheme is also subject to certain Conditions that must be satisfied (or, if applicable, waived) for the Scheme to become Effective. These Conditions are summarised in Section 9.2. The failure of a Condition to be satisfied (or, if applicable, waived) may also give rise to a right for either Peak or Shenghe to terminate the Scheme Implementation Deed.

As at the date of this Scheme Booklet, the Peak Board is not aware of any circumstances which would cause any outstanding Condition not to be satisfied. Despite this, there is a possibility that one or more of the Conditions will not be satisfied (or, if applicable, waived) and that the Scheme will not proceed. There are a number of Conditions which are outside the control of Peak, including, but not limited to, approval of the Scheme by the Requisite Majority and the Court and Shenghe obtaining regulatory approvals in Tanzania. In this regard, there is also a risk that some or all of the aspects of the Peak Shareholder or Court approval required for the Scheme to proceed, may be delayed.

If, for any reason, all of the Conditions are not satisfied (or, if applicable, waived) and the Scheme does not proceed, or otherwise if the Scheme Implementation Deed is terminated, the Peak Share price will continue to be subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by the Peak Board (or otherwise emerges), the Peak Share Price may trade at a price different from the Scheme Consideration (including, potentially, to a price that is equal, close to or below the closing Peak Share price on the last trading date prior to the Announcement Date of $0.12 per share), at least in the immediate near-term (see Section 1.2(h)).

In addition, certain circumstances which could cause the Scheme not to proceed may result in an obligation on Peak to pay the Peak Reimbursement Fee to Shenghe. See Section 9.7 for a summary of those circumstances.

(c) **Taxation consequences for Scheme Shareholders**

If the Scheme is implemented, there will be tax consequences for Scheme Shareholders. The tax consequences for Scheme Shareholders will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances. A summary of the general tax consequences of the Scheme for Australian resident Scheme Shareholders is described in Section 8. Peak Shareholders should seek independent professional taxation advice regarding the individual tax consequences applicable to them.

(d) **Risks if the Scheme is implemented**

If the Scheme is implemented, you will no longer be a Peak Shareholder and will forgo any future benefits that may result from being a Peak Shareholder. In particular, if the Scheme is implemented, you will not be able to participate in the future financial and share price performance of Peak, retain any exposure to Peak's business or assets or have the opportunity to share in any value that could be generated by Peak in the future. However, there is no guarantee as to Peak's future performance, or its future share price and financial performance, as is the case with all investments in shares of ASX-listed companies. Peak Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Peak, or may incur transaction costs in undertaking any new investment.

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8 Australian Taxation Considerations

8.1 Overview

This is a summary of the general Australian income tax, GST and stamp duty considerations for Peak Shareholders in relation to the Scheme and should be considered in conjunction with the rest of this Scheme Booklet.

The types of Peak Shareholders considered in this summary are limited to Australian resident and non-resident Peak Shareholders that hold their Peak Shares on capital account for Australian income purposes. These comments are not applicable to all Peak Shareholders and are not intended to cover Peak Shareholders who:

- acquired their Peak Shares under or in connection with an employee share plan of Peak;
- hold their Peak Shares as revenue assets, as trading stock, or are subject to the Taxation of Financial Arrangements provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) or other special taxation rules;
- are under a legal disability;
- are temporary residents of Australia for taxation purposes;
- are financial institutions, insurance companies, partnerships, tax exempt organisations or dealers in securities;
- are shareholders who changed their tax residency while holding their Peak Shares; or
- are foreign shareholders who own their Peak Shares through a permanent establishment in Australia.

This summary has been prepared based on the Australian tax law, and the understanding of the practice of the tax authorities, at the date of this Scheme Booklet. The laws are complex and are subject to change periodically as is their interpretation by the Courts and the tax authorities.

The information contained in this summary is general in nature only, and is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of any Peak Shareholder and should not be relied upon by Peak Shareholders as tax advice. Therefore, it is recommended that Peak Shareholders obtain their own professional advice with respect to the tax implications of the Scheme relevant to their circumstances. Further, the comments below do not address any taxation implications which may arise in countries other than Australia, and as such Peak Shareholders who may be subject to tax consequences outside of Australia are strongly advised to consider the taxation implications which may arise in those jurisdictions.

8.2 Australian income tax implications of the Scheme

(a) Australian capital gains tax

Under the Scheme, Peak Shareholders will dispose of their Peak Shares, which should trigger the occurrence of CGT event A1 for Australian income tax purposes. CGT rollover relief should not be available to Peak Shareholders, given the Scheme involves a disposal of Peak Shares for cash consideration.

The CGT event should occur on the date on which the transfer of Peak Shares occurs, that is, the Implementation Date. The disposal of Peak Shares could result in either of the following outcomes for the Peak Shareholders:

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- capital gain – a capital gain should arise to the extent that the capital proceeds received on the disposal of the Peak Shares exceeds their cost base; or

- capital loss – a capital loss should arise to the extent that the capital proceeds received on the disposal of the Peak Shares are less than their reduced cost base.

Capital proceeds

The capital proceeds from a CGT event are the total of the monies and the market value of any other property a taxpayer received, or is entitled to receive, in respect of the event happening.

The capital proceeds received by the Peak Shareholders for the disposal of their Peak Shares under the Scheme should be the Scheme Consideration, being the amount of no less than $0.359 per share.

Cost base

The cost base of Peak Shares will generally include the amount paid, or the value of any property given, in order to acquire the Peak Shares, plus certain incidental costs in relation to the acquisition or disposal of the Peak Shares (for example, brokerage fees). The reduced cost base of the Peak Shares is determined in a similar manner, but requires certain adjustments to be made.

The cost base and reduced cost base of a Peak Shareholder's shares will depend on their own specific circumstances. Peak Shareholders should consult their own independent tax advisors.

CGT discount

Generally, Australian resident Peak Shareholders who are individuals, trusts, or complying superannuation entities that have held their Peak Shares for at least 12 months (excluding the dates of acquisition and disposal) at the time of their CGT event should be entitled to the CGT discount in calculating the resulting capital gain on disposal of their Peak Shares.

The CGT discount is applied after available capital losses have been utilised to reduce the capital gain.

The applicable CGT discount percentage for individuals and trusts is 50% and for complying superannuation entities is one-third.

There is no CGT discount available for Australian resident Peak Shareholders who are companies or Peak Shareholders who have held their Peak Shares for less than 12 months.

Where a trust has utilised the CGT discount, the availability of the discount ultimately depends on the tax profile of the entity to whom the income of the trust estate is distributed.

The rules relating to the CGT discount are complex and the outcomes can vary depending on the circumstances of the individual. As such, Peak Shareholders should ensure they obtain their own tax advice.

(b) **CGT implications for Australian Peak Shareholders**

Australian resident Peak Shareholders who make a capital gain on disposal of their Peak Shares will be required to aggregate the capital gain with any other capital gains the Peak Shareholder may have in that income year. Any resulting net capital gain (after applying any available capital losses from the current income year or brought forward from prior income years) should be reduced by any applicable CGT discount and any remaining discounted net

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capital gain for the income year should be included in the Peak Shareholder's assessable income and should be subject to tax at the Peak Shareholder's applicable rate of tax.

Australian resident Peak Shareholders who make a capital loss on the disposal of their Peak Shares can only apply the capital loss to reduce capital gains realised in the same income year. Any resulting net capital loss may be carried forward and offset against taxable capital gains in subsequent income years, subject to satisfaction of the loss recoupment tests.

(c) **CGT implications for non-resident Peak Shareholders**

Generally, for Australian income tax purposes, non-Australian tax resident Peak Shareholders who have not used their Peak Shares at any time in carrying on a business through a permanent establishment should only be subject to Australian CGT if:

- the Peak Shareholder (together with their associates) holds an interest of at least 10% of the shares in Peak at the time of the disposal, or for a 12 month period in the 24 months preceding the disposal (**Non-portfolio Interest Test**); and

- more than 50% of the market value of the Peak Group's assets is comprised of Australian "real property" interests (that is, land). Broadly, real property includes direct and indirect interests in Australian land, including mining and exploration leases and licences (**Principal Asset Test**).

If Shenghe knows or reasonably believes that a Peak Shareholder is a non-Australian resident for tax purposes or Shenghe does not reasonably believe that a Peak Shareholder is an Australian resident for tax purposes and:

- the Peak Shareholder has an address outside Australia; or

- Shenghe is authorised to pay the Scheme Consideration to a place outside of Australia (whether to the Peak Shareholder or anyone else),

then a FRCGW liability, payable by Shenghe to the Australian Taxation Office, will arise if the Non-portfolio Interest Test and the Principal Asset Test are both satisfied.

If Shenghe reasonably believes that a FRCGW liability may arise in respect of the disposal of Peak Shares by a particular Peak Shareholder, then Shenghe will be entitled to withhold an amount, on account and in satisfaction of this liability, from the payment of that particular Peak Shareholder's Scheme Consideration. The Peak Shareholder will only receive the net proceeds after deduction of this amount.

A Peak Shareholder who believes the disposal of their Peak Shares may trigger a FRCGW liability should obtain independent advice and consider contacting Shenghe.

Non-Australian tax resident Peak Shareholders should seek independent tax advice as to the taxation implications of the Scheme being implemented in their own country of residence and in Australia.

8.3 GST

Peak Shareholders should not be liable for GST in respect of the disposal of their Peak Shares.

GST may be imposed on taxable supplies (if any) obtained by Peak Shareholders from third party suppliers (such as advisor costs) in connection with the Scheme. The entitlement to Peak Shareholders of input tax credits in relation to these acquisitions (if any) may be restricted. Peak Shareholders who are GST registered should seek their own professional tax advice in relation to this matter.

8.4 Stamp duty

Peak Shareholders should not be liable for Australian stamp duty in any jurisdiction on the disposal of their Peak Shares under the Scheme.

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9 Summary of Scheme Implementation Deed

9.1 Overview

On 14 May 2025, Peak and Chenguang entered into the Scheme Implementation Deed. The Scheme Implementation Deed sets out the parties' rights and obligations in relation to the Scheme.

A copy of the Scheme Implementation Deed is disclosed as an annexure to Peak's ASX announcement dated 15 May 2025 titled "Peak to be acquired by Shenghe following Entitlement Offer" (available at www.peakrareearths.com/announcements/). A summary of the key terms of the Scheme Implementation Deed is set out below.

On 24 July 2025, Peak, Chenguang and Shenghe entered into the Amendment and Novation Deed pursuant to which it was agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe. Accordingly, Shenghe became the proposed acquirer of Peak under the Scheme in place of Chenguang.

9.2 Conditions

Implementation of the Scheme is subject to the following Conditions:

No.	Condition
1	**Tanzanian regulatory approvals**: before 8.00am on the Second Court Date, Shenghe receives approval from the Fair Competition Commission of Tanzania and any other approvals required from the Mining Commission of Tanzania in respect of the Scheme (if applicable).
2	**No restraint**: between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date: (a) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition; (b) no action or investigation is announced, commenced or threatened by any Government Agency; and (c) no application is made to any Government Agency, in consequence of, or in connection with the Scheme, which: (d) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Scheme or the rights of Shenghe in respect of Peak or the Peak Shares to be acquired under the Scheme; or (e) requires the divestiture by Shenghe of any shares in the Peak Group, unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of Shenghe (acting reasonably) or is otherwise no longer effective or enforceable by 8.00am on the Second Court Date.
3	**Peak Shareholder approval**: the Scheme is approved by Peak Shareholders (other than Excluded Shareholders) at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
4	**Independent Expert**: the Independent Expert: (a) issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe on or before the time when this Scheme Booklet is registered by ASIC; and (b) does not adversely change or qualify its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date.

5	**Court approval**: the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).
6	**No Prescribed Occurrence**: no Prescribed Occurrence occurs or becomes known to Shenghe between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
7	**No Material Adverse Change**: no Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Shenghe between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
8	**Peak Warranties**: as at 8.00am on the Second Court Date: (a) the Peak Warranties set out at paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 15 and 19 of schedule 4 of the Scheme Implementation Deed are true and correct in all material respects as at the time they are given; and (b) in respect of all other Peak Warranties, no breach has occurred which has had, or would reasonably be expected to have, the result of diminishing the value of the consolidated net assets of the Peak Group taken as a whole (as compared to the consolidated net assets set out in Peak's financial statements for the half-year ended 31 December 2024) by more than $15 million.
9	**Performance Rights**: Peak has taken all necessary steps by 8.00am on the Second Court Date to ensure that all outstanding Performance Rights vest (in which case such Performance Rights vest on or after the Effective Date), or otherwise lapse, before the Record Date, as contemplated by the Scheme Implementation Deed.
10	**Confirmation letter from the Mining Commission of Tanzania**: the Government of Tanzania providing written confirmation that the Special Mining Licence remains valid and that there are no outstanding default notices in relation to the Special Mining Licence.

The Scheme will not proceed unless all of the Conditions are satisfied or waived (as applicable) in accordance with the Scheme Implementation Deed.

As at the date of this Scheme Booklet:

- the Independent Expert has concluded that the Scheme is fair and reasonable, and as such, is in the best interests of Non-Associated Shareholders in the absence of a superior proposal;
- the Condition in paragraph 10 (Confirmation letter from the Mining Commission of Tanzania) has been satisfied;
- the Peak Board is not aware of any circumstances which would cause any Conditions not to be satisfied; and
- the Peak Board is not aware of any Material Adverse Change or any Prescribed Occurrences having occurred.

For further information refer to clause 3 and schedule 1 of the Scheme Implementation Deed.

9.3 Peak Independent Board Committee recommendation

Each member of the Peak Independent Board Committee has confirmed that they:

- will recommend that Peak Shareholders vote in favour of the Scheme at the Scheme Meeting (**Recommendation**); and

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- intend to vote, or cause to be voted, all Peak Shares in which they have a Relevant Interest in favour of the Scheme (**Voting Intention**),

in each case in the absence of a Superior Proposal and subject to the Independent Expert in the Independent Expert's Report continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.[43]

Peak must procure that the Peak Independent Board Committee collectively, and the Peak Independent Board Committee members individually, do not adversely change, withdraw, adversely modify or adversely qualify their Recommendation or Voting Intention unless:

- the Independent Expert provides a report to Peak (including either the Independent Expert's Report or any update, addendum or variation to that report) that concludes that the Scheme is not in the best interests of Peak Shareholders not associated with Shenghe;

- Peak has executed a legally binding agreement, arrangement or understanding to give effect to a Superior Proposal; or

- a court of competent jurisdiction, ASIC or the Takeovers Panel requests that any member of the Peak Independent Board Committee change, withdraw, qualify or modify, or abstain from making, his or her Recommendation or Voting Intention.

For further information refer to clause 7 of the Scheme Implementation Deed.

9.4 Conduct of business

The Scheme Implementation Deed contains conduct of business provisions applicable to Peak. In summary, Peak must for the period between execution of the Scheme Implementation Deed and the Scheme being implemented (among other things)

- carry on and operate its business and operations in accordance with Good Mining Practices (as that term is defined in the Scheme Implementation Deed) and, where consistent with Good Mining Practices, in the ordinary and normal course and substantially consistent with: (i) the budget approved by Chenguang and Peak; and (ii) the manner in which such businesses and operations were conducted in the 12 months before the date of the Scheme Implementation Deed;

- keep Shenghe informed on a timely basis of any material developments concerning the conduct of its business and provide a monthly update regarding the financial affairs and position of the Peak Group;

- maintain the Special Mining Licence in good standing, and not do anything or omit to do anything which would cause the Special Mining Licence to be revoked, varied, altered, not-renewed, suspended or terminated or the terms or rights attaching to the Special Mining Licence being adversely affected (including the ability of a Peak Group Member to benefit from the Special Mining Licence);

- make all reasonable efforts to preserve and maintain the value of the businesses and assets of the Peak Group;

- comply in all material respects with any material contract;

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43 In relation to the recommendation of the Peak Independent Board Committee in respect of the Scheme, Peak Shareholders should have regard to the interests of the Peak Independent Board Committee in the outcome of the Scheme which may differ from those of other Peak Shareholders as further disclosed in Section 10.1. This includes the Peak Independent Board Committee's interest in Peak Shares, for which they will receive consideration on the same terms as available to all other Peak Shareholders.

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- not enter into certain arrangements with respect to employees or prospective employees earning over $100,000;
- not enter into any line of business which it is not already engaged in; and
- comply with all relevant laws and regulations.

The obligations outlined above are subject to certain exceptions, including (among other things) actions contemplated by the Scheme Implementation Deed, Scheme or Deed Poll, agreed to in writing by Shenghe, or that is necessary to respond to an emergency or disaster.

For further information refer to clause 6 of the Scheme Implementation Deed.

9.5 Exclusivity arrangements

Under the Scheme Implementation Deed, Peak is subject to, and must ensure each of the Peak Group Members comply with, exclusivity arrangements in favour of Shenghe, which include:

- **No existing discussions**: with effect from execution of the Scheme Implementation Deed, Peak ceased:
  - any discussions with any third parties in relation to any Competing Proposals; and
  - to make available to third parties any non-public information where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Proposal;
- **No shop**: a no-shop restriction preventing Peak, during the Exclusivity Period, from directly or indirectly soliciting, initiating, encouraging or inviting (including by the provision of non-public information) any enquiry, expression of interest, offer, proposal, negotiation, discussion or other communication, with a view to obtaining or which would reasonably be expected to encourage or lead to the making of an actual, proposed or potential Competing Proposal, or communicating an intention to do so;
- **No talk**: a no-talk restriction preventing Peak, during the Exclusivity Period, from directly or indirectly:
  - facilitating, participating in or continuing any negotiations, discussions or other communications with respect to any enquiry, expression of interest, offer, proposal, negotiation or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of an actual, proposed or potential Competing Proposal;
  - negotiating, accepting or entering into, or offering to agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal; or
  - communicating to any person an intention to do any of the above,

  even if the Competing Proposal was not directly or indirectly solicited, encouraged, invited or initiated by Peak or any of its Representatives, or the Competing Proposal has been publicly announced;
- **No due diligence**: a no due-diligence restriction preventing Peak, during the Exclusivity Provision, except with the prior written consent of Shenghe, from directly or indirectly:

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- soliciting, initiating, inviting, encouraging, facilitating or permitting any third party to undertake due diligence investigations in respect of any Peak Group Member or any of their businesses, affairs or operations; and

- disclosing or otherwise providing or making available to any person (other than Shenghe or a Government Agency that has a right to obtain that information and has sought it), or permitting any such person, to receive any non-public information relating to, or about the business, operations or affairs of, any Peak Group Member,

in each case, in connection with, for the purposes of, with a view to obtaining or which otherwise could reasonably be expected to lead to or encourage the formulation, receipt or announcement of an actual, proposed or potential Competing Proposal, whether by that person or another person;

- **Notification obligation**: a notification obligation requiring Peak, during the Exclusivity Period, to notify Shenghe, in writing and as soon as possible (and in any event within two Business Days) if it becomes aware of any:

  - approach, inquiry, proposal or other attempt made by any person to Peak or any of its Representatives, to initiate any discussions, negotiations or other communications, or any intention to make such an approach or attempt to initiate any discussions, negotiations or other communications, in respect of any inquiry, expression of interest, offer, proposal, discussion or other communication in relation to an actual, proposed or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal;

  - expression of interest, offer, proposal or other communication made to Peak or any of its Representatives in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal; or

  - request made by any person to Peak or any of its Representatives for, or the provision by Peak or any of its Representatives to any person of, any non-public information relating to the business, affairs or operations of any Peak Group Member in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal,

  whether direct or indirect, solicited or unsolicited, and in writing or otherwise; and

- **Provision of information:** an obligation requiring Peak, during the Exclusivity Period, to promptly and in any event within two Business Days of the provision of the information, provide to Shenghe a copy of any non-public information about the business, operations or affairs of Peak or a Peak Group Member, which is disclosed, provided or otherwise made available to any person in connection with any actual, proposed or potential Competing Proposal, or that may be reasonably expected to lead to a Competing Proposal, which has not previously been provided or made available to Shenghe.

- ***Fiduciary out***

  The “no talk” and “no due-diligence” restrictions are subject to a “fiduciary out” which provides that Peak is not subject to the restrictions where the Peak Independent Board Committee has determined, acting in good faith after receiving advice from its financial and legal advisers, that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal and, that complying with such restrictions would constitute, or would be reasonably likely to constitute, a breach of the fiduciary or statutory duties of the Peak Independent Board Committee.

- ***Matching right***

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During the Exclusivity Period, where the Peak Independent Board Committee, acting in good faith and in order to satisfy what they consider to be their statutory or fiduciary duties (having received written advice from its legal advisers), determines that a Competing Proposal is a Superior Proposal, Peak must provide Shenghe with the material terms and conditions of the Competing Proposal and Shenghe has the right, within 5 Business Days of receiving such information, to propose, or announce, amendments to the Scheme or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (**Counterproposal**).

If Shenghe has not announced or provided a Counterproposal within that period, or the Peak Independent Board Committee considers a Counterproposal and determines, acting reasonably and in good faith, that the Counterproposal does not provide an equivalent or superior outcome for Peak Shareholders as a whole compared with the actual, proposed or potential Competing Proposal (taking into account all terms and conditions), then:

- Peak may enter into any legally binding agreement, arrangement or understanding to undertake or give effect to the Competing Proposal; and
- the Peak Independent Board Committee may change, withdraw or modify their Recommendation or Voting Intention in favour of the Scheme, and may publicly recommend, support, or endorse the actual, proposed or potential Competing Proposal.

As at the date of this Scheme Booklet, Peak has not received any Competing Proposals.

For further information refer to clause 12 of the Scheme Implementation Deed.

9.6 Representations and warranties

Both Peak and Shenghe have given representations and warranties which are customary for an agreement of this kind. These representations and warranties are set out in schedule 4 (in respect of Peak) and schedule 5 (in respect of Shenghe) of the Scheme Implementation Deed.

For further information refer to clause 8 of the Scheme Implementation Deed.

9.7 Peak Reimbursement Fee

Peak has agreed to pay to Shenghe a reimbursement fee of $1.55 million (excluding GST) (**Peak Reimbursement Fee**), if:

- a Competing Proposal is announced and, within 12 months of that announcement a third party:
  - completes a Competing Proposal which results in that third party:
    - acquiring, becoming the holder of or otherwise obtaining or having a right to obtain a legal, beneficial or economic interest in, or control of, all or substantially all of the business conducted by, or assets or property of, any Peak Group Member; or
    - acquiring Control of, or otherwise acquiring, merging with or being stapled with, Peak or any other Peak Group Member;
  - enters into an agreement, arrangement or understanding requiring Peak to abandon, or fail to proceed with, the Scheme; or

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- acquires a Relevant Interest in more than 50% of the Peak Shares, or otherwise acquires Control of Peak;

- a Superior Proposal is received by Peak or publicly announced at any time during the Exclusivity Period and Peak gives written notice to terminate the Scheme Implementation Deed;

- at any time prior to 8.00am on the Second Court Date, any member of the Peak Independent Board Committee withdraws, adversely changes, adversely modifies or adversely qualifies or fails to make their Recommendation, Voting Intention or support for the Scheme generally, unless:

  - the Independent Expert concludes the Scheme is not in the best interests of the Peak Shareholders not associated with Shenghe (except where the conclusion is due to the announcement of a Competing Proposal), provided that any change must only occur after the Independent Expert has issued its conclusion that the Scheme is not in the best interests of Peak Shareholders not associated with Shenghe; or

  - a court of competent jurisdiction, ASIC or the Takeovers Panel has requested that they change, withdraw, qualify or modify, or abstain from making, their Recommendation or Voting Intention; or

- Shenghe validly terminates the Scheme Implementation Deed due to:

  - a material breach by Peak of its obligations under that document; or

  - Peak being in breach of a Peak Warranty (where such breach is material in the context of the Scheme),

  where such breach has not been remedied within the applicable cure period of Shenghe giving notice of the breach.

For further information refer to clause 10 of the Scheme Implementation Deed.

9.8 Shenghe Reimbursement Fee

Shenghe has agreed to pay to Peak the Shenghe Reimbursement Fee, being $1.55 million (excluding GST), if Peak validly terminates the Scheme Implementation Deed due to:

- a material breach by Shenghe of its obligations under that document; or

- Shenghe being in breach of a warranty given by Shenghe under schedule 5 of that document (where such breach is material in the context of the Scheme),

where such breach has not been remedied within the applicable cure period of Peak giving notice of the breach.

For further information refer to clause 11 of the Scheme Implementation Deed.

9.9 Termination rights

Each of Peak and Shenghe may terminate the Scheme Implementation Deed in certain circumstances, including if:

- the other party has materially breached the Scheme Implementation Deed (other than a breach of a representation or warranty, which is dealt with separately (see below)) at any time before 8.00am on the Second Court Date, the party entitled to terminate has given written notice of such breach, and the relevant circumstances are not remedied within

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five Business Days from the time the terminating party's notice is given (or at any shorter period ending at 5.00pm on the day before the Second Court Date);

- the other party has breached a representation and warranty at any time before the 8.00am on the Second Court Date, that breach is material in the context of the Scheme, the party entitled to terminate has given written notice of its intention to terminate, and the relevant breach continues to exist for 10 Business Days from the time the terminating party's notice of intention to terminate is given (or at any shorter period ending at 5.00pm on the Business Day before the Second Court Date);

- the Court or a Government Agency has, before 8.00am on the Second Court Date, taken any action to permanently restrain or otherwise prohibit or prevent the Scheme, or has refused to do anything necessary to permit the Scheme to be implemented by the End Date, and the action or refusal is final and cannot be appealed or reviewed or the party (acting reasonably) believes that there is no realistic prospect of an appeal or review succeeding by the End Date;

- a Condition is prevented from being satisfied (or will not otherwise be satisfied) by the time specified for satisfaction of that Condition (or the End Date) and the parties are unable to reach an agreement within a specified timeframe to:

    - proceed with the Scheme by alternative means;

    - extend the time and date specified for satisfaction of that Condition or the End Date;

    - waive that Condition;

    - change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties;

    - otherwise amend the Timetable; or

    - take a combination of any of the actions above,

    then the party entitled to the benefit of that Condition can terminate;

- the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date, unless the failure of the Scheme to become Effective on or before the End Date is due to the failure of the party seeking to terminate to perform or observe its obligations under the Scheme Implementation Deed; or

- Peak Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majority.

Shenghe may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date if:

- any member of the Peak Independent Board Committee:

    - fails to recommend the Scheme;

    - changes, withdraws or adversely modifies or qualifies their Recommendation or Voting Intention;

    - publicly recommends, supports or endorses a Competing Proposal; or

    - otherwise makes a public statement indicating that they no longer support or recommend the Scheme,

except at the request of a court, ASIC or the Takeovers Panel;

- Peak enters into a legally binding agreement, arrangement or understanding to give effect to any actual, proposed or potential Competing Proposal.

Peak may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date if:

- the Peak Independent Board Committee determines that a Competing Proposal is a Superior Proposal provided always that there has not been a material breach by Peak of its exclusivity obligations; or

- the Peak Independent Board Committee, or a majority of the Peak Independent Board Committee, has changed, withdrawn, modified or qualified its Recommendation or Voting Intention as permitted under the Scheme Implementation Deed.

For further information refer to clauses 13 of the Scheme Implementation Deed.

9.10 Additional definitions for this section

Capitalised terms used in this Section 9 which are not defined below or in the glossary in Section 12.1 of this Scheme Booklet are defined in clause 1.1 of the Scheme Implementation Deed.

Competing Proposal means any proposal, offer, expression of interest, agreement, arrangement or transaction which, if entered into or completed substantially in accordance with its terms:

(a) would mean a third party (alone or together with its Associates) may, directly or indirectly:

(i) acquire a Relevant Interest in, or have a right to acquire a legal, beneficial or economic interest in (including under a cash settled equity swap or other derivative, or similar transaction or arrangement), or control of, 20% or more of, the Peak Shares or of the share capital of any other Peak Group Member;

(ii) acquire or become the holder of, or otherwise obtain or have a right to obtain a legal, beneficial or economic interest in, or control of, all or substantially all of the business conducted by, or assets or property of, any Peak Group Member; or;

(iii) acquire Control of, or otherwise acquire, merge with or be stapled with, Peak or any other Peak Group Member; or

(b) would require Peak to abandon or otherwise fail to proceed with the Scheme,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, issue of securities, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure (or other synthetic merger), deed of company arrangement, joint venture or partnership, or other transaction or arrangement. For the avoidance of doubt:

(c) any proposal relating solely to Teesside will not constitute a Competing Proposal; and

(d) each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Material Adverse Change means any change, event, occurrence, circumstance or matter occurring on or after the date of the Scheme Implementation Deed or occurring on or before the date of the Scheme Implementation Deed but that only becomes known to Shenghe after

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the date of the Scheme Implementation Deed which has, has had or is (individually or when aggregated with all other such changes, events, occurrences, circumstances or matters) reasonably likely to have the effect or result of:

(a) diminishing the value of the consolidated net assets of the Peak Group taken as a whole (as compared to the consolidated net assets set out in Peak's financial statements for the half-year ended 31 December 2024) by more than $15 million;

(b) the Special Mining Licence being revoked, varied, altered, not-renewed, suspended or terminated or the terms or rights attaching to the Special Mining Licence being adversely affected (including the ability of a Peak Group Member to benefit from the Special Mining Licence); or

(c) any of Peak, Mamba Minerals, Mamba Refinery or the Peak Group (as a whole) being unable to carry on its business in substantially the same manner as carried on in the 12 months prior to the date of the Scheme Implementation Deed,

but does not include any change, event, circumstance, matter, occurrence or thing to the extent that:

(d) it is required or permitted to be done or procured by Peak pursuant to the Scheme Implementation Deed, the Budget or the Scheme;

(e) it is consented to in writing by Shenghe;

(f) it results from or arises out of the taking of any action in connection with:

(i) any potential sale or disposal of an interest in Teesside, provided always that any Claims that arise against a Peak Group Member in relation to any such sale or disposal of an interest in Teesside are not within the scope of this sub-paragraph (i); or

(ii) a Permitted Issue;

(g) it is, or arises from, a change or fluctuation in general economic or banking conditions, or a change in taxation rates, commodity prices, interest rates or exchange rates; or

(h) it arises from or in connection with:

(i) entry into the Scheme Implementation Deed or the announcement of the execution of the Scheme Implementation Deed;

(ii) any facts, circumstances or changes that are the result directly from the actions (or omissions to act) of any of the Shenghe Group Members, other than in circumstances where Peak is in material breach of the Scheme Implementation Deed unless such material breach resulted, directly from the actions (or omissions to act) of a Shenghe Group Member;

(iii) facts and circumstances that have been Fairly Disclosed;

(iv) the exercise by any party of its express rights, or the discharge by any party of its express obligations, under the Scheme Implementation Deed; or

(v) any action, or failure to take action, by Peak with the prior approval or consent of, or at the request of, Shenghe,

provided that, in the case of exception in paragraph (g) above, such Material Adverse Change does not affect the Peak Group in a manner that is materially disproportionate as compared to other similar businesses operating in the same market segment and, for the avoidance of

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doubt, in the event the Peak Group is affected materially disproportionately by such Material Adverse Change, the financial impact of such Material Adverse Change will be taken into account for the purposes of this definition only to the extent that the financial impact on the Peak Group is in excess of the proportionate financial impact of the Material Adverse Change on other similar businesses operating in the same market segment.

Prescribed Occurrence means the occurrence of any of the following on or after the date of the Scheme Implementation Deed:

(a) Peak converts all or any of its shares into a larger or smaller number of shares;

(b) any Peak Group Member resolves to reduce its share capital in any way;

(c) any Peak Group Member:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(d) any Peak Group Member makes any change to its constitution or constituent document;

(e) any Peak Group Member agrees to pay, declares, pays or make, or incurs a liability to pay or make, a dividend, distribution of income, profits, assets or capital to any person other than to another Peak Group Member or a Permitted Issue;

(f) any Peak Group Member issues shares, grants an option or any other securities convertible into shares or similar right over its shares, or agrees to make such an issue or grant such an option, security or similar right or agrees to pay any cash consideration to any person in performance or settlement of any obligation to issue shares, other than pursuant to a Permitted Issue;

(g) any Peak Group Member materially changes any material accounting method, practice or policy applied by it other than any change in policy required by a change in accounting standards;

(h) any Peak Group Member issues, or agrees to issue, convertible notes, debt securities or any other security or instrument that is convertible into shares or other financial products, other than pursuant to a Permitted Issue;

(i) any Peak Group Member disposes, or agrees to dispose, of any securities, business, interest in a joint venture or undertaking;

(j) any Peak Group Member acquires or enters into any agreement to acquire any securities, business, interest in a joint venture (including entering into any joint venture or strategic partnership), entity or undertaking;

(k) any Peak Group Member incurs, commits to or undertakes any capital expenditure, or provide any financial assistance in any way with a value of $250,000 or more individually or in aggregate;

(l) any Peak Group Member creates or agrees to create, any Encumbrance over any of its assets or gives any guarantees or indemnities, each with a value of more than $250,000 individually or in aggregate;

(m) any Peak Group Member incurs any Financial Indebtedness with, or provides any guarantee in respect of Financial Indebtedness to, any entity, or provides financial accommodation with a value of more than $250,000 individually or in aggregate;

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(n) any Peak Group Member does any act, matter or thing that results in, or would reasonably be expected to result in, an obligation to pay a fee to Waterborne Capital (Pty) Ltd;

(o) any Peak Group Member waives or forgives any loans made to any officer or employee of any member of the Peak Group;

(p) any Peak Group Member enters into any enterprise bargaining agreement, workplace agreement or other collective agreement other than in the ordinary course of business;

(q) any Peak Group Member enters into any new contract or a series of contracts in respect of substantially the same subject matter that has a value of more than $250,000, or does anything or refrains from doing anything which, or which is likely to, result in the alteration variation in a material respect, or the termination, suspension, revocation or non-renewal of any contract or a series of contracts of substantially the same subject matter in existence as at the date of the Scheme Implementation Deed with a value of more than $250,000;

(r) waiving any material rights or third party default where the financial impact on the Peak Group (taken as a whole) is reasonably expected to be in excess of $250,000 (individually or in aggregate);

(s) accepting any compromise of a matter less than the full compensation due to a Peak Group Member where the financial impact of the compromise on the Peak Group (taken as a whole) is reasonably expected to be more than $250,000 (individually or in aggregate);

(t) any Peak Group Member does anything or refrains from doing anything which results in, or which is likely to, result in the alteration or variation, or the termination, suspension, cancellation, expropriation, revocation, forfeiture or non-renewal of the Special Mining Licence;

(u) any Peak Group Member sells, transfers, disposes, assigns, grants or creates any kind of interest in the Special Mining Licence or the area of the Special Mining Licence (including any Encumbrance or access right), declares a trust over, parts with the benefit of or otherwise deals with or affects the rights attaching to the Special Mining Licence;

(v) any Peak Group Member materially alters, modifies or varies its announced strategy in respect of the project, the subject of the Special Mining Licence;

(w) any Peak Group Member makes any material tax election or settles or compromise any material dispute relating to tax that has a value of more than $250,000;

(x) any Peak Group Member either:

  (i) enters into any agreement or arrangement with any new or potential officer or employee (including any person engaged as a contractor who may at law be an employee) (a **Relevant Contractor**);

  (ii) enters into, varies or amends the terms of any agreement or arrangement with any existing officer or employee (including any Relevant Contractor);

  (iii) provides or agrees to provide any retention payments (or similar) to any existing officer or employee (including any Relevant Contractor); or

  (iv) seeks to terminate any agreement or arrangement with any existing officer or employee (including any Relevant Contractor) other than for cause,

  in each case, who is a member of the senior management team of the Peak Group or, otherwise, in respect of whom (when aggregated with all other such actions) the total

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remuneration or engagement costs payable by any one or more members of the Peak Group is in excess of $100,000 per annum;

(y) make, commence, settle or admit liability in relation to any arbitration, legal proceedings, Claim or investigation (or series of related arbitrations, legal proceedings, Claims or investigations) in respect of:

(i) any existing or future investigation or proceeding commenced or conducted by a Government Agency;

(ii) any action (whether the settlement or settlement amount is reasonably likely to exceed or exceeds $500,000, or, in the case of a series of related disputes, audits or inquires, aggregate settlement amount is reasonably likely to exceed or exceeds $500,000, or involves criminal matters) or class action commenced or threated to be commenced against a member of the Peak Group before or after the date of the Scheme Implementation Deed; and

(iii) any other dispute or inquiry (including, but not limited to, any insurance proceeding) where the settlement amount is reasonably likely to exceed or exceeds $500,000 or involves criminal matters;

(z) a Peak Group Member postponing the payment of trade creditors or accelerates the collection of trade debtors, in each case having regard to the policies applied for such payment and collection in the 3 months prior to the date of the Scheme Implementation Deed, other than in the ordinary course of business;

(aa) Peak applies to the ASX to be de-listed from the official list of ASX or otherwise does any act, matter or thing (other than matters relating to the implementation of the transactions contemplated by the Scheme Implementation Deed) which is reasonably likely to result in Peak ceasing to be admitted to the official list of ASX or Peak Shares otherwise ceasing to be quoted by ASX, other than in connection with the implementation of the Scheme;

(bb) entering into any line of business or other activities in which the Peak Group is not engaged as of the date of the Scheme Implementation Deed;

(cc) an Insolvency Event occurs in relation any Peak Group Member; or

(dd) any Peak Group member authorises, commits, resolves, undertakes or agrees to do, or makes any representation or warranty regarding doing, any of the matters set out above,

provided always that the total expenditure incurred or otherwise committed by the Peak Group does not exceed $1 million (in aggregate) without Shenghe's prior written approval. Further, a Prescribed Occurrence will not include any matter:

(ee) required to be done or procured by Peak pursuant to the Scheme Implementation Deed or which is otherwise contemplated by the Scheme Implementation Deed, the Budget or the Scheme;

(ff) Fairly Disclosed to Chenguang;

(gg) consented to in writing by Shenghe; or

(hh) that results from or arises out of the taking of any action in connection with:

(i) any potential sale or disposal of an interest in Teesside or incurring any costs or expenses associated with the potential sale or disposal of Teesside to the extent such costs and expenses have been Fairly Disclosed; or

(ii) a Permitted Issue.

Superior Proposal means a bona fide Competing Proposal of the kind referred to in paragraphs (a)(ii), (a)(iii) or (b) of the definition of Competing Proposal which the Peak Independent Board Committee, acting in good faith and after receiving written advice from its external financial and legal advisers, determines:

(a) is reasonably capable of being valued and completed in accordance with its terms within a reasonable timeframe; and

(b) would, if completed substantially in accordance with its terms, be reasonably be likely to be more favourable to Peak Shareholders (as a whole) than the Scheme or any Counterproposal (as applicable),

in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, financing, conditions, regulatory approvals, the identity of the proponent and other matters affecting the probability of the Competing Proposal being completed) and of the Scheme or any Counterproposal (as applicable).

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10 Additional Information

10.1 Key interests of Peak Directors

(a) Interests in Peak securities[44]

The number, description and amount of Peak marketable securities controlled or held by, or on behalf of, each Peak Director as at the Last Practicable Date are:

Director	Peak Shares	Performance Rights
Russell Scrimshaw	2,668,085	3,100,000
Abdullah Mwinyi	183,334	452,236
Nick Bowen	970,213	510,000
Hannah Badenach	540,894	510,000
Shasha Lu	90,000	510,000

Section 10.2 sets out how the Performance Rights will be treated in connection with the Scheme.

(b) Recent dealings in Peak securities

Except than as set out below, no Peak Director has acquired or disposed of a Relevant Interest in Peak Securities in the four month period ending on the Last Practicable Date:

- Mr Russell Scrimshaw acquired 468,085 Peak Shares on 30 June 2025 at $0.10 per share pursuant to the Entitlement Offer.
- Mr Nick Bowen acquired 170,213 Peak Shares on 30 June 2025 at $0.10 per share pursuant to the Entitlement Offer.
- Ms Hannah Badenach acquired 94,894 Peak Shares on 30 June 2025 at $0.10 per share pursuant to the Entitlement Offer.

(c) Agreements or arrangements connected with or conditional on the Scheme

Except as set out below, or elsewhere in this Scheme Booklet, there are no agreements or arrangements that are or will be made between any Peak Director and Shenghe, or any other person in connection with, or conditional on the outcome of the Scheme.

(d) Interests in securities of Shenghe

Except as set out below, or elsewhere in this Scheme Booklet, none of the Peak Directors have any interest in any securities of Shenghe or Shenghe Resources.

(e) Interests in contracts with Shenghe

[44] If the Scheme is implemented, each Peak Director stands to receive the following amounts as Scheme Consideration. If all Performance Rights vest: Russell Scrimshaw will receive $2,070,636.00, Abdullah Mwinyi will receive $228,157.89, Nick Bowen will receive $531,369.13, Hannah Badenach will receive $377,251.54 and Shasha Lu will receive $215,388.92. If the relevant Peak Director's Performance Rights lapse: Russell Scrimshaw will receive $964,587.48, Abdullah Mwinyi will receive $65,881.22, Nick Bowen will receive $348,692.62, Hannah Badenach will receive $194,396.22 and Shasha Lu will receive $32,345.82.

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Except as set out below, or elsewhere in this Scheme Booklet, none of the Peak Directors have any interest in any contract entered into by Shenghe or Shenghe Resources.

Dr Shasha Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to the Peak Board by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed). Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak Shareholders should vote on the Scheme.

(f) Other termination benefits

Except as set out in this Section 10.1(f) or elsewhere in this Scheme Booklet, there are no payments or other benefits that are proposed to:

- be made or given to any director, secretary or senior manager of Peak as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Peak or in a Related Body Corporate of Peak; or

- be made or given to any director, secretary or senior manager of any Related Body Corporate of Peak as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Peak.

Members of the Peak Group's senior management team are, under the terms of their respective employment services agreements, entitled to termination payments on redundancy and payment in lieu of any applicable notice period (in addition to payment of accrued employee entitlements) as follows:

Individual	Notice period (months)	Redundancy	Notice/ Redundancy Entitlements ($A)
Bardin Davis	6	2 months	283,333
Justin Grinceri	3	4 months	128,333
Johan Coetzee	3	8 days	137,136

Note: Entitlements calculated as if each of the above executives remained employed at 30 September 2025.

(g) Deeds of indemnity, access and insurance

Peak has entered into deeds of indemnity, insurance and access with its directors and various executive officers, on customary terms.

Peak pays premiums in respect of a directors' and officers' insurance policy for the benefit of its directors and officers. Peak will, at or prior to the Implementation Date, enter into arrangements to secure directors' and officers' run-off insurance for directors and officers of each member of the Peak Group for no less than seven years from the Implementation Date. Clause 9.3 of the Scheme Implementation Deed provides various Shenghe undertakings in support of that insurance.

Clause 9 of the Scheme Implementation Deed also provides for certain releases of each director, officer or employee of any member of the Peak Group as is customary for transactions such as the Scheme.

(h) Other interests of Peak Board

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Except as set out below and disclosed in this Section 10 and elsewhere in this Scheme Booklet, no Peak Director has any other interest, whether as a director, member, or creditor of Peak or otherwise, which is material to the Scheme, other than in their capacity as a holder of Peak Shares.

10.2 Treatment of Performance Rights

As at the Last Practicable Date, Peak had 9,574,890 Performance Rights on issue.

The Performance Rights have been granted under the "Performance Rights Plan" approved by Peak Shareholders on 21 December 2020 and the "Employee Incentive Plan", which was approved by Peak Shareholders on 15 June 2023 (**Incentive Plans**). Each Performance Right entitles the holder to receive one Peak Share, subject to satisfaction of the applicable vesting condition(s).

It is a Condition to the Scheme that Peak does all things necessary by 8.00am on the Second Court Date to ensure that, before the Record Date, all Performance Rights vest or lapse.

In accordance with clause 4.7 of the Scheme Implementation Deed, the Peak Board has resolved to accelerate the vesting of, and to waive any vesting conditions or vesting periods applying to, all Performance Rights with effect from the Court approving the Scheme under section 411(4)(b) of the Corporations Act. Peak will take all reasonable steps and actions as are necessary to ensure that all vested Performance Rights are exercised prior to the Record Date.

Section 10.1(a) sets out the details of the Performance Rights which are held by or on behalf of Peak Directors.

10.3 Interests of certain persons in the Scheme

Except as otherwise disclosed in this Scheme Booklet, no Peak Director or Peak executive officer, nor any Associate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in the Scheme, except for any interest arising from the direct or indirect ownership of Peak Shares or Performance Rights held by such Peak Director, Peak executive officer or Associate.

10.4 Effect of Scheme on Peak's material contracts

Peak is not, after due inquiry, aware of any financing arrangement or other contract that has been entered into by Peak or any of its Subsidiaries, that Peak considers to be material in the context of Peak or the Peak Group taken as a whole, that contains a change of control provision that may be triggered if Shenghe acquires Peak Shares as a result of the Scheme.

10.5 No unacceptable circumstances

The Peak Board believes that the Scheme does not involve any circumstances in relation to the affairs of any Peak Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

10.6 Third party consents

(a) Role of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

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Name	Role
RSM Corporate Australia Pty Ltd	Independent Expert
ERM Australia Consultants Pty Ltd	Independent Technical Specialist
Corrs Chambers Westgarth	Legal adviser to Peak
Macquarie Capital (Australia) Limited	Financial adviser to Peak
MUFG Corporate Markets (AU) Limited	Share Registry

(b) **Consents**

Shenghe has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, its consent to being named in this Scheme Booklet in the form and context in which it is named and the inclusion of the Shenghe Information in this Scheme Booklet in the form and context in which that information appears.

RSM Corporate Australia Pty Ltd has given its consent to the inclusion of its Independent Expert's Report and the references to its Independent Expert's Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

ERM Consultants Australia Pty Ltd has given its consent to the inclusion of its Technical Specialist's Report and the references to its Technical Specialist's Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in Section 10.6(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name, and to the inclusion in this Scheme Booklet of any statements made by, or statements said to be based on statements made by that person in the form and context in which they appear.

(c) **Disclaimer**

Shenghe and each person named in Section 10.6(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in this Section 10.6; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.

10.7 Fees

Each of the persons named in Section 10.6 as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

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If the Scheme is implemented, costs of approximately $5.2 million (excluding GST) are expected to be paid by Peak. This includes advisory fees for Peak's financial, legal, accounting and tax advisers, the Independent Expert's fees, governance support and proxy advisor engagement support fees, general administrative fees, printing and distribution costs, expenses associated with convening and holding the Scheme Meeting and other expenses.

If the Scheme is not implemented, costs of approximately $1.8 million (excluding GST) are expected to be paid by Peak.

10.8 Suspension of trading of Peak Shares

If the Court approves the Scheme, Peak will immediately notify the ASX. It is expected that suspension of trading in Peak Shares on the ASX will occur at the close of business on the Effective Date.

10.9 Regulatory conditions and relief

(a) ASIC relief

ASIC has granted Peak relief from clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations so that Peak need only set out in this Scheme Booklet whether, within the knowledge of the Peak Directors, the financial position of Peak has materially changed since 31 December 2024, being the last date of the period to which financial statements for the half-year ended 31 December 2024 related.

(b) PRC Regulatory Approvals Condition

The Scheme was previously subject to the satisfaction of the PRC Regulatory Approvals Condition. However, with effect from the execution of the Amendment and Novation Deed, the Scheme is no longer subject to the PRC Regulatory Approvals Condition as Shenghe (being a Singaporean incorporated entity) proposes to fund the acquisition via funds it holds outside of the People's Republic of China.

(c) Tanzanian Approvals Condition

As at the date of this Scheme Booklet, the Tanzanian Approvals Condition has not been satisfied or waived. Shenghe is collaborating with Peak to advance the governmental approval process in Tanzania in relation to the Tanzanian Approvals Condition.

The timing of the satisfaction (or waiver) of the Tanzanian Approvals Condition is not certain and is not within the control of Peak or Shenghe, and there is a risk that this Condition may not be satisfied (or waived) in a timely manner.

If the Tanzanian Approvals Condition has not been satisfied or waived in advance of the Scheme Meeting, the Peak Independent Board Committee may consider delaying the Scheme Meeting and/or the Second Court Hearing until such time as that Condition has been satisfied or waived. Peak will provide material updates to Peak Shareholders by way of ASX announcement in advance of the Scheme Meeting.

10.10 Registration of Scheme Booklet

This Scheme Booklet was registered with ASIC on 11 August 2025 in accordance with section 412(6) of the Corporations Act.

10.11 Documents available

An electronic version of this Scheme Booklet including the Independent Expert's Report and the Scheme Implementation Deed are available for viewing and downloading online at Peak's website at www.peakrareearths.com/announcements/.

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10.12 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Peak becomes aware of any of the following:

- a material statement in this Scheme Booklet is false or misleading or deceptive;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Peak will make available supplementary material to Peak Shareholders. Peak intends to make available any supplementary material by releasing that material to the ASX (www.asx.com.au) and posting the supplementary document to Peak's website. Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Peak may also send such supplementary materials to Peak Shareholders.

10.13 Other material information

Except as set out in this Scheme Booklet (including the Independent Expert's Report and Independent Technical Specialist's Report), there is no other information material to the making of a decision by a Peak Shareholder in relation to the Scheme, including whether or not to vote in favour of the Scheme Resolution to approve the Scheme, being information that is within the knowledge of any director of Peak or a related company which has not previously been disclosed to Peak Shareholders.

10.14 Chapter 5 / JORC compliance statements

The information in this Scheme Booklet that relates to Mineral Resource and Ore Reserve estimates for the Ngualla Project is extracted from Peak's ASX announcement entitled "Completion of Ngualla Project BFS Update" released to the ASX on 24 October 2022, which is available on Peak's website www.peakrareearths.com/announcements/. Peak confirms that it is not aware of any new information or data that materially affects the information included in that ASX announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Peak confirms that the form and context in which the competent person's findings are presented have not been materially modified from the ASX announcement.

The information in this Scheme Booklet that relates to exploration results for the Ngualla Project is extracted from Peak's ASX announcements entitled "Completion of Ngualla Project BFS Update" and "Completion of FEED Study" released to the ASX on 24 October 2022 and 30 November 2023, respectively, which are available on Peak's website www.peakrareearths.com/announcements/. Peak confirms that it is not aware of any new information or data that materially affects the information included in those ASX announcements. Peak confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original ASX announcements.

The information in this Scheme Booklet that relates to production targets in respect of the Ngualla Project is extracted from Peak's ASX announcements entitled "Completion of Ngualla Project BFS Update" and "Completion of FEED Study" released to the ASX on 24 October 2022 and 30 November 2023, respectively, which are available on Peak's website www.peakrareearths.com/announcements/. Peak confirms that all material assumptions underpinning the production targets in the original market announcements continue to apply and have not materially changed.

11 Authorisation

The issue of this Scheme Booklet is authorised by the Peak Independent Board Committee and this Scheme Booklet has been signed for and on behalf of Peak on 11 August 2025.



Russell Scrimshaw
Chairman

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12 Glossary

12.1 Definitions

$** or **A$ means the lawful currency of Australia.

Amendment and Novation Deed means the Amendment and Novation Deed dated 24 July 2025 between Chenguang, Shenghe and Peak pursuant to which the parties agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe.

Announcement Date means the date on which Peak announced to the ASX that it had entered into the Scheme Implementation Deed, being 15 May 2025.

Appendix means an appendix to this Scheme Booklet.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 ASX Limited or the financial market known as the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

Business Day means any day that is each of the following:

(a) a Business Day within the meaning given in the Listing Rules;

(b) a day that banks are open for business in each of Sydney, New South Wales, Singapore and Beijing, People's Republic of China,

provided that where this document refers to a date that is a certain number of days before the Second Court Date, only paragraph (a) of this definition shall apply.

CGT means capital gains tax.

Chenguang means Ganzhou Chenguang Rare Earths New Material Co., Ltd.

CHESS means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

Competing Proposal has the meaning given in Section 9.10.

Condition means a condition set out in schedule 1 of the Scheme Implementation Deed, as summarised in Section 9.2.

Control has the meaning given in section 50AA of the Corporations Act and **Controlled** has the corresponding meaning.

Controlled Entity means in respect of a party, an entity that party Controls.

Corporations Act means the *Corporations Act 2001* (Cth), as modified or varied by any applicable ASIC instrument.

Corporations Regulations means the *Corporations Regulations 2001* (Cth), as modified or varied by any applicable ASIC instrument.

Counterproposal has the meaning given in Section 9.5.

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as agreed in writing between Peak and Shenghe.

Deed Poll means the deed poll executed by Shenghe in favour of the Scheme Shareholders and set out in Appendix 3 of this Scheme Booklet.

Effective Date means the date on which the Scheme becomes Effective.

Effective means the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, assignment by way of security, debenture, option, hypothecation, title retention, pre-emptive or preferential right, claim, equitable or other right, power of sale, retention of title, right of first refusal, trust arrangement, contractual right of set-off, or any other security agreement or arrangement or third party right in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the later of:

(a) 14 December 2025, being the date that is seven months from the date of the Scheme Implementation Deed; or

(b) such later date as agreed in writing by Peak and Shenghe before that date.

Entitlement Offer means the pro-rata non-renounceable entitlement offer, as announced to the ASX on 15 May 2025, the terms and conditions of which were set out in Peak's offer booklet dated 30 May 2025.

Excluded Shareholder means Shenghe.

Exclusivity Period means the period commencing on the date of the Scheme Implementation Deed and ending on the earliest of:

(a) the End Date;

(b) the Implementation Date of the Scheme; and

(c) the date the Scheme Implementation Deed is terminated in accordance with its terms.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, registered by ASIC in relation to the Scheme, which is included in this Scheme Booklet.

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

FRCGW means foreign resident capital gains withholding.

FY means financial year.

Glossary means the glossary set out in this Section 12.

Good Mining Practices means those practices, methods and acts engaged in or approved by a firm or body corporate which, in the conduct of its undertaking, exercises that degree of safe and efficient practice, diligence, prudence, and foresight reasonably and ordinarily exercised by skilled and experienced operators engaged in the mining industry in Australia and Tanzania.

Government Agency means any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, stock exchange or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

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GST Law has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
GST means a goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.
Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution is passed at the Scheme Meeting by a majority in number of Peak Shareholders (other than Excluded Shareholders) present and voting, in person or by proxy.
Implementation Date means the fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing between the parties.
Incentive Plans has the meaning given in Section 10.2.
Independent Expert means RSM Corporate Australia Pty Ltd, the independent expert in respect of the Scheme appointed by Peak.
Independent Expert's Report means the report in Appendix 1 (including any updates or supplements to such report) issued in connection with the Scheme, stating whether or not in the Independent Expert's opinion the Scheme is in the best interests of Non-Associated Shareholders and the reason for holding that opinion.
Independent Technical Specialist means ERM Australia Consultants Pty Ltd.
Independent Technical Specialist's Report means the report of the Independent Technical Specialist in Part F of the Independent Expert's Report.
JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.
Kt means kilotonnes.
Ktpa means kilotonnes per annum**.**
Last Practicable Date means 4 August 2025, being the last practicable date before the finalisation of this Scheme Booklet.
Listing Rules means the official listing rules of ASX.
Mamba Minerals means Mamba Minerals Corporation Limited (company number 163504529), a company duly incorporated in the United Republic of Tanzania with registered address 1st Floor, The Luminary, Plot 574, Haile Selassie Road, Masaki, Dar es Salaam, Tanzania, PO Box 14322.
Mamba Refinery means Mamba Refinery Corporation Limited (company number 163504731), a company duly incorporated in the United Republic of Tanzania with registered address 1st Floor, The Luminary, Plot 574, Haile Selassie Road, Masaki, Dar es Salaam, Tanzania, PO Box 14322.
Material Adverse Change has the meaning given in Section 9.10.
Mineral Resource has the meaning given to that term in the JORC Code.
NdPr means the rare earth elements neodymium and praseodymium.
Ngualla Project means the Ngualla Rare Earth Project located near the Ngwala Village and approximately 170km from the City of Mbeya in the Songwe Region and on the edge of the East African Rift Valley, which includes the construction of a mine, mill, concentrator, community projects and associated infrastructure.
NGUK means Peak's wholly owned Subsidiary, Ngualla Group UK Limited, which holds an 84% effective interest in the Ngualla Project.

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NGUK Transaction means the previously proposed transaction between Peak and Shenghe Resources entailing Shenghe Resources investing ~A$96 million to subscribe for a 50% interest in Peak's wholly owned Subsidiary, NGUK.

Non-Associated Shareholders means Peak Shareholders not associated with the Scheme.

Notice of Scheme Meeting means the notice convening the Scheme Meeting as set out in Appendix 4.

Ore Reserve has the meaning given to that term in the JORC Code.

Peak Board means the board of directors of Peak as constituted from time to time.

Peak Director means a duly appointed director of Peak.

Peak Group means Peak and its Controlled Entities.

Peak Group Member means each member of the Peak Group.

Peak Independent Board Committee means the Peak Board other than:

(a) Dr Shasha Lu; and

(b) any other Peak Director appointed by or on behalf of a Shenghe Group Member or any of its Associates.

Peak Information means all information included in this Scheme Booklet other than the Shenghe Information, the Independent Expert's Report and the Independent Technical Specialist's Report.

Peak or **Company** means Peak Rare Earths Limited ACN 112 546 700.

Peak Reimbursement Fee means $1.55 million (excluding GST).

Peak Share means an issued fully paid ordinary share in the capital of Peak.

Peak Share Register means the share register of Peak Shareholders maintained in accordance with the Corporations Act.

Peak Shareholder or **Shareholder** means a person who is registered in the Peak Share Register as the holder of one or more Peak Shares, from time to time.

Peak Warranties means the representations and warranties of Peak set out in schedule 4 of the Scheme Implementation Deed.

Performance Right means a right issued by Peak pursuant to the terms of an Incentive Plan which entitles the holder to an unissued Peak Share, subject to the terms of the right.

Permitted Issue means the issue of:

(a) any Peak Share, Performance Right or any other security in Peak the issue of which has been approved by Shenghe (which for the avoidance of doubt includes the issue of Peak Shares pursuant to the vesting and/or the exercise of a Performance Right where that Performance Right was on issue immediately before the date of the Scheme Implementation Deed); and

(b) Peak Shares pursuant to the Entitlement Offer.

PRC Regulatory Approvals Condition means the former condition precedent to the Scheme relating to the following approvals (if required) being obtained from the People's Republic of China in respect of the Scheme Implementation Deed and the transactions contemplated by it:

(a) Ministry of Commerce or its local counterpart in relation to the Scheme;

(b) National Development and Reform Commission or its local counterpart in relation to the Scheme;

(c) registration with the State Administration of Foreign Exchange (**SAFE**) or a commercial bank entrusted or delegated by SAFE to handle foreign exchange registration and fund remittance in relation to the Scheme.

Prescribed Occurrence has the meaning given in Section 9.10.

Proxy Form means the proxy form that is dispatched to Peak Shareholders in accordance with the orders of the Court or is available from the Share Registry.

Record Date means 7.00pm (Sydney time) on the second Trading Day after the Effective Date or such other time and date agreed to in writing between the parties.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Representatives mean in relation to an entity:

(a) each of the entity's Related Entities; and

(b) each of the directors, officers, employees, contractors, Advisers and agents of the entity and its Related Entities, but excluding the Independent Expert.

Requisite Majority means in relation to the Scheme Resolution, a resolution passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Peak Shareholders (other than Excluded Shareholders) who are present and voting, in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- at least 75% of the votes cast on the resolution.

Scheme Booklet means this document.

Scheme Consideration means the consideration to be provided by Shenghe to Scheme Shareholders under the Scheme for the transfer to Shenghe of each Scheme Share, being $157,992,038 divided by the total number of Peak Shares on issue as at the Record Date (which shall include the Scheme Shares and the Peak Shares held by Shenghe as at the Record Date).

Scheme Implementation Deed means the Scheme Implementation Deed dated 14 May 2025 between Peak and Shenghe as amended and novated pursuant to the Amendment and Novation Deed and amended pursuant to an amendment deed dated 5 August 2025.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares will be transferred to Shenghe, as set out in Appendix 2, together with any variations, alterations or conditions which the Court thinks fit to impose, to the extent consented to by Peak and Shenghe.

Scheme Meeting means the meeting of Peak Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Resolution means the resolution to be proposed to the Peak Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

Scheme Share means a Peak Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means a person who holds Peak Shares recorded in the Share Register as at the Record Date (other than the Excluded Shareholder).

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is

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adjourned or subject to appeal for any reason, means the date on which the adjourned application or appeal is heard.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

Section means a section of this Scheme Booklet.

Security Interest means any security interest, including:

(a) a "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth);

(b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property; and

(c) any right of first refusal, pre-emptive right or any similar restriction.

Share Registry or **MUFG Corporate Markets** means MUFG Corporate Markets (AU) Limited ACN 083 214 537, a division of MUFG Pension & Market Services.

Shenghe Board means the board of directors of Shenghe.

Shenghe Group means Shenghe and Shenghe's Related Bodies Corporate (excluding, at any time, the Peak Group Members to the extent that the Peak Group Members are Subsidiaries of Shenghe at that time).

Shenghe Group Member means each member of the Shenghe Group.

Shenghe Information means all information regarding the Shenghe Group, the Scheme Consideration and the Shenghe Group's intentions in relation to the Peak Group that is provided by or on behalf of the Shenghe Group to Peak in writing for inclusion in this Scheme Booklet (including information relating to the Shenghe Group or the businesses of the Shenghe Group expressly provided by or on behalf of Shenghe in writing for use in the preparation of the Peak Information), being the information in the sections or parts of those sections described below:

- the relevant parts of the "Important Notices" section, being the fourth paragraph under the heading "Foreign jurisdictions" and, solely to the extent they relate to the Shenghe Group, the paragraphs under the headings "Forward looking statements" and "Historical financial information";
- the "Frequently Asked Questions" in Section 2 under the headings "How is Shenghe funding the Scheme Consideration" and "Information about Shenghe and the Shenghe Group";
- Section 6; and
- Sections 10.9(b) and 10.9(c) to the extent they relate to the Shenghe Group,

except in each case to the extent that information is based on information provided or prepared by or on behalf of Peak.

For the avoidance of doubt, the Shenghe Information excludes the Peak Information, the Independent Expert's Report, the Independent Technical Specialist's Report and any description of the taxation effect of the Scheme on Scheme Shareholders.

Shenghe means Shenghe Resources (Singapore) Pte. Ltd.

Shenghe Reimbursement Fee means $1.55 million (excluding GST).

Shenghe Resources means Shenghe Resources Holding Co., Ltd.

Shenghe Resources Term Sheet means the non-binding term sheet signed by Peak and Shenghe Resources in July 2024 in regard to the Ngualla Project, the material terms of which were announced to the ASX on 24 July 2024.

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Shenghe Warranties the representations and warranties of Shenghe set out in schedule 5 of the Scheme Implementation Deed.
Special Mining Licence means the special mining licence in respect of the Ngualla Project, the specific details of which are set out in schedule 3 of the Scheme Implementation Deed.
Subsidiary has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal has the meaning given in Section 9.10.
Sydney time means the time in Sydney, Australia.
Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).
Tanzanian Approvals Condition means the Condition relating to approval from the Fair Competition Commission of Tanzania and any other approvals required from the Mining Commission of Tanzania in respect of the Scheme.
Teesside means the Teesside site situated in the United Kingdom, as further described in Section 5.2(c).
Trading Day means a "business day" as defined in the Listing Rules.
TREO means total rare earth oxide.
Voting Power has the meaning given to it in the Corporations Act.
VWAP means the volume weighted average price.

12.2 Interpretation

In this Scheme Booklet (other than in Appendices 1 to 3):

- words and phrases not otherwise defined in this Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;
- the singular includes the plural and vice versa;
- headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet;
- a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise;
- any reference, express or implied, to any legislation in any jurisdiction includes:
    - that legislation as amended, extended or applied by or under any other legislation made before or after the Announcement Date;
    - any legislation which that legislation re-enacts with or without modification; and
    - any subordinate legislation made before or after the Announcement Date under that legislation, including (where applicable) that legislation as amended, extended or applied as described above, or under any legislation which it re-enacts as described above;
- references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;

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- references to an individual or a natural person include their estate and personal representatives, successors or assigns;
- a reference to any instrument or document includes any variation or replacement of it;
- a reference to you is to a Peak Shareholder;
- unless otherwise indicated, a reference to any time is a reference to that time in Sydney, Australia;
- a word of any gender includes the corresponding words of any other gender;
- if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning; and
- general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words.

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Appendix 1 Independent Expert's Report

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RSM

Peak Rare Earths Limited

Financial Services Guide and Independent Expert's Report

August 2025

We have concluded that the Scheme is in the best interests of Non-Associated Shareholders

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Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("**RSM**" or "**we**" or "**us**" or "**our**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("**AFSL**"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Peak Rare Earths Limited ("**Peak**" or "**the Company**") will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

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Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA is an independent dispute resolution Scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

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RSM Corporate Australia Pty Ltd

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4 August 2025

The Directors
Peak Rare Earths Limited
Suite 5, Level 3, 220 St Georges Terrace
Perth WA 6000

Dear Directors,

Independent Expert's Report

Introduction

On 15 May 2025, Peak Rare Earths Limited ("**Peak**", "**PEK**" or the "**Company**") announced it had entered into a binding Scheme Implementation Deed ("**SID**") with Ganzhou Chenguang Rare Earths New Material Co., Ltd. ("**Chenguang**"), a wholly-owned subsidiary of Shenghe Resources Holding Co., Limited ("**Shenghe**"), under which it was proposed that Chenguang would acquire 100% of Peak via a scheme of arrangement (the "**Scheme**") under Section 411 of the Corporations Act 2001 (Cth) (the "**Act**"). Chenguang had nominated Australian Mining Investment Management Pty Ltd, a wholly owned subsidiary of Chenguang ("**Chenguang Sub**") to acquire the Peak Shares under the Scheme.

On 24 July 2025, the SID was novated from Chenguang to Shenghe Resources (Singapore) Pte. Ltd ("**Shenghe Singapore**"), an existing 19.70% shareholder in Peak and also a wholly-owned subsidiary of Shenghe, pursuant to an Amendment and Novation Deed ("**Novation Deed**").

If the Scheme is implemented, Peak shareholders will receive a minimum of A$0.359 per Peak share in cash ("**Scheme Consideration**"), which represents a 199% premium to Peak's closing share price of A$0.120 per share on 9 May 2025 prior to the announcement of the Scheme.

A more detailed discussion of the Scheme is set out in Section 1 of this report.

The court has convened a meeting of Shareholders, at which they will consider a resolution seeking approval of the Scheme ("**Scheme Meeting**"). The Scheme Meeting is to be held in September 2025, and under the Act, the Scheme will be approved by the Shareholders if the resolution is passed by a majority of the Shareholders present (in person or by proxy, corporate representative or attorney) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Peak shareholders who hold Peak shares as at the Scheme record date (other than Shenghe Singapore), irrespective of whether or not they voted for the Scheme, and Shenghe Singapore will acquire 100% of Peak's shares that it does not already own.

Purpose of the report

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("**RSM**"), being independent and qualified for the purpose, express an opinion as to whether the Scheme is in the best interests of the shareholders not associated with the Scheme ("**Non-Associated Shareholders**").

Accordingly, we have prepared this Report for the purpose of stating, in our opinion, whether or not the Scheme is in the best interests of Peak's Non-Associated Shareholders and to set out the reasons for that opinion.

This Report represents general financial product advice only and has been prepared without taking into consideration the circumstances of individual Peak shareholders. The ultimate decision whether to accept the Scheme should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position, and expectations as to value and future market conditions. If in doubt about the Scheme or matters dealt with in this Report, Shareholders should seek independent professional advice.

Approach

In assessing whether the Scheme is "in the best interests" of the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("**ASIC**") Regulatory Guide 111 – Content of expert reports ("**RG 111**"), which provides specific guidance as to how an expert is to appraise a Scheme of Arrangement.

Schemes of Arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid.

Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme is "in the best interests of" the Non-Associated Shareholders, we have considered whether the Scheme is fair to the Non-Associated Shareholders by assessing and comparing:

- the Fair Market Value of a Peak Share on a controlling basis prior to the Scheme; with
- the Fair Market Value of the Consideration offered per Peak Share.

Our assessment of the Fair Value of a Peak Share has been prepared on the following basis:

> *"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".*

In accordance with RG 111, we have considered whether the Scheme is "reasonable" to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to the Non-Associated Shareholders, in their decision as to whether or not to accept the Scheme.

Further information on the approach we have employed in assessing whether the Scheme is "in the best interests" of the Non-Associated Shareholders is set out in Sections 7 and 8 of this Report.

Summary of Opinion

In our opinion, and for the reasons set out in Sections 7 and 8 of this report, the Scheme is **fair** and **reasonable** for the Non-Associated Shareholders of Peak, and as such, the Scheme **is in the best interests** of the Non-Associated Shareholders. A summary of our reasons and the approach we have taken in assessing our opinion is set out in this section of our Report.

Fairness opinion

In assessing whether we consider the Scheme to be fair to the Non-Associated Shareholders, we have valued a Peak Share prior to the implementation of the Scheme on a controlling basis and compared it to the value of the consideration offered per Peak Share.

Our assessment is set out in the table below.

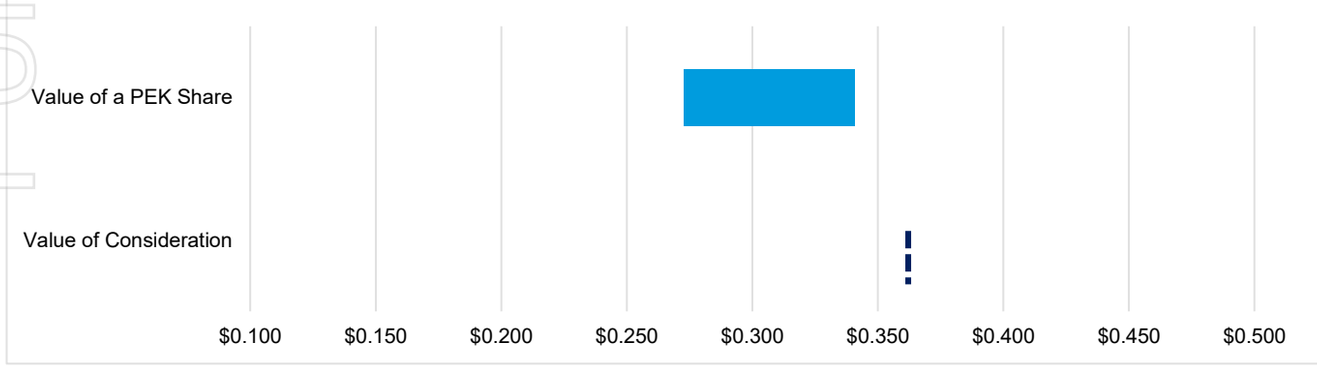
Table 1 Valuation Summary

Valuation Summary	Low	Preferred	High
Fair Value of a Peak Share prior to the Scheme (controlling basis)	$0.273	$0.306	$0.341
Fair Value of the Consideration offered per Peak Share	$0.359	$0.359	$0.359

Source: RSM analysis

The above comparison is presented graphically below.

Figure 1 Valuation Summary



Source: RSM Analysis

In our opinion, as the Fair Value of a Peak Share (on a controlling basis) prior to the Scheme is less than the Fair Value of the Consideration offered per Peak Share, we consider the Scheme is fair to Non-Associated Shareholders.

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Reasonableness opinion

RG 111 establishes that a Scheme is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the Scheme in the absence of a higher bid.

As such, we have also considered the following factors in relation to the reasonableness aspect of the Scheme:

- the future prospects of the Company if the Scheme does not proceed;
- the potential advantages and disadvantages of the Scheme for the Shareholders, including the specific terms of the Scheme;
- the extent to which a control premium is being paid;
- the price of Peak's shares after the announcement of the Scheme;
- Alternative proposals and likelihood of an alternative takeover offer; and
- Liquidity of Peak Shares.

Future Prospects of Peak if the Scheme Does Not Proceed

If the Scheme is not accepted by sufficient Peak Shareholders for Shenghe Singapore to own 100% of the issued shares in Peak, the Scheme will not proceed and Peak Shareholders will retain ownership of the Shares in respect of the Scheme.

In these circumstances, the Peak Board intends that Peak will continue its current strategic plans and operate on a stand-alone basis and will remain listed on the ASX. This would require, amongst other things, Peak to complete the land compensation process in relation to the Ngualla Rare Earth Project ("**Ngualla Project**"). Accordingly, in such circumstances, Peak would need to:

- Raise capital to fund ongoing corporate, working capital and Ngualla Project costs;
- Secure either an alternate debt and equity funding solution to support the development of the Ngualla Project or another proposal to acquire Peak; and
- Seek to execute an Engineering, Procurement and Construction (EPC) or an Engineering, Procurement and Construction Management (EPCM) contract in relation to the Ngualla Project.

Advantages and disadvantages of approving the Scheme

In assessing whether the Non-Associated Shareholders are likely to be better off if the Scheme is accepted, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

The key advantages of the Scheme are outlined below:

Table 2 Advantages of the Scheme

Advantage	Details
The Scheme Consideration is above our assessed Fair Value range for a Peak Share	The Scheme Consideration lies above our assessed Fair Value range for a Peak Share on a 100% controlling interest basis.
The Scheme Consideration delivers a substantial premium to the historical traded price of Peak Shares	The Scheme Consideration of no less than $0.359 per Share represents a 199% premium to the $0.120 closing share price on the last trading day before the announcement of the Scheme. Further, the implied control premium of the Scheme over the VWAP of PEK Shares ranges from 174% to 204% in the 180 trading days prior to the announcement of the Scheme.
Realisation of value in the form of cash	As the Scheme is for 100% cash consideration, it provides Non-Associated Shareholders with certainty of value and removes the risks and uncertainties of remaining a Peak Shareholder, including those associated with; ▪ The ability of Peak to develop the Ngualla Project; ▪ Political and regulatory risks in Tanzania; and ▪ General market and macroeconomic conditions, including rare earth prices.
The Share price may fall if the Scheme is unsuccessful	If the Scheme is not implemented, Peak Shares will continue to remain quoted on the ASX. The price at which Peak Shares trade will continue to be subject to market volatility and Peak Shareholders will continue to be exposed to the risks associated with Peak's operations. As such, if the Scheme is not implemented, the price at which Peak Shares trade will likely fall to a price that is below the Scheme Consideration (including, potentially, to a price that is equal, close to or below the closing Peak Share price on the last trading day prior to the Scheme Announcement Date of $0.12 per share), at least in the immediate near-term.

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No stamp duty or brokerage fees in accepting the Scheme	Non-Associated Shareholders will not pay stamp duty or brokerage fees on the sale of their Peak Shares if they accept the Scheme, when compared to selling directly via the share market. We note an alternate Scheme may also allow Non-Associated Shareholders the ability to exit their investment without the need to pay any stamp duty or brokerage fees.
The Scheme is considered superior to other transactions considered with Shenghe	The Scheme delivers a superior outcome compared to the NGUK Transaction (as described in Section 1 of this report) for the following reasons: • The Scheme has the potential to provide a significantly higher value outcome for Peak Shareholders on a risk-weighted basis, with an implied value for Peak of $A158 million, compared to a value of $96 million for Peak's interest in the Ngualla Project under the NGUK Transaction; • The Scheme is considered to be unlikely to give rise to the same geopolitical and regulatory risks that ultimately resulted in the parties agreeing to discontinue the NGUK Transaction; and • Peak Shareholders will have an opportunity to realise an attractive price for their Peak Shares and avoid potential risks around the funding, development and operation of the Ngualla Project.
No superior proposal has emerged	The directors of Peak have advised us that no formal alternative proposals by potential acquirers have been received prior to the announcement of the Scheme on 15 May 2025, or since the date until the issue of our Report. We note that Peak appointed Macquarie in April 2022 to act as its financial advisor to (amongst other things) assist Peak in assessing strategic interest and options for funding the development of the Ngualla Project. Since that time, Peak has conducted various investigations into potential transactions, including an international strategic partnering process, to seek to maximise the value for Peak Shareholders. After completing that review, the Peak Independent Board came to the view that the Scheme proposal from Chenguang was the best available proposal for Peak Shareholders to consider.
The Scheme allows Shareholders to sell their entire holding of Peak Shares	The Scheme provides Shareholders (other than Shenghe Singapore) with an opportunity to dispose of all their Peak Shares in a single transaction for a cash value of no less than $0.359 for each Peak Share held by each Shareholder (other than Shenghe Singapore) at the Record Date.
There are risks to not voting for the Scheme	There are risks associated with the Scheme not being implemented, including: • **Near-term funding risks** – if the Scheme is not implemented, it is likely that Peak will need to undertake a further capital raising or other financing to support ongoing corporate and Ngualla Project costs and capital working requirements, and this may be dilutive to shareholders' interests; • **Project development risk** – if the Scheme is not implemented and Peak progresses development of the Ngualla Project, it will be subject to a series of development execution risks relating to cost and timing overruns, commissioning and meeting any project debt finance completion tests; • **Operational risks** – if the Scheme is not implemented and the Ngualla Project is developed, Peak will be subject to a series of operational risks including increases in operating costs, logistical constraints, exposure to climatic events, environmental breaches and safety accidents; • **Retention of the Ngualla Project Special Mining Licence** – in the event of a prolonged delay in commencing construction and development of the Ngualla Project, there is a risk that the Government of Tanzania could seek to terminate the Ngualla Project Special Mining Licence; and • **Exposure to a prolonged decrease in rare earth prices** – a further deterioration in rare earth (and in particular neodymium and praseodymium (NdPr) oxide) prices could significantly impact Peak's future profitability and its capacity to meet interest and principal servicing requirements in relation to any project debt financing.

Source: RSM analysis

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The key disadvantages of the Scheme are outlined below:

Table 3 Disadvantages of the Scheme

Disadvantage	Details
No participation in future growth	If the Scheme is approved, Non-Associated Shareholders will no longer hold an interest in Peak and will therefore not participate in future value created by Peak over and above that reflected in the Scheme Consideration.
Potential tax considerations	Acceptance of the Scheme and the disposal of Peak Shares will trigger a capital gains tax ("**CGT**") event for Non-Associated Shareholders. The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and, therefore, individual taxation advice should be obtained.
Change in investment profile	Acceptance of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. Peak Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of Peak and may incur transaction costs in undertaking a new investment.
Loss of realisation of potential value of Peak over the long term	Shareholders may wish to keep their Peak Shares as they may want to preserve their investment in a publicly listed company that has the specific characteristics of Peak. Shareholders may consider that, despite the risks relevant to Peak's potential future operations, Peak may be able to return greater value from its assets by remaining independent or by seeking alternative commercialisation strategies.
Loss of potential superior proposal	It is possible that a superior proposal which is more attractive for Shareholders than the Scheme, may be made in the future. We are not aware of any superior proposal as at the date of this Report. Albeit, the occurrence of an alternate Scheme may be less likely, as the relevant interest of Shenghe Singapore and its associates in 84,896,893 Shares and voting power of 19.72% in Peak Shares may act as a discouragement to other bidders. Shenghe Singapore holds 84,806,893 shares in Peak, representing 19.70% of the total number of Peak shares, and Shasha Lu holds 90,000 shares in Peak, representing 0.02% of the total. Additionally, if any alternative Schemes were to arise, they may involve significant time and transaction costs to eventuate and there is no guarantee that Peak Shareholders may be able to sell, or otherwise receive value for, their Peak Shares on terms that are superior to the Scheme.

Source: RSM analysis

Response to the market of the announcement of the Scheme

The Company's 20-day VWAP increased from $0.138 prior to the Scheme announcement to $0.295 following the announcement, representing a 114% uplift. This increase reflects a positive market reaction to the Scheme.

Liquidity

Over the last 30, 60 and 180 trading days prior to the announcement, trading in PEK Shares has been relatively liquid with 3.95%, and 8.14% and 21.06% of the total free float of PEK Shares traded respectively. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

The Scheme Consideration provides Non-Associated Shareholders with an opportunity to convert their investment in PEK to cash at a premium to historic traded prices over the last six months.

Alternative proposals to the Scheme

We are unaware of any alternative proposal at the current time which might offer a greater benefit to the Non-Associated Shareholders than the Scheme.

The alternative to the Scheme is for the Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in Peak either through maintaining Peak as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that the Non-Associated Shareholders would be better off under this alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 15 May 2025 we understand that no superior offers have been put forward as the date of this Report.

The extent to which a control premium is being paid

The Scheme Consideration offered per Peak Share is no less than $0.359. This value represents a premium of 199% on the closing price of Peak shares of $0.12 on 9 May 2025 (being the last day shares were available for trading immediately prior to the announcement of the Scheme), and a premium of 17.3% on our assessment of the preferred value of a Peak share of $0.306 prior to the Scheme.

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Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Scheme is accepted is more advantageous than the position if it is not accepted. Therefore, in the absence of any other relevant information and/or a superior Scheme, we consider that the Scheme is reasonable for the Non-Associated Shareholders of Peak.

An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders.

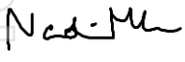
The ultimate decision whether to approve the Scheme should be based on each of the Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.

Shareholders should read and have regard to the contents of the Scheme Booklet issued by Peak.

Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

RSM CORPORATE AUSTRALIA PTY LTD



Nadine Marke
Partner – Corporate Finance



Justin Audcent
Partner – Corporate Finance

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1. Summary of the Scheme

1.1 Overview

Background to the Scheme

In July 2024, Peak and Shenghe signed a non-binding Term Sheet ("**Shenghe Term Sheet**") covering an integrated investment, funding and development solution for the Ngualla Project.

The proposed transaction ("**NGUK Transaction**") entailed Shenghe investing A$96m to subscribe for a 50% interest in Peak's wholly owned subsidiary, Ngualla Group UK Limited ("**NGUK**"), which holds an 84% interest in Mamba Minerals Corporation Limited ("**Mamba Minerals**") and an effective 84% interest in the Ngualla Project. The difference between the Ngualla Project's total development cost and Shenghe's NGUK investment of c$A96 million was to be funded via a Shenghe arranged debt facility.

The Government of Tanzania holds a 16% free-carried interest in Mamba Minerals and the Ngualla Project.

Following the signing of the Shenghe Term Sheet, Peak and Shenghe made substantial progress in seeking to finalise the terms of binding transaction documentation to implement the NGUK Transaction.

However, recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties. As a result, Peak and Shenghe have evaluated alternate transaction structures to the NGUK Transaction that could support greater transaction and project certainty, and a superior outcome for both companies and their shareholders.

The Peak Independent Board believes that the Scheme delivers a superior outcome compared to the NGUK Transaction for the following reasons:

- The Scheme has the potential to provide a significantly higher value outcome for Peak shareholders on a risk-weighted basis, with an implied value for Peak of A$158 million compared to a value of A$96m for Peak's interest in the Ngualla Project under the NGUK Transaction;
- The Scheme is considered to be unlikely to give rise to the same geopolitical and regulatory risks that ultimately resulted in the parties agreeing to discontinue the NGUK Transaction; and
- Peak shareholders will have an opportunity to realise an attractive price for their shares and avoid potential risks around the development, operation and funding of the Ngualla Project.

To seek to ensure that the Company is sufficiently funded during the implementation of the proposed Scheme, Peak announced it would undertake a non-underwritten, pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") to eligible Shareholders to subscribe for 1 new share for every 4.70 Peak Shares held at an offer price of $0.10 per share to raise up to $7.5 million before costs.

The Entitlement Offer was completed on 30 June 2025, with $7.5 million raised from a combination of entitlement acceptances and additional shares available under a top-up facility.

Overview of the Scheme

On 14 May 2025, Peak and Chenguang entered into a Scheme Implementation Deed under which it was proposed that Chenguang would acquire 100% of Peak by way of a Court-approved scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth).

On 24 July 2025, Peak, Chenguang and Shenghe entered into a Novation Deed pursuant to which it was agreed, amongst other matters, that the SID would be novated from Chenguang to Shenghe Singapore, such that Shenghe Singapore would become the proposed acquirer of Peak under the Scheme.

If the Scheme is implemented, each Peak shareholder (other than Shenghe Singapore) on the record date for the Scheme will receive a cash amount per share, being the Scheme Consideration.

The Scheme values 100% of Peak at $157,992,038. The Scheme Consideration per Peak Share is calculated by dividing $157,992,038 by the total number of Peak Shares on issue as at the record date. Based on Peak's existing fully diluted issued capital of 440,111,880 Shares, each Peak shareholder (other than Shenghe Singapore) on the record date for the Scheme will receive a cash amount of no less than $0.359 per Peak Share if the Scheme is implemented. The final Scheme Consideration per Peak Share will depend on the number of performance rights that have vested and been exercised by the Effective Date, and will be announced by Peak to the ASX on the Effective Date.

The Scheme Consideration of no less than $0.359 cash per Peak Share represents a premium of:

- 199% to Peak's last closing share price prior to the announcement of A$0.12 per share on 9 May 2025; and
- 160% to Peak's 20-day volume-weighted average price prior to the announcement of A$0.138 per share.

The Scheme values 100% of Peak at approximately A$158 million, which represents an approximate premium of 64.5% compared to an implied value of A$96 million for Peak's 84% interest in the Ngualla Project under the proposed NGUK Transaction.

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1.2 Key conditions of the Scheme

The Scheme is subject to approval by Peak Shareholders (other than Shenghe Singapore being the "**Excluded Shareholder**") at the Scheme meeting, which is anticipated to be held in September 2025. For the Scheme to proceed, the Scheme must be approved by at least 75% of all votes cast by Peak Shareholders and a majority by number of all Peak shareholders present and voting (in person or by proxy, corporate representative or attorney) at the Scheme meeting.

Shenghe Singapore, holding 19.70% of Peak Shares, will not be able to vote with other Peak Shareholders on the resolution to approve the Scheme.

As set out in an ASX announcement dated 30 June 2025, Peak received written confirmation from the Mining Commission of Tanzania ("**Mining Commission**") that the Ngualla Project Special Mining Licence remains valid and free of any outstanding default notices. As a result, the Scheme condition precedent relating to this requirement has been satisfied.

The Scheme was previously subject to the satisfaction of the PRC Regulatory Approvals Condition. However, with effect from the execution of the Novation Deed, as Shenghe Singapore (being a Singaporean incorporated entity) proposes to fund the acquisition via funds it holds outside of the People's Republic of China, the Scheme is no longer subject to any PRC Regulatory Approvals or consents being obtained.

The Scheme remains subject to the following conditions precedent:

a) **Tanzania Approval:** before 8:00am on the Second Court Date, Shenghe Singapore receives approval from the Fair Competition Commission of Tanzania and any other approvals required from the Mining Commission of Tanzania in respect of the Scheme (if applicable).

b) **No Restraint**: between (and including) the date of the SID and 8:00am on the Second Court Date:

- There is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
- No action or investigation is announced, commenced or threatened by any Government Agency; and
- No application is made to any Government Agency,

in consequence of, or in connection with the Scheme, which:

- Restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Scheme or the rights of Chenguang in respect of Peak or the Shares to be acquired under the Scheme; or
- Requires the divestiture by Shenghe Singapore of any Shares in the Peak Group,

unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of Shenghe Singapore (acting reasonably) or is otherwise no longer effective or enforceable by 8:00am on the Second Court Date.

c) **Shareholder Approval**: the Scheme is approved by Shareholders (other than Excluded Shareholders) at the Scheme Meeting by the majorities required under section 411 (4)(a)(ii) of the Corporations Act.

d) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Shareholders not associated with Shenghe Singapore on or before the time when the Scheme Booklet is registered by ASIC; and does not adversely change or qualify its conclusion or withdraw its Independent Expert's Report before 8:00am on the Second Court Date.

e) **Court Approval:** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).

f) **No Prescribed Occurrence:** no Prescribed Occurrence occurs or becomes known to Shenghe Singapore between (and including) the date of the SID and 8:00am on the Second Court Date.

g) **No Material Adverse Change:** no Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to Shenghe Singapore between the date of the SID and 8:00am on the Second Court Date.

h) **Peak Warranties:** as at 8:00am on the Second Court Date, the Peak Warranties set out at paragraphs 1,2,3,4,5,6,7,8,9,10,15 and 19 of Schedule 4 of the SID are true and correct in all material respects as at the time they are given and in respect of all other Peak Warranties, no breach has occurred which has had, or would reasonably be expected to have, the result of diminishing the value of the consolidated net assets of the Peak Group taken as a whole (as compared to the consolidated net assets set out in Peak's financial statements for the half-year ended 31 December 2024) by more than $15 million.

i) **Performance Rights:** Peak has taken all necessary steps by 8:00am on the Second Court Date to ensure that all outstanding Performance Rights vest (in which case such Performance Rights vest on or after the Effective Date), or otherwise lapse, before the Record Date, as contemplated by clause 4.7 of the SID.

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Importantly, the Scheme is not subject to any financing or due diligence conditions. The conditions relating the Scheme must be satisfied by no later than 14 December 2025 ("**Scheme End Date**").

The SID contains customary exclusivity obligations for Peak, including no shop, no talk and no due diligence restrictions, notification obligations, provision of information obligations and a matching right for Shenghe Singapore in the event that any superior proposal emerges for Peak.

The SID also details the circumstances in which a break fee may be required to be paid by Peak to Shenghe Singapore and circumstances where Shenghe Singapore may be required to pay a reverse break fee to Peak. The amount of the break fee and reverse break fee, should either become payable, is A$1.55 million.

1.3 Overview of the Entitlement Offer

To seek to ensure Peak is sufficiently funded during the implementation of the Scheme, the Company undertook a non-underwritten Entitlement Offer to raise up to approximately A$7.5 million (before costs) through the issue of new fully paid ordinary shares.

Under the Entitlement Offer, eligible shareholders were entitled to subscribe for 1 new share for every 4.70 shares held as at 7.00pm (Sydney time) on Wednesday, 21 May 2025, at an offer price of A$0.10 per share.

This price represented a 14.2% discount to the theoretical ex-rights price ("**TERP**") of A$0.116, a 16.7% discount to the closing price of A$0.12 on 9 May 2025, and a 72.1% discount to the Scheme Consideration per share of no less than A$0.359.

Eligible shareholders – being those with registered addresses in Australia, the EU (Germany, Italy, Luxembourg, the Netherlands, and Portugal), Hong Kong, New Zealand, Switzerland, Singapore, or the UK (or such other jurisdictions as Peak in its discretion determined were eligible jurisdictions) – were permitted to participate. Shares issued under the Entitlement Offer ranked equally with existing shares and the offer was non-renounceable, meaning entitlements could not be traded or transferred. Shareholders who did not take up their full entitlement received no value for the portion not taken up. Eligible shareholders (excluding Peak directors and other persons to whom ASX Listing Rule 10.11 applied) who fully subscribed to their entitlement were able to apply for additional shares under a top-up facility.

Shenghe Singapore committed to take up its full entitlement, contributing approximately A$1.49 million based on its 19.86% shareholding. Shares that were attributable to the entitlements for ineligible shareholders were to be sold on market. The net proceeds (after fees, brokerage costs and less the Entitlement Offer price) were to be distributed to ineligible shareholders.

The Entitlement Offer and the sale of shares attributable to the rights of ineligible shareholders raised approximately A$7.5 million (before costs). Therefore, the Scheme values 100% of Peak at approximately A$158 million, which equates to no less than A$0.359 per Share based on Peak's existing fully diluted issued capital of 440,111,880 Shares. All new shares issued under the Entitlement Offer (other than those issued to Shenghe Singapore) will be acquired by Shenghe Singapore under the Scheme. However, the Entitlement Offer was not conditional on the Scheme proceeding.

The A$7.5 million raising was 84% covered by entitlement acceptances of A$6.3 million with the remaining $1.2 million covered by the top-up facility. Peak received applications for approximately 11.9 times the number of additional Shares available under the top-up facility.

The Scheme remains subject to various conditions precedent, many of which are outside Peak's control, including regulatory and shareholder approvals in jurisdictions such as Tanzania. If these conditions are not met or waived, the Scheme might not proceed, and shareholders will not receive the Scheme Consideration. This could adversely impact the share price, potentially driving it below the Entitlement Offer price.

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2. Scope of the Report

2.1 Purpose of this Report

The Directors of Peak have requested RSM, being independent and qualified for the purpose, to prepare an Independent Expert's Report in accordance with Part 5.1 of the *Corporations Act 2001 (Cth).* The purpose of the report is to assess whether the proposed Scheme of Arrangement is in the best interests of shareholders.

2.2 Regulatory guidance

It is relevant to note that the expression "in the best interests" is not defined within either the Act or the Regulations. Therefore, in determining whether the Scheme is in the best interests of the Non-Associated Shareholders, we have had regard to the views expressed by the ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction. Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns "in the best interests" with the "fair and reasonable" test. While RG 111 does not define "fair and reasonable" it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the "fair and reasonable" test as two distinct criteria, stating:

- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover offer is considered "reasonable" if it is fair or, where the offer is "not fair", it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 contends that if an expert was to conclude that a Scheme is "fair and reasonable" if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

2.3 Adopted basis of evaluation

The Scheme essentially represents an all-cash offer by Shenghe Singapore for 100% of the shares in Peak held by the Shareholders. Therefore, consistent with the guidance set out in RG 111 as summarised above, in assessing whether or not we consider the Scheme to be in "the best interests" of the Non-Associated Shareholders we have considered whether the Scheme is "fair" by assessing and comparing:

- the Fair Value of a share in Peak on a controlling basis prior to the Scheme; with
- the Fair Value of the Scheme Cash Consideration being offered under the Scheme.

On this basis, if the Fair Value of the consideration offered per Scheme share immediately after the Scheme is equal to or greater than the Fair Value of a Peak share prior to the Scheme, in our opinion, the Scheme would be "fair" and, as such, in the best interests of the Non-Associated Shareholders.

Our assessment of the Fair Value of a share in Peak has been prepared on a basis which is consistent with the following definition of Fair Value:

> *"the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction".*

In assessing whether the Scheme is in the "best interests" of the Non-Associated Shareholders, in addition to considering whether or not the Scheme is "fair" to the Non-Associated Shareholders, we have also considered whether the Scheme is "reasonable" by undertaking an analysis of the following factors:

- the potential advantages and disadvantages of the Scheme;
- the extent to which a control premium is being paid;
- the likelihood of an alternative takeover offer emerging;
- the future prospects of Peak, if the Scheme is not implemented; and
- the liquidity the Scheme provides.

Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

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3. Profile of Peak Rare Earths Limited

3.1 Background

Peak Rare Earths Limited is an Australian public company listed on the ASX and headquartered in Perth, Western Australia. The Company's focus is on the development of the Ngualla Project in Tanzania.

3.2 Ngualla Project

The Ngualla Project is a rare earth open-pit mining development project located in southern Tanzania, approximately 147 kilometres from the city of Mbeya on the edge of the East African Rift Valley.

Ngualla is one of the world's largest and highest-grade undeveloped Neodymium Praseodymium ("**NdPr**") rare earth projects. Over 90% of the value of the concentrate from the Ngualla Project is expected to be attributable to NdPr, which is critical for the manufacture of high-performance magnets used in electric vehicles, wind turbines, and other low carbon technologies. However the deposit is also highly prospective for fluorspar, niobium and phosphate. As per the FY24 Annual Report, the project is designed to produce a high-purity rare earth concentrate, rich in NdPr, though a multi-stage beneficiation process.

PEK holds an 84% interest in Mamba Minerals and Mamba Refinery via its wholly-owned subsidiary, Ngualla Group UK Limited. Mamba Minerals holds the special mining licence for the Ngualla Project which was granted by the Government of Tanzania.

The Government of Tanzania holds the remaining 16% interest, which is undilutable and free-carried. The Tanzanian Government is not obliged to make any capital contributions towards the development of the Ngualla Project.

In April 2017, PEK completed a Bankable Feasibility Study ("**BFS**") which highlighted favourable project economics driven by a high NdPr grade and advantageous mineralogy of the rare earth deposit.

PEK completed a BFS Update in October 2022 ("**BFS Update**"), which set out to reaffirm the economic viability of the Ngualla Project prior to the commencement of development activities. The BFS Update built upon the BFS completed in April 2017 by incorporating key changes including updated price forecasts, an increase in the nameplate production capacity, updated capital and operating cost estimates and the implementation of an EPCM execution strategy.

PEK subsequently completed a Front-End Engineering Design ("**FEED**") Study in November 2023 which supported further economic and technical enhancements to the project, including the relocation of infrastructure and process improvements including the adoption of a single stage flotation process with selective reagents, lowering operational complexity.

On 26 April 2024, PEK announced that the Ngualla Project's Special Mining Licence ("**SML**") area had been expanded from 18km2 to 51 km2 allowing a larger footprint to develop the Ngualla Rare Earth Project and greater capacity to co-develop concurrent rare earth, phosphate and fluorspar projects. The initial term of the SML was also extended to 30 years with the ability to further extend.

The project development strategy focuses on high-grade concentrate production, with long term plans for downstream operations including the development of a Mixed Rare Earth Carbonate (MREC) facility in Tanzania.

Over the 12 months to 30 June 2024, key early and enabling works and initiatives for the Ngualla Project were advanced including the completion of geotechnical drilling and core sample selection and expansion of the Ngualla Camp including connecting the Camp to the TANESCO power grid.

At the time of completing the FEED Study for the Ngualla Project, further optimisation and cost reduction opportunities were identified. In June 2024 a Cost and Optimisation Study was initiated to further reduce earthworks and capital costs by relocating infrastructure from Ngualla Hills to flatter areas. Additional optimisation opportunities include improving contract packages for cost reduction, deferring the construction of a new airstrip by expanding the existing one, and increasing plant availability from 80% to 88% based on industry benchmarks.

During the half-year ended 31 December 2024, the Ngualla Project plant layout was reconfigured to optimise the expanded SML area, with key infrastructure such as the Tailings Storage Facility ("**TSF**"), Processing Plant, and solar arrays relocated from Ngualla Hill to flatter terrain. This is expected to reduce bulk earthworks, pumping and trucking costs, improve TSF safety, and provide flexibility for future expansion.

The Resettlement Action Plan ("**RAP**") and land compensation schedule were finalised in compliance with Tanzanian law and IFC standards, covering 193 Project-Affected Persons ("**PAP**"). Total compensation was assessed at A$10.6 million, with A$3.2 million payable between May and October 2025 and the remainder over the SML term.

Early works progressed, including road and pit access, equipment laydown areas, and a geophysical survey to support hydrology modelling. Exploration of critical mineral co-products also advanced which included partnering with Minjingu Mines, on the testing of bulk phosphate samples.

Peak raised approximately A$8.5 million between November 2024 and January 2025 through a series of placements and a share purchase plan to support ongoing development.

The BFS Update provided an updated Ore Reserve estimate and mine plan. We set out the current JORC 2012 Ore Reserves and Mineral Resources for the Ngualla Project below.

Table 4 Summary of Ore Reserves and Mineral Resources

Ore Reserve

Classification	Ore tonnes (Mt)	TREO grade (%)	Contained TREO (kt)
Proved	17.0	4.78%	813
Probable	1.5	5.10%	74
Total	**18.5**	**4.80%**	**887**

Mineral Resource

Classification	Tonnage (Mt)	TREO Grade (%)	Contained TREO (kt)
Measured	86.1	2.61%	2,250
Indicated	112.6	1.81%	2,040
Inferred	15.7	2.15%	340
Total	**214.4**	**2.15%**	**4,630**

Source: Ngualla Rare Earth Project: BFS Update (October 2022)
Note: TREO = Total Rare Earth Oxide

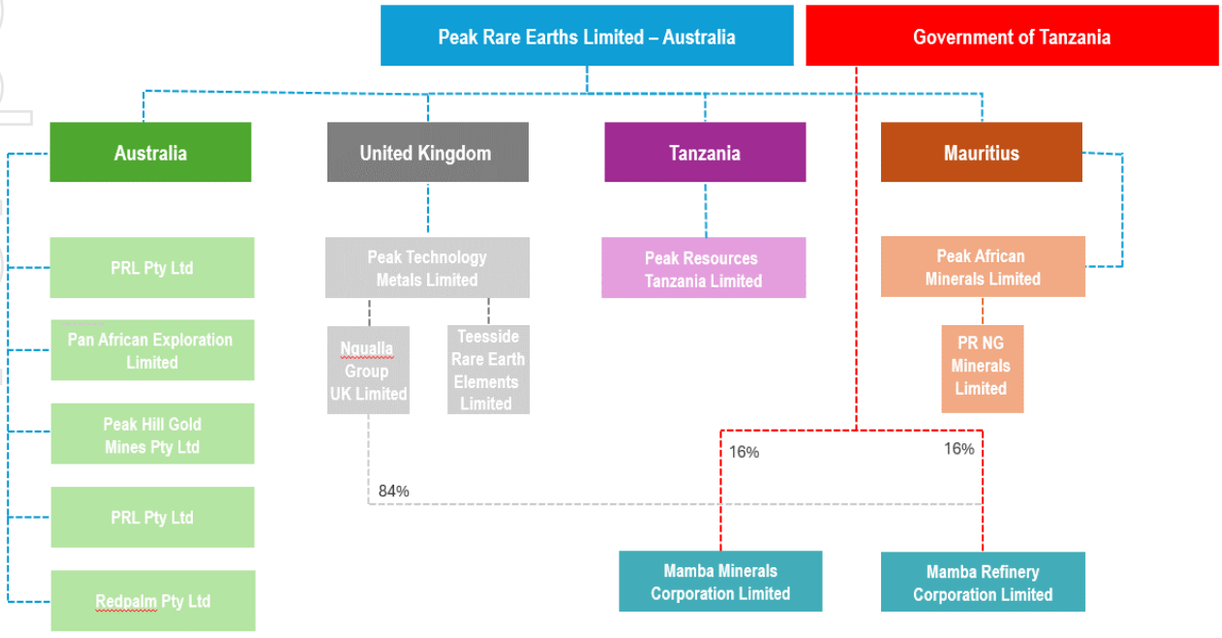
Further details on the Ngualla Project are contained in the Independent Technical Specialist Report prepared by ERM Australia Consultants Pty Ltd ("**ERM**") attached at Appendix F.

In December 2023, Peak appointed Macquarie Capital (Australia) Ltd ("**Macquarie**") as a corporate advisor to undertake a strategic partnering process to support the funding and development of the Ngualla Project, in parallel to a project financing process. This process continued until the announcement of the Scheme in May 2025. Given the nature of the project and Shenghe's existing relationship with Peak, the only viable proponent identified during this process was Shenghe.

3.3 Legal structure

The legal structure of PEK is outlined in the diagram below.

Figure 2 Peak Rare Earths Legal Structure



Source: The Company

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3.4 Directors and management

The directors and key management of PEK are summarised in the table below.

Table 5 PEK Directors and Executive Management

Name	Title	Experience
Bardin Davis	Chief Executive Officer	Mr Davis has occupied his role as Chief Executive Officer of PEK since 9 December 2020, prior to which he served as a Director and later, as Managing Director. He has over 25 years of investment banking and corporate experience in the mining and energy sectors. Previous roles include the Chief Financial Officer of UPC\AC Renewables, 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. He has significant emerging markets experience and has worked on a broad range of international advisory, capital markets and financing transactions.
Dr Russell Scrimshaw	Executive Chairman	Mr Scrimshaw was appointed to the role of Executive Chairman on 15 August 2022 and is an experienced corporate executive and company director. He has experience in large scale mining project development and operations, product marketing, finance, business development and technology. He was a founding director of Fortescue Metals Group and served in executive roles including Deputy CEO and Executive Director.
Hon. Abdullah Mwinyi	Non-Executive Director	Mr Mwinyi is a member of the Tanzanian Parliament, having entered Parliament in 2007. He has also held roles as a Member of the East African Legislative Assembly, where he was Chair of the Legal, Privileges and Rules Committee and the Regional Affairs and Conflict Resolution Committee, and Chair of Swala Oil and Gas (Tanzania) plc. Mr Mwinyi is a lawyer by profession, having been awarded a LLB and LLM from the University of Cardiff, and, in 2007, established Asyla Attorneys, where he specialised in corporate, commercial, labour and employment law.
Dr Shasha Lu	Non-Executive Director	Shasha Lu has been the Managing Director of Shenghe Resources Overseas Development where she leads and manages overseas investment, cross-border corporate management, international trade and the building of a complete rare earth/monazite supply chain. Prior to that, Dr Lu was an Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd & Sino-Australia International Mineral Resources Limited, responsible for overseas investment, scientific research and management. Dr Lu has previous experience as a director of ASX-listed companies, having been an Executive Director of Arafura Resources Limited (ASX:ARU) and an Executive Director and Vice President of Globe Metals and Mining Corporation (ASX:GBE). Dr Lu holds a Bachelor and a Masters of Medical Science from Nanjing University, a Doctorate of Medical Science (PhD) from Tianjin Medical University & Karolinska Institute, a Post-Doctorate of Medical Science from Karolinska Institute, and an Executive Master of Business Administration from Nanjing University. Dr Lu is also a graduate of the Australian Institute of Company Directors (GAICD).
Nick Bowen	Non-Executive Director	Mr Bowen has extensive experience in the construction, development, and operation of international mining projects. He has spent over 35 years with ASX-listed construction and contract mining companies operating in both Australia and overseas, including Africa. Previous roles include 12 years as Managing Director of Macmahon Holdings Limited, two years as Executive Global Head of Mining Services with Orica Limited and nine years as Managing Director of mining contractor Eltin Limited. He has also held the head executive role at the Lubambe Copper Mine in Zambia and the Sishen Iron Ore Mine in South Africa. Mr Bowen is a Life Member of the Western Australian Chamber of Minerals and Energy, Member of the Australian Institute of Mining and Energy and Fellow of the Australian Institute of Company Directors.
Hannah Badenach	Non-Executive Director	Ms Badenach is an experienced executive and company director with more than 20 years in resources, supply chain, business development, commodity trading and marketing in global markets across Africa, Europe, Asia, South America and the Middle East. She has extensive experience in Africa and China, having built and run multiple metal supply chains across Africa (including Tanzania) and has an extensive network in China across sales and marketing. She holds a Bachelor of Arts/Law (HONS) from the University of Tasmania and is a graduate of the Australian Institute of Company Directors.

Source: The Company, Half-Year Report 31 December 2024 and S&P Capital IQ

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3.5 Financial information

The information in the following section provides a summary of the financial performance of PEK for the financial years ended 30 June 2023 ("**FY23**"), 30 June 2024 ("**FY24**"), and the half-year ended 31 December 2024 ("**1H FY25**") (collectively the "**Historical Period**"), extracted from the audited and reviewed financial statements of PEK.

The auditors of PEK, Ernst & Young ("**EY**"), noted a material uncertainty with regard to the Company's ability to continue as a going concern. For the half-year ended 31 December 2024, the Company incurred a loss after tax of $6.8 million (31 December 2023: $11.7 million) and had an operating cash outflow of $7.1 million (31 December 2023: $9.9 million). As at 31 December 2024, the Group had net current assets of $6.6 million (30 June 2024: $9.2 million), net assets of $73.0 million (30 June 2024: $70.1 million) including cash and cash equivalents of $4.8 million (30 June 2024: $7.6 million).

A total of $3.7 million (before costs) was received in January 2025 from a capital raising. Whilst the Group is well funded in the short-term, the Group's cash flow forecasts indicate that the Group's ability to continue as a going concern and meet its debts as and when they fall due is dependent on its ability to raise additional capital and/or secure project funding.

As set out in an ASX announcement on 9 July 2025, Peak sold its non-core Teesside site to Sembcorp Utilities (UK) Limited for approximately A$7.3 million. This transaction, together with the Entitlement Offer completed in June 2025 which raised $7.5 million (before costs), will provide additional funding to the Group.

In the directors' opinion, there were reasonable grounds to believe that the Group had the ability to raise further funding as and when required based on its past ability to raise equity funding. However, in the event that additional funding is not forthcoming to continue with the planned development of the Ngualla Project and meet is corporate and administration requirements, a material uncertainty was noted for the Group to be able to progress with its current development initiatives and continue as a going concern.

We note that the Company reports its financial statements in Australian Dollars.

3.6 Financial performance

The following table sets out a summary of the financial performance of PEK for the financial periods FY23, FY24 and 1H FY25.

Table 6 PEK Historical Financial Performance

$'000	Ref	Year ended 30-Jun-23 Audited	Year ended 30-Jun-24 Audited	Half Year ended 31-Dec-24 Reviewed
Interest income		112	572	83
R&D rebate		586	385	530
Total income		**698**	**957**	**613**
Employee benefits expenses		(3,157)	(4,048)	(1,658)
Share based payments expenses		(1,666)	(1,523)	(621)
Write-off of capitalised exploration costs		-	-	-
Depreciation expenses		(320)	(483)	(198)
Loss on disposal of investment		-	(7)	-
Share based payments for government participation	c)	(21,189)	-	-
Finance costs		(15)	(28)	(9)
Administrative and other costs	d)	(3,854)	(3,050)	(2,040)
Technical feasibility costs	e)	(3,297)	(8,686)	(2,861)
Exploration and evaluation costs	f)	-	(1,308)	(12)
Total expenses		**(33,498)**	**(19,133)**	**(7,399)**
Loss before income tax	**a)**	**(32,801)**	**(18,176)**	**(6,786)**
Income tax expense		-	-	-
Loss after income tax		**(32,801)**	**(18,176)**	**(6,786)**
Other comprehensive income net of tax				
Items that could be transferred to profit or loss in future:				
Exchange differences on translation of foreign operations		1,901	(2,158)	4,692
Total comprehensive loss for the year	**b)**	**(30,900)**	**(20,334)**	**(2,094)**

Source: PEK Annual Financial Report FY23, PEK Annual Financial Report FY24 and PEK Half-Year Financial Report 31 December 2024

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We note the following in relation to PEK's financial performance:

a) PEK recorded losses before income tax of $32.8 million, $18.2 million and $6.8 million in FY23, FY24 and 1H FY25, respectively.

b) After taking into account foreign exchange gains and losses on translation of foreign operations, total comprehensive losses were $30.9 million, $20.3 million and $2.1 million in FY23 to 1H FY25, respectively.

c) In February 2023, PEK and the Tanzanian Government established Mamba Minerals and Mamba Refinery, granting the government a 16% undilutable interest, with a share-based payment of $21.2 million recognised in FY23.

d) Administrative and other costs in 1H FY25 include consultants and legal costs primarily associated with financing documentation, negotiation and advice, and additional insurance costs.

e) Technical feasibility costs relate to the pre-development costs on early mining activities, other technical studies and early mining activities on the Ngualla Project.

f) Exploration and evaluation costs relate to the new critical minerals exploration program, which includes collaboration with Minjingu Mines and Fertiliser Limited. During the period, bulk phosphate samples were sent to India to support further flowsheet test work and build upon preliminary analysis conducted in Tanzania. Discussions also progressed with several strategic parties regarding potential cooperation on the development of a fluorspar project.

3.7 Financial position

The table below sets out a summary of the financial position of PEK as at 30 June 2023, 30 June 2024 and 31 December 2024.

Table 7 PEK Historical Financial Position

$'000	Ref	30 June 2023 Audited	30 June 2024 Audited	31 December 2024 Reviewed
Current Assets				
Cash and Cash Equivalents	b)	25,852	7,626	4,776
Trade and Other Receivables		251	116	209
Prepayments		170	101	246
Deposits		-	25	-
Assets held for sale	c)	-	3,490	3,490
Total Current Assets		**26,274**	**11,359**	**8,721**
Non-Current Assets				
Other Financial Assets	d)	64	64	64
Property Plant And Equipment		535	852	907
Right-Of-Use Asset	e)	3,605	558	359
Exploration and Evaluation Costs		60,997	59,754	65,247
Investments		8	-	-
Total Non-Current Assets		**65,210**	**61,228**	**66,576**
Total Assets		**91,483**	**72,587**	**75,297**
Current Liabilities				
Trade and Other Payables		2,140	1,719	1,669
Provisions		181	221	290
Lease Liability – Current	e)	145	213	127
Total Current Liabilities		**2,466**	**2,153**	**2,086**
Non-Current Liabilities				
Lease Liability – Non-Current	e)	134	362	199
Total Non-Current Liabilities		**134**	**362**	**199**
Total Liabilities		**2,600**	**2,514**	**2,285**
Net Assets	a)	**88,883**	**70,073**	**73,012**
Equity				
Issued Capital		166,874	166,874	171,286
Reserves		8,764	8,129	12,698
Accumulated Losses		(104,530)	(121,812)	(128,204)
Equity attributable to equity holders of the Company		**71,108**	**53,192**	**55,780**
Non-Controlling Interests		17,775	16,881	17,232
Total Equity		**88,883**	**70,073**	**73,012**

Source: PEK Annual Financial Report FY23, PEK Annual Financial Report FY24 and PEK Half-Year Financial Report 31 December 2024

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We note the following in relation to PEK's financial position:

a) PEK's net assets increased from $70.1 million as at 30 June 2024 to $73.0 million at 31 December 2024, primarily reflecting the increase in contributed equity from recent capital raisings and continued investment in exploration activities.

b) The cash and cash equivalents balance declined from $7.6 million at 30 June 2024 to $4.8 million at 31 December 2024, reflecting ongoing operating expenditures and project-related costs.

c) The assets held for sale balance of $3.5 million as at both 30 June 2024 and 31 December 2024 related to the Teesside site. As set out in an ASX announcement on 9 July 2025, Peak sold its non-core Teesside site to Sembcorp Utilities (UK) Limited for approximately A$7.3 million.

d) Other financial assets remain at $64k as at 31 December 2024, representing a bank-secured deposit for an office lease guarantee, which remains restricted until the guarantee is released.

e) The right-of-use asset slightly decreased to $0.36 million at 31 December 2024 (from $0.56 million at 30 June 2024), with corresponding lease liabilities adjusted to reflect scheduled repayments under existing lease agreements.

At 31 December 2024, PEK had a net working capital liability balance of $1.5 million as per the table below:

Table 8 Historical Working Capital

$'000	30-Jun-23 Audited	30-Jun-24 Audited	31-Dec-24 Reviewed
Assets			
Trade and Other Receivables	251	116	209
Prepayments	170	101	246
Deposits	-	25	-
	421	**242**	**455**
Liabilities			
Trade and Other Payables	2,140	1,719	1,669
Provisions	181	221	290
	2,321	**1,940**	**1,959**
Net Working Capital	**(1,900)**	**(1,697)**	**(1,504)**

Source: PEK audited financial statements

At 31 December 2024, PEK had a net cash position of $4.8 million. While Peak remains funded in the short-term following the receipt of $3.7 million in January 2025 through a capital raising and $7.5 million raised through the Entitlement Offer in June 2025, its ability to continue progressing the Ngualla Project in the absence of the Scheme would be contingent on securing further funding - either through equity or asset sales.

Events post 31 December 2024

During the March 2025 quarter, negotiations were advanced with Shenghe and ongoing discussions held in light of the draft rare earth regulations published by the Chinese Ministry of Industry and Information Technology in February 2025.

An equity placement and Share Purchase Plan raised A$3.7 million in January 2025. The March 2025 Quarterly Report disclosed cash at bank on 31 March 2025 of A$6.2 million after funding cash operating costs of $2.2 million for the quarter.

On 30 June 2025, Peak completed the Entitlement Offer raising A$7.5 million before costs to facilitate working capital funding through to the anticipated completion of the Scheme.

The RAP and land compensation schedule were finalised in accordance with Tanzanian law and IFC standards, with a total compensation assessed at $10.6 million.

On 9 July 2025, Peak completed the sale of the Teesside site for GBP 3.5 million. Peak has received sale proceeds of GBP 3.45 million, with additional consideration of GBP 50,000 payable on the successful surrender of an environmental permit over the site.

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3.8 Capital structure

As at 24 July 2025, Peak had 430,536,990 ordinary shares on issue. The top 20 shareholders of Peak as at the date of this Report are set out below.

Table 9 Peak Limited Top 20 Shareholders

Name	No Shares	%
SHENGHE RESOURCES (SINGAPORE) PTE LTD	84,806,893	19.70%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	23,795,576	5.53%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,393,584	3.34%
BNP PARIBAS NOMINEES PTY LTD	10,532,381	2.45%
CITICORP NOMINEES PTY LIMITED	9,591,549	2.23%
NETWEALTH INVESTMENTS LIMITED	9,565,846	2.22%
ECAPITAL NOMINEES PTY LIMITED	8,271,281	1.92%
BUTTONWOOD NOMINEES PTY LTD	8,035,916	1.87%
BNP PARIBAS NOMS PTY LTD	6,311,952	1.47%
MR RICHARD SMITH	6,182,972	1.44%
SPARTA INVEST AG	6,181,235	1.44%
SAMBOLD PTY LTD	5,640,000	1.31%
BAROMODA HOLDINGS PTY LTD	4,817,511	1.12%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	4,597,138	1.07%
PINNACLE SUPERANNUATION PTY LIMITED	3,940,404	0.92%
PASAGEAN PTY LIMITED	3,500,000	0.81%
ONE MANAGED INVESTMENT FUNDS LIMITED	3,215,056	0.75%
MR PETER THOMAS MEURER & MRS WENDY LOUISE MEURER	3,031,915	0.70%
BUSHELL NOMINEES PTY LTD	3,020,977	0.70%
CERTANE CT PTY LTD	2,950,177	0.69%
Top 20 Shareholders Total	**222,382,363**	**51.65%**
Other Shareholders	208,154,627	48.35%
Total	**430,536,990**	**100%**

Source: The Company

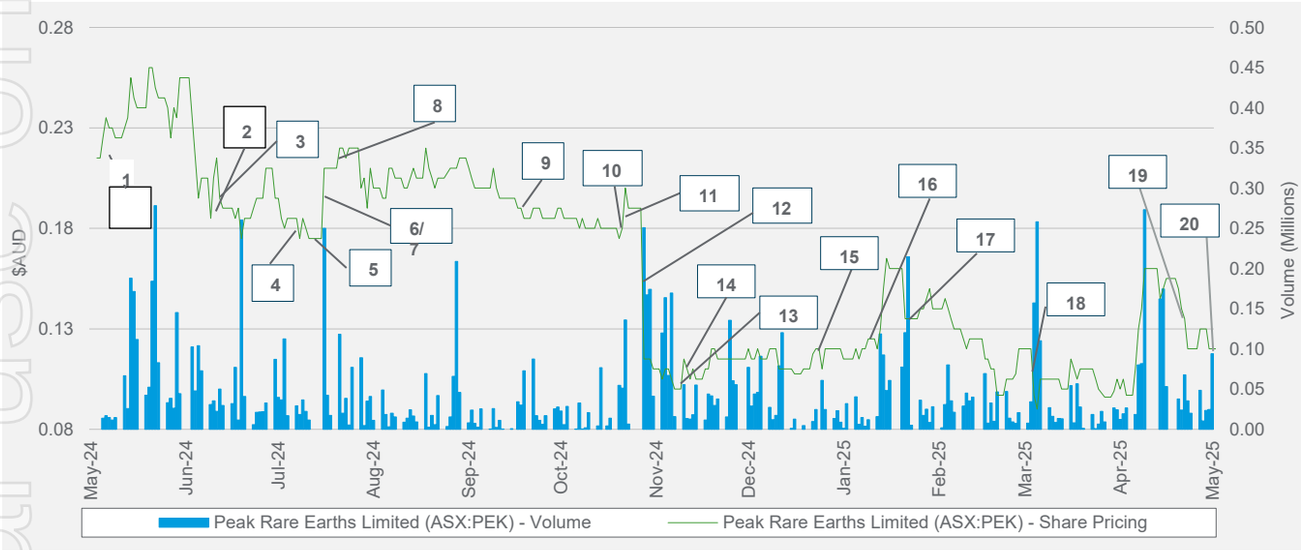
In addition, Peak has 9,574,890 Performance Rights on issue as at 24 July 2025. One of the conditions precedent of the Scheme is that Peak must take all reasonable steps to ensure that these Performance Rights have vested prior to the Scheme record date, or otherwise lapse.

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3.9 Share Price Performance

The figure below sets out a summary of Peak's closing share price and trading volumes over the 12-month period to 9 May 2025, being the last trading day prior to the announcement of the Scheme.

Figure 3 Historical Share Price Performance of PEK



Source: S&P Capital IQ

Over the period, the PEK share price traded between a high of $0.26 in May 2024 and a low of A$0.09 in March 2025.

Key announcements made by the Company over the 12-month period to 9 May 2025 (being the last trading day prior to the announcement of the Scheme) are summarised in the table below.

Table 10 PEK ASX Announcements

Ref	Date	Comment
1	15-May-24	Notice of General Meeting/Proxy Form – Offtake Agreement
2	17-Jun-24	General Meeting Presentation
3	21-Jun-24	PEK announces that outstanding conditions precedent on the binding offtake agreement with Shenghe have been satisfied following approval by Peak shareholders and Tanzanian Mining Commission
4	16-Jul-24	Lenders Consortium signed a non-binding indicative term sheet
5	22-Jul-24	Trading Halt
6	24-Jul-24	Shenghe Investment and Funding Term Sheet
7	24-Jul-24	Corporate Presentation – Shenghe Partnership
8	29-Jul-24	Quarterly Activities Report – June 2024 Quarter
9	27-Sep-24	Annual Financial Report 30 June 2024
10	28-Oct-24	Released Annual Report to shareholders
11	31-Oct-24	Quarterly Activities Report – September 2024 Quarter
12	5-Nov-24	Equity Placement of $6m and a Planned $2m Shareholder Purchase Plan
13	19-Nov-24	Shenghe committed to top-up its shareholding to 19.9% through the Tranche 2 Placement and a Top-up Placement
14	21-Nov-24	Peak released the Share Purchase Plan Offer Booklet
15	03-Jan-25	Peak announces the completion of its share purchase plan, receiving applications totalling $2.77m and exceeding the $2m target
16	17-Jan-25	Peak announces completion of final tranche of capital raising with issuance of 17,029,317 shares to Shenghe and receipt of proceeds of $1.7m
17	31-Jan-25	Quarterly Activities Report – December 2024 Quarter
18	14-Mar-25	Half-Year Financial Report – 31 December 2024
19	30-Apr-25	Quarterly Activities Report – March 2025 Quarter
20	12-May-25	Trading Halt

Source: PEK ASX announcements

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4. Profile of Shenghe Resources Holding Co., Ltd

4.1 Background

Shenghe is a leading global rare earths company listed on the Shanghai Stock Exchange (SSE: 600392), with a strategic focus on rare earths and relevant critical minerals with expertise in research and development, production, and international co-operation. Shenghe is a leading developer, producer and supplier of rare earths and heavy mineral sands, and a significant importer of rare earth concentrate into China. Shenghe's operations span rare earth research and development, mining, beneficiation, refining, trading and alloy and metals production. It supplies rare earth and related products in China and internationally. Shenghe is also involved in the production and supply of mineral sands related products including titanium concentrate, rutile, garnet, monazite, and zircon sands. As at July 2025, Shenghe had a market capitalisation of ~$USD5.8 billion.

4.2 Legal structure

Shenghe Singapore, a wholly owned subsidiary of Shenghe, currently holds a 19.70% equity interest in Peak.

4.3 Directors and management

The directors and key management of Shenghe are summarised in the table below.

Table 11 Shenghe Directors and Key Management

Name	Position
Bing Xie	Chairman
Ping Huang	Vice Chairman & Chief Executive Officer
Zhijun Han	Director
Zhenhai Yang	Director
Jianrong Huang	Director & Deputy Chief Executive Officer
Mao Ye	Director
Shuyi Yang	Director
Yuling Xie	Independent Director
Anli Lin	Independent Director
Fazhong Zhao	Independent Director
Wei Zhou	Independent Director
Xiaolei Guo	Director, Company Secretary & Deputy Chief Executive Officer
Xiaodong Wang	Deputy Chief Executive Officer
Kang Li	Chief Financial Officer & Deputy Chief Executive Officer

Source: Shenghe Management

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5. Valuation Approach

5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following valuation methodologies:

- the discounted cash flow ("**DCF**") method and the estimated realisable value of any surplus and non-operating assets and liabilities;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets surplus and non-operating assets and liabilities;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the fair value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow; and
- capitalisation of future maintainable earnings ("**CFME**").

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

CFME is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("**FME**") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium). This methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax ("**NPAT**"). The earnings from any surplus and non-operating assets and liabilities are excluded from the estimate of FME and the value of such assets and liabilities is separately added/subtracted to the value of the business in order to derive the total value of the company.

Asset based methods

Asset based methodologies estimate the fair value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

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The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs.

Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

It is possible for a combination of valuation methodologies to be used to determine an overall value of a company, where different methodologies are used to value specific assets and liabilities. This is typically referred to as a 'sum of parts' valuation ("**Sum-of-Parts**").

5.2 Selection of valuation methodologies

Valuation of a Peak share prior to the Scheme

Primary Methodology – Sum of Parts

We consider the most appropriate valuation methodology for valuing Peak to be the Sum of Parts approach, which aggregates the Fair Value of the following:

- The Ngualla Rare Earths Project based on the mine plan;
- Ngualla Rare Earths Project resources that are outside of the mine plan;
- Peak's net assets not otherwise included above.

We have selected the DCF methodology to assess the Fair Value of the Ngualla Rare Earths Project based on the mine plan due to the availability of detailed cash flow forecasts in the Model.

Under RG 111, ASIC recognises that there may be reasonable grounds for use of the DCF methodology before a project generates cashflows, as long as the expert has reasonable grounds for forward looking information, as at the date of the report.

We consider that we have a reasonable basis under Regulatory 170 Prospective Financial Information ("**RG 170**") and Information Sheet 214 Mining and Resources – Forward-Looking Statements to apply the DCF methodology because the cash flow forecasts in the Model are underpinned by the outcomes of a bankable feasibility study in 2017, a BFS update in 2022 and FEED study in November 2023. Further, we have instructed ERM to act as an independent technical specialist to review the technical assumptions in the Model to ensure all technical assumptions are appropriate.

We have also instructed ERM to provide the valuation of Ngualla Rare Earths Project resources that are outside of the mine plan.

Our assessment of other net assets held by Peak is based on the Net Assets on a Going Concern valuation methodology.

Secondary Methodology – Quoted Market Price

We have also considered the implied value of a Peak share based on recent trading prices for portfolio shareholding parcels of Peak shares on the ASX. In accordance with RG 111, we have assessed the value of Peak's shares on a 100% controlling interest basis.

Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.

We have considered the quoted market price by analysing the historical weighted average price of Peak shares and the volatility of the share price prior to and post the announcement of the Scheme.

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6. Valuation of a Peak Share prior to the Scheme

As stated in Section 5.2 of the Report, we have assessed the Fair Value of Peak on a 100% controlling interest basis prior to the Scheme, using the following valuation methodologies:

- Sum of Parts; and
- Quoted Market Price.

A summary of our assessed values of a Peak share on a controlling interest basis prior to the Scheme, derived under the two valuation methodologies, is set out below.

Table 12 Assessed value of a PEK Share

Fair Value per PEK Share Prior to the Scheme A$	Low	High	Midpoint
Method 1: Sum of Parts	$0.273	$0.341	$0.306
Method 2: Quoted price of listed securities	$0.156	$0.176	$0.166

Source: RSM Analysis

6.1 Sum of Parts

In adopting the Sum of Parts methodology, we have aggregated the Fair Value of the following:

- The Ngualla Project based on the mine plan;
- Peak resources that are outside of the mine plan, as assessed by ERM;
- Corporate costs; and
- Net assets not otherwise included above.

PEK's sole mineral asset is the Ngualla Project in Tanzania.

Assessment of the Fair Value of the Ngualla Project

We have assessed the Fair Value of the Ngualla Project based on a Discounted Cash Flow of the mine plan as summarised in the table below.

Table 13 Assessed Value of the Ngualla Project (100% Interest)

	Fair Value Low	Fair Value High	Fair Value Mid-point
NPV of Ngualla Project (US$'000)	100,428	123,354	111,590
AUD/USD exchange rate as at 15 May 2025	0.6426	0.6426	0.6426
NPV of Ngualla Project (A$'000)	**156,284**	**191,960**	**173,653**

Source: RSM Analysis

We have been provided with the Ngualla Project corporate financial model ("**Model**") prepared by Peak, which incorporates life of mine ("**LOM**") assumptions and sets out detailed cash flow projections and technical and operational assumptions for the Ngualla Project based on current mine and operational plans. The Model comprises USD denominated, real, after-tax cash flows over a 24 year mine life.

ERM has reviewed the technical assumptions included in the Model and has concluded in its Independent Technical Specialists' Report ("**ERM Report**") that they are a suitable basis for valuing the project.

A copy of the ERM Report is attached at Appendix F.

We note that the Model assumes that construction of the Ngualla Project commences on 1 July 2025. Given the expected timeline of the Scheme, we have assumed a six-month delay to commencement of construction. In addition, we have independently assessed macroeconomic inputs such as commodity pricing, inflation and exchange rates relevant as at our valuation date of 15 May 2025.

We have incorporated these changes in an adjusted model ("**Adjusted Model**") for the purposes of valuing the Ngualla Project based on the mine plan.

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Forecast cash flows

We have performed an analysis of the cash flow projections in the Model, including:

- undertaking a methodology logic check (however we have not performed a detailed review or audit of the Model);
- reviewing the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure and royalties;
- updating the Model for changes arising from ERM's review of technical assumptions and our own work; and
- conducting independent research on certain economic inputs such as exchange rates, inflation rates, commodity prices and the discount rate applicable to the future cashflows of the Ngualla Project.

The key assumptions adopted in the preparation of the cash flow projections, and the adjustments we have made, are discussed below.

We note that any prospective financial information is dependent upon the outcome of many assumptions, some of which are outside the control of directors and management and may be affected by unforeseen events. Assumptions relating to the prospective financial information can be reasonable at the time of their preparation but can change materially over a relatively short period of time. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model.

Timing

The Model assumed the following operational milestones:

- Financial close at 30 June 2024;
- Construction commencement at 1 July 2024; and
- Operations from 1 July 2026.

For the purposes of undertaking a valuation of the Ngualla Project based on the mine plan as at 15 May 2025, and given the Ngualla Project is yet to begin construction, we have adjusted the timings in the Adjusted Model to be as follows:

- Financial close at 30 June 2025;
- Construction commencement at 1 January 2026, incorporating a six-month delay; and
- Operations from 1 January 2028.

Inflation

The Model included projected LOM cash flows in real terms.

We have converted the USD cash flows to nominal terms in the Adjusted Model by applying our forecast USD inflation rate assumptions as summarised below. Our forecast inflation rates have been assessed having regard to forecasts prepared by economic analysts and commentators, as well as the long-term target inflation rates set by the US Federal Reserve.

We have also assessed forecast CNY inflation rates for the purposes of forecasting nominal USD/CNY exchange rates. The People's Bank of China has recently shifted its long-term inflation target from 3% to 2%.

Table 14 Forecast USD and CNY inflation rates

Inflation %	2025	2026	2027	2028	2029	2030	Long term
USD inflation	2.90	2.70	2.10	2.10	2.10	2.20	2.20
CNY Inflation	0.10	0.70	1.40	1.70	1.80	1.90	2.00

Source: IMF, OECD, S&P Capital IQ, and RSM Analysis

Commodity Prices

The Model adopted Q4 2023 real prices based on forecasts from Adamas Intelligence for lanthanum ("**La**"), cerium ("**Ce**"), neodymium and praseodymium ("**NdPr**") and individual SEG/Heavy Rare Earth Oxide elements ("**SEG/HREO**") and assumed prices stay flat in real terms over the LOM.

We have updated the commodity price assumptions in the Adjusted Model to nominal pricing forecasts from Project Blue as at February 2025. Project Blue is a specialist market intelligence provider focused on the critical materials essential to the global energy transition. Their rare earth element forecasts are underpinned by detailed modelling of supply and demand fundamentals across key end-use sectors, including automotive and batteries, wind energy, and permanent magnets (including NdFeB). We have adopted quarterly

forecasts from Project Blue up to the end of 30 June 2026, then annual forecasts thereafter. As Project Blue only provides forecasts to 2035, beyond 2035 we have escalated prices at our assessed long-term inflation assumption.

We have derived a weighted average SEG/HREO price based on the relative proportions of the individual rare earth elements in the mill feed in the Model, specifically:

- Samarium (55.65%);
- Europium (10.22%);
- Gadolinium (21.29%);
- Terbium (1.57%);
- Dysprosium (2.54%);
- Holmium (0.28%);
- Erbium (1.10%);
- Thulium (0.05%);
- Ytterbium (0.37%);
- Lutetium (0.03%);
- Yttrium (6.90%).

Our selected pricing assumptions for NdPr (being the predominant price driver) are consistent with short-term consensus broker forecasts as at May 2025, which are summarised in Table 17.

Table 15 Project Blue - Quarterly Forecast REO prices as at February 2025

REO Prices (US$/kg)	2026			
Nominal	Q1	Q2	Q3	Q4
Lanthanum (Oxide Equivalent)	0.5	0.5	0.5	0.5
Cerium (Oxide Equivalent)	1.0	0.9	0.9	0.9
NdPr (Oxide)	64.7	63.7	66.3	69.9
SEG/Heavy REO (Oxide Equivalent)	29.6	28.6	29.3	31.0

Source: Project Blue Forecasts February 2025 and RSM analysis

Table 16 Project Blue - Annual Forecast REO prices as at February 2025

REO Prices (US$/kg)									
Nominal	2027	2028	2029	2030	2031	2032	2033	2034	2035
Lanthanum (Oxide Equivalent)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Cerium (Oxide Equivalent)	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9
NdPr (Oxide)	82.8	93.9	86.1	82.4	84.0	93.7	116.6	125.0	127.5
SEG/Heavy REO (Oxide Equivalent)	31.7	39.0	39.5	42.2	45.8	49.8	61.0	54.6	56.8

Source: Project Blue Forecasts February 2025 and RSM analysis

Table 17 Broker Consensus - Annual Forecast REO prices as at May 2025

REO Prices (US$/kg)		
Nominal	2026	2027
NdPr (Oxide)	69.20	79.44

Source: Broker Consensus May '25

Foreign exchange

The Adjusted Model incorporates a refinery charge (among other price adjustments) to derive a net realisable price for Ngualla concentrate. The refinery receives a margin, capped at a maximum of 15%, that is determined in accordance with a formula set out in the Offtake Agreement between Peak and Shenghe Singapore. As the margin is calculated with reference to NdPr prices expressed in CNY/kg, we have assessed CNY/USD nominal exchange rates to convert NdPr prices from USD to CNY terms.

We have adopted exchange rates from 2025 to 2030 based on consensus estimates as at June 2025. From 2031 onwards, we have assumed the nominal exchange rate is driven by the relative purchasing power parity between the USD and CNY such that the exchange rate remains constant in real terms.

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Table 18 Forecast USD/CNY Exchange Rates

Exchange Rates						
Nominal	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
USD/CNY	7.28	7.24	7.20	7.19	7.09	7.02

Source: Consensus Estimates May '25

Revenue

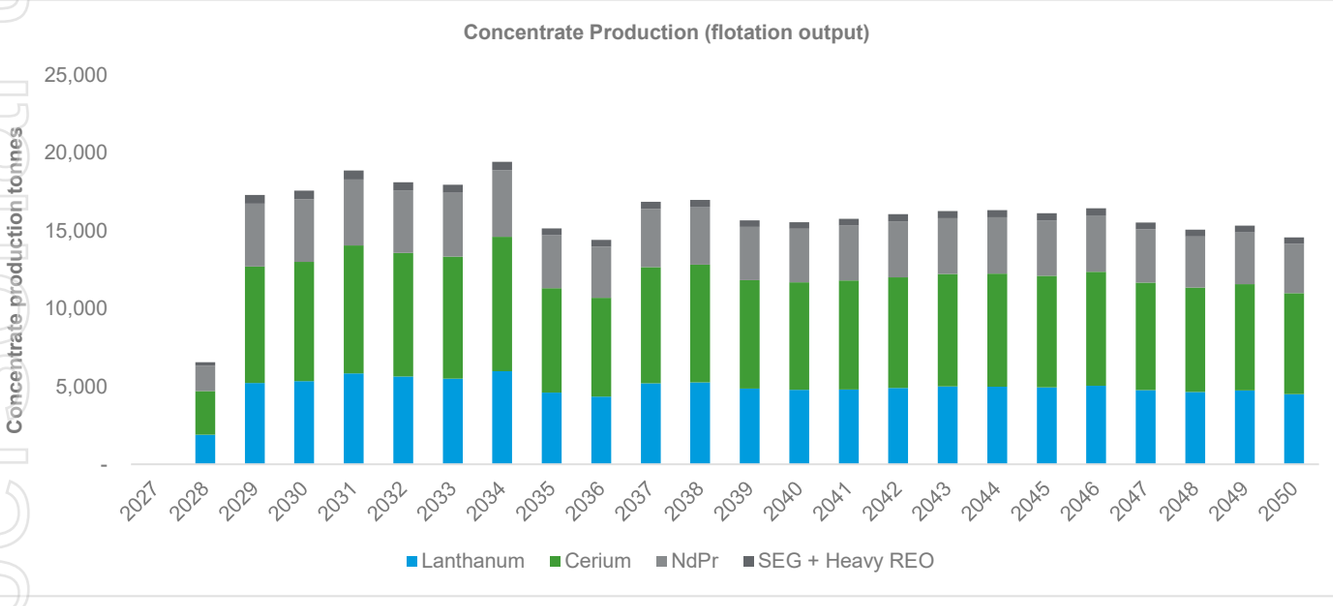
Total revenue over the life of the mine is projected to be approximately US$5.8 billion in nominal terms in the Adjusted Model.

Revenue is derived from the sale of rare earth concentrate produced at the Ngualla Project, based on the forecast production and pricing formula in the Offtake Agreement between Peak and Shenghe Singapore.

The figure below shows the production profile over the LOM in the Adjusted Model.

Figure 4 Ngualla Project – REO Concentrate Production

Production



Source: Adjusted Model and RSM Analysis

We note the following in relation to the figure above:

- The Model forecasted cash flows to commence in July 2024. For the purposes of our valuation, and given the Ngualla Project is yet to commence construction, we have pushed back the financial close in the Adjusted Model to 30 June 2025. Accordingly, in the Adjusted Model, construction is scheduled to commence in January 2026 and production in January 2028. Operations at the Ngualla Project are forecast to continue until 31 March 2051.
- Approximately 376,900 tonnes of rare earth oxides are expected to be recovered in concentrate, based on flotation output assumptions, with 84,011 tonnes of NdPr accounting for the majority of product value.
- The Adjusted Model derives a net realisable price for Ngualla concentrate by first calculating a basket price based on the market prices of the recovered elements (La, Ce, NdPr, and SEG/Heavy) and the relative proportions of the individual elements in the mill feed, then applying a number of payability factors including saleable and recovery rates, a refinery charge, concentrate grade, moisture loss, taxes, processing costs, customs charges and a trading margin as stipulated in the Offtake Agreement.

Operating Costs

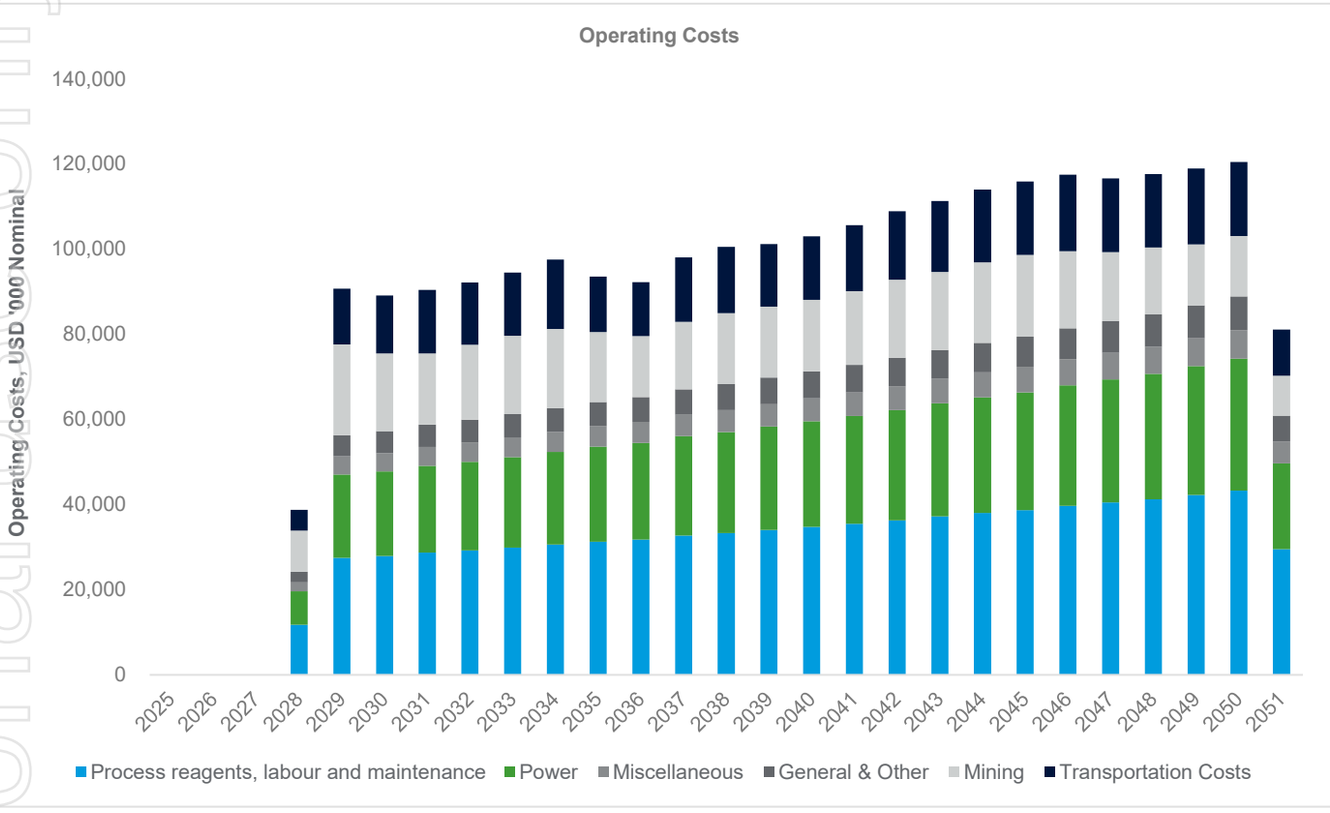
Operating costs ("**opex**") consist of mining costs, processing costs (including power, consumables, labour, and maintenance), concentrate transport costs and general and administrative expenses.

Total operating costs over the life of mine are projected to be US$2.4 billion in nominal terms in the Adjusted Model.

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The following figure sets out the projected operating expenditure in the Adjusted Model in nominal terms.

Figure 5 Ngualla Project – Operational Expenditure



Source: Adjusted Model & RSM Analysis

We note the following in relation to the figure above:

- Process consumables, labour and maintenance costs represent the largest share of Ngualla's operating expenses, accounting for approximately 33% of total life-of-mine opex, followed by power costs which account for approximately 24% and mining costs which account for approximately 17%.

Capital Expenditure

Capital expenditure relates to both development and sustaining capital expenditure.

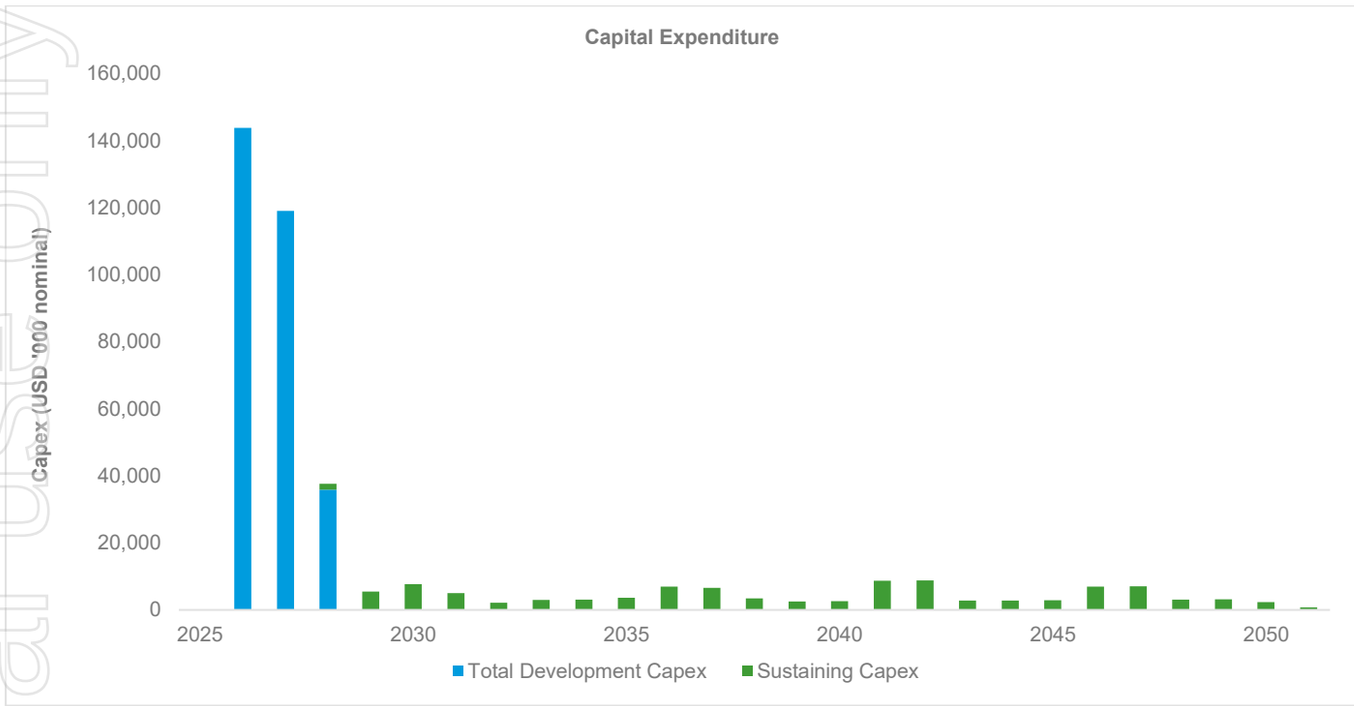
Total capital expenditure is projected to be US$401.27 million in nominal terms in the Adjusted Model.

The following figure sets out the projected capital expenditure in the Adjusted Model in nominal terms.

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Figure 6 Ngualla Project – Capital Expenditure



Source: Adjusted Model & RSM Analysis

We note the following in relation to the figure above:

- Development capex comprises US$298.09m and is forecast to be incurred over a two-year period commencing 1 January 2026. It consists mainly of expenditure on plant and machinery, services, EPCM, roads and infrastructure, and contingency costs.
- Sustaining capex relates to costs associated with maintaining capital assets, including the tailings facility and roads over the life of the mine.

Taxation

Cash flows in the Adjusted Model have been modelled on a post-tax basis with a corporate tax rate of 30% applied to taxable income.

Taxable Income is derived from EBITDA after adjusting for the depreciation of capital assets (both development and sustaining) and rehabilitation cash provision charges. Construction and sustaining capex are depreciated on a straight-line basis assuming a five-year asset life.

Other assumptions

In addition to the assumptions discussed in the preceding sections, the following assumptions have also been applied in the Adjusted Model:

- The start date has been changed from 30 June 2024 to 15 May 2025 to align with our valuation assessment date; and
- Working capital movements have been modelled based on the payment terms set out in the Model. Revenue from concentrate sales is assumed to be received within 60 days, while payables are assumed to be paid within 30 days.

Discount rate

The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. The adopted discount rate is the likely rate of return an acquirer of the Ngualla Project would require for the risks inherent in investing in the asset.

We have utilised the weighted average cost of capital ("**WACC**") as our discount rate. We have assessed the WACC to be in the range of 14.6% to 15.4%, with a midpoint value of 15.0%

Details of our assessment of the preferred range for the WACC are included at Appendix E.

Net Present Value

The table below sets out the Net Present Value of the Ngualla Project in the Adjusted Model.

Table 19 Ngualla Project - NPV Summary

	Fair Value Low	Fair Value High	Fair Value Mid-point
NPV of Ngualla Project (US$'000)	100,428	123,354	111,590
AUD/USD exchange rate as at 15 May 2025	0.6426	0.6426	0.6426
NPV of Ngualla Project (A$'000)	**156,284**	**191,960**	**173,653**
Ownership interest of Peak	84%	84%	84%
Assessed value of Peak's interest in the Ngualla Project (A$'000)	**131,278**	**161,247**	**145,869**

Source: Adjusted Model and RSM Analysis

Sensitivity analysis

By their nature, mineral assets are difficult to value. Key considerations in valuing mineral assets include long term views on commodity prices, development, operational and financial risks, quality of the underlying resource base and expectations on timing of the future development of assets. While the valuation approach and assumptions represent RSM and ERM's views at the time of preparing this Report, changes to market opinions on these key considerations could materially impact the value of the mineral assets.

We have therefore performed a sensitivity analysis on our NPV for the Ngualla Project. We have selected sensitivities to test based on the likelihood of changes in the key assumptions that underpin the Adjusted Model.

We consider the key sensitivities to be:

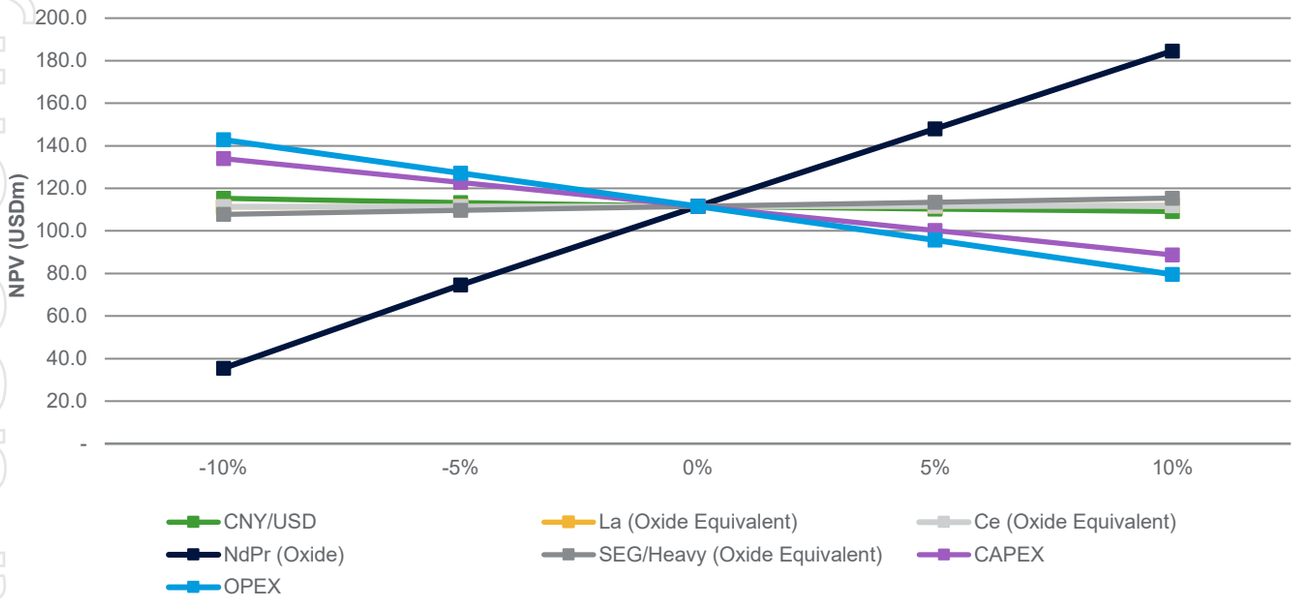
- Pricing of relevant rare earth elements (Lanthanum, cerium, NdPr, SEG/Heavy REO);
- Operational expenditure;
- Capital expenditure;
- Exchange rate; and
- Discount rate.

The chart below illustrates the impact on the NPV at the mid-point value of adjusting the above assumptions.

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Figure 7 Ngualla Project – Sensitivity Analysis



Source: Adjusted Model & RSM Analysis

We note that the value is most sensitive to changes in the NdPr prices, followed by operating costs. We note that a 5% decrease in the projected NdPr price would result in an NPV of US$74.5 million for the Ngualla Project, while a 5% increase would result in US$148.0m demonstrating a high degree of sensitivity to this assumption.

A 5% increase in the estimated operating costs would result in a NPV of US$95.7 million, resulting in a 14.2% decrease in value for the Ngualla Project.

Shareholders should note that each of the variables noted above is unlikely to move in isolation and they may have offsetting or compounding effects. The sensitivities performed do not cover the full range of possible outcomes and there is significant uncertainty involved with forecasting commodity prices, particularly for rare earths which are traded in a relatively opaque market.

Assessment of the Fair Value of Resources outside the mine plan

ERM was instructed to assess the Fair Value of Resources outside of the Ngualla Project mine plan.

ERM notes in the ERM Report that there is a significant amount of mineralisation not included in the Project's Ore Reserve (and therefore not in the LOM), however the mineralisation is low grade and little metallurgical testwork has been undertaken on these areas to date.

ERM have not attributed a value to the mineral resources outside of the LOM due to the low prospects of mining and lack of understanding of the metallurgical characteristics. ERM notes that the portion of mineral resources outside of the Weathered Bastnaesite Zone represents a potentially attractive opportunity however is unlikely to contribute any material value at this stage of development, but could represent potential upside in the Project in the longer term.

Accordingly, we have not ascribed any value to resources outside of the Ngualla Project mine plan.

Assessment of the Fair Value of Corporate Costs

We have assessed the net present value of PEK's Corporate Costs having regard to the costs estimated to be incurred over a 12-month period. These costs are not reflected in the Ngualla Project cashflows but will need to be funded by PEK and therefore are incorporated into our assessed value of PEK as a negative value.

We have estimated ongoing overhead costs to be approximately A$3.6m per annum based on forecasts provided by PEK. We have assumed these costs will be incurred over the life of the Ngualla Project and applied our assessed inflation rates to determine the NPV of PEK's Corporate Costs after tax of A$20.7m.

Net Cash

We have included net cash held by PEK based on its June 2025 Quarterly Activities Report and Appendix 5B of $10.03m, which includes net proceeds from the entitlement offer after deducting offer costs, and is presented net of restricted cash of $63.8k and a land compensation payment of $151k made on 3 July 2025. We have adjusted the 30 June 2025 cash balance for proceeds received from the 9 July 2025 sale of the Teesside site of GBP 3.45 million (being approximately $7.2 million).

Table 20 Assessed Fair Value of Net Cash

$'000	31-Dec-24 Reviewed	Fair Value Adjustment	Assessed Fair Value
Cash & Cash Equivalents	4,776	5,035	9,811
Proceeds from sale of Teesside site[1]	-	7,174	7,174
Net Cash	**4,776**	**12,209**	**16,985**

Source: June 2025 Quarterly Activities Report and Appendix 5B, ASX Announcements and Management
Note 1: Proceeds from sale of GBP 3.45 million converted to AUD based on exchange rate as at 9 July 2025 of 1 AUD : 0.4809 GBP

Other Net Assets of Peak

We have assessed the fair value of PEK's other net assets including non-core assets, liabilities, and relevant accounting adjustments.

We have removed assets held for sale following the sale of Peak's non-core Teesside site in the United Kingdom to Sembcorp Utilities (UK) Limited. However, we have included GBP 50,000 in receivables, being the amount still payable on successful surrender of the environmental permit over the site, and GBP 50,000 in current provisions as Peak has agreed to fund any site works or rehabilitation requirements associated with the surrender of the environmental permit up to a cap of GBP 50,000.

We have excluded exploration and evaluation costs from other net assets as these have been reflected within the valuation of the Ngualla Project.

We have included a $5.0 million liability in respect of the RAP and land compensation schedule which was finalised in accordance with Tanzanian law and IFC standards. The RAP covers 193 Project-Affected Persons, with a total compensation assessed at $10.6 million, of which $3.2 million will be paid before the end of October 2025, and $7.4 million will be paid over the term of the SML in annual payments. We have recognised the present value of these payments as a liability in our valuation, given they are not reflected in the LOM model.

Adjustments have been made to remove lease liabilities and the corresponding right-of-use assets recognised under AASB 16. These accounting entries are balance sheet neutral and do not represent realisable assets or liabilities for the purpose of our valuation.

Table 21 Assessed Fair Value of Other Net Assets

$'000	31-Dec-24 Reviewed	Fair Value Adjustment	Assessed Fair Value
Trade & Other Receivables	209	104	313
Financial Assets	64	-	64
Prepayments	246	-	246
Assets held for sale (Teesside)	3,490	(3,490)	-
Plant & Equipment	907	-	907
Right of use assets	359	(359)	-
Exploration and evaluation costs	65,247	(65,247)	-
Trade & Other Payables	(1,669)	-	(1,669)
Provisions (Current)	(290)	(104)	(394)
Lease liabilities	(326)	326	-
RAP and land acquisition payments	-	(4,983)	(4,983)
Other assets and liabilities	**68,236**	**(73,753)**	**(5,517)**

Source: RSM estimates

Note 1: GBP amounts converted to AUD based on exchange rate as at 9 July 2025 of 1 AUD : 0.4809 GBP

We are not aware of any other indicators that the book value of assets and liabilities of PEK as at 31 December 2024 differ materially from their fair value as at the Valuation Date.

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Valuation Summary – Sum of Parts Approach

Our valuation of PEK based on the net assets on a going concern methodology is summarised below, resulting in a value per PEK Share participating in the Scheme of between $0.273 and $0.341 with a preferred value of $0.306.

Table 22 Valuation Summary – Peak Rare Earths Limited

Fair value per PEK Share prior to the Scheme A$'000	Low	High	Preferred
Ngualla Project - Mine Plan DCF (84% interest)	131,278	161,247	145,869
Less: NPV of Corporate Costs	(20,787)	(20,787)	(20,787)
Add: Net cash	16,985	16,985	16,985
Less: Other assets and liabilities	(5,517)	(5,517)	(5,517)
Less: Scheme Transaction Costs	(1,845)	(1,845)	(1,845)
Assessed Value of PEK	**120,115**	**150,083**	**134,705**
Number of PEK shares eligible to participate in the Scheme	440,111,880	440,111,880	440,111,880
Assessed value of a PEK share	**$0.273**	**$0.341**	**$0.306**

Source: PEK Financial Reports, Management, RSM Analysis

We have converted the assessed USD value of the Ngualla Project to AUD terms by applying the AUD:USD foreign exchange rate as at 15 May 2025 of 0.6426. We have also adjusted for PEK's 84% interest in the Ngualla Project.

In addition, we have deducted transaction costs which will be incurred by PEK regardless of whether the Scheme is approved of $1.85m as advised by Management of Peak.

The number of shares includes all ordinary shares and Performance Rights on issue as at the date of this Report, which includes shares issued under the Entitlement Offer and assumes that all Performance Rights will vest and be eligible to participate in the Scheme.

The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the sum of the parts methodology to already incorporate a premium for control and no further premium is considered necessary to assess the value of a PEK Share on a controlling basis prior to the Scheme.

Our assessed value of a Peak share on a Sum of Parts basis is therefore in the range of $0.273 to $0.341, with a preferred value of $0.306.

6.2 Quoted Price of Listed Securities Methodology

In order to provide a comparison and cross check to our valuation of a Peak Share derived using the Sum of Parts methodology, we have considered the recent quoted market price for Peak Shares on the ASX prior to the announcement of the Scheme.

RG 111.69 indicates that for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities.

The following characteristics may be considered to be representative of a liquid and active market:

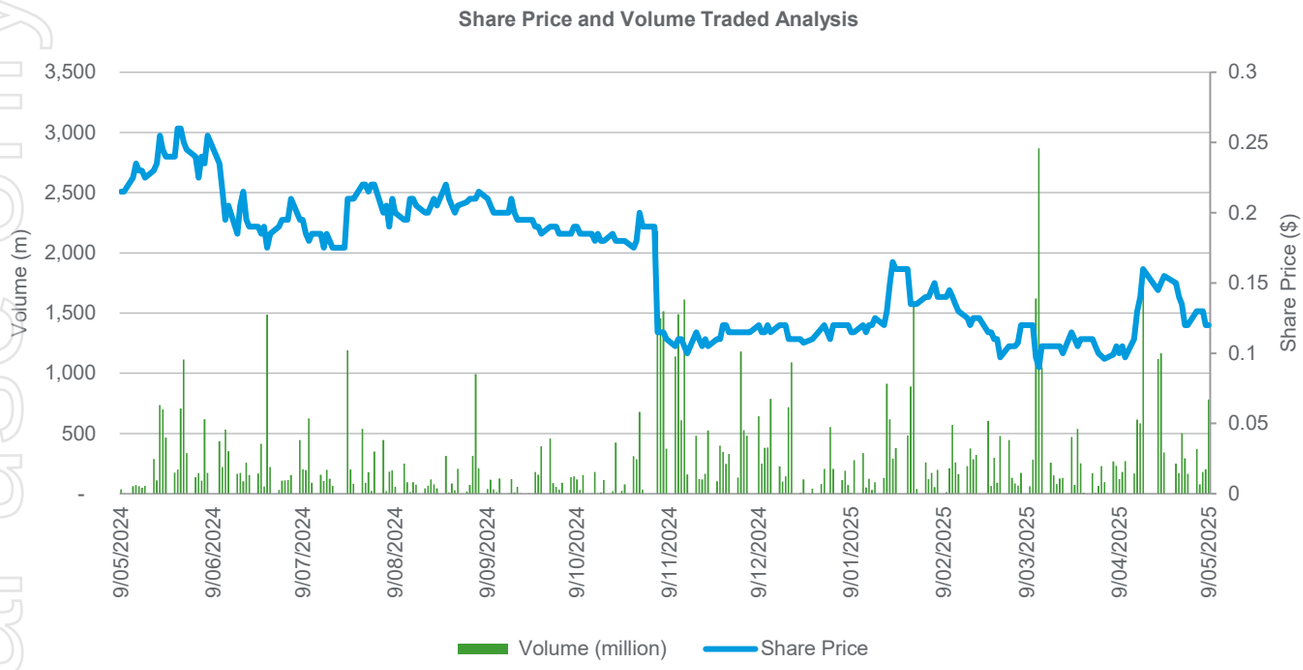
- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

The Scheme was announced on 15 May 2025. The following chart sets out daily closing share prices and volumes in Peak shares traded in the year prior to the announcement of the Scheme, i.e. the year to 9 May 2025 since Peak shares were placed in a trading halt on this day.

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Figure 8 Peak's share price and volumes traded prior to the announcement of the Scheme



Source: S&P Capital IQ & RSM Analysis

The assessment only reflects the trading prior to the announcement of the Scheme in order to avoid the influence of any movement in price that occurred as a result of the announcement.

During the year to 9 May 2025, the Peak share price has been relatively volatile, ranging from a high of $0.26 on 28 May 2024, to a low of $0.09 on 13 March 2025.

To provide further analysis of the quoted market prices for Peak's Shares, we have considered the VWAP over a number of trading day periods. An analysis of the volume in trading in Peak's Shares for the 1, 5, 10, 30, 60, 90, 120 and 180 day trading periods is set out in the table below:

Table 23 VWAP Peak shares

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	**0.1200**	**0.1216**	**0.1275**	**0.1308**	**0.1182**	**0.1222**	**0.1194**	**0.1281**
Total Volume*	784	1,618	3,003	11,147	22,980	31,702	43,532	59,417
Free Float**	0.28%	0.57%	1.06%	3.95%	8.14%	11.24%	15.43%	21.06%
Low Price	0.1150	0.1150	0.1150	0.0920	0.0900	0.0900	0.0900	0.0900
High Price	0.1250	0.1300	0.1550	0.1600	0.1600	0.1700	0.1700	0.2400

Source: S&P Capital IQ & RSM Analysis
*in Thousands
**Total Volume as a % of Total Shares not owned by Shenghe Singapore

We note the following:

- Peak's traded share price fluctuated between $0.09 and $0.24 over the 180 trading days to 9 May 2025, with a VWAP of $0.1281 over the same period;
- In the 180 trading days to 9 May 2025, 21.06% of PEK Shares were traded, demonstrating a reasonable level of liquidity of PEK Shares during this period. However, only 0.57% of PEK Shares were traded in the 5 trading days prior to the announcement of the Scheme;
- Notwithstanding the level of liquidity, Peak complies with full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Peak; and
- In the absence of the Scheme, the trading share price represents the value in which minority Shareholders could realise if they wanted to exit their investment in Peak.

Our assessment of the value of a Peak share based on the quoted market price pre-announcement of the Scheme, and therefore on the basis of a minority interest, is between $0.12 and $0.13.

Control Premium

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2021 ("**RSM Control Premium Study**"). In determining the control premium, RSM compared the Scheme price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the Scheme. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the Scheme.

The table below sets out a summary of average control premiums, segmented by industry, as per the RSM Control Premium Study, of which all are applied at the Equity level.

Table 24 Average Control Premium segmented by Industry

Industry	Number of Transactions	20 day pre-bid	5 day pre-bid	2 day pre-bid
Metals & Mining	161	36.6%	32.5%	29.8%
Energy	68	39.6%	32.5%	27.2%
Health Care	37	48.6%	49.9%	42.5%
Real Estate	39	14.4%	13.7%	12.6%
Banks and Diversified Financials	47	26.4%	24.8%	25.4%
Industrials	60	36.1%	27.3%	24.7%
Telecommunications, IT & Software	64	44.1%	31.8%	34.8%
Other	125	29.6%	23.4%	21.7%

Source: RSM Control Premium Study

In valuing an ordinary Peak Share prior to the Scheme using the quoted price of listed securities methodology we have reflected a premium for control in the range of **30%** to **37%** (rounded) with an approximate midpoint of **33%**.

The table below sets out our assessment of the value in a Peak share on a controlling basis utilising the quoted price of listed securities methodology.

Table 25 Valuation of a Peak Share using Quoted Market Prices

$ per Share	Low	High	Midpoint
Quoted market price (non-controlling basis)	0.120	0.130	0.125
Control premium	30%	37%	33%
Assessed value per share (controlling basis)	**0.156**	**0.178**	**0.166**

Source: RSM Analysis & RSM Control Premium Study

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6.3 Valuation summary and conclusion

A summary of our assessed values of a PEK Share on a controlling basis prior to the Scheme, derived under our two methodologies, is set out in the table below.

Table 26 Valuation Summary

Fair Value per PEK Share Prior to the Scheme A$	Low	High	Midpoint
Method 1: Sum of Parts	$0.273	$0.341	$0.306
Method 2: Quoted price of listed securities	$0.156	$0.176	$0.166

Source: RSM analysis

The quoted market price range of values sits below our assessed range based on the sum of parts methodology.

Based on our analysis of the recent volume trading in PEK Shares, we consider PEK Shares to be relatively liquid such that the quoted listed price provides a useful cross check to our primary methodology. However, we consider that the quoted listed price does not accurately reflect the intrinsic fair value of PEK, as it is influenced by market sentiment towards the rare earths industry and the risks associated with developing a project such as Ngualla given the current geopolitical and economic environment.

Our assessed value of a Peak Share using the sum of parts approach reflects the intrinsic value of the Ngualla Project based on current rare earth price forecasts, noting that prices have historically been volatile and the market is relatively opaque. We have also considered other assets and liabilities of Peak and the impact of the A$7.5m Entitlement Offer completed in June 2025 which is not reflected in the traded share price prior to the announcement of the Scheme.

Accordingly we have assessed the Fair Value of a PEK Share, on the basis of a 100% controlling interest, to be between A$0.273 and A$0.341 based on the sum of the parts method.

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7. Is the Scheme Fair to the Non-Associated Shareholders?

In assessing whether we consider the Scheme is fair and reasonable to and therefore, in the best interests of the Peak Scheme Shareholders, we have valued a share in Peak prior the implementation of the Scheme and compared it to the value of the Scheme Consideration, to determine whether a Scheme Shareholder would be better or worse off should the Scheme be approved.

Our assessed values are summarised below.

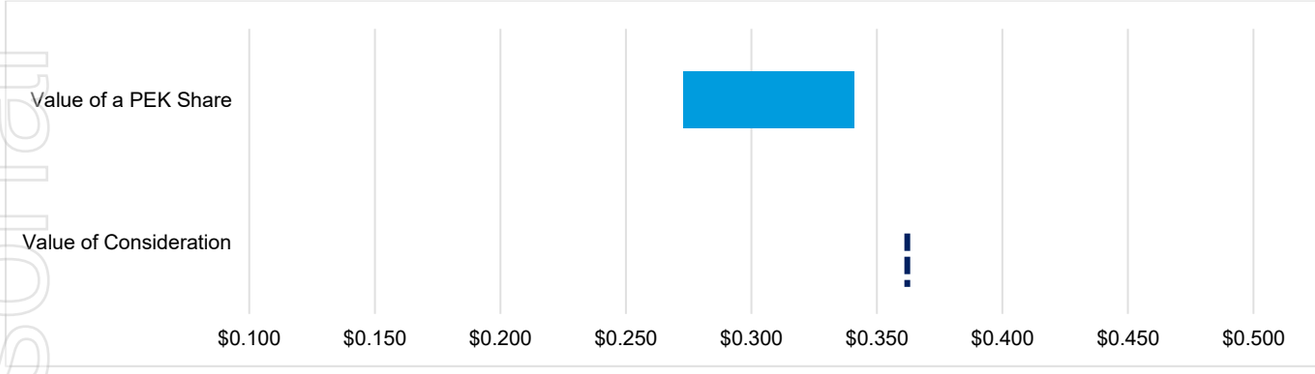
Table 27 Assessment of Fairness of the Offer

Valuation Summary	Low	Preferred	High
Fair Value of a Peak Share prior to the Scheme (controlling basis)	$0.273	$0.306	$0.341
Fair Value of the Consideration offered per Peak Share	$0.359	$0.359	$0.359

Source: RSM analysis

The above comparison is presented graphically below.

Figure 9 Assessment of Fairness of the Offer



Source: RSM analysis

We consider that, as the Fair Value of the consideration offered per PEK share is greater than the Fair Value of a PEK share prior to the Scheme (on a controlling interest basis), and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to the Shareholders, and as such, in the best interests of the Peak Scheme Shareholders.

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8. Consideration of other factors relating to the Scheme

RG111 establishes that a Scheme is reasonable if it is fair. If a Scheme is not fair it may still be reasonable after considering the specific circumstances applicable to the Scheme. In our assessment of the reasonableness of the Scheme, we have given consideration to:

- the future prospects of Peak if the Scheme does not proceed; and
- other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Scheme proceeding.

8.1 Future Prospects of Peak if the Scheme Does Not Proceed

If the Scheme is not accepted by sufficient Peak Shareholders the Scheme will not proceed and Peak Shareholders will retain ownership of the Shares in respect of the Scheme.

In these circumstances, the Peak Board intends that Peak will continue its current strategic plans and operate on a stand-alone basis and will remain listed on the ASX. This would require, amongst other things, Peak to complete the land compensation process in relation to the Ngualla Project. Accordingly, in such circumstances, Peak would need to:

- Raise capital to fund ongoing corporate, working capital and Ngualla Project costs;
- Secure either an alternate debt and equity funding solution to support the development of the Ngualla Project or another proposal to acquire Peak; and
- Seek to execute an Engineering, Procurement and Construction (EPC) or an Engineering, Procurement and Construction Management (EPCM) contract in relation to the Ngualla Project.

8.2 Advantages and disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Scheme proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

The key advantages and disadvantages of the Scheme are outlined below.

Advantages

The key advantages of the Scheme are:

Table 28 Advantages of the Scheme

Advantage	Details
The Scheme Consideration is above our assessed Fair Value range for a Peak Share	The Scheme Consideration lies above our assessed Fair Value range for a Peak Share on a 100% controlling interest basis.
The Scheme Consideration delivers a substantial premium to the historical traded price of Peak Shares	The Scheme Consideration of no less than $0.359 per Share represents an 199% premium to the $0.120 closing share price on the last trading day before the announcement of the Scheme. Further, the implied control premium of the Scheme over the VWAP of PEK Shares ranges from 174% to 204% in the 180 trading days prior to the announcement of the Scheme.
Realisation of value in the form of cash	As the Scheme is for 100% cash consideration, it provides Non-Associated Shareholders with certainty of value and removes the risks and uncertainties of remaining a Peak Shareholder, including those associated with; ▪ The ability of Peak to develop the Ngualla Project; ▪ Political and regulatory risks in Tanzania; and ▪ General market and macroeconomic conditions, including rare earth prices.
The Share price may fall if the Scheme is unsuccessful	If the Scheme is not implemented, Peak Shares will continue to remain quoted on the ASX. The price at which Peak Shares trade will continue to be subject to market volatility and Peak Shareholders will continue to be exposed to the risks associated with Peak's operations. As such, if the Scheme is not implemented, the price at which Peak Shares trade will likely fall to a price that is below the Scheme Consideration (including, potentially, to a price that is equal, close to or below the closing Peak Share price on the last trading day prior to the Scheme Announcement Date of $0.12 per share), at least in the immediate near-term.

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No stamp duty or brokerage fees in accepting the Scheme	Non-Associated Shareholders will not pay stamp duty or brokerage fees on the sale of their Peak Shares if they accept the Scheme, when compared to selling directly via the share market. We note an alternate Scheme may also allow Non-Associated Shareholders the ability to exit their investment without the need to pay any stamp duty or brokerage fees.
The Scheme is considered superior to other transactions considered with Shenghe	The Scheme delivers a superior outcome compared to the NGUK Transaction for the following reasons: • The Scheme has the potential to provide a significantly higher value outcome for Peak Shareholders on a risk-weighted basis, with an implied value for Peak of $A158 million, compared to a value of $96 million for Peak's interest in the Ngualla Project under the NGUK Transaction; • The Scheme is considered to be unlikely to give rise to the same geopolitical and regulatory risks that ultimately resulted in the parties agreeing to discontinue the NGUK Transaction; and • Peak Shareholders will have an opportunity to realise an attractive price for their Peak Shares and avoid potential risks around the funding, development and operation of the Ngualla Project.
No superior proposal has emerged	The directors of Peak have advised us that no formal alternative proposals by potential acquirers have been received prior to the announcement of the Scheme on 15 May 2025, or since the date until the issue of our Report. We note that Peak appointed Macquarie in April 2022 to act as its financial advisor to (amongst other things) assist Peak in assessing strategic interest and options for funding the development of the Ngualla Project. Since that time, Peak has conducted various investigations into potential transactions, including an international strategic partnering process, to seek to maximise the value for Peak Shareholders. After completing that review, the Peak Independent Board came to the view that the Scheme proposal from Chenguang was the best available proposal for Peak Shareholders to consider.
The Scheme allows Shareholders to sell their entire holding of Peak Shares	The Scheme provides Shareholders (other than Shenghe Singapore) with an opportunity to dispose of all their Peak Shares in a single transaction for a cash value of no less than $0.359 for each Peak Share held by each Shareholder (other than Shenghe Singapore) at the Record Date.
There are risks to not voting for the Scheme	There are risks associated with the Scheme not being implemented, including: • **Near-term funding risks** – if the Scheme is not implemented, it is likely that Peak will need to undertake a further capital raising or other financing to support ongoing corporate and Ngualla Project costs and capital working requirements, and this may be dilutive to shareholders' interests; • **Project development risk** – if the Scheme is not implemented and Peak progresses development of the Ngualla Project, it will be subject to a series of development execution risks relating to cost and timing overruns, commissioning and meeting any project debt finance completion tests; • **Operational risks** – if the Scheme is not implemented and the Ngualla Project is developed, Peak will be subject to a series of operational risks including increases in operating costs, logistical constraints, exposure to climatic events, environmental breaches and safety accidents; • **Retention of the Ngualla Project Special Mining Licence** – in the event of a prolonged delay in commencing construction and development of the Ngualla Project, there is a risk that the Government of Tanzania could seek to terminate the Ngualla Project Special Mining Licence; and • **Exposure to a prolonged decrease in rare earth prices** – a further deterioration in rare earth (and in particular neodymium and praseodymium (NdPr) oxide) prices could significantly impact Peak's future profitability and its capacity to meet interest and principal servicing requirements in relation to any project debt financing.

Source: RSM Analysis

Disadvantages

The key disadvantages of the Scheme are:

Table 29 Disadvantages of the Scheme

Disadvantage	Details
No participation in future growth	If the Scheme is approved, Non-Associated Shareholders will no longer hold an interest in Peak and will therefore not participate in future value created by Peak over and above that reflected in the Scheme Consideration.
Potential tax considerations	Acceptance of the Scheme and the disposal of Peak Shares will trigger a capital gains tax ("**CGT**") event for Non-Associated Shareholders. The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and, therefore, individual taxation advice should be obtained.

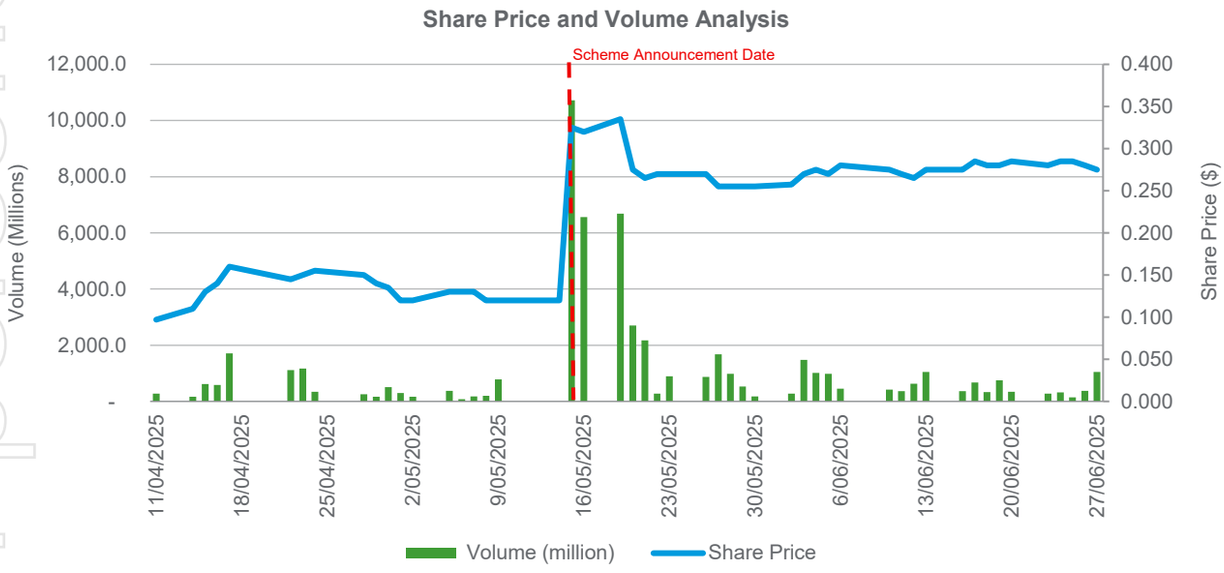
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Change in investment profile	Acceptance of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. Peak Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of Peak and may incur transaction costs in undertaking a new investment.
Loss of realisation of potential value of Peak over the long term	Shareholders may wish to keep their Peak Shares as they may want to preserve their investment in a publicly listed company that has the specific characteristics of Peak. Shareholders may consider that, despite the risks relevant to Peak's potential future operations, Peak may be able to return greater value from its assets by remaining independent or by seeking alternative commercialisation strategies.
Loss of potential superior proposal	It is possible that a superior proposal which is more attractive for Shareholders than the Scheme, may be made in the future. We are not aware of any superior proposal as at the date of this Report. Albeit, the occurrence of an alternate Scheme may be less likely, as the relevant interest of Shenghe Singapore and its associates in 84,896,893 Shares and voting power of 19.72% in Peak Shares may act as a discouragement to other bidders. Shenghe Singapore holds 84,806,893 shares in Peak, representing 19.70% of the total number of Peak shares, and Shasha Lu holds 90,000 shares in Peak, representing 0.02% of the total. Additionally, if any alternative Schemes were to arise, they may involve significant time and transaction costs to eventuate and there is no guarantee that Peak Shareholders may be able to sell, or otherwise receive value for, their Peak Shares on terms that are superior to the Scheme.

Source: RSM Analysis

8.3 Trading in Peak shares following the announcement of the Scheme

Figure 10 Peak share price pre- and post-announcement



Source: S&P Capital IQ and RSM analysis

Since the Scheme was announced on 15 May 2025, PEK's closing share price has ranged between $0.255 and $0.335, making the Scheme Consideration of $0.359 per Share a premium of 41% and 7%, respectively.

The VWAP of Peak's shares over the 20 trading days following the announcement of the Scheme was $0.295, representing an increase of approximately 114% compared to the 20-day VWAP of $0.138 prior to the announcement.

Additionally, the 5-day VWAP for the period ending 27 June 2025 was $0.279, which reflects a 121% increase relative to the 5-day VWAP of $0.126 immediately preceding the Scheme announcement.

Based on the above, we consider that the market has reacted in a favourable way to the announcement of the Scheme, indicating market expectations that the Scheme will be successfully implemented, or an alternative superior proposal will emerge.

8.4 The extent to which a control premium is being paid

The Scheme Consideration offered per PEK Share, based on Peak's fully diluted issued capital of 440,111,880 Shares, is a cash payment of no less than $0.359 which represents a 199% premium on the closing share price of PEK Shares of $0.12 on 9 May 2025

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(being the last trading day immediately prior to the announcement of the Scheme). The final Scheme Consideration per Peak Share will depend on the number of performance rights that have vested and been exercised by the Effective Date, and will be announced by Peak to the ASX on the Effective Date.

According to the RSM 2021 Control Premium Study, which analysed 161 transactions involving companies listed on the Australian Stock Exchange in the Metals & Mining industry between 1 July 2005 and 31 December 2020, control premiums of 36.6%, 32.5% and 29.8% were paid relative to the 20-day, 5-day and 2-day pre-bid share prices, respectively, for transactions in Australia. In determining the control premium, the Scheme Consideration was compared to the closing trading price of Peak Shares, 20, 5, and 2 days pre the date of the announcement of the offer.

The 199% premium of the Scheme Consideration above the PEK closing share price of $0.12 on 9 May 2025 sits significantly above the average 2, 5 and 20 day pre-bid premiums of 36.6%, 32.5% and 29.8%, respectively.

An analysis of the implied premium of the Scheme Consideration over the VWAP of PEK Shares in the 180 trading days prior to the announcement is set out in the table below:

Table 30 Assessment of implied control premium of the offer

Period up to and including 9 May 2025	ASX VWAP $	Scheme Consideration $	Premium %
5 Trading Days	0.122	0.359	195.2%
10 Trading Days	0.127	0.359	181.6%
30 Trading Days	0.131	0.359	174.4%
60 Trading Days	0.118	0.359	203.6%
90 Trading Days	0.122	0.359	193.8%
120 Trading Days	0.119	0.359	200.6%
180 Trading Days	0.128	0.359	180.1%

Source: S&P Capital IQ & RSM Analysis

The implied control premium of the offer over the VWAP of PEK Shares ranges from 174.4% to 203.6% over the last six months, which reflects a relatively stable share price of PEK over that period. The premium exceeds the observed market premium for the Metals & Mining industry as set out in the RSM 2021 Control Premium Study.

8.5 The likely price of Peak's shares should the Scheme be rejected

The closing share price of PEK on 9 May 2025, immediately prior to the announcement, was $0.120 and the closing share price on 16 May 2025 after the announcement was $0.320 showing a favourable reaction from the market to the proposed Scheme.

Following the announcement of the Scheme, shares in PEK have not traded below $0.255 with the highest traded price being $0.335 on 19 May 2025. The closing price for a PEK Share on 25 July 2025 was $0.325, a 171% premium on the closing price of $0.120 on 9 May 2025.

As shown in Figure 10, the share price of PEK has trended towards the Scheme Consideration following the announcement. Should the proposed Scheme not be approved, it might be expected that the PEK share price would revert to the pre-announcement trading range.

8.6 Liquidity

Over the last 30, 60 and 180 trading days prior to the announcement, the liquidity of PEK Shares has been relatively liquid with 3.95%, and 8.14% and 21.06% of the total free float of PEK Shares traded respectively. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

The top 20 shareholders of PEK held 51.65% of the shares on issue as at 24 July 2025, with 33.24% held by the five most significant shareholders indicating a relatively close-held shareholding structure. Of the 33.24% held by the top five shareholders, Shenghe Singapore held 19.70% as at 24 July 2025.

The Scheme Consideration provides Non-Associated Shareholders with an opportunity to convert their investment in PEK to cash at a premium to historic traded prices over the last six months.

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8.7 Alternative proposals and likelihood of an alternative takeover Scheme

The directors of Peak have advised us that no formal alternative proposals by potential acquirers have been received prior to the announcement of the Scheme on 15 May 2025, or since the date until the issue of our Report.

The alternative to the Scheme is for Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in Peak either through maintaining Peak as a standalone company or through the emergence of a superior proposal to the Scheme. Whilst there is currently no evidence of an alternative proposals, it is possible that an alternative proposal may emerge prior to the General Meeting. However, since the announcement of the Scheme, we understand that no superior proposals have been put forward as the date of the Report.

The Strategic Process

In April 2022, Peak appointed Macquarie Capital (Australia) Limited ("**Macquarie**") as a corporate advisor following Shenghe's acquisition of a 19.9% stake in the Company.

In December 2023, Macquarie, on behalf of Peak, initiated a minority sale and partnering process ("**Strategic Process**") to support the funding and development of the Ngualla Rare Earth Project. This process ran in parallel with project financing efforts undertaken by the Company. While the primary objective was to secure a minority investment in the Project via Ngualla Group UK Limited (NGUK), Macquarie and Peak also explored interest in potential majority acquisition of whole-of-company transactions.

The Strategic Process followed a conventional sale structure and continued for approximately 18 months, concluding with Shenghe's proposed acquisition of Peak in May 2025.

Macquarie and Peak initially approached 42 global parties considered suitable for a development-stage rare earths project in Tanzania. These included mining corporates, strategic investors, private equity firms, government enterprises, and downstream producers. Of these, 31 responded, and 7 executed Non-Disclosure Agreements ("**NDAs**") and accessed the Virtual Data Room ("**VDR**").

During a six-week Stage 1 period, participants conducted preliminary due diligence and were invited to submit non-binding indicative offers ("**NBIOs**"). Only one NBIO was received—from Shenghe in January 2024—proposing a 50% earn-in to NGUK for A$96 million.

Although three other parties remained engaged during Stage 1, they ultimately declined to proceed to Stage 2 due to:

- The significant capital requirements amid funding constraints;
- Perceived geopolitical risks associated with Tanzania;
- Shenghe's dual role as Peak's largest shareholder and offtake partner; and
- Market concerns, including weak rare earth pricing and the Project's economics under prevailing forecasts.

Following Shenghe's NBIO, it undertook detailed due diligence. Meanwhile, Macquarie continued to engage with both previously contacted and new parties. However, none were able to propose commercially viable alternatives.

Consequently, Peak signed a non-binding term sheet with Shenghe, announced to the ASX on 24 July 2024, regarding the proposed NGUK earn-in.

Despite ongoing engagement with a small number of parties through to early March 2025, it became evident that no alternative offer could match Shenghe's terms. As a result, Peak executed a Scheme Implementation Deed ("**SID**") with Shenghe, announced to the ASX on 15 May 2025.

8.8 Other factors to consider - Section 56 of the Tanzanian Income Tax Act, 2004

Section 56 of the Tanzanian Income Tax Act, 2004

Peak holds an 84% indirect interest in Mamba Minerals and Mamba Refinery through its wholly owned subsidiary, NGUK. Mamba Minerals is the holder of the SML for the Ngualla Project, a strategically significant mining asset granted by the Government of Tanzania. The Scheme constitutes an indirect transfer of a Tanzanian asset through the acquisition of a foreign parent company. As such, we understand that the Scheme potentially triggers the application of Section 56 of the Tanzanian Income Tax Act, 2004 ("**Section 56**"), which governs the tax treatment of changes in control of Tanzanian entities.

Section 56 provides that where there is a change in underlying ownership of more than 50% in a Tanzanian-resident entity, the entity is deemed to have realised all its assets and liabilities at market value immediately prior to the change. This provision was strengthened by the Finance Act, 2012, which removed the previous exemption for continuity of business operations.

The key legal effects of Section 56 are:

- The Tanzanian entity is treated as having disposed of and reacquired its assets and liabilities at market value, regardless of whether any actual transaction occurred at the local level.
- Any gains arising from this deemed realisation are subject to corporate income tax at the prevailing rate (currently 30%).

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- Tax losses and other deferred tax assets may be forfeited or restricted following the change in control.
- The provision applies regardless of the jurisdiction in which the change in ownership occurs, thereby capturing indirect transfers via offshore holding structures.

The Scheme would result in a change in the ultimate beneficial ownership of Mamba Minerals and Mamba Refinery. Since Peak indirectly controls more than 50% of the Tanzanian entities through NGUK, the acquisition would likely be interpreted by the Tanzania Revenue Authority ("**TRA**") as a change in control under Section 56.

As a result, Mamba Minerals and Mamba Refinery may be deemed to have realised their assets and liabilities, including the SML and any associated infrastructure or intangible assets, at market value. This could give rise to a significant tax liability, particularly if the value of the Ngualla Project has appreciated since the original acquisition or development.

The rationale behind Section 56 is to protect the Tanzanian tax base from erosion through offshore restructurings that effectively transfer economic interests in Tanzanian assets without triggering local tax events. The provision is particularly relevant in the extractives sector, where the value of mining rights and licences can be substantial.

Recent enforcement trends indicate that the TRA has been increasingly assertive in applying Section 56 to indirect transfers, especially in the mining and energy sectors. The provision has been used to capture capital gains arising from offshore transactions that would otherwise escape Tanzanian taxation.

To comply with Section 56, the Tanzanian entities involved must:

- Notify the TRA of the change of control within the statutory period (typically 30 days).
- Provide valuation reports substantiating the market value of assets and liabilities.
- Engage in tax advance planning to assess potential liabilities and explore eligibility for discretionary relief under the Commissioner's powers.

In some cases, the TRA may grant relief where the transaction is part of a genuine group restructuring or where the change in control does not materially shift in economic ownership. However, such relief is not automatic and must be formally requested and justified.

In conclusion, the Scheme, while structured offshore, has direct tax implications in Tanzania due to the application of Section 56 of the Income Tax Act, 2004. The deemed realisation rule may result in a substantial tax liability for Mamba Minerals and Mamba Refinery, particularly in light of the assessed value of the Ngualla Project in this Report. This liability would in effect need to be funded by the acquirer, Chenguang, as an additional cost of the transaction. This would result in the effective cost of the acquisition being paid by Chenguang increasing, although the Peak Shareholders would not benefit.

8.9 Conclusion on Reasonableness

We consider that the advantages of the Scheme outweigh the disadvantages.

Therefore, in the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **reasonable** to Non-Associated Shareholders and as such, that the Share Scheme **is in the best interests** of Non-Associated Shareholders.

An individual Shareholder's opinion in relation to the Scheme may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

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Appendices

A. Declarations and Disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Charted Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Peak in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of Peak, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of $65,000 (excluding goods and services tax ("**GST**") based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether Peak receives Shareholder approval for the Scheme.

We note that RSM Singapore, a member firm of the RSM International network but not related to RSM Australia Pty Ltd or RSM Corporate Australia Pty Ltd by way of ownership or financially, is the appointed independent auditor of Shenghe Singapore.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the Scheme Booklet to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Scheme Booklet. Accordingly, we take no responsibility for the content of the Scheme Booklet.

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B. Sources of Information

In preparing the Report, we have relied upon the following principal sources of information:

- Scheme Implementation Deed;
- Amendment and Novation Deed – Scheme Implementation Deed;
- Draft Scheme Booklet;
- Scheme Update as per ASX Announcement 25 July 2025;
- Peak Rare Earths Limited audited financial statements for the year ended 30 June 2023;
- Peak Rare Earths Limited audited financial statements for the year ended 30 June 2024;
- Peak Rare Earths Limited reviewed financial statements for the half-year ended 31 December 2024;
- Management Accounts of Peak Rare Earths Limited for the 10 months ended 30 April 2025;
- Peak Rare Earths Limited Quarterly Report for the quarter ended 30 June 2025;
- Peak 12-month budget for calendar year 2025;
- Top 20 Shareholders of Peak Rare Earths Limited as at 30 June 2025;
- Top 20 Shareholders of Peak Rare Earths Limited as at 24 July 2025;
- Changes to Securities – Additional and Buy Backs;
- Corporate Model – Ngualla Project LOM;
- ERM Independent Technical Specialists' Report on the Ngualla Rare Earth Project, Tanzania v3.1.2;
- ASX announcements of Peak Rare Earths Limited;
- S&P Capital IQ database;
- IBISWorld;
- Information provided to us throughout correspondence with the Directors and Management of Peak Rare Earths Limited;
- Peak and Shenghe websites;
- Ngualla Rare Earth Project: BFS Update (October 2022);
- Macquarie Capital Strategic Partnering Process memo;
- International Monetary Fund Website (IMF);
- Organisation for Economic Co-operation and Development Website (OECD);
- Project Blue Forecasts February 2025;
- Broker Consensus May '25 NdPr Price Estimates;
- RSM 2021 Control Premium Study;
- MST 2 June 2025 Broker Report;
- U.S Geological Survey: Mineral Commodities Summaries (Rare Earths Statistics and Information);
- AsianMetals rare earths prices database;
- Reserve Bank of Australia;
- Damodaran Online – Corporate Finance and Valuation Data. NYU Stern School of Business;
- People's Bank of China website;
- Federal Reserve US long term inflation target; and
- Consensus Economics Foreign exchange forecasts for May 2025.

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C. Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
1H FY25	Half-year ended 31 December 2024
$ or AUD	Australian dollar
Act or Corporations Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the ASX amended from time to time
ATO	The Australian Taxation Office
BFS	Bankable Feasibility Study
BFS Update	BFS update completed by Peak in October 2022
bn	Billion
CAGR	Compound annual growth rate
CFME	Capitalisation of future maintainable earnings
CGT	Capital gains tax
Chenguang	Ganzhou Chenguang Rare Earths New Material Co., Ltd, a wholly owned subsidiary of Shenghe Resources Holding Co., Ltd
Chenguang Sub	Australian Mining Investment Management Pty Ltd, a wholly owned subsidiary of Chenguang
Company, the	Peak Rare Earths Limited
Controlling Interest Basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
DCF	Discounted Cash Flow
DLOC	Discount for lack of control
DSR	Deferred share rights
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Entitlement Offer	The Entitlement Offer undertaken by Peak, being a non-underwritten capital raising initiative which raised A$7.5 million (before costs) to fund the Company while progressing the implementation of the Scheme
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the Enterprise Value
Excluded Shareholder	Shenghe Singapore
EY	Ernst & Young
FME	Future Maintainable Earnings

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Term or Abbreviation	Definition
Forward-looking information	Prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters
FSG	Financial Services Guide
FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
GST	Goods and services tax
Historical Period, the	FY23, FY24, and 1H FY25
IFRS	International Financial Reporting Standards
Implementation Date	the Implementation of the Scheme
k	Thousands
LTM	Last twelve months
m	Millions
M&A	Merger & acquisition
Mamba Minerals	Mamba Minerals Corporation Limited
Management, or Mgmt	The management of Peak
Market Value or Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
MREC	Mixed rare earth carbonate
NdPr	Neodymium Praseodymium
Ngualla Project	Ngualla Rare Earth Project in Tanzania
NGUK	Ngualla Group UK Limited
NGUK Transaction	The previous proposed transaction entailed Shenghe investing ~A$96m to subscribe for a 50% interest in Peak's wholly owned subsidiary, NGUK
Non-Associated Shareholders	Shareholders not associated with the Scheme
Notice / NoM	Notice of General Meeting and Explanatory Statement
NPAT	Net profit after tax
PAP	Project-Affected Persons
Peak or PEK	Peak Rare Earths Limited
Peak Independent Board	All Peak Directors, excluding Non-Executive Director Shasha Lu.
Peak Shares or Shares	The ordinary shares on issue in Peak
Plan, the	Peak's Long Term Incentive Plan
PRC Regulatory Approvals	Regulatory approvals in the People's Republic of China (including Ministry of Commerce, National Development and Reform Commission and registration with the State Administration of Foreign Exchange or a commercial bank entrusted or delegated by SAFE)
QMP	Quoted market price of listed securities
RAP	Resettlement Action Plan

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Term or Abbreviation	Definition
RBA	Reserve Bank of Australia
Record Date, the	The date and time on which the entitlements to receive the Scheme Price under the Scheme will be determined
REO	Rare earth oxide
Report, the or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM Control Premium Study	RSM study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020
RSM, we, us or our	RSM Corporate Australia Pty Ltd
Scheme Booklet	Booklet prepared for the Scheme to which this Report is attached
Scheme Consideration	For the purposes of the Scheme, this comprises a cash consideration of no less than $0.359 for each Peak share
Scheme End Date	14 December 2025
Scheme Meeting	Formal assembly of shareholders of Peak Rare Earths Limited, convened to discuss and vote on the Scheme
Scheme, the	The proposed acquisition of Peak by Shenghe Singapore by way of a scheme of arrangement
Shareholders	Holders of Peak Shares
Shenghe	Shenghe Resources Holding Co., Ltd
Shenghe Singapore	Shenghe Resources (Singapore) Pte. Ltd, a wholly owned subsidiary of Shenghe Resources Holding Co., Ltd
Shenghe Term Sheet	In July 2024, Peak and Shenghe signed a non-binding Term Sheet covering an integrated investment, funding and development solution for the Ngualla Project
SID	Scheme Implementation Deed
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
SML	Ngualla Project's Special Mining Licence
Section 56	Section 56 of the Tanzanian Income Tax Act, 2004
Superior Proposal	Has the meaning given to the term as defined in the Scheme Booklet
TERP	Theoretical Ex-Rights Price
TRA	Tanzania Revenue Authority
Treasurer	The Treasurer of Australia
TREO	Total rare earth oxide
TSF	Tailings Storage Facility
VWAP	Volume weighted average share price

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D. Industry Overview

Rare Earths Industry

Rare earths are a group of 17 elements that are characterised by unique magnetic properties and are fundamental components for a wide range of clean energy, IT, defence and industrial applications.

The major rare earth elements are yttrium, lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, lutetium and scandium.

They are found much more commonly than gold in the earth's crust but are difficult and expensive to mine due to low concentrations.

Practically, rare earth products are used in the production of magnets, electric vehicle drive trains and power steering, wind turbines, consumer electronics, aerospace and defence systems and other industrial uses.

Increasing demand for electric vehicles and more sustainable energy sources correlates with strong demand and increased prices in the rare earths industry.

Rare earth supply is heavily concentrated toward Chinese producers, who account for approximately 70% of global supply.

Tightening of Control from China

The global rare earths market continues to be highly influenced by geopolitical and economic factors, with China's dominance being a longstanding issue for global supply chain, at both a production and processing level.

In February 2025, the Chinese government proposed a new suite of regulations aimed at tightening its control over the rare earth industry, reinforcing its strategic dominance in global supply chains. The draft "Measures for the Total Control of Rare Earth Mining and Smelting" and "Measures for the Information Traceability of Rare Earth Products" would restrict rare earth mining, smelting, and separation to large state-owned enterprises, effectively excluding private firms from the sector.

These measures also introduce stricter production quotas and a traceability database—set to go live in October 2025—which will allow authorities to monitor production and export flows in real time.

The ability to trace and selectively restrict exports strengthens China's leverage, particularly against strategic rivals like the US.

Rare Earths Production

The US Geological Survey ("**USGS**") releases annual mineral commodity summaries. According to USGS, the four largest rare earth producing countries are China, United States, Australia and Burma, together accounting for over 90% of world rare earth production. China accounts for most of the production volume across the major world producers, producing approximately 69% of global supply.

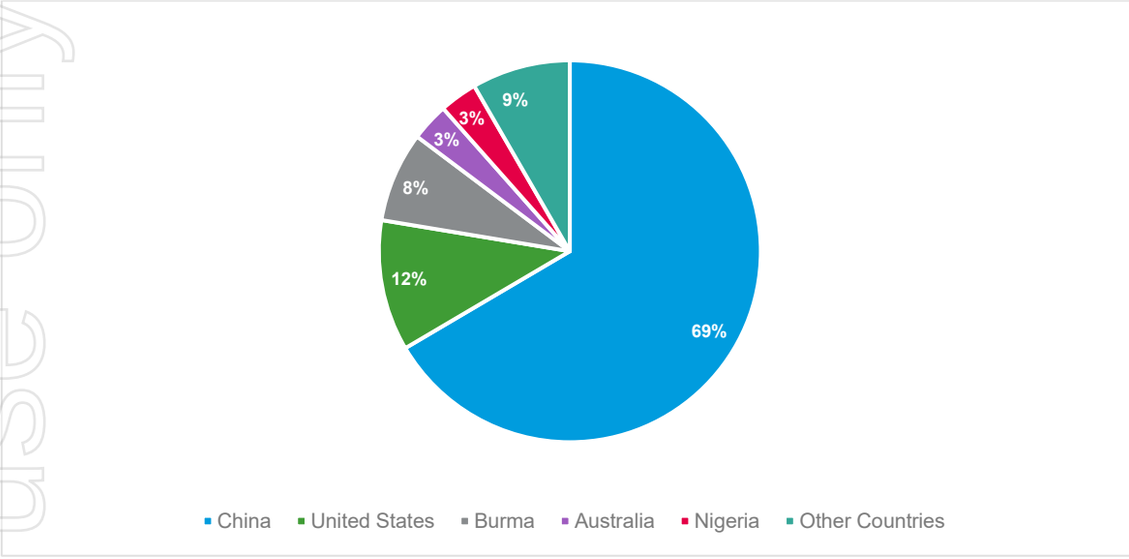
Global rare earths production in 2024 reached an estimated 390,000 metric tonnes of rare-earth-oxide ("**REO**") equivalent. China dominated the market, producing 270,000 tonnes. The United States contributed with 45,000 tons from its Mountain Pass mine in California. Key reserves are found in China (44 million tonnes), the U.S. (1.9 million tonnes), and Australia (5.7 million tonnes). Rare earths, including lanthanides and yttrium, are essential for various industries, especially in catalysts, magnets, ceramics, and alloys. Despite abundant resources, minable concentrations are less common, leading to reliance on imports for several countries such as the U.S.

Figures 10 and11 below illustrate rare earth production between the leading producing countries in 2024 and across the last 5 years.

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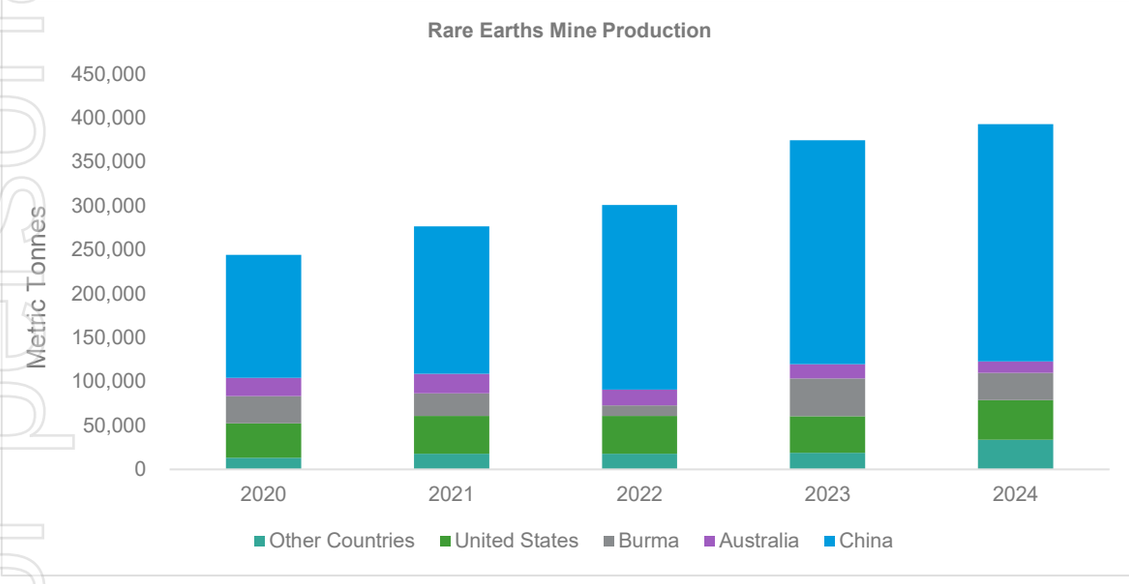
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Figure 11 World Rare Earth Mine Production in 2024



Source: U.S Geological Survey - Mineral Commodities Summaries 2025 (Rare Earths Statistics and Information)

Figure 12 Rare Earth Mine Production



Source: U.S Geological Survey: Mineral Commodities Summaries (Rare Earths Statistics and Information)

Over the period 2020 to 2022, production outside of China decreased from 43% to 30% before increasing to 32% in 2023.

Total production volume of rare earths has increased from approximately 240,000 tonnes in 2020 to 390,000 tonnes in 2024.

Key industry performance drivers

The key drivers affecting the exploration and production of rare earth elements are:

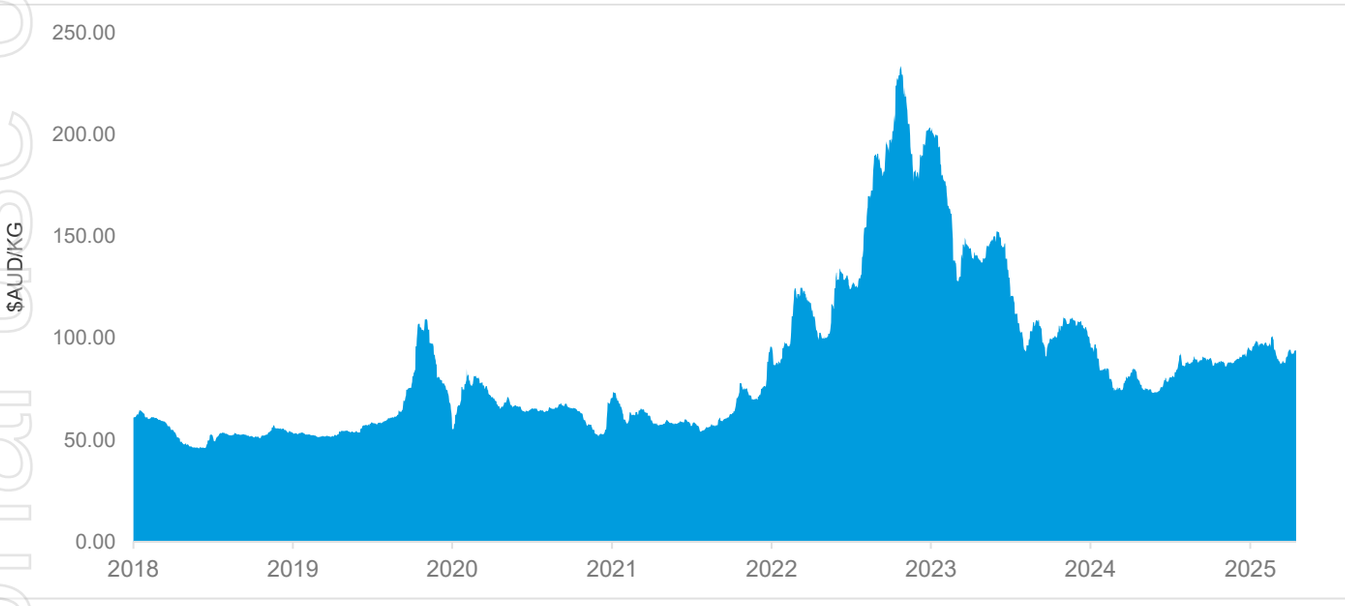
- Global supply and demand;
- Rare earth prices;
- Global economic conditions; and
- Regulatory conditions.

Prices

The operation of the rare earth metals market and therefore pricing, is relatively opaque compared to other commodity markets due to the high concentration of rare earths refineries and production in China.

The historical prices of NdPr Oxide over the last seven years are shown in the graph below.

Figure 13 NdPr Oxide Historic Price



Source: Asianmetals.com (*PrNd Oxide Pr6O11 25%, Nd203 75% EXW China RMB/mt*) converted at rates provided by the Reserve Bank of Australia ("**RBA**").

After an initially stable period, the price of NdPr Oxide rose sharply between 2021 and 2022, driven by strong demand expectations. However, prices declined through 2023 to 2024 as those expectations moderated and additional supply entered the market. Over the seven-year period, prices ranged from a low of A$46 to a high of A$234 per kilogram, with an average of A$87 per kilogram.

Rare earths elements have seen a significant increase in demand in the last decade due to the movement towards electrification. However, prices of rare earth elements have declined in recent years due to soft demand from green energy companies and the automotive industry, combined with the rising supply from the world's top producer China.

The average price of NdPr Oxide was A$124.81 per kilogram for the year ended 31 December 2021, A$177.05 per kilogram for the year ended 31 December 2022, A$112.32 per kilogram for the year ended 31 December 2023, and A$87 per kilogram for the year ended 31 December 2024. For the 5-month period to 31 May 2025, the average price of NdPr Oxide was A$93.18 per kilogram and the spot price as at 31 May 2025 was A$94.01 showing a slight increase from 2024 due to expectations of tighter supply side discipline under the proposed Chinese rare earth regulations.

All NdPr Oxide prices have been provided in Australian dollars unless otherwise indicated.

Geopolitical and Economic Factors – China Tightens Control of Rare Earth Mining

The following geopolitical and economic industry updates have been sourced from an MST Access Report, a research platform for MST Financial, dated 2 June 2025.

On 19 February 2025, the Ministry of Industry and Information Technology (MIIT) released the "Measures of the Total Control Of Rare Earth Mining and Rare Earth Smelting and Separation" and "Measures for the Information Traceability of Rare Earth Products" draft papers in a move to tighten control over this strategically significant sector. These draft regulations have a focus on several key areas.

The regulations propose that only large state-owned enterprises in China will be allowed to mine, smelt or separate rare earth elements, effectively banning private firms from these activities. This centralisation of production represents a further, and possibly final, step in China's ongoing consolidation of its rare earths production over the last decade.

Rare Earths Enterprise Groups will allocate and enforce quotas for affiliated companies, with compliance monitored by authorities. While exact quota numbers for 2025 are not specified yet, the language of stricter quotas implies either lower caps or less frequent increases compared to past years.

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A rare earth traceability database, set to become operational on 1 October 2025, will track the extraction, processing, and export of rare earths to prevent illegal activities and ensure compliance. Companies must report production data monthly. Violations, such as exceeding quotas or falsifying reports, will result in fines, reduced future quotes and potential criminal charges. Authorities will conduct inspections on a regular basis and enforce data security.

China's main objective remains securing control over rare earth resources in global supply chains. This was evident in 2023 when the Chinese government halted the export of a range of technologies associated with rare earth minerals, making it harder for the US to procure supply, which had major implications for its defence and energy industries.

There is increased risk around the Ngualla Project as a result of the potential regulation changes. MRT considers that the Chinese Government will likely prioritise additional supply and importantly the Chinese Government holds a 14.06% stake in Shenghe, reinforcing the likelihood of regulatory support. However, under joint ownership of Ngualla, there is increased risk of the regulation affecting Ngualla's supply into China given the significant non-Chinese ownership.

Industry Outlook

According to MST Access, the outlook for rare earths—particularly NdPr oxide—is underpinned by strong demand growth and a tightening supply balance. Market forecasts suggest NdFeB magnet consumption will grow by over 15% in 2025, driven by accelerating adoption of electric vehicles, wind turbines, and robotics.

The NdPr oxide surplus is expected to narrow significantly, from 5,400 tonnes in 2024 to just 500 tonnes in 2025, potentially tipping the market into deficit. Demand is also expected to be bolstered by China's mid-2024 announcement of EV subsidies and trade-in schemes.

MST Access notes that prices are likely to remain volatile in the short term, with fluctuations driven by policy developments, Chinese regulatory changes, and evolving import cost dynamics.

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E. WACC Assessment

The WACC represents the weighted rate of return required by providers of both debt and equity to compensate for the time value of money and the perceived risk of the associated cash flows. The discount rates required by providers of both debt and equity are weighted in proportion to the optimal proportions of debt and equity.

The WACC is calculated as follows:

$$WACC = [Re \times E/V] + [Rd \times (1 - tc) \times D/V]$$

Where:

WACC = post tax weighted average cost of capital

Re = required rate of return on equity capital

E = market value of equity capital

V = market value of debt and equity capital (D + E)

Rd = required rate of return on debt capital

D = market value of debt capital

tc = corporate tax rate

Required Rate of Return on Equity Capital (Re)

The Capital Asset Pricing Model (CAPM) can be used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

$$Re = Rf + \beta(Rm - Rf) + \alpha$$

The components of the formula are as follows:

Re = Required return on equity;

Rf = Risk free rate of return;

Rm = the expected return from a market portfolio;

β = Beta, a measure of the systematic risk of a stock; and

α = specific company risk premium.

Risk Free Rate

The risk free rate of return compensates investors for the time value of money.

The United States Government Bond rate is widely used and is an accepted benchmark for the risk free return. We have used the 30-year bond rate as this provides the best match against the timeframe of the cash flows being valued.

The 30-year United States Government Bond rate as at 15 May 2025 was 4.91% (Source: Capital IQ).

Market rate (Rm)

This represents the additional risk in holding the market portfolio of investments. The term (Rm–Rf) represents the additional return required, above the risk free rate, to hold the market portfolio of investments. (Rm–Rf) is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium ("**EMRP**"). We have adopted an EMRP of 4.3% based on the EMRP for the United States specified in the "Country Default Spreads and Risk Premiums" study by Damodaran.

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Beta (β)

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market. A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for companies comparable to Peak (Column A). The equity betas are adjusted to remove the effect of company specific debt levels resulting in an ungeared beta (Column B). The ungeared betas are then "regeared" based upon an assessment of the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below (Column C).

The table below sets out the equity beta analysis in relation to the comparable companies.

Table 31: Equity Beta Analysis

							Column A	Column B	Column C
Comparable Companies	Ticker	Market Capitalisation $m	Total Debt $m	Net Debt $m	Enterprise Value $m	Notional Tax Rate	Levered Beta	Unlevered Beta	Relevered Beta
American Rare Earths Limited	ASX:ARR	137	0.12	(7.15)	80.22	30.0%	0.42	0.42	0.45
Vital Metals Limited	ASX:VML	12	0.40	(0.72)	6.80	30.0%	1.03	1.00	1.08
Appia Rare Earths & Uranium Corp.	CNSX:API	15	-	(0.17)	10.39	26.5%	1.00	1.00	1.08
Australian Rare Earths Limited	ASX:AR3	13	0.37	(2.92)	5.25	30.0%	0.64	0.64	0.69
Commerce Resources Corp.	TSXV:CCE	14	0.05	(0.43)	9.36	26.5%	1.39	1.39	1.49
Hastings Technology Metals Limited	ASX:HAS	60	119.89	115.26	157.75	30.0%	1.47	0.45	0.49
OD6 Metals Limited	ASX:OD6	5	-	(1.08)	1.94	30.0%	3.00	3.00	3.24
	Low	**4.8**	**-**	**(7.1)**	**1.9**	**26.5%**	**0.42**	**0.42**	**0.45**
	High	**137.0**	**119.9**	**115.3**	**157.7**	**30.0%**	**3.00**	**3.00**	**3.24**
	Mean	**36.6**	**17.3**	**14.7**	**38.8**	**29.0%**	**1.28**	**1.13**	**1.22**
	Median	**13.8**	**0.1**	**(0.7)**	**9.4**	**30.0%**	**1.03**	**1.00**	**1.08**

Source: Capital IQ

We have adopted 1.0 to 1.2 as the unlevered beta in our assessment of the appropriate WACC for PEK.

Specific company risk, size premium and country risk premium (α)

In considering the appropriate WACC for PEK, we have considered the specific risks in the Project which are not experienced by the listed comparable companies and are therefore not reflected in the reported betas or implied multiples derived from publicly available market data.

We have adopted a 6% country risk premium having regard to the Tanzanian country risk premium published by Professor of Finance at Stern School of Business at New York University, Aswath Damodaran, to account for the sovereign and geopolitical risks associated with the project's location.

Required rate of return on debt (Rd)

The rate of return required by providers of debt includes a risk premium over and above the risk-free rate that reflects the debt risk that is specific to the business being valued. This risk effectively represents the risk of default on payments.

In assessing an appropriate debt premium, we have considered a number of factors including:

- the yields on 24-year USD-denominated corporate bonds rated BBB and BB, which we believe are reflective of the credit risk profile of a pre-production mining company in an emerging market;
- an appropriate country risk premium for operations in Tanzania, where the Ngualla Project is located;
- the gearing levels adopted for the purposes of calculating the WACC; and
- the prevailing economic conditions as at the date of this report.

Based on the above, we have adopted a pre-tax cost of debt range of 12.5% to 13.4%.

Capital structure or Gearing Level (D/V)

The capital structure or gearing level adopted for the purposes of undertaking the valuation should generally reflect the level of debt that can be reasonably sustained by any company operating in a particular industry as opposed to the actual capital structure adopted by the business.

The optimal capital structure of a business is driven by two main considerations:

- the tax benefits of debt finance i.e. the deductibility of interest payments for the purposes of assessing corporate tax liabilities; and
- the financial risk to equity holders i.e. the risk of financial distress as a result of over-gearing.

In assessing the optimal capital structure for PEK, we have primarily relied on an analysis of the capital structures of comparable companies engaged in rare earths exploration and development. Given the early-stage nature of the project, the inherent risks of the sector, and the limited visibility of near-term cash flows, we have assumed a modest level of debt funding, consistent with market practice for similar projects. This approach reflects the general reliance on equity financing in the early phases of development while recognising that a small proportion of debt may be sustainable and appropriate.

For the purposes of this valuation we have assessed the optimal net debt to equity ratio (D/V) as 10.0% (resulting in D/E of 11.0%).

Corporate tax rate (tc)

We have utilised the Peak corporate tax rate of 30.0%.

Assessment of WACC

Based on the assumptions set out above, we have assessed the WACC of Peak to be in the range of 14.6% to 15.4%, with a mid-point of 15.0%, as set out in the table below:

Table 32: Assessment of WACC

WACC	Min	Max	Mid-Point
Cost of Equity			
Risk Free Rate	4.91%	4.91%	4.91%
Beta	1.00	1.20	1.10
Risk Premium	4.3%	4.3%	4.3%
Company Specific Factor	6.0%	6.0%	6.0%
R_e	**15.3%**	**16.1%**	**15.7%**
Cost of Debt			
Risk Free Rate (spot rate)	4.91%	4.91%	4.91%
Debt Premium	1.6%	2.5%	2.0%
Country Risk Premium	6.0%	6.0%	6.0%
R_d (pre-tax)	**12.5%**	**13.4%**	**12.9%**
Corporate Tax Rate	30%	30%	30%
R_d (post-tax)	**8.7%**	**9.4%**	**9.1%**
Capital Structure			
Equity / (Equity + Debt)	90%	90%	90%
Debt / (Equity + Debt)	10%	10%	10%
Cost of Equity			
Equity / (Equity + Debt) x Re	**13.7%**	**14.5%**	**14.1%**
Cost of debt:			
Debt / (Equity + Debt) x Rd	0.9%	0.9%	0.9%
WACC (Post Tax, Nominal)	**14.60%**	**15.44%**	**15.02%**
WACC (Post Tax, Nominal, Rounded)	**14.6%**	**15.4%**	**15.0%**

Source: Capital IQ, Damodaran and RSM Analysis

F. Independent Technical Specialist Report

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Independent Technical Specialists' Report on the Ngualla Rare Earth Project, Tanzania

PREPARED FOR

Peak Rare Earths Limited

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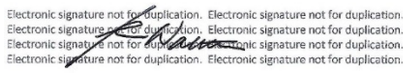
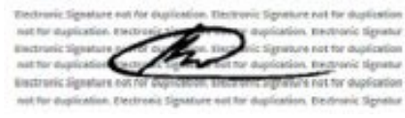
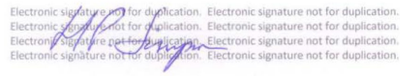
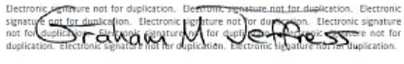
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Independent Technical Specialists' Report on the Ngualla Rare Earth Project, Tanzania

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ABBREVIATIONS AND UNITS OF MEASUREMENT

Abbreviation/Unit	Description
%	percent
A$	Australian dollar
AACE	AACE International. Association for the Advancement of Cost Engineering
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Ltd
AusIMM	Australasian Institute of Mining and Metallurgy
BFS	bankable feasibility study
CAGR	compound annual growth rate
CaO	calcium oxide
capex	capital expenditure
Ce	cerium
Chenguang	Ganzhou Shenghe Rare Earths New Material Co., Ltd.
CP	Chartered Professional
CPEng	Chartered Professional Engineer
DCF	discounted cash flow
DED	Deliverable Expectation Document
DFS	definitive feasibility study
EPCM	engineering, procurement and construction management
ERM	ERM Australia Consultants Pty Ltd
ESG	environmental, social and governance
EU	European Union
EV	electric vehicle
FAusIMM	Fellow, Australasian Institute of Mining and Metallurgy
FEED	front-end engineering and design
FGS	Fellow, The Geological Society (London)
FID	Financial Investment Decision
FIEAust	Fellow, Engineers Australia
FSEG	Fellow, Society of Economic Geologists
GAICD	Graduate Member, Australian Institute of Company Directors
ha	hectare(s)
HREE	heavy rare earth element(s)
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
IMVAL	International Mineral Valuation Committee
IntPE	International Professional Engineer
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 edition)
kg	kilograms
km	kilometres
km^2	square kilometres
kt	kilo (thousand) tonnes
ktpa	kilo (thousand) tonnes per annum
kWh/t	kilowatt hours per tonne
La	lanthanum

Abbreviation/Unit	Description
LOM	life-of-mine
LREE	light rare earth element(s)
m	metre(s)
MAIG	Member, Australian Institute of Geoscientists
MgO	magnesium oxide
mm	millimetres
Mt	million tonnes
Nb_2O_5	niobium pentoxide
Nd	neodymium
NdFeB	neodymium-iron-boron
NdPr	neodymium-praseodymium
Orelogy	Orelogy Consulting
P_2O_5	phosphorus oxide (stable oxide form of phosphorus)
PEK	Peak Rare Earths Limited (ASX Code)
PEng	Professional Engineer
PMSME	Professional Member, Society for Metallurgy, Mining and Exploration
ppm	parts per million
Pr	praseodymium
PV	photovoltaic
RC	reverse circulation
REE	rare earth element(s)
REO	rare earth oxide(s)
ROM	run of mine
RPEQ	Registered Professional Engineer, Queensland
RPGeo	Registered Professional Geoscientist
RSM	RSM Corporate Australia Pty Ltd
SAG	semi-autogenous grinding
Shenghe	Shenghe Resources Holding Co., Ltd a Shanghai Stock Exchange listed company (SSE:600392)
Shenghe Singapore	Shenghe Resources (Singapore) Pte. Ltd
t	tonne(s)
TMS	ERM Technical Mining Services
tpa	tonnes per annum (mining, production rate)
tph	tonnes per hour
TREO	total rare earth oxide(s)
TSF	tailings storage facility
TZS	Tanzanian shilling
US	United States (of America)
US$	United States dollar
USGS	United States Geological Survey
UV	ultraviolet
VALMIN	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code 2015 edition)
VAT	value-added tax
Wood	Wood Australia Pty Ltd
XRF	x-ray fluorescence

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EXECUTIVE SUMMARY

Project Context and Scope

Peak Rare Earths Limited (PEK, "the Client" or "the Company") and RSM Corporate Australia Pty Ltd (RSM) requested ERM Australia Consultants Pty Ltd (ERM) prepare an Independent Technical Specialists' Report (the "Report") on inputs to the Life of Mine Plan for the Ngualla Rare Earth Project and the value of the Mineral Resources outside the Ore Reserves.

ERM's Report is to accompany an Independent Expert Report being prepared by RSM for inclusion in a scheme booklet to be provided to PEK's investors in relation to the Scheme of Arrangement for a takeover offer for PEK by a major shareholder announced to shareholders on 15 May 2025. PEK and Ganzhou Chenguang Rare Earths New Material Co., Ltd ("Chenguang"), a wholly owned subsidiary of Shenghe Resources Holding Co., Ltd (Shenghe), a Shanghai Stock Exchange listed company (SSE:600392), have entered a binding Scheme Implementation Deed under which Chenguang proposes to acquire 100% of PEK. On 25 July 2025, PEK announced that the Scheme Implementation Deed had been novated from Chenguang to Shenghe Resources (Singapore) Pte. Ltd ("Shenghe Singapore").

The Ngualla Project in Tanzania is the Company's sole mineral asset.

This Report was prepared by ERM using information available to 22 May 2025, with an effective date of 4 August 2025.

This Report has been prepared by ERM to meet the requirements of both the VALMIN Code (2015) and JORC Code (2012).

ERM consents to RSM using the Report for the purposes stated within the project scope.

REE Applications and Markets

Ngualla ranks as one of the largest and highest-grade, undeveloped, neodymium and praseodymium rare earth element (REE) deposits in the world. Neodymium and praseodymium are critical components of high-intensity permanent magnets used in the production of electric vehicle (EV) motors, wind turbines and other industrial applications. Global efforts to electrify and decarbonise the global economy is causing demand for rare earths to grow rapidly, outpacing new supply. China is the world's leading producer but there is intense interest in developing a more diverse supply chain.

The Ngualla deposit is dominated by light rare earth elements (LREE), with praseodymium and neodymium estimated to comprise 22.3% of the REE concentrate expected to be produced by the project. These metals are, however, predicted to account for 96.6% of the value of concentrates to be produced. The combination of individual REE metals present in concentrates creates issues for refiners who need to find markets for REEs present in concentrates or either stockpile or dispose of metals that have widely differing applications and industrial demand. This is reflected in prices for concentrates paid to producers. REE concentrate production by producing mines results are typically mixtures of all REE present in a deposit. REE refiners perform the task of separating individual REE from concentrates using frequently complex processes. Refiners are faced with the prospect of needing to stockpile REE that are subject to relatively low demand. The cost of this is frequently passed back to concentrate producers through low prices for REE that are not in current demand or even penalties that reflect the costs of refining REE for which relatively low demand exists. Demand for neodymium and praseodymium is seen to be driving an imbalance between supply and demand for other REE that cannot be corrected due to all ores and concentrates containing a mixture of multiple rare earth metals.

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Global REE Resources

Economic REE deposits have been identified in only a handful of countries. Six countries currently control 93% of world REE reserves: China, Brazil, India, Australia, Russia and Vietnam.

The United States Geological Survey (USGS) reported that global rare earth oxide (REO) reserves exceeded 90 Mt in January 2025. REO production was estimated to have increased to 390 kt of REO in 2024 from 376 kt in 2023 and 240 kt in 2020. Five countries account for 95% of world REO production: China, the United States (US), Myanmar, Australia and Thailand. China controls 48% of world REO reserves, 69% of global REO mine production. China's dominance of refined REE production is of increasing concern to western countries due to the growing strategic application of REE in the production of equipment for renewable energy generation, EVs and in military applications, resulting in REE appearing in the strategic and critical minerals lists produced by the US, European Union (EU) and other countries.

The rare earth industry has been affected by several decades of oversupply, which has only been resolved in the past decade, primarily due to China cracking down on illegal production through the consolidation of its REE industry into two state-owned enterprises and a move towards stricter environmental regulations. New REE projects currently advancing through exploration and technical evaluation will only begin to have an impact on China's dominant position in the REE industry after at least the next five to seven years.

Ngualla Project

The project is located near the Ngwala Village, an administrative ward in the Songwe District and approximately 200 km from the City of Mbeya in the United Republic of Tanzania.

The Ngualla Project is approximately 1,000 km from Tanzania's principal coastal port and commercial centre of Dar es Salaam. A combination of national and local roads connects Dar es Salaam with the project site. A 50 km access road for the project has been constructed.

Exploration and Mining Tenure

PEK holds the Ngualla Project under a special mining licence held by PEK's 84%-owned Tanzanian subsidiary, Mamba Minerals Corporation Limited. An 18 km^2 special mining licence covering the project was originally granted by the Tanzanian government during July 2021. Tenure securing the project was expanded to 51 km^2 in April 2024 to incorporate two adjoining prospecting licences, PL9157-2013 and PL10897-2016, that were previously held by a 100% owned PEK subsidiary. The initial term of the enlarged special mining licence was extended to 30 years, with an ability to apply for future extensions.

Regional and Local Geology

The project area is centred on the Ngualla carbonatite complex, which is a pipe-like intrusive body composed of alkaline igneous rocks, rich in carbonate minerals. The Ngualla carbonatite complex is roughly circular in outline, with a diameter of approximately 3.8 km at surface.

The carbonatite complex is composed of a ring-shape body of calcite carbonatite that was intruded by a central plug of magnesiocarbonatite (dolomite carbonatite). The early calcite carbonatite, apart from calcite, contains variable amounts of phlogopite, richteritic amphibole, magnetite and apatite with minor to trace amounts of ilmenite, sulphides (mainly pyrrhotite) and monazite.

Three main mineralised zones are recognised in the project area: the major Southern Rare Earth Zone, the Southwest Alluvials and the Northern Zone. The Southern Rare Earth Zone includes the Bastnaesite Zone and the Monazite Zone. A continuous weathering cover was developed and preserved over carbonatites of the Bastnaesite Zone, Monazite Zone and Northern Zone. Ferroan dolomite carbonatite weathers through oxidation and dissolution of the dolomite. Dissolution and

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removal of carbonates caused a significant mass reduction and produced a porous, low-density goethite-rich regolith unit. Quartz, baryte and rare earth minerals are mostly unaffected by weathering and residually enriched in the goethite-rich regolith. Subsequent oxidation of goethite to hematite caused a further volume reduction and generated a compact, higher-density rock with little additional upgrading of REE concentrations.

REE mineralisation was initially enriched in the carbonatite intrusions by igneous processes and was further upgraded to economic levels through weathering.

Exploration and Development History

Economic interest in the Ngualla REE Project initially focused on the phosphate potential of the carbonatite, which had been identified in the early 1980s. Reconnaissance rock sampling and geological mapping completed by PEK in 2009 confirmed the presence of phosphate, rare earth, niobium, tantalum and minor vein-associated base metal mineralisation within the carbonatite complex.

Drilling identified high-grade REE mineralisation primarily in regolith overlying the carbonatite complex, in addition to some primary REE mineralisation in the underlying, unweathered carbonatite complex rocks. This encouraged PEK to fast-track further resource evaluation drilling.

A maiden REE Mineral Resource estimate was announced on 29 February 2012, just 18 months after the announcement of the deposit's discovery.

Studies completed for the project include feasibility studies, prepared by Amec Foster Wheeler (Amec Foster Wheeler, 2017), and Wood Australia Pty Ltd (Wood, 2022) that have been used as the basis of a FEED report (Wood, 2023).

Mineral Resources and Ore Reserves

The most recent publicly released Mineral Resource estimate for the Ngualla Project, used in the project's Feasibility Study Update, was prepared by SRK in 2016. The Mineral Resource for the Bastnaesite Zone weathered mineralisation was estimated by SRK to comprise 19.9 Mt at 4.90% TREO, for 980,000 tonnes of contained REO at a 3% REO lower grade cut-off. The high-grade weathered mineralisation occurs from surface and extends to depths of over 140 m. Grades are evenly distributed. The morphology of the mineralisation is described by PEK as enabling low-cost open pit mining with very low strip ratios. Drilling and other exploration data, including airborne geophysics collected by PEK geologists, have been used to develop a wireframe and solid geological model of the mineralisation using cross-sectional interpretations. A TREO cut-off grade of 1% has been used for Mineral Resource estimate reporting based on assumptions relating to mining, pricing and metallurgical parameters which, while not rigorous for all material types, suggests that material exceeding 1% REO has a reasonable prospect for eventual economic extraction.

The main source of Mineral Resource estimation uncertainty is considered to be the geological model. Confidence in the geological model is primarily based on drill spacing, and therefore sample coverage is considered to be the main controlling factor for Mineral Resource classification.

ERM considers the resource estimation process, sampling of drilling, assaying of samples and measures employed to ensure the accuracy and precision of assay data for the project to have been performed in a competent manner using an approach that is well suited to the style of mineralisation forming the Ngualla deposit.

Appropriate modifying factors are considered by ERM to have been applied in estimating the project's Ore Reserve

Total Ore Reserves are estimated to comprise 18 Mt at 4.8% TREO. The Ore Reserve comprises approximately 92% Proven and 8% Probable Reserves, reflecting the underlying resource classifications. All mined ore within the Ngualla life of mine schedule comprises Ore Reserves.

Mining

In the project's Feasibility Study (Amec Foster Wheeler, 2017) and Feasibility Study Update (Wood, 2022), mining at Ngualla will follow an owner-operated approach. A change in the mining model from owner-operated to contractor-operated was made by PEK during the front-end engineering and design (FEED) study (Wood, 2023).

Mining will employ conventional selective mining, with drill and blast, and loading will be undertaken by hydraulic excavators loading into dump trucks. The oxidised ore will be transported to run-of-mine (ROM) stockpiles and will not require blasting. Fresh waste material will be drilled and blasted.

The project's Ore Reserve includes no allowance for dilution ("skin in" ore selection), and an ore loss of 6%.

The lack of a dilution allowance in the Ore Reserve estimate Modifying Factors is uncommon.

The lack of dilution factor in the mining strategy implies that PEK are prepared to accept some ore loss in order to maximise ROM head grades and maintain natural grade continuity evident in the deposit. This is achieved by preventing accidental dilution with lower-grade mineralisation and waste. Analysis of the costs and benefits of this decision were not sighted, but the benefits of maximising ROM grade and minimising ROM grade variability are documented. Dilution constitutes an important Ore Reserve modifying factor. Avoiding or minimising dilution should be examined by a selective mining unit study to optimise the mining loading equipment selection.

The pit wall slope design parameters (Saprolite (21.3°), Mixed (27.6°) and Fresh (38.8°)) were developed by an independent geotechnical consultant who also provided bench height and berm widths, and recommended bench face angles for each of the four design sectors, and three weathering profiles. These geotechnical and design parameters have been incorporated into the mine design.

These mine design parameters align with the geotechnical recommendations and selected mining equipment dimensions and in ERM's professional opinion are appropriate.

The life of mine schedule requires the process plant to receive the highest-grade material with a consistent iron oxide grade profile. This requires long-term ore stockpiles to be established during the initial seven years of production.

Across the mine's life, there are always two active mining stages. The pre-strip and setup of the following stage enable the leading stage to provide the ore FEED to the mill.

The mine design, layout, and life of mine schedule detailed in the Bankable Feasibility Study (BFS) Update are deemed appropriate for the Ngualla orebody and specified production requirements.

The methodologies followed by Orelogy for determining the mine operation cost estimate are considered by ERM to have delivered estimates that are appropriately detailed and support the basis of the Ore Reserves and Feasibility Study. The net unit cost of US$3.99 per tonne aligns with industry norms for the selected site location and mine method.

Mining development and sustaining capital costs are considered by ERM to have been estimated using a rigorous process that support the project's Ore Reserves, Feasibility and FEED Studies.

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Ore Processing

A complex weathered ore containing REO minerals (bastnäsite et al.), barite, iron oxides and silicates will be processed to recover REO. An approach utilising a comminution circuit followed by two-stage flotation has been proposed. The first stage recovers barite which is rejected to tailings, with the second stage recovering bastnäsite and other rare earth minerals to final concentrate.

The flowsheet proposed for the project in the FEED study does not include any novel processing units, hence the technology risk is limited. Reduction of the technology risk to very low levels is considered by ERM achievable during the detailed design phase and it is recommended that this objective be aggressively pursued by PEK.

The flowsheet basis is largely derived from metallurgical testwork performed on a bulk composite sample designated as MET029. MET029 was taken from existing surface trenches created for a larger trench sampling campaign conducted for the 2015 DFS concentrator pilot program undertaken at ALS in Perth, Western Australia. The bulk composite sample for the 2015 campaign was designated as MET027 and the testwork reports associated with this work were not presented to ERM for review.

ERM is unable to comment on the representativity of the metallurgical composite samples used in testwork on which flowsheet development was based using the data provided.

In ERM's experience, however, questions relating to the representivity of metallurgical samples in mineral resource development projects are not uncommon. Metallurgical testing is typically based on a limited number of samples collected from a small number of locations within a deposit. This creates issues when assessing deposits that exhibit geological variability that affects grades and ore mineralogy.

In ERM's professional opinion, this is not a critical issue for the Ngualla deposit where weathered ore will be mined since supergene REE mineralisation at Ngualla appears more continuous than the underlying primary mineralisation.

Parameters based on metallurgical testing results used in the financial model for the project are considered suitable for use.

Project metallurgical studies predict that the project will achieve an overall TREO recovery of 42.7% for production of a 45% TREO concentrate (Wood, 2022). Neodymium and praseodymium comprise, on average, 22.3% of concentrates by volume and 92.8% by value.

There are comments in the FEED report indicating the results of variability testwork were not available at the time of writing. Post-FEED study work completed for PEK addressed concerns of an undefined level of uncertainty surrounding the final concentrate grade and TREO recovery.

Grade and recovery directly influence mining and processing direct costs (e.g. lower grades may require more ore to be mined to achieve the same recovery, impacting labour and equipment costs). Recovery can also impact indirect costs such as infrastructure and tailings storage. Higher recovery rates may require more robust infrastructure, potentially increasing capital expenditures.

In the professional opinion of ERM, the concentrate grade and recovery design envelope are not adequately described in the basis of design document (207113-10000-BA00-DSC-0001) which specifically states that "No consideration will be given to future expansion in this phase for the lower future grade."

ERM recommends that the final testwork results be validated against the mine schedule developed from the mining reserve to ensure that the plant can cope with all reasonable expected

operating ranges and confirm the production schedule that forms the basis of financial analysis is aligned with domain variability.

ERM notes that the Company has a signed off-take agreement with Shenghe Singapore. The primary price estimates from this agreement are used in the Corporate Financial Model.

A concern is raised in the FEED report concerning the impact on the REE flotation circuit feed conditioning due to the slurry dilution effects of direct steam injection to the conditioning tanks. ERM agrees with this concern and recommends that further work should be completed on this issue before the project's FID.

The project will involve the transport of 40 ktpa of concentrate by truck from the site to the deepwater Port of Dar es Salaam, over a distance exceeding 1,000 km. This will require about six truck movements per day, plus inbound and outbound freight.

A fixed price forecast for diesel has been adopted, resulting in far-reaching cost reduction including mining, transport and, most significantly, a US$4.6 million per annum reduction in the cost of power generation. The revised estimate is, however, stated to have been prepared to satisfy the requirements of an AACE Class 3 estimate. ERM is comfortable with the use a fixed price forecast for diesel in project studies but is uncomfortable with the basis stated by the study authors, as being that the limited market data indicates significant volatility. The derivation of the fixed price and sensitivity of the project profitability are not discussed in the documentation.

A build-own-operate contract has been assumed for the hybrid diesel-solar-battery power supply.

The estimates presented for review typically included a 10% growth allowance contingency. Line item contingency or "growth allowance contingency" is normally applied to the derived supply, erection and transport costs for each capex line item. The growth allowance range is typically selected based on the level of maturity of the engineering quantities and the source of the pricing.

Growth allowance contingency is meant to cover the normal inadequacies that are inherent in design definition, execution definition and estimating omissions. The growth allowance contingency is normally held by the project group and draws approved by the project manager via trend change notices; it is expected to be used and will be subject to budget shift to balance its use from derivation (i.e. there will be fluctuations and variations regarding where it is required).

In the professional opinion of ERM, a sum should be considered for a "management reserve" contingency (20% of metallurgical plant capex) in order not to disappoint funders at a later date. The management reserve should be included in financing arrangements for the project as a contingency that may not be required and should not be included in the project's valuation model.

Studies

In ERM's professional opinion, the project feasibility studies provide a technically sound basis for evaluation of the project.

The Feasibility Study update and FEED study provide further detail in some areas while also looking at opportunities to reduce cost, and these savings are reflected in the Corporate Financial model.

ERM notes that some components of the studies have been done to a lower level of detail than would be required to launch into detailed design, whereas other work has been completed to a higher level of detail, which has allowed PEK to commence project-enabling works on the ground.

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Corporate Financial Model

Section 6 of the project's Feasibility Study Update (Wood, 2022), and the Corporate financial model prepared by PEK contain some variances in production volumes. The datasets are considered by ERM to be generally comparable with minor differences. The Ore Reserves detail 18.5 Mt of ore. Open pit shell optimisation reported in the project's Feasibility Study similarly details ore of 18.5 Mt and waste of 32.7 Mt.

Mining capital and operating costs are considered to have been thoroughly estimated. Mining costs included in Section 10 of the project's FEED study are considered by ERM to have been appropriately developed using mining contractor estimates. The estimates are, however, reported without accompanying details that may be used to support independent validation.

In ERM's professional opinion, the mining capital and operating costs included in the Corporate financial model are suitable for use in valuing the project. Operating costs in the project's feasibility studies are based on owner-operated mining. Contract mining was used for the FEED study and used in the Corporate financial model.

ERM has not sighted a detailed mine closure cost estimate and technical assessment for the project. A closure cost estimate is included in the Corporate Financial model. In ERM's opinion this cost is adequate for the stage of the project, but ERM recommends a more detailed closure costing and plan be developed.

Valuation Opinion on Mineral Resource Estimate Outside Ore Reserve Estimate

ERM was requested, principally, to provide a valuation opinion for the project's Mineral Resource not included in the Ore Reserve. This portion of the Mineral Resource is small (1.0Mt), low grade and outside of the optimised open pit design.

In ERM's opinion, the mineralisation is unlikely to have reasonable prospects for eventual economic extraction and should not be attributed value. The project's Ore Reserve is considered by ERM to be the principal mineral asset associated with the project.

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1. INTRODUCTION

1.1 Context, Scope and Terms of Reference

Peak Rare Earths Limited (PEK, "the Client" or "the Company") and RSM Corporate Australia Pty Ltd (RSM) requested ERM Australia Consultants Pty Ltd (ERM) prepare an Independent Technical Specialists' Report (the "Report") on inputs to the Life of Mine Plan for the Ngualla Rare Earth Project and the value of the Mineral Resources outside the Ore Reserves. PEK is an Australian Securities Exchange (ASX) listed company.

The Ngualla Project in Tanzania is the Company's sole mineral asset.

ERM's Report is to accompany an Independent Expert Report being prepared by RSM for inclusion in a Scheme Booklet to be provided to PEK's investors in relation to the Scheme of Arrangement for a takeover offer for PEK by a major shareholder announced to shareholders on 15 May 2025 (Peak Rare Earths, 2025a), supported by an investor presentation (Peak Rare Earths, 2025b). PEK and Ganzhou Chenguang Rare Earths New Material Co., Ltd (Chenguang), a wholly owned subsidiary of Shenghe Resources Holding Co. Limited (SH stock code 600392) ("Shenghe"), have entered into a binding Scheme Implementation Deed under which Chenguang proposes to acquire 100% of PEK. On 25 July 2025, PEK announced that the Scheme Implementation Deed had been novated from Chenguang to Shenghe Resources (Singapore) Pte. Ltd ("Shenghe Singapore") (Peak Rare Earths, 2025).

RSM has been instructed by PEK to prepare an Independent Expert Report stating whether, in the Expert's opinion, the Proposed Transaction is in the best interests of the non-associated shareholders of Peak. To complete the Independent Expert Report, RSM instructed ERM to prepare an independent technical review of the Ngualla Project, including a life of mine (LOM) model prepared for the Project and an independent valuation prepared in accordance with the VALMIN Code for all Mineral Resources outside of the LOM model.

The services ERM was required to provide include:

- Technical assessment report – a review of the technical project assumptions and an assessment on the reasonableness of assumptions used in the LOM model, broadly being:
  - Resources and reserves incorporated in the LOM.
  - Mining physicals (including tonnes or ore mined, ore processed, recovery and grade).
  - Processing assumptions (including ore and grade processed, products and recovery).
  - Operating costs (including but not limited to mining, processing, haulage, general site costs/administration, penalties, transport, contingencies and royalties).
  - Capital expenditure (capex) (including but not limited to project capital costs, sustaining capex, salvage value, rehabilitation and contingencies).
  - Any other relevant technical assumptions not specified above.
- Valuation report – an independent market valuation of:
  - The Mineral Resources not already included in the LOM model
  - Other exploration/mineral assets of PEK, if considered material by ERM.

1.2 Effective Datelyju

This Report was prepared by ERM using information available to 22 May 2025. The effective date of the Report is 4 August 2025.

1.3 Approach

The Independent Technical Specialists' Report is the product of a comprehensive desktop study.

The technical assessment of the project is based on information provided by PEK in a managed data room for the Ngualla Project that included:

- The 2017 Bankable Feasibility Study (BFS) for the project, prepared for Peak African Minerals Limited by Amec Foster Wheeler (Amec Foster Wheeler, 2017)
- A Feasibility Study Update (Wood, 2022)
- A Project FEED study (Wood, 2023)
- Ngualla mine power supply proposal (Aggreko, 2023).

These documents were supplemented by "Corporate" and financial models prepared by PEK and consultants based on the project's FEED study.

These information sources were also supplemented by additional information obtained from PEK by ERM and additional publicly accessible data sources. Consent to access and use supplementary information was obtained by ERM where necessary.

The valuation of the project in this Report examined the value of the project's Mineral Resource not included in the Ore Reserve. ERM also examined an estimated value for the project based on additional methodologies including recent comparable transactions and PEK's ASX market capitalisation, possible due to the Ngualla Project being PEK's only material mineral asset and, in ERM's opinion, a market valuation of the enterprise. These approaches were intended to provide an assessment of Mineral Resource multiples to be used in valuing the project's Mineral Resource.

1.4 Compliance with the VALMIN and JORC Codes

This Report has been prepared by ERM to meet the requirements of both the VALMIN Code (2015) and JORC Code (2012) and be suitable for public release by the Company.

The authors have taken due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

A first draft of the Report was supplied to both RSM and PEK to check for material errors, factual accuracy and omissions before the final Report was issued.

1.5 Principal Sources of Information

The Report has been based on information available up to and including 29 June 2025. Principal references used in the study are listed in Section 1.3 above.

The Feasibility Study (Amec Foster Wheeler, 2017) and Feasibility Study Update (Wood, 2022) are considered by ERM to be comprehensive and well-prepared studies. The FEED report (Wood, 2023), intended to provide a basis for detailed project engineering, is not considered by ERM to meet the requirements of a study of this nature for mine and mineral processing infrastructure development.

The authors have endeavoured to confirm the authenticity and completeness of the technical data upon which the Report is based by making all reasonable enquiries within the time available.

1.6 Site Visits

ERM did not undertake a site visit to the Ngualla Project during preparation of this Report. A site visit was logistically difficult to arrange and was considered unlikely to yield material information over what is available from project documents supporting desktop studies. PEK staff advised ERM that little evidence of previous exploration is visible at the project site.

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ERM has sufficient experience in rare earth element (REE) resource evaluation and did not consider a site visit essential to its understanding of the prospectivity of the tenements, based on the quality of the information available.

1.7 Exploration and Mining Tenements

Exploration and mining tenements covering the Ngualla Project are discussed in Section 5.2. ERM makes no assessment or assertion as to the legal standing of the tenements and is not qualified to do so.

1.8 Authors of the Report – Qualifications, Experience and Competence

The Technical Mining Services (TMS) team of ERM undertook preparation of this Report in Brisbane and Perth, Australia.

ERM provides multidisciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle, from project generation to exploration, resource estimation, project evaluation, development studies, operations assistance and corporate advice, such as valuations and independent technical documentation. More information is provided at the end of this Report.

The Report authors have appropriate experience in REE exploration and resource evaluation, mining, processing and financial analysis to bring the expertise required to this project.

David Chambers
BE Metallurgy, FIEAust, CPEng, IntPE(Aus), PEng(APEGA)

David Chambers is Principal Associate Metallurgist with ERM's TMS Team. David holds a Bachelor of Engineering (Metallurgy) from the University of Queensland in Australia and has overseen numerous feasibility studies including significant rare earths project experience gained through the management of the Canadian Fox Harbour CREE project at scoping and prefeasibility study level (soon to move into the DFS phase) and the Ugandan Makuutu project at scoping study level. David is a fellow of the Institution of Engineers Australia (FIEAust) and a chartered professional engineer (CPEng) as well as a member (foreign licensee) of the Association of Professional Engineers and Geoscientists of Alberta (PEng). He has over 35 years of project delivery experience in Australia, Canada, South America (Brazil, Chile, Peru, Uruguay), and Africa (Guinea/DRC); working within multinational organisations.

Dr Nikita Sergeev
PhD (Moscow) Geochemistry, MAIG

Nikita is an exploration geologist and geochemist with over 30 years' multicommodity global experience across a variety of geological terranes. Nikita's expertise ranges from grassroots reconnaissance to brownfields and near-mine exploration with a focus on exploration targeting, geochemistry and spectral mineralogy. He has led and provided technical geological expertise for numerous exploration projects across gold, rare earths, base metals, lithium and other commodities. Nikita has extensive experience with both hard and regolith-type rare earth deposits with projects in Australia, the US, Russia and Kazakhstan. Nikita will be responsible for review of the project's geology and resources and compiling these sections of this Report.

Howard Simpson
BSc Eng (Mining) (Hons), BCom (Accounting and Quantitative Management), FAusIMM (CP Mining), RPEQ.

Howard is currently the Mining Manager and Consulting Director for ERM's Mining Engineering Team based in Brisbane. Howard is an experienced mining professional who has delivered mining engineering, mine planning and economic evaluation for projects, technical studies and operations. He has delivered projects and studies across multiple geographies and commodities,

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with responsibilities for design, planning, scheduling of mine operations and economic evaluation. Howard has focused on innovation throughout his career, focusing on technology solutions, integrated mining systems such as in-pit crushing and conveying, and new and alternative mining methodologies.

Andrew Waltho

B.App.Sc. (Hons), Applied Geology, FAIG, RPGeo, FAusIMM, FGS (London), PMSME, GAICD

Andrew is ERM's Consulting Director, Mining Transaction & Corporate Advisory – TMS. Andrew is a Member of the VALMIN Committee which is responsible for the development of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, and an Australian representative on the IMVAL Committee which ensures uniformity of mineral asset valuation practices and standards globally. Andrew has more than 40 years' experience as an exploration and mining geoscientist spanning multiple commodities, deposit styles and settings with major, mid-tier, and junior companies and as a consultant. He also has more than 23 years' experience as a director of resources sector companies and not-for-profit professional organisations. Andrew is a past-President of the Australian Institute of Geoscientists and the current Chair of the Institute's Ethics and Standards Committee.

Andrew has more than 15 years of experience in exploration, resource evaluation and due diligence for REE projects. Other career highlights have included deep involvement in developing the Century zinc-lead-silver mine in northwest Queensland, extending from early exploration through all stages of feasibility to commissioning and the initial years of production. Other highlights have included participation in feasibility studies for the Dugald River zinc project in Queensland, Jadar lithium-borate project in Serbia, and due diligence reviews for multiple projects spanning a broad suite of commodities, including gold, base metals, uranium, potash, and industrial minerals and mineral sands, both in Australia and overseas.

Graham Jeffress

BSc (Hons) Applied Geology, FAIG, RPGeo (Mineral Exploration), FAusIMM, FSEG.

Global authorisation of this Report has been undertaken by ERM Partner, Service Lead – TMS, Mr Graham Jeffress. Graham is a geologist with over 27 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. Graham is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous independent geologist reports, competent person reports and independent valuation reports. He was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014.

1.9 Prior Association and Independence

Neither ERM, nor the authors of this Report, have or have had previously, any material interest in the Client or the mineral properties in which the Company has an interest. Furthermore, neither ERM nor any of the authors of this Report have any material nor contingent interest in the outcome of this Report, nor is there any pecuniary or other interest that could reasonably be regarded as being capable of affecting our independence.

ERM's relationship with the Client is solely one of professional association between client and independent consultant.

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No member or employee of ERM is, or is intended to be, a director, officer or other direct employee of the Company.

No member or employee of ERM has, or has had, any material shareholding in the Company.

There is no formal agreement between ERM and the Client in relation to ERM conducting further work for the Company.

1.10 Fees

ERM is an independent consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

The agreed fee was based on the complexity of the assignment, ERM's knowledge of the assets, and the availability of data. The fee for the preparation of this Report was estimated by ERM to be A$42,400.

1.11 Declarations

The observations, statements, conclusions, opinions and recommendations contained in this Report are given in good faith and in the belief that they are not false or misleading.

The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 29 June 2025, and could alter over time depending on exploration results, mineral prices and other relevant market factors. In ERM's opinion, nothing material has occurred up to the date of this Report since the valuation date to affect ERM's technical review and valuation opinion.

The opinions expressed in the Report have been based on the information supplied to ERM by the Client. The opinions in the Report are provided in response to a specific request from the Company to do so. ERM has exercised all due care in reviewing the supplied information. While ERM has compared key supplied data with expected values, the accuracy of the results and conclusions from the review is entirely reliant on the accuracy and completeness of the supplied data.

ERM does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

Opinions presented in the Report apply to the project conditions and features, as they existed at the time of ERM's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the Report, about which ERM had no prior knowledge nor had the opportunity to evaluate.

ERM's valuations are based on information provided by the Client and public domain information. This information has been supplemented by making all reasonable enquiries within the time available, to confirm the authenticity and completeness of the technical data.

ERM has no obligation or undertaking to advise any person of any development in relation to the mineral assets which come to its attention after the date of this Report. ERM will not review, revise or update the Report, or provide an opinion in respect of any such development occurring after the date of this Report.

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1.12 Consent

ERM gives consent to RSM to use the report for the purposes stated within the scope. The Report is not to be used for purposes outside of these scope without ERM's written consent.

1.13 Notices

This Report was prepared exclusively for RSM, the Independent Expert engaged by PEK ("the Client" or the "Company"), by ERM. The quality of information, conclusions, and estimates contained in this Report are consistent with the level of the work carried out by ERM to date on the assignment, in accordance with the assignment specification agreed between ERM and the Client.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false nor misleading. The Report is based on information available up to and including the date of this Report.

The statements and opinions are based on a reference date of 29 June 2025 and could alter over time depending on exploration results, Mineral Resource knowledge, mineral prices and other relevant market factors.

The opinions expressed in the Report have been based on information compiled by ERM. The opinions in the Report are provided in response to a specific request from PEK to do so. ERM has exercised all due care in reviewing the supplied information. While ERM has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the data assembled by ERM for this Report. ERM does not accept responsibility for any errors or omissions in the information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

ERM's valuation opinions are based on both public and non-public information. The information available is the product reasonable enquiries within the time available, to confirm the authenticity and completeness of the technical data and other relevant information used.

ERM considers that its opinion must be considered as a whole and that selecting portions of the analysis, or factors considered by it, without considering all factors and analyses together could create a misleading view of the process underlying the opinions presented in this Report. The timing and context of an independent technical specialists' report is complex and does not lend itself to partial analysis or selective interpretations without consideration of the entire report.

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however, high they might be, make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets depends on numerous factors beyond ERM's control and that ERM cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine efficiently, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

No audit of any financial data has been conducted.

The valuations discussed in the Report are opinions as to likely values, not absolute values, which can only be tested by going to the market.

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2. MINERAL ASSET VALUATION PRINCIPLES

2.1 Basic Principles

Valuation of mineral assets is not an exact science, and several approaches are possible, each with varying strengths and shortcomings. While valuation is a subjective exercise, there are several generally accepted methods for ascertaining the value of mineral assets. ERM considers that, wherever possible, inputs from a range of methods should be assessed to inform conclusions about the Market Value of Mineral Assets.

A valuation opinion should always be presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Mineral Assets are defined in the VALMIN Code (VALMIN, 2015) as all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in connection with the exploration, development of and production from those tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with that tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arms-length."

The accounting criterion for a market valuation is that it is an assessment of "fair value," which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms-length transaction." The VALMIN Code defines the value of a mineral asset as its market value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the mineral asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion."

Market Value usually consists of two components, the underlying or technical value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most likely value be selected as the most likely figure within a range after considering those factors which might impact on value.

The concept of market value hinges upon the notion of an asset changing hands in an arms-length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to "comparable transactions." Generally, truly comparable transactions for mineral assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for most tenements being valued, there is unlikely to be any "cash equivalent of some other consideration." While acknowledging these limitations, ERM identifies what it considers to be "comparable transactions" (i.e. transactions that are useful to consider) to be used in assessing the values to be attributed to mineral assets.

2.2 Valuation Approaches for Mineral Assets

The choice of valuation methodology applied to mineral assets, including exploration licences, depends on the amount of data available and the reliability of that data.

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The VALMIN Code (VALMIN, 2015) classifies mineral assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to operating mines which have well-defined Ore Reserves, as listed below:

- **"Early Stage Exploration Projects"** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **"Advanced Exploration Projects"** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource (as defined in the JORC Code) (JORC, 2012) estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **"Predevelopment Projects"** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **"Development Projects"** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of development projects will be proven by at least a prefeasibility study.
- **"Production Projects"** – tenure holdings (particularly mines, wellfields and processing plants) that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation."

The market value of exploration properties and undeveloped mineral resources can be determined by the following general approaches: Income, Market and Cost (Table 2-2). The market value of development and production projects are best assessed using the Market and Income approaches, whereas the market value of exploration projects is best assessed using the Market and Cost approaches.

Table 2-1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral asset.

Table 2-1: Applicability of different valuation techniques by project stage

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

2.3 Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various

projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 2-1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral asset.

Table 2-2: Valuation Approaches by project stage

Valuation Approach	Exploration Projecta	Mineral Resource Projects	Development Projects	Production Projects
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

2.4 Income

2.4.1 Discounted Cash Flow/Net Present Value Method

The Discounted Cash Flow (DCF) valuation method recognises the time value of money, it is most suitable for development projects, where detailed studies have been completed to justify input assumptions and production projects, where there is actual historical data to justify input assumptions. Less commonly the DCF methodology is applied to predevelopment projects.

The DCF valuation method provides a means of relating the magnitude of expected future cash profits to the magnitude of the initial cash investment required to purchase a mineral asset or to develop it for commercial production.

The DCF valuation method determines:

- The net present value of a stream of expected future cash revenues and costs
- The internal rate of return that the expected cashflows will yield on a given cash investment.

The DCF valuation method is a forward-looking methodology, requiring that forecasts be made of technical and economic conditions which will prevail in the future. All future predictions are inherently uncertain. The level of uncertainty reduces as the quality of the data available to project future rates of production and future costs, increases.

It is essential to understand specific fundamental attributes of the mining industry in undertaking a DCF, such as:

- An Ore Reserve and in some cases Mineral Resource is the basis of any mineral development.
- Costs are determined by the number of tonnes mined and processed, while revenues are determined by the number of tonnes, pounds or ounces of metal produced. The two are related by the recovered grade of the ore.
- Profit is typically more sensitive to changes in revenue that to changes in costs.
- The commodity price is a principal determinant of revenue but is also the factor with the greatest level of financial risk.

The most significant factor which must be considered in a DCF valuation of a mineral asset is the reliability of the Mineral Resource and Ore Reserve, particularly with respect to recovered grade, the price at which the product is sold and the risk of not maintaining the projected level of commodity price.

Key inputs into the DCF valuation method for a mineral asset valuation are:

- LOM planning assumptions
- Capital cost estimates – can be the initial cost of constructing the project and/or the ongoing cost of sustaining the productive life of the operation

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- Operating cost estimates – costs incurred both on-site in producing the commodity which is shipped from the project, and off site, in the transportation and downstream processing of that commodity into saleable end products
- Revenue estimates – revenue in the mining context is the product of the following factors:
  - the tonnage of ore mined and processed
  - the grade of the ore
  - the metallurgical recovery
  - the price of the saleable commodity
  - taxation and royalty payments.
- Discount rate – represents the risk adjusted rate of interest expected to be yielded by an investment in the mineral asset.

The Income approach is not appropriate for properties without Mineral Resources. It should be employed only where enough reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

2.5 Market

2.5.1 Comparable Transactions Method

The Comparable Transactions method looks at prior transactions for the mineral asset and recent arms-length transactions for comparable mineral assets.

The Comparable Transaction method provides a useful guide where a mineral asset that is generally comparable in location and commodity has in the recent past been the subject of an "arms-length" transaction, for either cash or shares.

For the Market approach, resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated in-situ resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid vs total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end, ERM's discussion of the Market approach is predicated on the consolidated resource base, to allow application of the method.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any upfront cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current value of a tenement or tenements will be the value implied from the terms of the most recent transaction involving it/them, plus any change in value as a result of subsequent exploration.

High quality mineral assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market values for exploration tenements may also be impacted by the size of the landholding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

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2.5.2 Rule of Thumb (Yardstick)

The Rule of Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current in-situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, 2001; Lawrence, 2011).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in-situ value to the resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule of thumb.

This Yardstick multiplier factor applied to the resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3.0% of the current spot price is used for base metals and platinum group metals, whereas for gold and diamonds a range of 2% to 5% of the current spot price is used, and typically much lower factors are applied for bulk commodities. The method estimates the in-situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth and strip ratio of the potential mining operation.

This method is best used as a non-corroborative check on the orders of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

2.6 Cost

Cost-based exploration mineral asset approaches including Appraised Value or Exploration Expenditure, Geological Risk and Geoscience Factors have not been used in the preparation of this Report after consideration of appropriate mineral asset valuation approaches.

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3. RARE EARTH ELEMENTS (REE) – APPLICATIONS AND MARKETS

3.1 Peak Rare Earths Limited – Corporate Overview

PEK is focused on delivering the Ngualla Project. Ngualla ranks as one of the largest and highest grade neodymium and praseodymium rare earth deposits in the world. The Company has a diverse leadership team with extensive international and African project development, mining, refining, marketing and rare earth expertise. PEK operates in line with global best practice. The Company is developing an ESG (environmental, social and governance) roadmap to continue to mature and expand the scope of their operations in a transparent manner. PEK is in the process of ensuring future compliance with ESG reporting frameworks and setting up data collection and analysis systems to fully comply with ESG reporting obligations.

3.2 REE Applications and Market Outlook

Neodymium and praseodymium are critical components of high-intensity permanent magnets used in the production of electric vehicle (EV) motors, wind turbines and other industrial applications. Global efforts to electrify and decarbonise the global economy is causing demand for rare earths to grow rapidly, outpacing new supply. China is the world's leading producer but there is intense interest in developing a more diverse supply chain. Neodymium-praseodymium (NdPr) magnets are 10 times the strength for the same weight as conventional magnets, and there is currently no known substitute.

Resources of REE are mainly associated with four principal geological environments:

- Alkaline igneous rocks
- Carbonatites
- Placer deposits with monazite-xenotime mineralisation
- Ion-adsorption clay deposits formed by residual weathering

Other naturally occurring sources of REE include:

- Magmatic hydrothermal systems
- Offshore sedimentary deposits
- REEs in coals.

REE resources occur in a range of geological environments. Although these elements are referred to as rare, they are not particularly rare in the Earth's crust. Cerium is the 25th most abundant crustal element, and lutetium (the scarcest REE) is about the 60th most abundant. However, it is not common for them to occur in concentrations sufficient to support commercial mining operations (Geoscience Australia, 2023).

Rapid technological advances have resulted in the REE growing in importance in many domestic, medical, industrial and strategic applications because of their unique catalytic, metallurgical, nuclear, electrical, magnetic and luminescent properties. Examples of the many applications for REE are their use in magnets and super magnets, motors, metal alloys, electronic and computing equipment, batteries, catalytic converters, petroleum refining, medical imaging, colouring agents in glass and ceramics, phosphors, lasers and special glass.

Many REE have numerous applications. Particular applications may use different REE depending on the properties required; for example, neodymium and praseodymium are used in high-power magnets; dysprosium, samarium and terbium in high-temperature magnets; and holmium is used in very-high-power magnets. Some REE may also be used in specialised applications, for example, europium in currency security and gadolinium in MRI imaging.

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REE are classified as either light (LREE) or heavy (HREE) rare earth elements (Table 3-1). Almost all REE deposits contain a mixture of LREE and HREE but the ratios of LREE to HREE will vary widely between and within deposit styles. The relative abundances of individual metals will also vary between deposits. Individual rare earth metals, however, have quite specific applications and prices for individual metals vary widely, which can lead to economic analysis of REE resources becoming complex.

Table 3-1: REE classification

LREE	HREE
Cerium	Dysprosium
Lanthanum	Terbium
Praseodymium	Holmium
Neodymium	Ytterbium
Promethium	Lutetium
Europium	
Gadolinium	
Samarium	

Heavy rare earths are significantly rarer and more complex to produce than light rare earths and, consequently, considerably more expensive. Demand in recent years, however, has shifted towards LREE used in high-intensity magnets, resulting in a marked change in demand for different rare earths as the market has grown in recent years.

Demand for LREE used in magnet production is expected to account for most demand for REE in the foreseeable future.

Scandium and yttrium are not classified as REE (lanthanide group metals) but have very similar properties to lanthanides and are frequently reported along with rare earth metals by both government authorities in some countries and some companies engaged in REE project resource evaluation and development.

3.2.1 Neodymium

Neodymium is used, principally, in magnet production. The mining and processing of neodymium into permanent magnets is dominated by China, contributing to neodymium being classified as a critical metal by western countries. The German Mineral Resources Agency study notes that by 2040, demand for neodymium could rise by up to 227% of primary production in 2018.

Neodymium is a human skin irritant and highly flammable. Like other rare earths, neodymium is paramagnetic, which means that it only exhibits magnetic properties when an external magnetic field is applied, as this strengthens the magnetic field inside the material.

Neodymium is an important component of powerful permanent magnets used in electric motors, wind turbine generators, nuclear magnetic resonance scanners, military technology and consumer electronics such as headphones and loudspeakers. Neodymium has been used since the 1960s to decolour and colour glass, produce pale pink to blue-violet hues, and make protective eyewear for welding and antireflective coatings for glass. The Nd:YAG laser is suitable for high-precision applications and is widely used in industry and medicine (TRADIUM GmbH, 2025).

3.2.2 Praseodymium

Like neodymium, praseodymium is used in permanent magnets, considered a growth market due to their importance in increasingly important technologies such as electromobility and wind power. The German Mineral Resources Agency believes demand for praseodymium could double by 2040 to 227% of the 2018 production of the refined metal. Praseodymium is used in the production of permanent magnets, to colour and decolourise glass, in solid-state lasers and alloys (TRADIUM GmbH, 2025).

3.2.3 Dysprosium

Dysprosium is used as an alloy component in a range of high-tech applications. The European Union (EU) and the US classify the metal as a critical raw material. According to the German Mineral Resources Agency, by 2040, the demand for dysprosium could increase to 687% of the 2018 production of refined metal production. The element is necessary for the world's transition away from fossil fuels, as it plays an important role as a magnetic material in e-mobility and wind power. It is a relatively soft material and is highly reactive. Dysprosium and holmium, another REE, have the highest magnetic moment of all naturally occurring elements.

Dysprosium increases the coercivity of the magnets, which means they retain their adhesive force for longer. The addition of dysprosium also increases the magnet's usable temperature range. While this is up to 80°C for neodymium-iron-boron (NdFeB) magnets, it can be extended to over 200°C by adding dysprosium before demagnetisation occurs. In nuclear technology, dysprosium is used in the control rods of nuclear reactors. It is also used in alloys such as terphenyl, which is used to manufacture sensors. Dysprosium is also used in the production of laser materials (TRADIUM GmbH, 2025).

3.3 Ngualla REE Mineralisation Characteristics

The Ngualla deposit is dominated by LREE (Figure 3-1). Praseodymium and neodymium are estimated to comprise 22.3% of the REE concentrate to be produced by the project. HREE comprise only 2.9% of the concentrate (by volume) to be produced by the project.

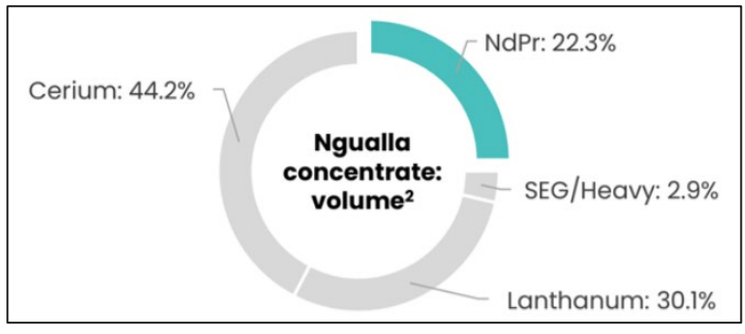


Figure 3-1: Ngualla deposit REE composition by volume

Source: PEK

Praseodymium and neodymium account for 96.6% of concentrate value (Figure 3-2).

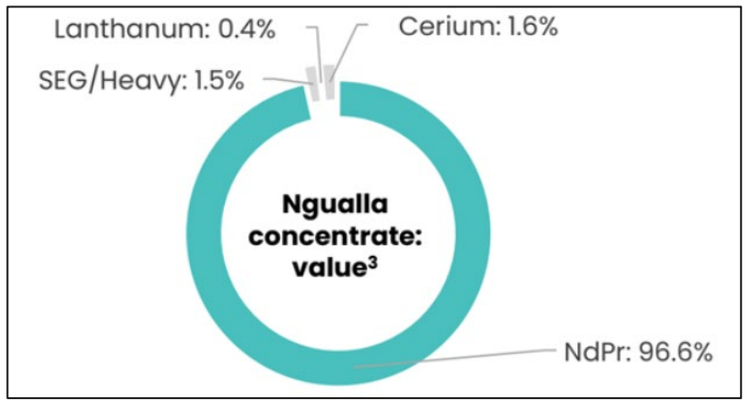


Figure 3-2: Contribution of neodymium and praseodymium to Ngualla Project concentrate value

Source: PEK

The combination of individual REE metals present in concentrates creates issues for refiners who need to find markets for REE present in concentrates, or either stockpile or dispose of metals that have widely differing applications and industrial demand. This is reflected in prices for concentrates paid to producers.

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All LREE and HREE tend to experience similar variations in demand which is reflected in relative prices (Figure 3-3). The graphs in Figure 3-3 highlight similarities in pricing for individual LREE and HREE metals but show there are marked differences in the trends evident for LREE and HREE overall. Several metals markets suspended trading in dysprosium oxide in early 2025.

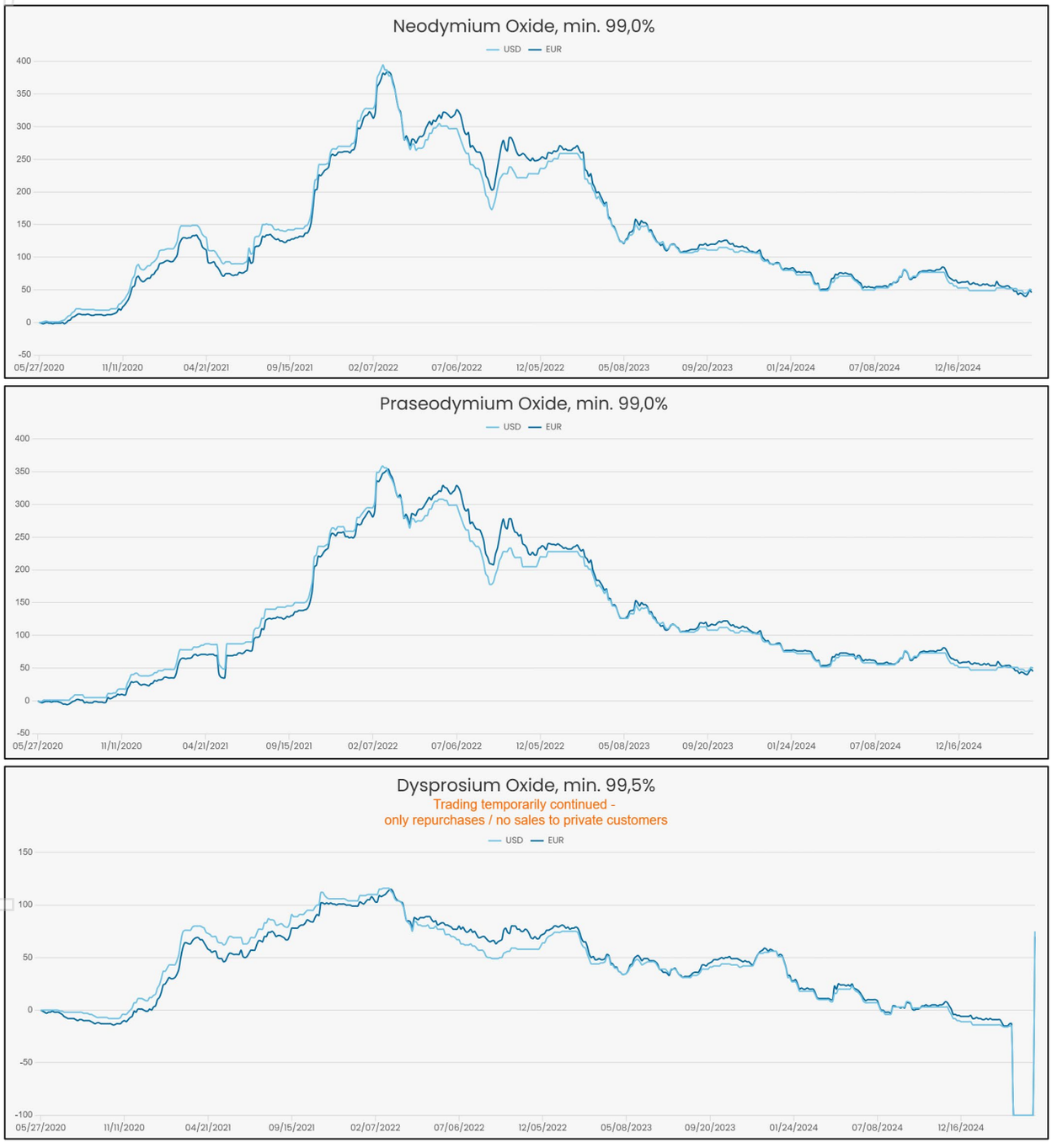


Figure 3-3: Variations in LREE (neodymium and praseodymium) and HREE (dysprosium) oxide prices, 2012–2025

Source www.rareearths.com

REE concentrate production by producing mines results are typically mixtures of all REE present in a deposit. REE refiners perform the task of separating individual REE from concentrates using frequently complex processes. Refiners are faced with the prospect of needing to stockpile REE that are subject to relatively low demand. The cost of this is frequently passed back to concentrate producers through low prices for REE that are not in current demand or even penalties that reflect the costs of refining REE for which relatively low demand exists.

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3.4 Global REE Resources

The United States Geological Survey (USGS) reported that global rare earth oxide (REO) reserves exceeded 90 Mt in January 2025 (Table 3-2) (USGS, 2025). REO production was estimated to have increased to 390 kt of REO in 2024 (USGS, 2025) from 376 kt in 2023, and 240 kt in 2020. (USGS, 2021).

Economic REE deposits have been identified in only a handful of countries.

Six countries currently control 93% of world REE reserves: China, Brazil, India, Australia, Russia and Vietnam (Table 3-2). Five countries account for 95% of world REO production: China, the US, Myanmar, Australia and Thailand (Table 3-3). China's REO reserves could satisfy current REO production for more than 160 years, while the US reserves would be sufficient to meet current REO production for 42 years.

Table 3-2: USGS estimated REO reserves by country, January 2025

Country	Reserves REO (kt)
China	44,000.0
Brazil	21,000.0
India	6,900.0
Australia	5,700.0
Russia	3,800.0
Vietnam	3,500.0
US	1,900.0
Greenland	1,500.0
Tanzania	890.0
South Africa	860.0
Canada	830.0
Thailand	4.5
World total (rounded)	**90,900**

Table 3-3: USGS estimate of REO mine production

Country	Mine production (kt)										
	1994	1999	2004	2009	2014	2019	2020	2021	2022	2023	2024
US	20.7	5.0			7.0	26.0	39.0	42.0	43.0	41.6	45.0
Australia	3.3				2.5	21.0	21.0	24.0	18.0	16.0	13.0
Brazil	0.4	1.4		0.7		1.0	0.6	0.5	0.1	0.1	0.0
Burundi									0.2		
China	30.6	65.0	95.0	120.0	95.0	132.0	140.0	168.0	210.0	255.0	270.0
India	2.5	2.7	2.7		3.0	3.0	2.9	2.9	2.9	2.9	2.9
Madagascar						2.0	2.8	6.8	1.0	2.1	2.0
Malaysia	0.2	0.3	0.3		0.2					0.3	0.1
Myanmar						22.0		35.0		43.0	31.0
Russia	6.0	2.0	2.0		2.5	2.7	2.7	2.6	2.6	2.5	2.5
Thailand	0.2		2.0		1.1	1.8	3.6	8.2	7.1	3.6	13.0
Vietnam					0.2	0.9	0.7	0.4	4.3	0.3	0.3
Rest of world	0.0						0.1	0.1	80.0	1.4	1.1
Total (rounded)	**64.5**	**75.5**	**102.0**		**110.0**	**210.0**	**240.0**	**290.0**	**300.0**	**376.0**	**390.0**

Source: USGS

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China controls 48% of world REO reserves, 69% of global REO mine production (USGS, 2025) and 85% of refined REE production (Roskill, 2019). China's dominance of refined REE production is of increasing concern to western countries due to the growing strategic application of REE in the production of equipment for renewable energy generation, EVs and in military applications, resulting in REE appearing in the strategic and critical minerals lists produced by the US, EU and other countries.

There has been a sixfold increase in REO production over the past 30 years, from 64.5 kt in 1994 to 390 kt in 2024 (Figure 3-4).

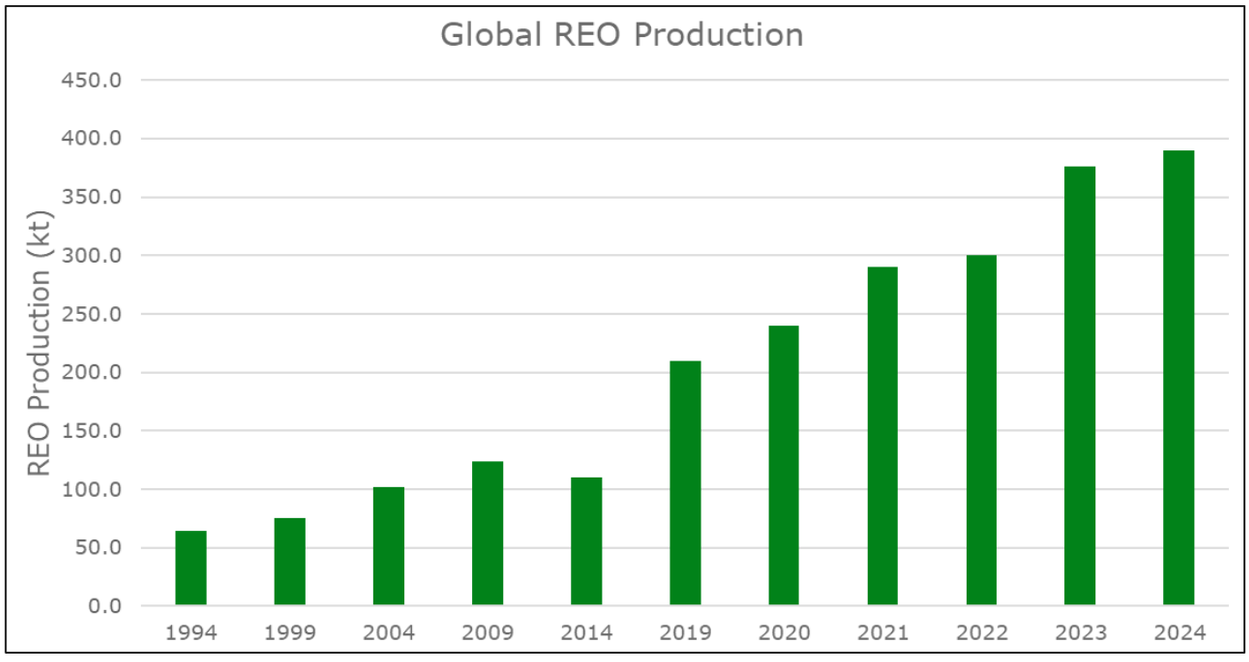


Figure 3-4: Annual global REO production
Source: USGS

3.5 REE Industry Overview

The rare earth industry has been affected by several decades of oversupply, which has only been resolved in the past decade, primarily due to China cracking down on illegal production through the consolidation of its REE industry into two state-owned enterprises and a move towards stricter environmental regulations. Suspension of mining in southern China, in particular, reduced feedstock availability for plants in China, which has contributed to increased international supply of rare earth ore and concentrates, which established the USA and Myanmar as major rare earth producers from 2019 (Table 3-3, Figure 3-4 above), with supply from both countries filling the supply gap faced by privately owned, non-integrated and state-owned enterprise controlled plants in China (Roskill, 2019).

Demand for rare earths is focused on permanent magnet production where NdFeB magnets are a key technology in new-energy and energy saving applications including wind turbines, EVs and other high efficiency electric motor applications. The focus of the rare earth industry has shifted to a few key metals used in magnet production which include neodymium, praseodymium, dysprosium and, to a lesser extent, gadolinium, terbium and holmium which are also used in magnet fabrication. The increased focus on neodymium and other magnet metals has had an adverse effect on prices for other REE metals which are also included in ores and concentrates. Lanthanum and cerium are in significant oversupply due to metals extracted during magnet metal refining having to be stockpiled, depressing prices (Table 3-4, Figure 3-5, Figure 3-2). There is a significant research and development effort in China to find new applications for these metals.

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Table 3-4: REO prices (March 2025)

REO	Unit	Price
Lanthanum oxide	US$/t	535.99
High purity lanthanum oxide	US$/t	2,284.05
Cerium oxide	US$/t	1,461.79
High purity cerium oxide	US$/t	3,684.93
Praseodymium oxide	US$/t	56,157.12
Neodymium oxide	US$/t	55,669.85
Samarium oxide	US$/t	1,949.05
Europium oxide	US$/kg	23.75
Gadolinium oxide	US$/t	19,977.8
High purity gadolinium oxide	US$/t	22,779.57
Terbium oxide	US$/kg	791.80
Dysprosium oxide	US$/kg	207.09
Erbium oxide	US$/t	36,179.31

Source: Shanghai Metals Market



Figure 3-5: Shanghai Metals Market refined REO prices, 2006–2022

Source: (Liu, et al., 2023)

Note: Tb – terbium; Dy – dysprosium; Pr – praseodymium; Nd – neodymium; Gd – gadolinium; Eu – europium; Y – yttrium; Sm – samarium; Ce – cerium; La – lanthanum.

Demand for neodymium and praseodymium is seen to be driving an imbalance between supply and demand for other REE that cannot be corrected due to all ores and concentrates containing a mixture of multiple rare earth metals (Roskill, 2019).

ERM expects prices for Ngualla concentrates to be driven by the value of contained neodymium and praseodymium for the foreseeable future and potentially a significant proportion of the project's life unless new uses for other REE emerge.

Estimated world rare earth demand by application is summarised in Table 3-5.

Table 3-5: World rare earth demand and CAGR, 2014–2029

Application	Main REE	Demand (kt REO)				Five year CAGR (%)		
		2014	2019	2024	2029	2014–19	2019–24	2024–29
Batteries	La, Ce	6.7	9.9	9.1	6.4	8.0	-1.7	-6.8
Catalysts	La, Ce	26.0	28.9	32.1	31.6	2.1	2.1	-0.3
Ceramics	Y, Ce, Pr, Nd	4.0	5.5	6.0	6.6	6.5	1.9	1.9
Glass	Ce, La, Er	9.3	10.4	10.9	11.4	2.2	0.9	0.8
Magnets	Nd, Pr, Dy, Sm, Ce	25.7	41.0	55.0	68.6	9.8	6.0	4.5
Metallurgy	Mischmetal[1]	9.5	11.4	11.9	12.2	3.6	0.8	0.5
Phosphors	Y, Eu, HREE	3.7	1.2	1.0	1.0	-20.3	-3.6	0.9
Pigments	Pr	0.8	0.6	0.7	0.9	-6.2	3.6	3.9
Polishing	Ce, La	14.5	18.6	19.5	20.1	5.1	0.9	0.6
Other		7.4	12.1	17.7	22.8	10.3	8.0	5.2
Total		**107.7**	**139.6**	**163.9**	**181.5**	**5.3**	**3.3**	**2.1**

Note: CAGR – compound annual growth rate; La – lanthanum, Ce – cerium, Y – yttrium; Pr – praseodymium; Nd – neodymium; Er – erbium; Dy – dysprosium; Sm – samarium; Eu – europium.

The global supply chain for rare earth metals is heavily skewed towards China, which controls a significant portion of the world's rare earth production and processing capabilities. This monopolistic grip has prompted industrialised countries, particularly the US, to urgently seek diversification of their rare earth sources to ensure national security and economic stability.

China's rare earth market dominance results from decades of strategic investment in mining, refining and technological development. China accounts for about 80% of the world's rare earth production and has a near-monopoly on processing capacity. This dominance allows China to wield significant influence over global supply and pricing. The risks associated with this dependence became starkly evident during the US-China trade tensions, where the Chinese government hinted at restricting rare earth exports as a retaliatory measure. Such potential supply disruptions pose significant risks to the US and other industrial countries that rely on these elements for critical industries. Figure 3-6 shows details of the Global REE market supply chain.

[1] Mischmetal is an alloy of REE used in a range of industrial applications.

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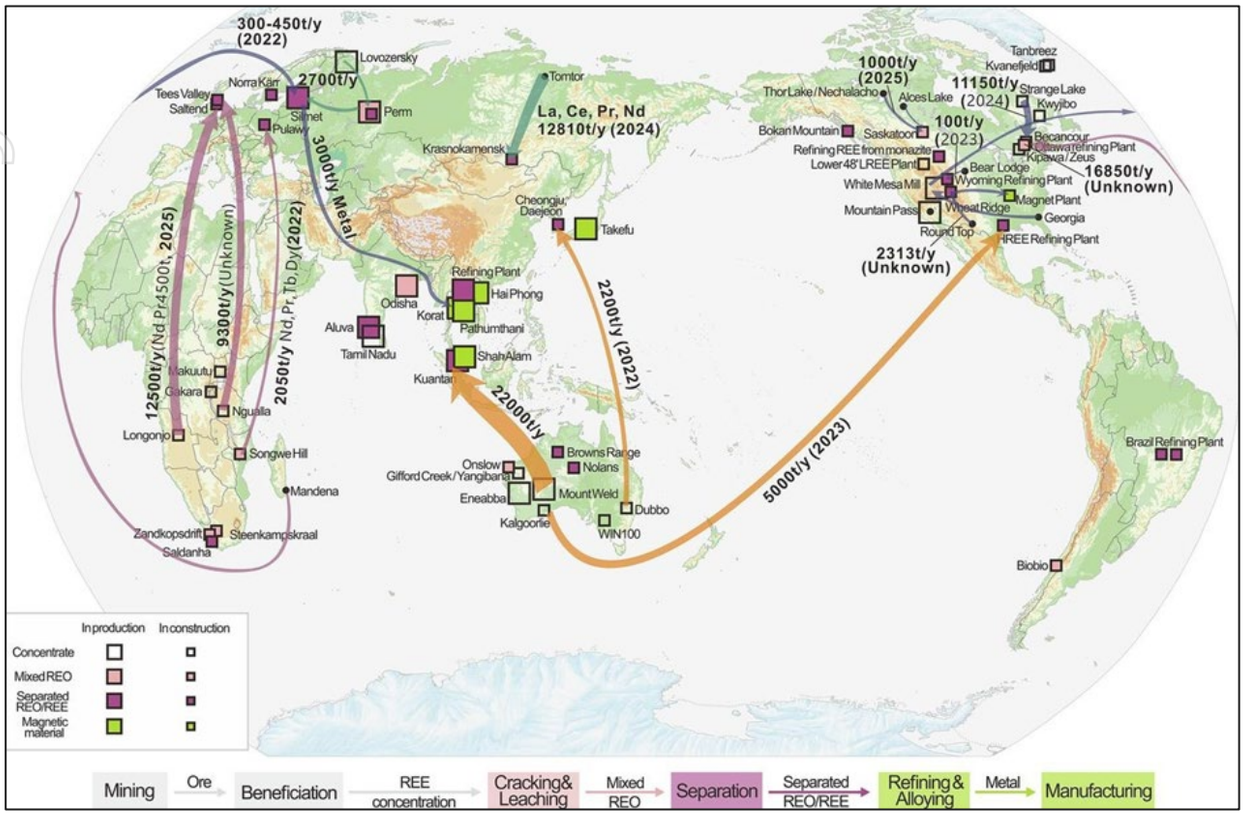


Figure 3-6: Global REE market supply chain

Source: Mining Magazine (July 2024)

Two major state-owned enterprises created by Chinese industry consolidation prior to 2020 have been further reduced to two in recent years:

- China Rare Earths Group
- China Northern Rare Earths Group.

Illegal rare earth production remains a feature of the Chinese industry. In 2011, illegal production in China peaked at 100 kt of refined REO but had fallen to 28 kt of refined REO by 2019 (Roskill, 2019) in response to a prolonged provincial and state government crackdown on the industry. Illegal REO production, however, is interpreted to restrict China's ability to support rare earth prices by limiting production and exports (Roskill, 2019).

Recognising their strategic vulnerability, industrialised countries representing the rare earth market has embarked on a multifaceted approach to secure reliable and independent sources of rare earth elements. This strategy includes domestic initiatives to revive and expand rare earth mining and processing capabilities onshore. However, the complexity and environmental challenges associated with rare earth extraction and processing mean that building a robust domestic supply chain will take time.

In the interim, the industrialised countries are looking beyond their borders, particularly towards allied nations rich in rare earth resources. Australia, America and Africa are key participants in this endeavour (Figure 3-7). Table 3-6 below details the advanced REE exploration projects, including those advancing through technical evaluation stages. The extent of these projects indicates that in the medium term the dominance of China will be diminished.



Figure 3-7: Regional locations of advanced REE exploration projects excluding China

Source: Adamas Intelligence

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Operating rare earth mines and advanced exploration projects are summarised in Table 3-6. The advanced REE exploration projects, including those advancing through technical evaluation stages, detailed in Table 3-6, will realistically only impact China's dominant position in the rare earth markets after the next five to seven years.

Table 3-6: Advanced exploration and operating REE projects

Project	Company	Location	Deposit style	REE mineralogy
Bayan Obo	Northern Rare Earth (Group) High-Tech Co., Ltd	China	Carbonatite	Bastnäsite, monazite
Tanbreez	Tanbreez Mining Greenland AS	Greenland	Alkaline rock	Eudialyte
South China	China Rare Earth Group Co. Ltd	China	Ionic clay	MREE and HREE
Kvanefjeld	Greenland Minerals Ltd	Greenland	Alkaline rock	Steenstrupine, lovozerite
Lovozersky	LLC Lovozersky GOK	Europe	Alkaline rock	Loparite
Nam Xe	Nam Xe	Asia	Carbonatite	Parisite
Longonjo	Pensana Rare Earths Plc	Africa	Carbonatite	REE carbonates, phosphates
Ashram	Commerce Resources Corp	North America	Carbonatite	Bastnäsite, monazite, xenotime
Ngualla	Peak Resources	Africa	Carbonatite	Bastnäsite
Fen	REE Minerals Holdings AS	Europe	Carbonatite	Bastnäsite
Catalão	OzAurum Resources Ltd	South America	Carbonatite	Monazite
Maoniuping	China Rare Earth Group Co Ltd	Asia	Carbonatite	Mastnäsite
Tomtor	Three Arc Mining LLC	Asia	Carbonatite	Monazite, xenotime, pyrochlore group
Mount Weld	Lynas Rare Earths	Australia	Carbonatite	Pseudomorphs, monazite
Mountain Pass	MP Materials	North America	Carbonatite	Bastnäsite
Dongpao	Toyota Tsusho & Sojitz Corporation	Asia	Carbonatite	Bastnäsite
Nechalacho (Thor Lake)	Vital Metals	North America	Alkaline rock	Fergusonite, zircon, monazite, bastnäsite, allanite, parisite
Olympic Dam	BHP	Australia	IOCG (tailings)	Bastnäsite, glorencite
Nolans	Arafura Resources	Australia	Hydrothermal/IOCG	Apatite, monazite, allanite
Serra Verde	Serra Verde Mineracao	South America	Ionic Clay	MREE and HREE
Elk Creek	Nio Corp Developments	North America	Carbonatite	Bastnäsite, allanite
Araxá	CBMM	South America	Carbonatite	Monazite, gorceixite
Zandkopsdrift	Frontier Rare Earths Ltd	Africa	Carbonatite	Monazite
Strange Lake	Torngat Metals Ltd	North America	Alkaline granite	Bastnäsite, zirconosilicates, ferriallanite, gadolinite
Round Top	Texas Mineral Resources Corp.	North America	Rhyolite	Yttrofluorite, yttrocerite, bastnäsite, xenotime
Dubbo	Australian Strategic Materials	Australia	Alkaline rock	REE carbonates, eudialyte group
Makuutu	Ionic Rare Earths	Africa	Ionic clay	Aluminosilicate clays
Bear Lodge	Rare Element Resources Ltd	North America	Carbonatite	REE carbonate, fluoro carbonate, monazite
Yangibana	Hasting Technology Metals	Australia	Carbonatite	Monazite
Red Wine	Canada Rare Earth Corporation	North America	Alkaline rock	Monazite, cerium-calcium silicate

Project	Company	Location	Deposit style	REE mineralogy
Nechalacho	Avalon Advanced Materials	Canada	Carbonatite	Monazite, bastnäsite, allanite, synchisite
Montvei	Geomega Resources	Canada	Carbonatite	Bastnäsite
Ashram	Commence Resources	Canada	Carbonatite	Monazite
Mrima Hill	Cortec Mining Kenya Ltd	Canada	Carbonatite	
St Honore	Magris Resources	Canada	Carbonatite	Bastnäsite, monazite
Phalaborwa Rare Earths	Rainbow Rare Earth	Africa	(Tailings)	Phosphogypsum
Kangankunde	Lindian Resources Ltd	Africa	Carbonatite	Monazite
Lofdal Project	Critical Metals	Africa	Carbonatite	
Longonjo Project	Pensana Plc	Africa	Carbonatite	Ferruginous mineralised zone
Steenkampskraal Project	Steenkampskraal Holdings Ltd	Africa	Monazite	Monazite
Songwe Project	Mkango Resources Ltd	Africa	Carbonatite	Synchysite, apatite
Makuutu Project	Australia's Ionic Rare Earths	Africa	aluminosilicate clays	
Rocha da Rocha	Brazilian Rare Earths	South America	Monazite	

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4. NGUALLA RARE EARTH PROJECT

The project is located near the Ngwala Village, an administrative ward in the Songwe District and approximately 200 km from the city of Mbeya in the United Republic of Tanzania. Tanzania is situated in East Africa and is bordered by Kenya and Uganda to the north; Rwanda, Burundi and the Democratic Republic of the Congo to the west; Zambia, Malawi, and Mozambique to the south; and by the Indian Ocean to the east (Figure 4-1). Tanzania is the largest country in east Africa by land size and second largest by population with approximately 60 million inhabitants.



Figure 4-1: Location of the Ngualla Rare Earth Project, Tanzania

Source: PEK

The administrative capital, Dodoma, is located near the centre of the country, and Dar es Salaam, the financial and economic centre, is located on the coast.

Tanzania is a member of the Commonwealth, and the official languages are English and Swahili.

The country covers an area of 947,040 km^2, making it the 13th largest country in Africa. Approximately 70% of the population is considered rural, although this has been declining over the past 60 years. The population distribution is uneven; the most densely populated areas are on the northern border and eastern coast, and the remainder of the country is sparsely populated. Dar es Salaam is the largest city with a population of around 7.4 million people. Mbeya, the closest major city to the Ngualla project site, is the fifth most populous city in Tanzania with approximately 600,000 people.

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4.1 Climate and Topography

The climate in Tanzania ranges from tropical along the coast to temperate in the highlands. Rainfall is highly seasonal, with roughly half of mainland Tanzania receiving less than 750 mm of precipitation annually.

Southwestern Tanzania lies within a subtropical zone with unimodal rainfall patterns. Similar to much of southern Africa, this region experiences rainfall from October to April, contrasting with the bimodal rainfall pattern of coastal and northern Tanzania. Mean annual temperatures range from 12°C to 30°C, depending on altitude.

The Ngwala Village and Ngualla Hill area have a slightly cooler and wetter climate than the regional average, largely due to the influence of local topography. A weather station located at PEK's camp, at the base of the Ngualla Hill range, recorded monthly average temperatures between 19.7°C and 25.2°C from 2013 to 2016 (Figure 4-2, Figure 4-3). The highest temperatures were observed in October and November, just before the summer rains, while the lowest occurred in June and July. From January 2013 to December 2015, the average annual rainfall at PEK's Ngualla camp was approximately 1.3 m.

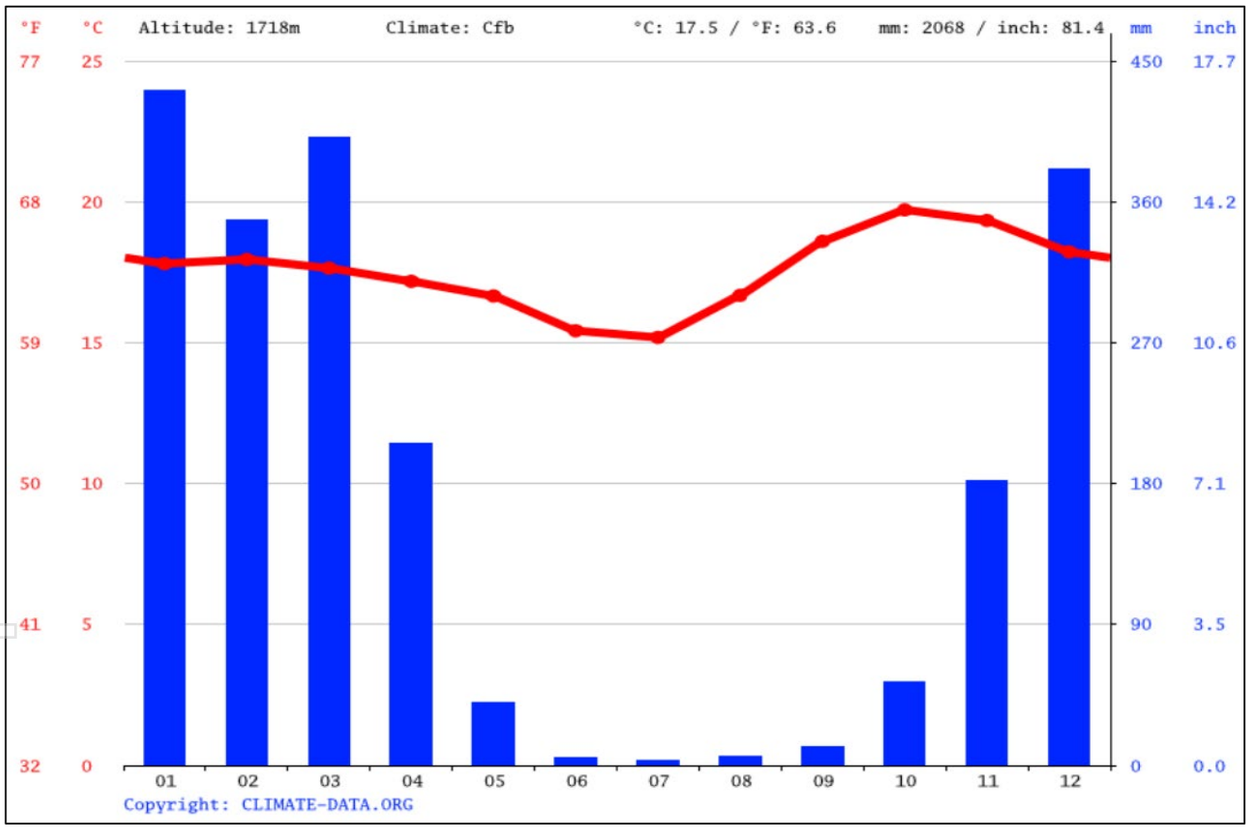


Figure 4-2: Monthly rainfall and average temperatures – Mbeya, Tanzania

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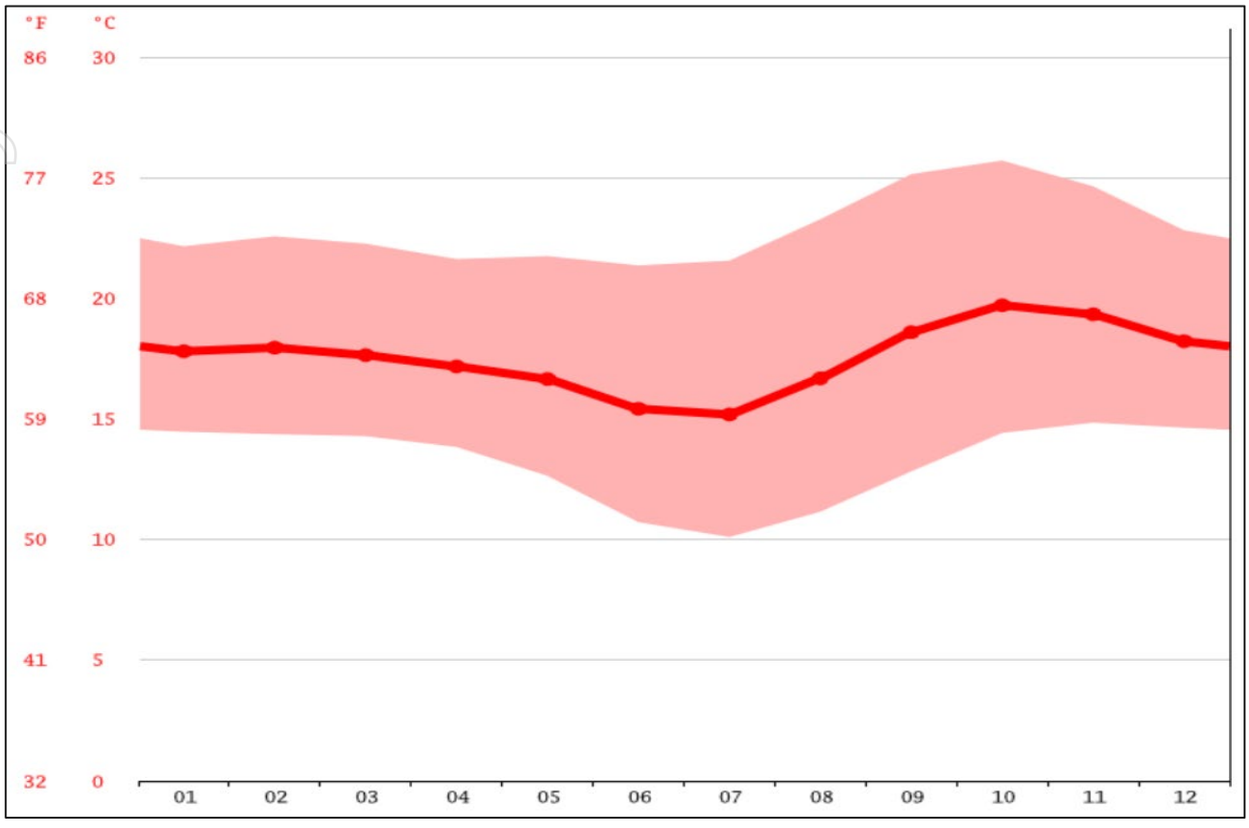


Figure 4-3: Average monthly maximum and minimum temperatures - Mbeya, Tanzania

4.2 Access and Infrastructure

4.2.1 Road Access

The Ngualla Project is approximately 1,000 km from Tanzania's principal coastal port and commercial centre, Dar es Salaam, and is accessible via the A104 and A7 highways, which are part of the Tanzam Highway, leading to Mbeya (Figure 4-4). Following this, the B345 and B6 roads and a local track will lead to the site.

All inbound and outbound sea freight cargo from the project is expected to be processed through the Port of Dar es Salaam, Tanzania's largest port and a key logistics hub for neighbouring landlocked countries such as Malawi, Zambia, Burundi and Rwanda. Goods will be transported to and from the site by road. The existing Tanzania–Zambia (TAZARA) Railway, which passes through Mbeya and connects to Dar es Salaam, could potentially be utilised in the future (Figure 4-5).

PEK confirms that a purpose-built 50 km Mine Access Road has been constructed to facilitate access to the mine site as part of the project's overall development, that connects the site and Ngwala Village to Kininga Village (Figure 4-6).

PEK plans to upgrade an existing airstrip (Figure 4-7) to allow operations of charter aircraft to support transfer of the construction workforce of up to 800 personnel.

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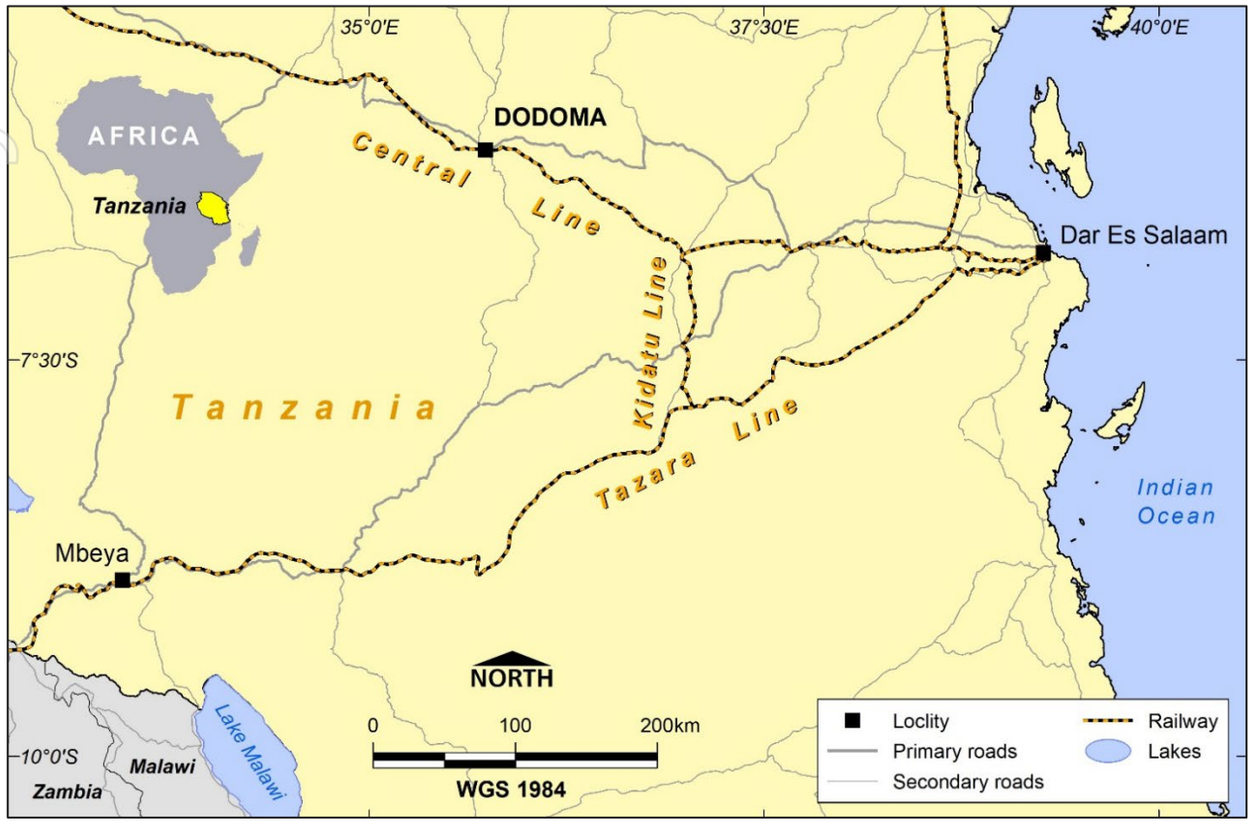


Figure 4-4: Ngualla Project road access from Dodoma and Dar es Salaam

Source: Google Maps



Figure 4-5: Road and rail transport routes between the Ngualla Project site and Dar es Salaam

Source: Ngualla Project BFS Update (Wood, 2022)

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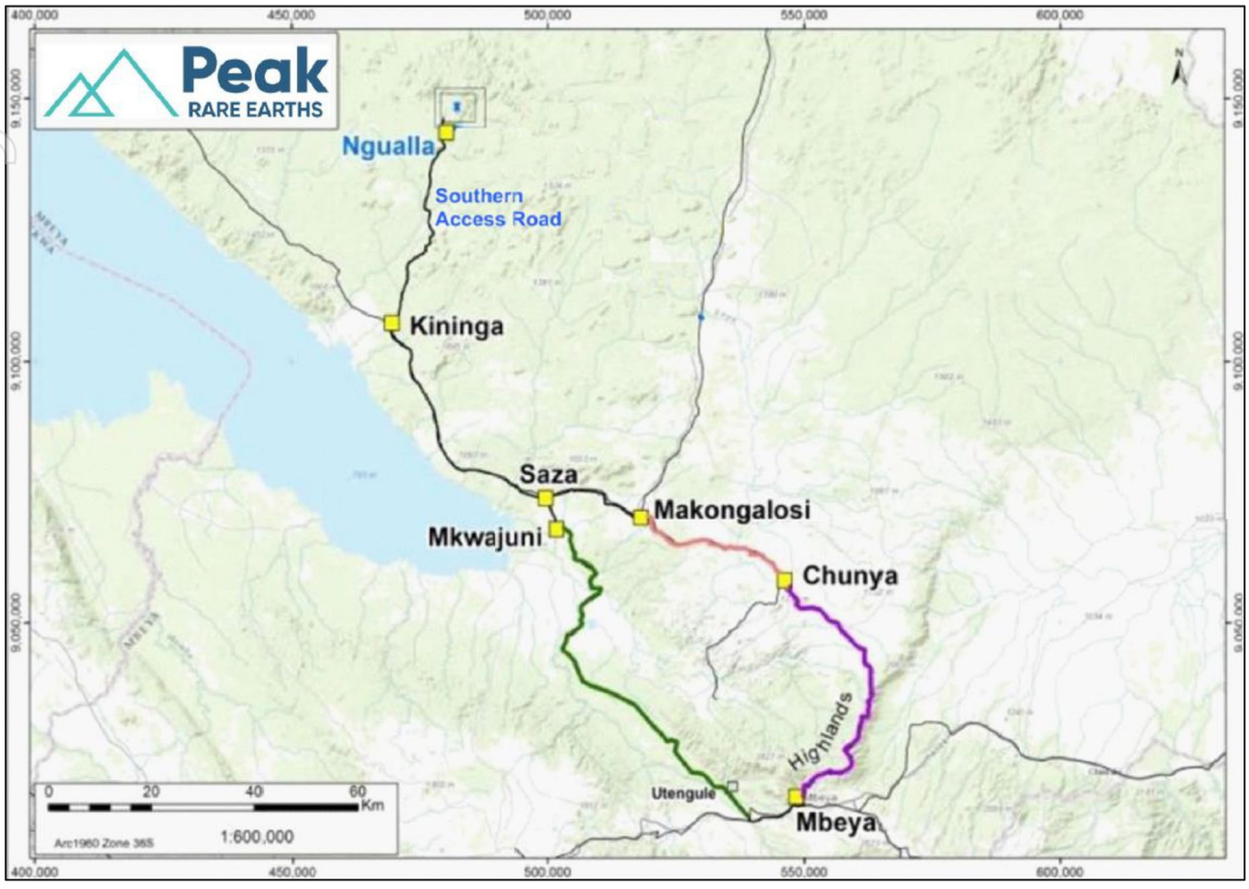


Figure 4-6: Ngualla Project access road

Source: Ngualla Project BFS Update (Wood, 2022)



Figure 4-7: Ngualla airstrip

Source: PEK

4.2.2 Shipping and Transport

All inbound and outbound sea freight for the project will be shipped through the Port of Dar es Salaam. The port is 1,050 km from the Ngualla Project site (Figure 4-5). The Ngualla site is also served by the TAZARA rail line which connects the site with the Dar es Salaam port. The efficiency of the TAZARA rail line is expected to improve as a result of a US$1.4 billion investment by China Civil Engineering Construction Corporation.

Beneficiated rare earth concentrate will be shipped in 1 m^3 bulker bags (Figure 4-8) which will require 2,000 truck movements annually. The bulker bags will be packed in containers at Dar es Salaam for shipping to customers.



Figure 4-8: Concentrate bulker bags

4.2.3 Electricity

Electricity is proposed to be supplied by a 10.8 MWe hybrid power plant comprising a diesel powered generator and solar photovoltaic (PV) power plant supported by a battery storage system. The solar system will contribute approximately 25% of the site's overall electrical power requirements (Wood, 2022).

4.2.4 Water

A bore field will be constructed to supply the project's water needs, and supply water to the Ngwala Village. Potable water will be processed by a containerised filtration, softening, chlorine dosing and UV disinfection plant. Raw water to be used in the processing plant boiler will be treated by a containerised demineralisation plant. Wastes produced by both plants will be deposited in the proposed mine's tailings storage facility (TSF).

4.2.5 Communications

Telephone and data services will be supported by a fibre-optic network installed around the site that will deliver reliable site and external communications.

4.2.6 Accommodation

A village to accommodate construction and operations workers will be constructed on site.

4.3 Exploration and Development History

4.3.1 Initial Exploration

Economic interest in the Ngualla Rare Earth Project initially focused on the phosphate potential of the carbonatite, which had been identified in the early 1980s by work undertaken by the Tanzanian Canadian Agrogeology Project (Chesworth et al., 1988). In addition to phosphate,

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PEK's literature review identified reported occurrences of rare earths and base metals within the carbonatite, as well as niobium in soils.

Reconnaissance rock sampling and geological mapping completed by PEK in 2009 confirmed the presence of phosphate, rare earth, niobium, tantalum and minor vein-associated base metal mineralisation within the carbonatite complex. Systematic soil and rock sampling carried out in 2010 identified widespread, high-grade anomalism in phosphorus, niobium, tantalum and REE.

Three test pits were excavated in the widespread alluvial sediments surrounding the central hills (Southwest and Northeast Alluvials). Assay results received in March 2010, included a channel sample returning 4 m at 16.5% P_2O_5, 3.5 m at 0.33% Nb_2O_5, and 3.5 m at over 4% TREO.

4.3.2 Drilling

The first (aircore) drilling program commenced in May 2010 to evaluate the potential of this unconsolidated, near-surface, free-dig style mineralisation, which might be amenable to simple beneficiation. At the same time, further infill soil and rock sampling programs were completed in the central hills area (in what became known as the Southern Rare Earth Zone and Northern Zone).

The first drill results from the alluvial zones were reported on 24 August 2010, returning significant intersections, including 26 m at 3.09% TREO, 8 m at 0.21% Nb_2O_5 and 18 m at 8.39% P_2O_5 from separate drillholes. This marked the discovery of the Southwest Alluvials. Surface sampling results identified high-tenor anomalism in rare earths, niobium and phosphorus across the central hills area.

A 373-hole, 5,961 m aircore drilling program was completed in July 2010, and a small aircore drill rig was then used to drill four shallow reconnaissance reverse circulation (RC) holes (two each in the Northern Zone and the Southern Rare Earth Zone of the central ridge) as an initial test of the high-grade surface geochemical anomaly.

The high-grade results and the identification of a significant bedrock source of the surrounding alluvial mineralisation encouraged PEK to fast-track a follow-up drilling program in early November 2010. Despite drilling difficulties arising from the deeply weathered carbonatite and drilling equipment failures, three diamond holes for 292 m and 22 angled RC holes for 1,467 m were completed before the annual wet season stopped operations in early December.

A new major drilling program commenced on 24 May 2011 after the end of the wet season. The drilling program was designed to scope out the limits of the mineralisation and at the same time provide the data required for a maiden JORC Code reportable Mineral Resource estimate for the rare earth mineralisation in the Southern Rare Earth Zone and Southwest Alluvials. Drilling operations were completed on 30 November 2011 for a total of 253 holes for 19,046 m by a variety of methods including RC, diamond, tricone and aircore drilling.

This 2011 drilling also provided samples for metallurgical testwork, which commenced in mid-2011. The program also provided an initial test of the potential of the Northern Zone for niobium-tantalum, phosphate and rare earth mineralisation, with two 400 m spaced reconnaissance drill traverses being completed.

The maiden rare earth Mineral Resource estimate for the Ngualla Rare Earth Project was announced on 29 February 2012 (Spiers, 2012), just 18 months after the announcement of the deposit discovery. The Ngualla discovery ranked as the fifth largest rare earth deposit outside China and the highest grade of the top seven deposits worldwide.

Drilling recommenced at Ngualla after the rains on 24 May 2012. The primary aim of the drilling program was to upgrade the highest grade, near-surface portion of the Mineral Resource to Indicated or Measured categories through a closer drill spacing and thereby allowing for the development of an Ore Reserve once metallurgical and other economic parameters were determined. Drilling was also designed to better define the amount of high-grade, low-carbonate,

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low in uranium and thorium, weathered mineralisation within the Southern Rare Earth Zone that would be amenable to the envisaged sulphuric acid leach extraction process.

Drilling operations were completed on 15 November 2012 for a total of 130 holes for 13,612 m of RC and diamond drilling. Drilling focused on the Bastnaesite Zone, which is the most favourable area (based on mineralogy) of the greater Ngualla deposit for extraction and identified as the most favourable for initial production. The drilling supported a revised Mineral Resource estimate that was completed in April 2013.

A further 5,305 m of RC, diamond core, hydrogeology and geotechnical drilling were completed in 2015 to support BFS requirements, which included:

- Infilling critical areas of the Ore Reserve to the standard 50 m x 40 m hole spacing
- Two small trial grade control patterns in the starter pit area
- The collection of ore material for a number of metallurgical testwork programs.

The additional drilling was included in a revised Mineral Resource estimate, completed by SRK Consulting in February 2016 (Brown, 2016) and subsequent Ore Reserve estimates and mine schedule for the BFS.

A summary of the Ngualla drilling programs by year is presented in Table 4-1 and Figure 4-9.

Table 4-1: Ngualla Project drilling

Year	Total		Aircore drilling		RC drilling		Diamond drilling	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
2010	398	7,720	373	5,961	22	1,467	3	292
2011	253	19,046	107	1,980	140	16,204	6	862
2012	130	13,612	1	2	121	12,583	8	1,027
2015	112	5,305	0	0	87	3,992	25	1,313
Total	**893**	**44,056**	**481**	**7,943**	**370**	**34,246**	**42**	**3,494**

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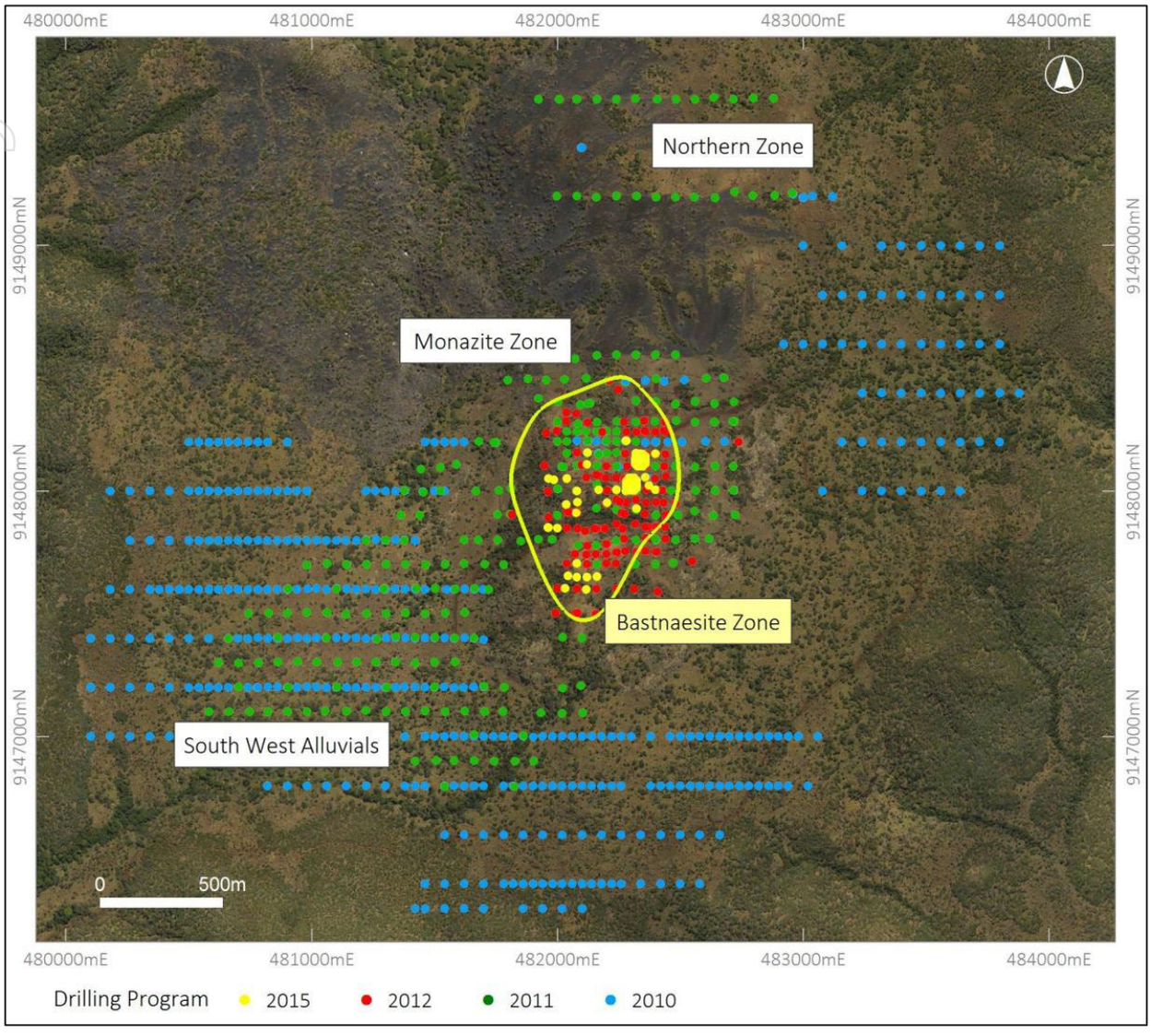


Figure 4-9: Ngualla Project drillhole locations

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5. TANZANIA LEGISLATIVE FRAMEWORK, MINERAL EXPLORATION AND MINING TENURE

5.1 Legislative Framework

Minerals in Tanzania are public property held by the president in trust for all citizens of Tanzania, therefore both prospecting and mining licences are granted under the Mining Act to qualified applicants entirely irrespective of who owns the land to be explored or mined (Chapuga & Ngalinda, 2023). The state has significant control over mining rights in Tanzania and plays a key role in regulating and overseeing the mining industry to ensure that it operates in a responsible and sustainable manner.

The Mineral Policy of Tanzania promulgated in 2009 by the Ministry of Energy and Minerals aims to establish a framework for the acceleration of socioeconomic development through the sustainable development and utilisation of Mineral Resources. The policy makes it clear that the Tanzanian Government will participate in mining projects and will establish an environment that enables Tanzanian participation in medium and large-scale mining operations (Sipemba, 2020). The mineral policy recognises the need for a legal and regulatory framework that ensures transparency, predictability, minimum discretion and security of tenure. The government exercises ownership and control of natural resources.

Mining activities in Tanzania are governed by the Mining Act of 2010 which regulates mining activities in the country, encompassing prospecting, exploration, mining, processing and dealing in minerals. The Act also makes provisions on grant, tenure, terms and conditions, renewal and termination of mineral rights, payment of various taxes, fees, duties, royalties and other applicable charges.

Other legislation that regulates mining activities includes Natural Wealth and Resources (Permanent Sovereign) Act No. 5 of 2017 and Natural Wealth and Resources Contracts (Review and Renegotiation of Unconscionable Terms) Act No. 6 of 2017. The Natural Wealth and Resources Act No. 5 makes provisions on the permanent sovereignty of natural resources. The Natural Wealth and Resources Contracts Act No. 6 provides for the powers of the National Assembly to review agreements concluded by the government and for the right of the government to re-negotiate the terms that it considers unacceptable in agreements that it has already signed.

Tanzania’s Mining Commission has the role of supervising and regulating the mining sector, issuing, cancelling and renewing mineral rights, and resolving disputes arising out of mining operations or activities.

A prospecting licence, mining licence and special mining licence can be issued to both Tanzanian citizens or foreign individuals and companies, subject to meeting required investment criteria set by law (Chapuga & Ngalinda, 2023).

Exploration and mining licence holders are required to provide technical reports of operations, geological reports including both observations and interpretations, data collected during exploration and mining operations and systematic financial records. Foreign companies are entitled to hold any form of mineral right or licence other than a primary mining licence, gemstone mining licence or a broker’s licence.

The government is entitled to have not less than 16% non-dilutable free-carried interest shares in the capital of a mining company. Projects for certain minerals may attract a higher percentage of free-carried interest. In addition, the government is entitled to acquire up to 50% of the shares of a mining company (Sipemba, 2020). There are no local listing requirements for mining companies (Chapuga & Ngalinda, 2023).

Under the Mining Act of 2010, read together with the Land Act 1999 and Tanzania Investment Act 2022, the government has the power to cancel or suspend a mining licence for reasons such as public interest, national security or non-compliance with the terms and conditions of the licence. However, before expropriation can take place, the government must provide written notice to the licence holder and give them an opportunity to make representations and objections. Expropriation in Tanzania is subject to due process of law and payment of compensation (Chapuga & Ngalinda, 2023).

A mineral right holder must seek the written consent of the holder of the surface rights and the responsible authority when it comes to land within cities, municipalities, townships, registered villages or demarcated settlements. The respective authorities concerned with different land uses may give their consent conditionally or unconditionally. Where the mineral activities would disturb the rights of a lawful occupier, the mineral right holder must pay fair and reasonable compensation to the occupier, and further where the mineral right cannot be exercised without affecting the interests of the land owner, the mineral right holder must engage with the landowner to vacate the land, consult the local government on the amendment of the land use plan and submit a plan on compensation, relocation and resettlement of the occupier (Chapuga & Ngalinda, 2023).

5.2 Ngualla Project Tenure

PEK holds the Ngualla Project under a special mining licence held by PEK's 84%-owned Tanzanian subsidiary, Mamba Minerals Corporation Limited.

An 18 km2 special mining licence (SML) covering the project was granted by the Tanzanian Government in April 2023 (Peak Rare earths Ltd, 2023).

Tenure securing the project was expanded to 51 km2 in April 2024 to incorporate two adjoining prospecting licences, PL9157-2013 and PL10897-2016, that were previously held by a 100% owned PEK subsidiary (Peak Rare Earths, 2024) (Figure 5-1).

The initial term of the enlarged special mining licence was extended to 30 years, with an ability to apply for future extensions. The Ngualla Project tenure forms part of a framework agreement between PEK and the Tanzanian government (Peak Rare Earths, 2023). The agreement sets out the basis of the Government of Tanzania's agreement for the licensing, development, economic benefit sharing and the formation of a joint venture between PEK and the government for the development and operation of the Ngualla Project.

PEK's mining concession is centred on the Ngualla Hill (Figure 5-2), a rounded peak rising to 1,678 m above sea level, located just north of Ngwala Village. To the west, south and southeast of the Ngualla Hill lies the relatively flat terrain of the Katumba Plains. To the north and northeast, two hill ranges extend: the Matandala Hills, oriented northeast–southwest and the Mbaga Hills, which run along a north–south axis.

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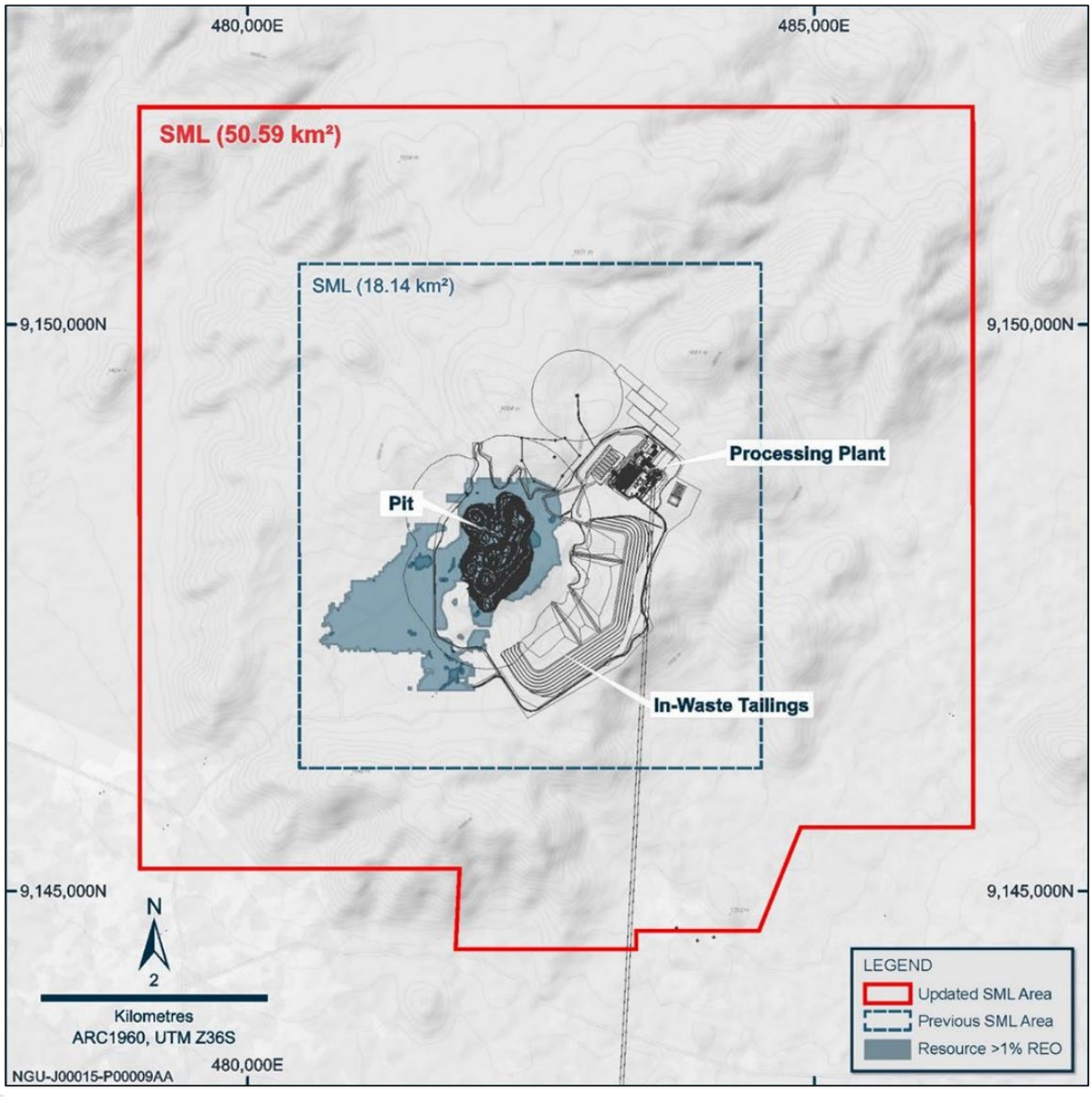


Figure 5-1: Ngualla Project special mining licence (SML), showing proposed mine and processing plant layout

Source: Peak Rare Earths, 2024



Figure 5-2: Ngualla Hill in the foreground, with rugged hills in the distance to the north

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6. NGUALLA PROJECT GEOLOGY

6.1 Regional Geology

The project area is centred on the Ngualla carbonatite complex, which is a pipe-like intrusive body composed of alkaline igneous rocks rich in carbonate minerals.

The Ngualla carbonatite was emplaced into a deeply penetrating zone of crustal weakness along the eastern margin of the stable Congo and Kalahari cratons. This zone is broadly coincident with the current western margin of the Red Sea – East African Rift. The northwest-southeast Ubendian Belt of southeast Tanzania lies between the Tanzanian Craton to the northeast and the Bangweulu Block to the southwest (Figure 6-1). The Ubendian Belt comprises high-grade metamorphic rocks of sedimentary and igneous origin. While granites dominate as the main intrusive rocks, other intrusions, including granodiorites, diorites, gabbros and carbonatites, such as the Ngualla Complex, are also present.

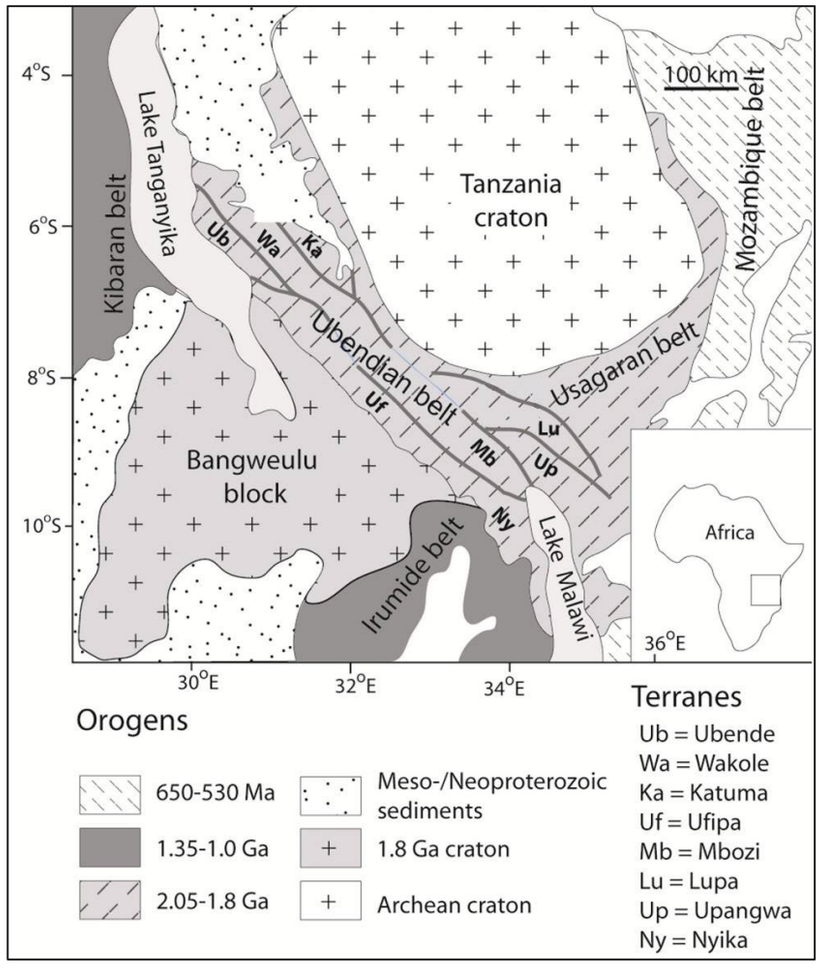


Figure 6-1: Tectonic map of southeast Africa (after Hanson, 2003)

6.2 Geology of the Ngualla Carbonatite Complex

6.2.1 Primary Carbonatites

The Ngualla carbonatite complex is roughly circular in outline, with a diameter of approximately 3.8 km at the surface. The carbonatite complex is composed of a ring-shape body of calcite carbonatite that was intruded by a central plug of magnesiocarbonatite (dolomite carbonatite). The early calcite carbonatite, apart from calcite, contains variable amounts of phlogopite, richteritic amphibole, magnetite and apatite with minor to trace amounts of ilmenite, sulphides

(mainly pyrrhotite) and monazite. The magnesiocarbonatite is predominantly composed of ferroan dolomite with minor quartz, calcite, baryte, fluorite and REE fluorocarbonates (synchisite, bastnaesite). The complex also comprises three silicate-rich igneous phases – ultramafic rock and two varieties of glimmerite (dark mica rich lithology).

The central plug of ferroan dolomite carbonatite (approximately 1 km in diameter) is poorly exposed. This zone is marked by a topographic high around and immediately south of Mount Ngualla, although it is partially covered by ferricrete (near-surface iron oxides deposited from groundwater). A second, smaller ferroan dolomite carbonatite plug is exposed at Mount Mapuma, in the northwestern part of the complex.

Three main mineralised zones are recognised in the project area (Figure 6-2): the major Southern Rare Earth Zone, the Southwest Alluvials and the Northern Zone. The Southern Rare Earth Zone includes the Bastnaesite Zone and the Monazite Zone. These zones of mineralisation are described in more detail in Section 6.3.

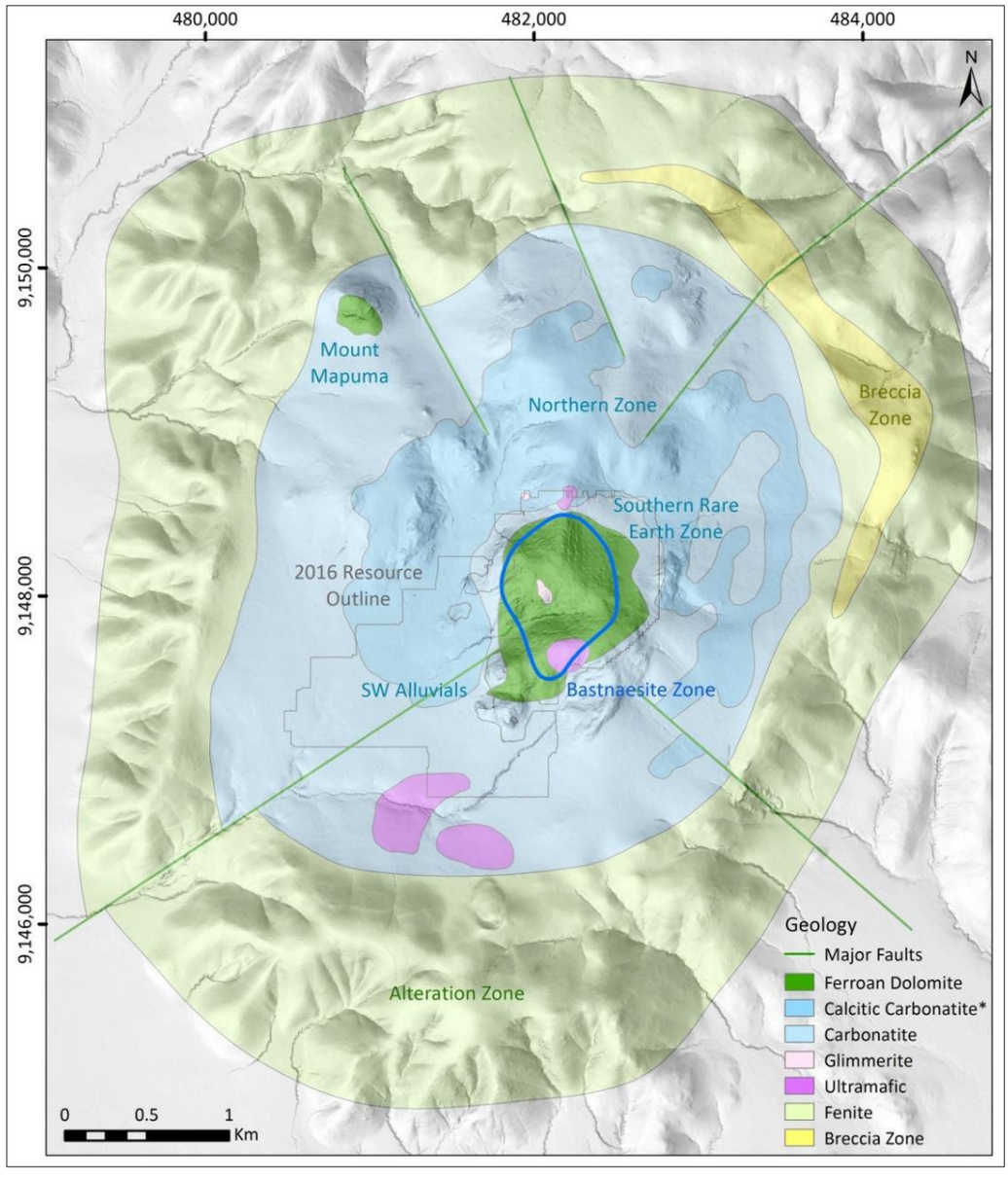


Figure 6-2: Ngualla Carbonatite Complex geological map

Ferroan dolomite carbonatite forms the core of the Bastnaesite Zone and can be distinguished from the calcite carbonatite in fresh rock by its lower phosphate (<1.5%) and higher barium content (>4.2% BaO), and a lower CaO/MgO ratio in the weathered zone.

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6.2.2 Weathered Mineralisation

Residual Regolith

Weathering of the Ngualla carbonatite complex and landscape evolution are critical factors in the formation of the Ngualla economic rare earth deposit. The principal REE resource at Ngualla is hosted within the weathered carbonatites of the Bastnaesite Zone (Figure 6-3).

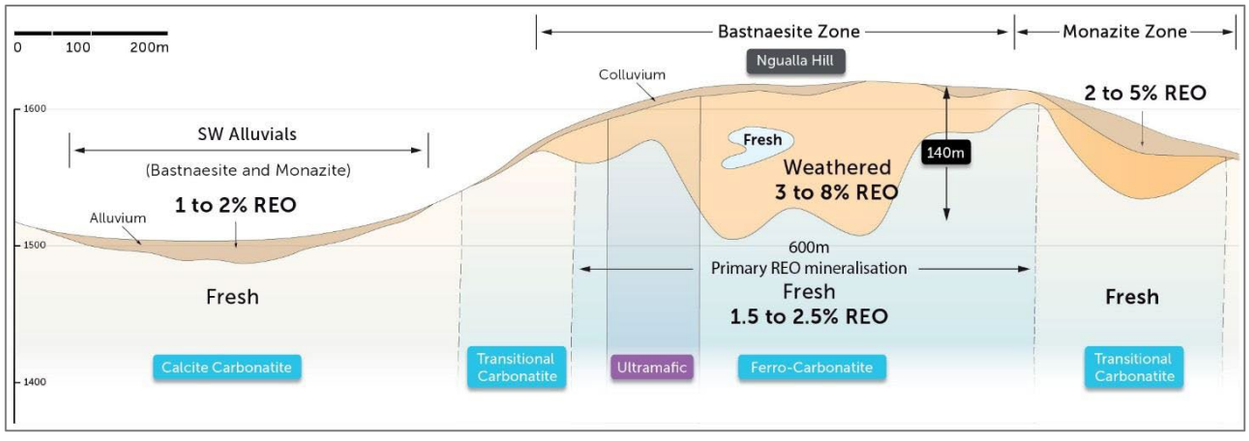


Figure 6-3: Ngualla deposit Weathered Bastnaesite Zone

A continuous weathering cover was developed and preserved over carbonatites of the Bastnaesite Zone, Monazite Zone and Northern Zone. Weathering of the ferroan dolomite carbonatite is concentrated along several north-northeast trending zones, likely corresponding to structurally weak fractures or fault zones. These zones appear to be concentrated near contacts between carbonatite and ultramafic units.

Ferroan dolomite carbonatite weathers through oxidation and dissolution of the dolomite. Dissolution and removal of carbonates caused a significant mass reduction and produced a porous, low-density goethite-rich regolith unit. Quartz, baryte and rare earth minerals are mostly unaffected by weathering and residually enriched in the goethite-rich regolith. Subsequent oxidation of goethite to hematite caused a further volume reduction and generated a compact, higher-density rock with little additional upgrading of REE concentrations.

A contact between fresh carbonatite and the overlying residual regolith is typically sharp. The depth of very irregular karstic weathering front varies widely, locally reaching up to 140 m.

Colluvium and Ferricrete

Colluvium (mainly colluvial scree) covers most of the Bastnaesite Zone, Monazite Zone and Southwest Alluvials. The colluvium comprises unconsolidated or loosely consolidated mixtures of ferruginous saprolite, pisolitic gravel and ferricrete, with minor calcite carbonatite, quartz, barite and other minerals, depending on the local provenance.

Colluvium in the Bastnaesite Zone is relatively thin and typically less than 5 m thick. Patches and cappings of ferricrete with irregular thickness occur along the top of the north–south ridge linking the Southern Rare Earth Zone and the Northern Zone. Also, a more continuous ferricrete deposit is present in a drainage channel within the Southwest Alluvials area.

The ferricrete in the Southwest Alluvials area is a relatively recent deposit and may still be actively forming. A colluvial fan extends from the southwestern corner of the Bastnaesite Zone, covering most of the southwestern part of the resource area to an average depth of 10–15 m.

6.3 Rare Earth Mineralisation

REE are the principal commodities of economic interest within the project. Rare earths were initially enriched in the carbonatite intrusions by igneous processes and were further upgraded to economic levels through weathering.

Three major zones of mineralisation identified in the project area (Figure 6-4) are:

- Southern Rare Earth Zone, which includes the Bastnaesite Zone and the Monazite Zone
- Southwest Alluvials
- Northern Zone.

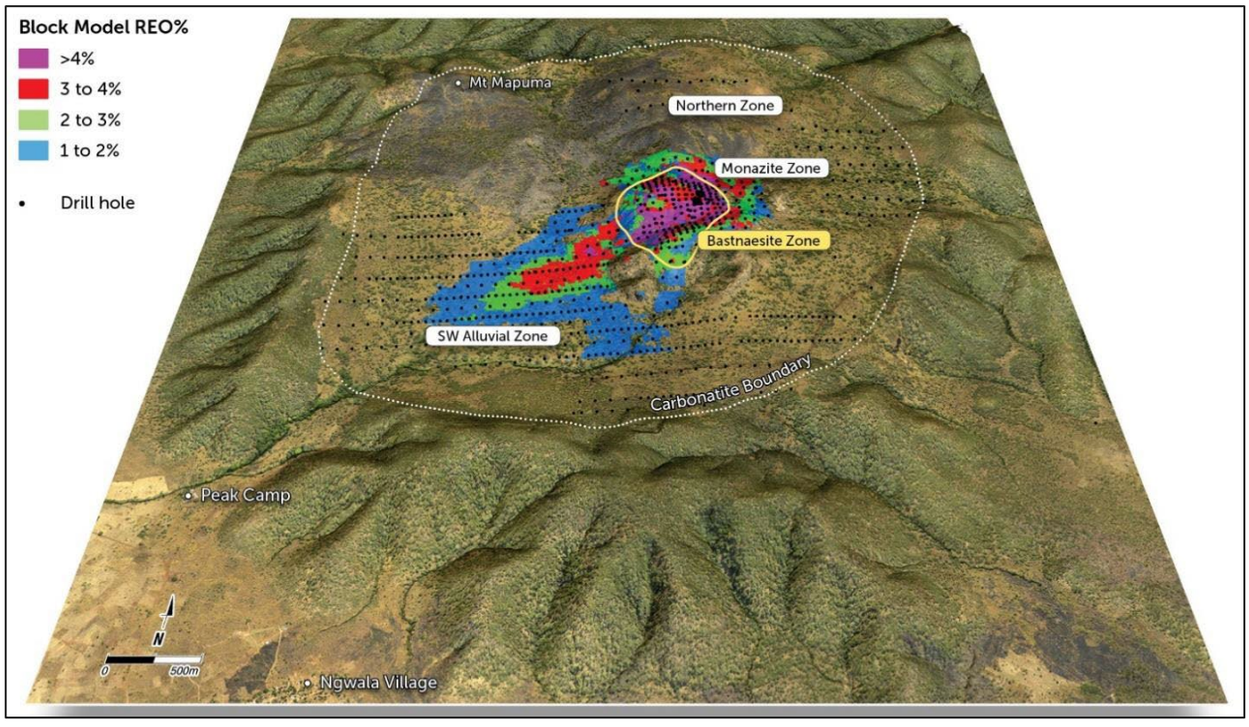


Figure 6-4: Oblique view (looking north) of the Ngualla carbonatite complex showing drillholes and major mineralised zones

6.3.1 Primary Mineralisation

The Southern Rare Earth Zone is a 1.0 km x 1.2 km area located in the low magnetic central core of the Ngualla carbonatite complex. It encompasses two distinct styles of rare earth mineralisation. In the central part of the Southern Rare Earth Zone is the Bastnaesite Zone, hosted by ferroan dolomite carbonatite. It is surrounded by the 200 m wide Monazite Zone dominated by calcite carbonatite.

In the fresh calcite carbonatite of the Monazite Zone, concentrations of REE are generally low, less than 0.25% TREO. Grades increase inwards through about 0.5% or less in the transitional zone to 1–2% TREO in the centre of the Southern Rare Earth Zone.

The central ferroan dolomite carbonatite contains REE in fluorocarbonate minerals (bastnaesite and synchesite), associated with primary carbonates (dolomite, ankerite and calcite), barite, quartz and other minor components.

Rare earth fluorocarbonate minerals are characteristic of the Bastnaesite Zone whereas monazite is the main host or rare earths in the calcite carbonatites of the Monazite Zone. In contrast to the surrounding calcite carbonatite, the central ferroan dolomite carbonatite contains a significant amount of barite and very little apatite. The central-positioned ferroan dolomite carbonatite mineralisation is characterised by lower ratios of heavy rare earths to light rare

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earths (HREE/LREE) compared to that in the calcite carbonatite. These mineral and geochemical indicators are valuable for distinguishing between the two zones as well as carbonatite lithologies.

Phosphate mineralisation occurs as apatite, mainly within the calcite carbonatite, where concentrations up to 6% P_2O5 are recorded. Phosphate concentrations in the central magnesiocarbonatite plug are characteristically less than 0.5%. Monazite contributes only a minor component of the total P_2O_5 content in the calcite carbonatite.

Concentrations of niobium and tantalum oxide are generally less than 0.20% and 50 ppm, respectively, in all Ngualla rock types, below the weathering front. Although some higher grades have been locally intersected, no clear relationship with rock types has been recognised.

6.3.2 Regolith Mineralisation

Bastnaesite Zone

The principal REE resource at Ngualla is hosted within the weathered carbonatites of the Southern Rare Earth Zone, especially within the Bastnaesite Zone.

In the Bastnaesite Zone, the mineralisation is enriched to 3–8% TREO in the iron oxide – and barite-rich residual regolith formed by weathering over ferroan dolomite carbonatites and magnesiocarbonatites.

Weathering depths are highly variable, but grades exceeding 3% TREO are commonly found within the residual iron oxide-rich regolith, which extends from the surface to depths of up to 140 m. Studies of the iron oxide-rich material show that REE mostly occur as relict bastnaesite and synchysite, indicating that weathering has not significantly modified the primary REE mineralogy. The supergene REE enrichment in the regolith is estimated to be up to threefold relative to the carbonatite proto-ore.

Colluvium and ferricrete comprise a small proportion of the weathered Bastnaesite Zone (14%) and are compositionally similar to the saprolite. These units are characterised by the presence of pisolites, elevated alumina and slightly lower REE grades compared to the residual regolith.

Monazite Zone

In contrast to the predominantly bastnaesite-hosted weathered REE mineralisation in the centrally positioned Bastnaesite Zone, rare earths in the Monazite Zone mostly occur as monazite with minor cerianite. The Monazite Zone commonly contains over 3% TREO within the weathered zone and colluvium over transitional Mg-Ca and calcite carbonatite.

Southwest Alluvials Zone

The Southwest Alluvials Zone comprises a mixture of detrital materials derived from a wide area including weathered carbonatite products from the Southern Rare Earth Zone, the Northern Zone and calcite carbonatite colluvium derived from adjacent outcrops. Rare earth mineralisation within these unconsolidated ferruginous gravels occurs over a 1.0 km x 0.6 km area from surface to depths of up to 30 m, with average grades of 1.0% to 3.5% TREO. Rare earths are hosted by bastnaesite, monazite and cerianite in variable proportions. These ferruginous gravels also host niobium-tantalum and phosphate mineralisation, which are typically vertically offset from the REE mineralisation.

Northern Zone

The Northern Zone, located approximately 1 km to the north of the Southern Rare Earth Zone, is hosted by karstic infill sediments and deeply weathered materials after calcite carbonatites. The zone represents a large exploration target for REE, with mineralisation identified over a 1 km x 1 km area. This zone is also prospective for niobium-tantalum and phosphate mineralisation

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which is broadly coincident with the REE mineralisation based on limited wide-spaced drilling data.

Rare earth grades in the residual apatite-magnetite regolith unit generally range from 0.5% to 3.0% TREO. The rare earth mineralisation here contains a higher proportion of magnet rare earths than the Southern Rare Earth Zone. The higher neodymium and heavy rare earth contents are likely due to the predominantly apatite and monazite REE host mineralogy within the zone.

Other Commodities

The evaluation of other commodities within the Ngualla carbonatite complex is still at an early stage due to the strategic corporate focus on rare earth mineralisation. Additional commodities identified at Ngualla include niobium, phosphate, barite, fluorite and vermiculite.

These commodities may present potential for future production of supplementary, value-adding commodities alongside the planned rare earth operation at Ngualla that has yet to be evaluated and is not contributor to project value until further work is completed. PEK has suggested that it intends to conduct further drilling and assessment of these commodities following the commencement of the REE project development.

PEK completed a critical minerals exploration in 2024 to further assess additional commodity potential. The program comprised 4,200 m of drilling and analysis of 344 trench samples and targeted widespread phosphate mineralisation in the Northern Zone and high-grade fluorite mineralisation within the Breccia Zone.

6.4 Mineral Resource Estimate

The Mineral Resource estimate for the Ngualla Project used in the project's Feasibility Study Update was prepared by SRK in 2016 (Peak Resources Limited, 2016).

The Mineral Resource for the Bastnaesite Zone weathered mineralisation was estimated by SRK to comprise 21.3 Mt at 4.75% total REO, for 1,010 kt of contained REO, at a 1% REO lower grade cut-off (Table 6-1, Figure 6-5).

Table 6-1: Weathered Bastnaesite Zone Ngualla Project Mineral Resource estimate >1% REO (2017)

Mineral Resource category	Tonnage (Mt)	REO grade (%)	Contained REO (kt)	$BaSO_4$ (%)
Measured	18.9	4.75	900	37.8
Indicated	1.9	4.85	38.3	38.3
Inferred	0.5	4.43	31.5	31.5
Total	**21.3**	**4.75**	**1,010**	**37.7**

Note: 1.0% REO cut-off. Source: (Peak Resources Ltd, 2017)

The Bastnaesite Zone mineral resource occurs within a broader area of mineralisation comprising a total of 214 Mt at 2.61% REO at a 1% REO lower grade cutoff (Table 6-2).

Table 6-2: All Ngualla Project Mineral Resource Estimate >1% REO (2017)

Mineral Resource category	Tonnage (Mt)	REO grade (%)	Contained REO (kt)	$BaSO_4$ (%)
Measured	86.1	2.61	2,250	20.2
Indicated	112.6	1.81	2,040	13.8
Inferred	15.7	2.15	340	17.6
Total	**214.4**	**2.15**	**4,630**	**16.6**

The total All Ngualla Mineral Resources +1% REO includes and contains the weathered Bastnaesite Zone Mineral Resource +1% REO shown in Table 1. Figures may not sum due to rounding. Individual rare earth distributions are shown in Table 4. Barite grade is

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derived from geochemical assays for barium and the assumption, supported by extensive mineralogical studies, that barium is present as barite.

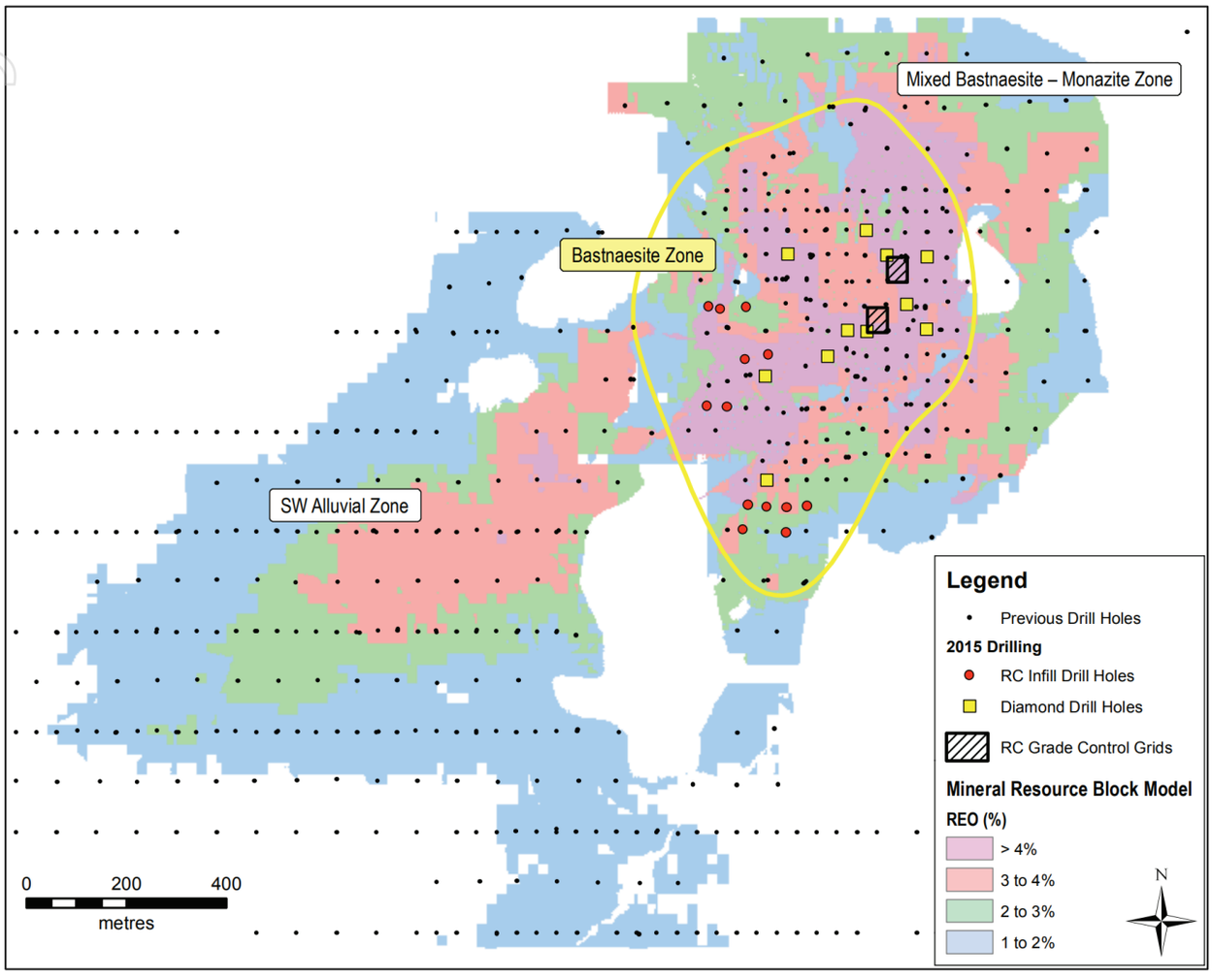


Figure 6-5: Resource evaluation drilling and REE grade distribution, 2016 SRK Mineral Resource estimate

Source: Peak Resources Limited (2016)

A concise summary of the Mineral Resource estimation process completed for the deposit is provided by PEK's 2017 ASX announcement of the mineral resource update (Peak Resources Ltd, 2017). The high-grade weathered mineralisation occurs from surface and extends to depths of over 140 m. Grades are evenly distributed. The morphology of the mineralisation is described by PEK as enabling low-cost open pit mining with very low strip ratios.

An irregular karstic profile up to 140 m thick is developed over the central parts of the carbonatite and has resulted in the residual enrichment of rare earths to grades of 3–8% REO through the complete removal of other carbonate minerals. Rare earths occur from surface almost exclusively as bastnaesite within a host rock of iron oxides, barite and quartz in this central weathered Bastnaesite Zone.

An outer zone of mixed monazite-bastnaesite weathered mineralisation typically 2.5% to 5.0% REO surrounds the central weathered Bastnaesite Zone and extends to the east and north (Figure 6-6).

Erosion of the in-situ weathered mineralisation and subsequent deposition to the southwest has resulted in the formation of a thick alluvial fan, the Southwest Alluvial Zone, which is up to 30 m thick and typically grades ~3% REO. Minor mineralised ferricrete and pisolithic gravels occur across the surficial deposit types and in localised karstic fills up to several tens of metres deep. Rare earth minerals include predominantly bastnaesite and monazite with lesser cerianite.

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Lithological features that influence mineralisation distribution are readily identifiable in both non-cored and cored drilling (Figure 6-6).

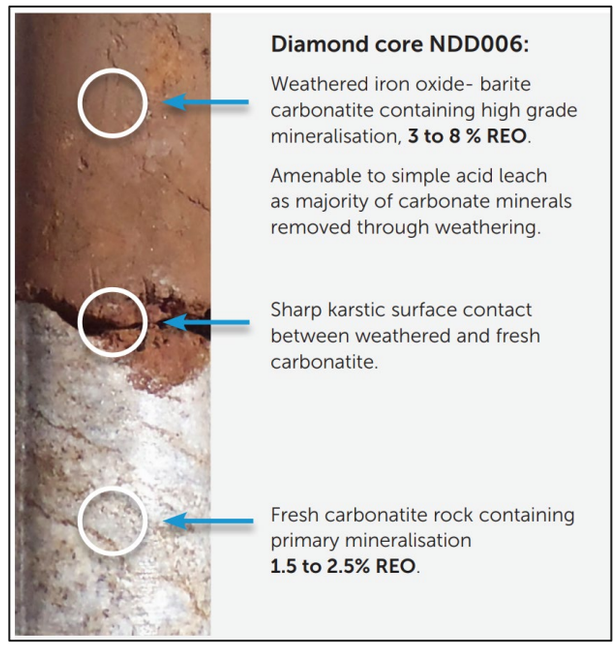


Figure 6-6: Diamond drill core sample from the Ngualla deposit showing weathered bastnaesite mineralisation and the sharp karstic surface interface with mineralised fresh carbonatite

Drilling and other exploration data, including airborne geophysics collected by PEK geologists have been used to develop a wireframe and solid geological model of the mineralisation using cross sectional interpretations.

A total of 38,786 m of drilling from 649 drillholes has been included in the database used for the current estimate of Mineral Resources. This comprises 320 RC holes for 30,139 m, 297 aircore holes for 5,541 m, and 32 diamond holes for 3,106 m. Twinned holes and trial grade control holes were used for geological interpretation and variography studies but were excluded from the final estimation. The deposit has been systematically drill tested by -60° west angled holes on east–west section lines at a nominal spacing of 80 m along section and 100 m between sections, with the central Bastnaesite Zone infilled to 40 m x 50 m (Figure 6-2). Some holes are drilled in alternative directions to confirm the geological interpretation. A nominal spacing of 40 m along section and 100 m between sections was used in the Southwest Alluvials, and drillholes are vertical. Diamond holes were drilled PQ3 from surface, changing to HQ3 when fresh rock was encountered. Aircore used a 5” blade bit and RC a 5.5” face sampling button bit.

Diamond core samples were collected on a nominal interval length of 2 m within lithological units and core run blocks. Quarter-core samples were submitted for analysis. The RC and aircore samples were collected on 1 m intervals. A three-tier riffle splitter was used to split and combine adjacent samples to form a 2 m composite, with a 2 kg split submitted for laboratory analysis. Sample preparation was conducted by ALS at the Mwanza laboratory. Samples from the entire drillhole length were submitted for assay for a suite of 38 elements using x-ray fluorescence (XRF) (fused bead and pressed powder) and inductively coupled plasma-mass spectrometry by SGS, Perth. The precision and accuracy of analytical results have been monitored by determinations on certified and internal standards as well as periodic checks through an alternate umpire laboratory (Ultra Trace, Perth). Laboratory and field blanks together with field and laboratory duplicate samples show the data from the primary laboratory are well constrained and laboratory and field practices and protocols are repeatable to a high degree of precision.

The Mineral Resource estimate was prepared for PEK by SRK using conventional block modelling and geostatistical estimation techniques. Kriging neighbourhood analysis studies were used to assess a range of parent cell dimensions, and a size of 20 m x 20 m x 5 m was selected as

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appropriate given the drill spacing, grade continuity characteristics and expected mining method. Sub-celling was applied to enable wireframe volumes to be accurately modelled. Lithology wireframes were used as hard boundary estimation constraints. The parent cells were estimated using ordinary kriging. Search orientations and weighting factors were derived from variographic studies. Dynamic anisotropic searching was used for selected domains. A multipass estimation strategy was invoked, with kriging neighbourhood analysis used to assist with the selection of search distances and sample number constraints. Extrapolation distances beyond the outermost holes were limited to approximately half the nominal local drill spacing. Local estimates were generated for a total of 29 elements expressed in oxide form, including REO of economic interest, the major gangue elements and a suite of minor elements that may have processing or marketing implications.

A TREO cut-off grade of 1% has been used for Mineral Resource estimate reporting based on assumptions relating to mining, pricing and metallurgical parameters which, while not rigorous for all material types, suggests that material exceeding 1% REO has a reasonable prospect for eventual economic extraction. This cut-off grade is consistent with the 2013 estimate. A higher cut-off grade of 3% REO has been used for the weathered Bastnaesite Zone mineralisation in line with previous estimates to allow comparison, and to reflect the typical geological grade distribution of most of this material.

The Mineral Resource classifications have been applied based on a consideration of the confidence in the geological interpretation, the quality and quantity of the input data, the confidence in the estimation technique and the likely economic viability of the material (Figure 6-7). Variography studies indicate that grade continuity is well-defined for most constituents, with low nugget values and ranges of up to several hundred metres.

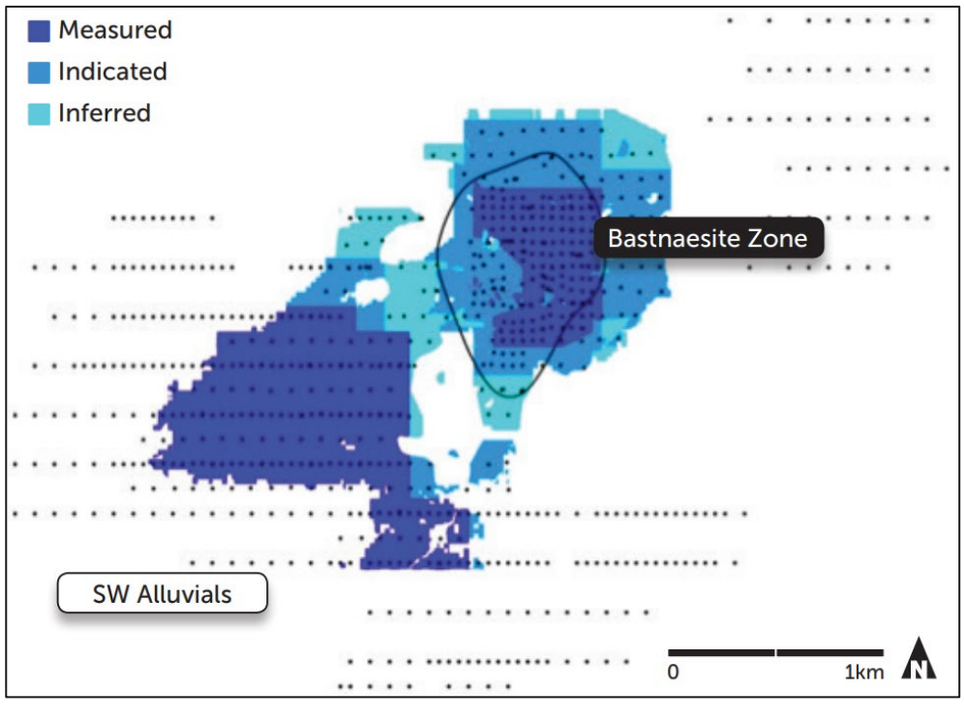


Figure 6-7: Plan view of Mineral Resource JORC classifications at surface

Source: PEK

The main source of Mineral Resource estimation uncertainty is considered to be the geological model. Confidence in the geological model is primarily based on drill spacing, and therefore sample coverage is considered to be the main controlling factor for Mineral Resource classification. A Classification of Measured was assigned to the central Bastnaesite Zone where drill coverage is close-spaced and uniform (generally 40 m x 50 m). The consistent Southwest Alluvial Zone mineralisation shows high continuity and is also classified as Measured at the 40 m x 100 m and 80 m x 100 m drill spacing. A classification of Indicated Resource was applied to

the peripheral areas where the sample coverage was regular but wider-spaced, and a classification of Inferred Resource was applied where the coverage became wide-spaced and fragmented, including at depth in the fresh rock.

ERM considers the resource estimation process, sampling of drilling, assaying of samples and measures employed to ensure the accuracy and precision of assay data for the project to have been performed in a competent manner using an approach that is well suited to the style of mineralisation forming the Ngualla deposit.

The Mineral Resource for the Ngualla Project is reported inclusive of the project's Ore Reserve estimated by subsequent mining studies.

6.5 REE Metal Content

NdPr mineralisation comprises, on average, 22.3% of total rare earth content of Ngualla mineralisation, discussed previously in Section 3 (Figure 3-1).

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7. MINING

7.1 Mining Method

The Ore Reserve estimated for the project utilise Measured and Indicated Mineral Resource estimates. Principal modifying factors used in the estimation of the Project's Ore Reserve and valuation of the project are discussed in this section of the Report.

The Ngualla Project proposes to utilise conventional open pit selective mining, with drill and blast and loading is undertaken by hydraulic excavators loaded into dump trucks. The oxidised ore is transported to run-of-mine (ROM) stockpiles and will not require blasting. Fresh waste material will be drilled and blasted.

After being defined by grade control personnel, the ore and waste material are excavated in 2.5 m flitches. The waste material is utilised for tailings storage dam wall construction; hence, there are no external waste dumps.

Given the conventional selective mining process and proximity to the surface, the mining fleet selected consists of industry standard equipment, 41-tonne articulated dump trucks (Caterpillar 745) and 90-tonne excavators (Caterpillar 395). A front-end loader (Caterpillar 980M) is also included in the mining capital to support the mining loading operations. To support the mining operations, a grader (Caterpillar 14M), a tracked dozer (Caterpillar D9R) and a water cart (Caterpillar 745) are included.

In the project's Feasibility Study (Amec Foster Wheeler, 2017) and Feasibility Study Update (Wood, 2022), mining at Ngualla will follow an owner-operated approach. A change in the mining model from owner-operated to contractor-operated was made by PEK during the FEED study (Wood, 2023).

The selection of the conventional mining method is directly applicable to the orebody characteristics, and the mining equipment selected is compatible with the mining process.

7.1.1 Dilution

The project's Ore Reserve includes no allowance for dilution ("skin in" ore selection), and an ore loss of 6%. This approach to ore loss and dilution reflects the Ngualla orebody's 30 m lateral width and visible mineralisation distinguishable by colour.

The lack of a dilution allowance in the Ore Reserve estimate Modifying Factors is uncommon.

The lack of dilution factor in the mining strategy implies that PEK are prepared to accept some ore loss in order to maximise ROM head grades and maintain natural grade continuity evident in the deposit. This is achieved by preventing accidental dilution with lower-grade mineralisation and waste. Analysis of the costs and benefits of this decision were not sighted, but the benefits of maximising ROM grade and minimising ROM grade variability are documented. Dilution constitutes an important Ore Reserve modifying factor. Avoiding or minimising dilution should be examined by a selective mining unit study to optimise the mining loading equipment selection.A selective mining unit study to optimise the mining loading equipment with respect to ore loss and dilution is also required to ensure that this ore selection strategy can be effectively implemented.

7.1.2 Geotechnical

The pit wall slope design parameters (Saprolite (21.3°), Mixed (27.6°) and Fresh (38.8°)) were developed by an independent geotechnical consultant who also provided bench height and berm widths, and recommended bench face angles for each of the four design sectors, and three

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weathering profiles. These geotechnical and design parameters have been incorporated into the mine design.

These mine design parameters align with the geotechnical recommendations and selected mining equipment dimensions and in ERM's professional opinion are appropriate.

7.2 Mine Design

The pit and stage designs incorporated the above geotechnical parameters and the additional design factors:

- Ramp widths of 23 m for dual lanes
- Ramp width of 15 m for a single lane
- Switchbacks using a 30 m centreline diameter
- A minimum mining width of 30 m
- A minimum mining width of 20 m for the lower two benches
- Final goodbye cut width of 12 m.

These mine design parameters align with the geotechnical recommendations and selected mining equipment dimensions.

The Ngualla pit design is divided into five stages and illustrated in Figure 6-1 and Table 6-1. The general mine site layout is depicted in Figure 7-1.

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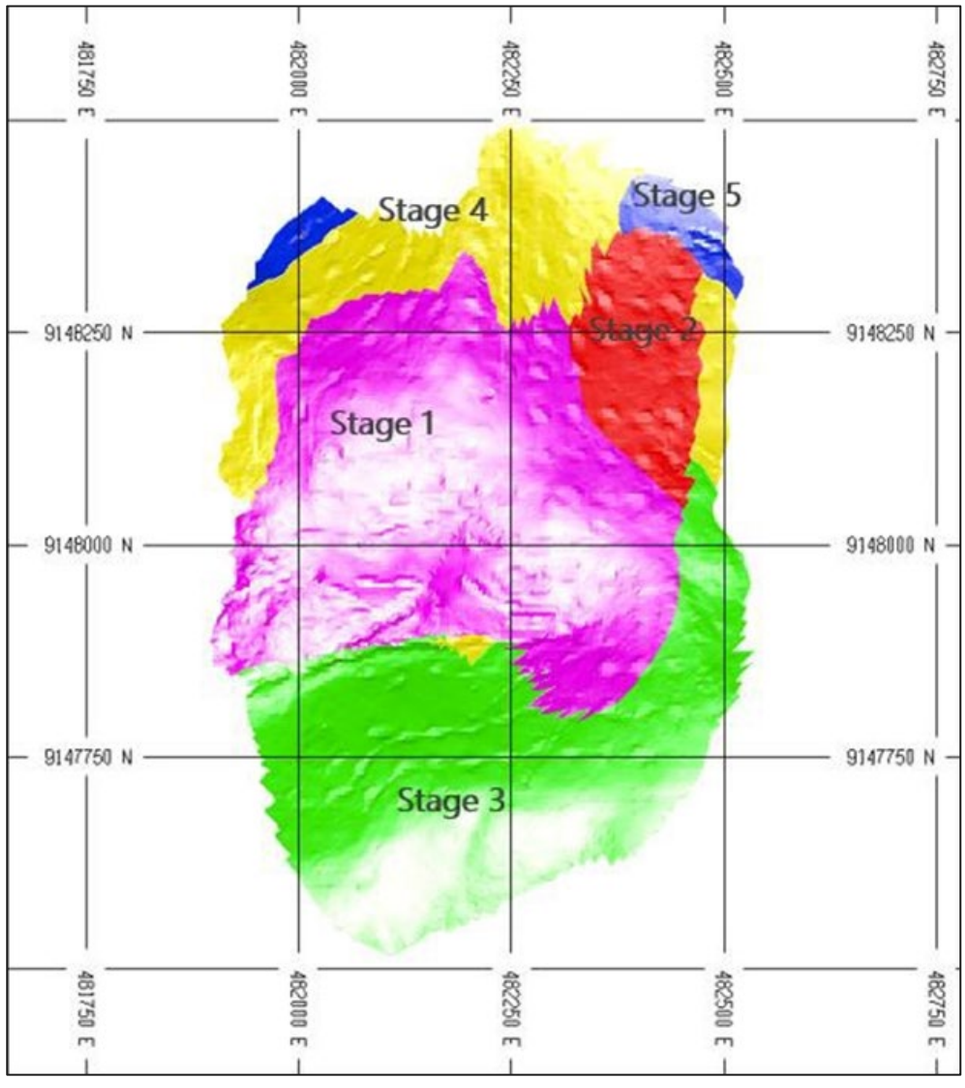


Figure 7-1: Ngualla pit design stages

The LOM schedule requires the process plant to receive the highest-grade material with a consistent iron oxide grade profile. This requires long-term ore stockpiles to be established during the initial seven years of production. The Ngualla LOM schedule is summarised in Table 7-1 and Figure 7-2 below.

Table 7-1: Material movement across Ngualla pit stages

Stage	Proved			Probable			Total			Waste (Mt)t	Total (Mt)	Strip ratio (W:O)
	Mt	TREO %	TREO kt	Mt	TREO %	TREO kt	Mt	TREO %	TREO kt			
1	5.9	4.9	287.9	0.3	5.9	18.3	6.2	4.9	306.2	6.0	12.2	0.96
2	0.9	4.9	43.4	0.0	4.9	1.8	0.9	4.9	45.2	0.7	1.6	0.73
3	2.6	4.5	115.0	0.2	4.6	11.0	2.8	4.5	126.0	9.8	12.6	3.52
4	6.0	4.8	289.0	0.4	5.1	18.5	6.4	4.8	307.5	11.8	18.1	1.85
5	1.7	4.7	77.8	0.5	4.9	24.4	2.2	4.7	102.3	4.4	6.6	2.03
Total	**17.0**	**4.8**	**813.1**	**1.5**	**5.1**	**74.0**	**18.5**	**4.8**	**887.1**	**32.7**	**51.1**	**1.77**

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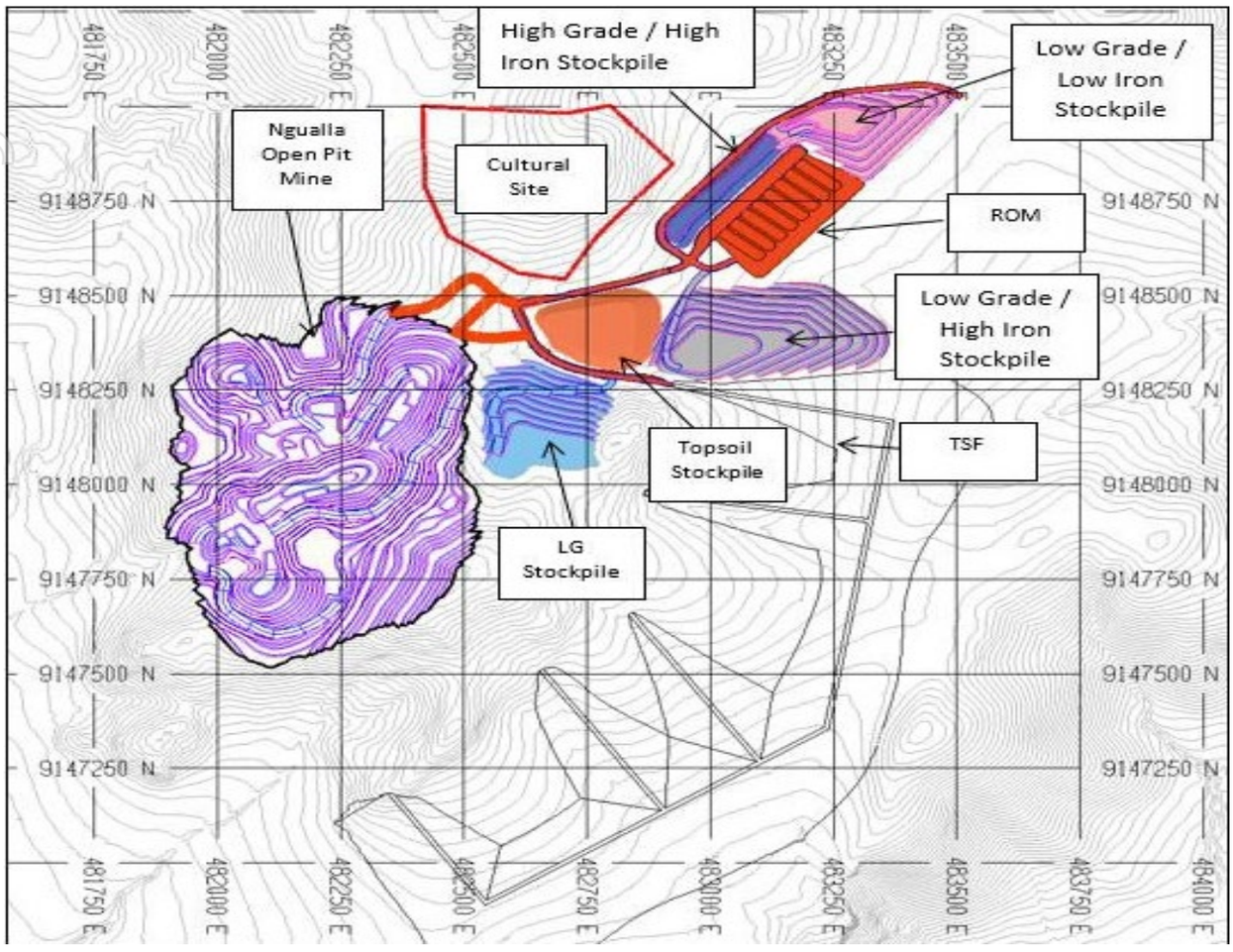


Figure 7-2: Ngualla Project general mine site layout

Figure 7-3 details higher production levels for load and haul during the initial three years, which are close to the mining fleet's maximum capacity. The higher productivity is attributable to the influence of the TSF waste requirements.

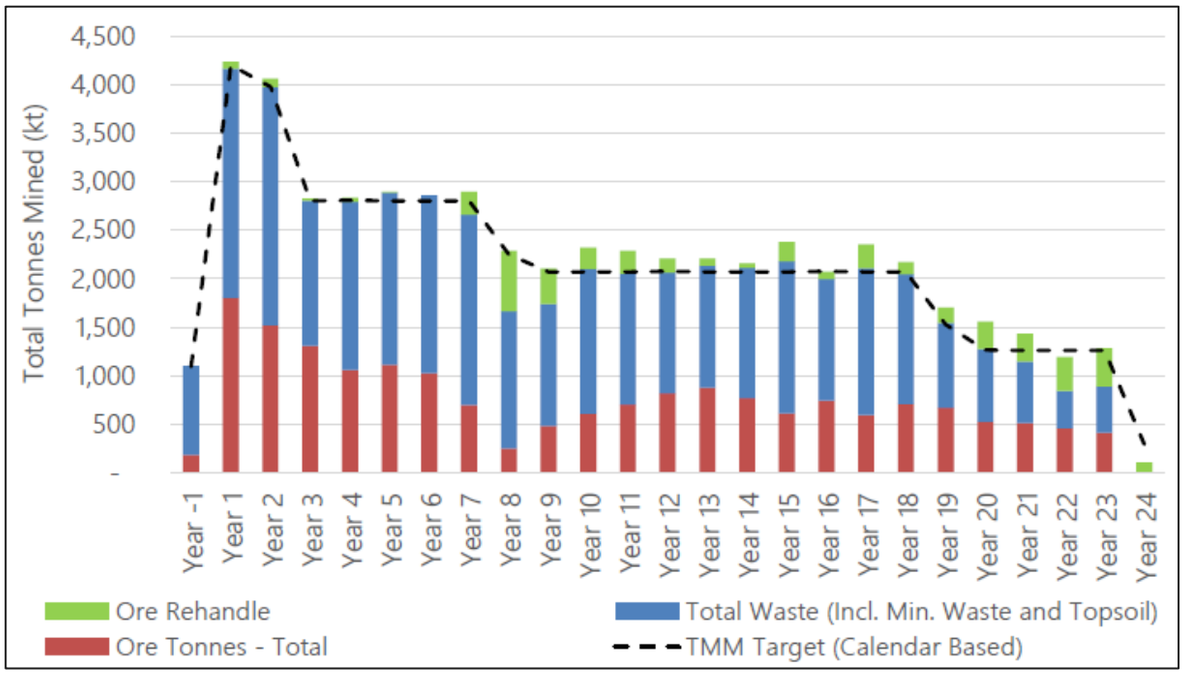


Figure 7-3: Ngualla Project LOM production summary

Across the mine's life, there are always two active mining stages. The pre-strip and setup of the following stage enable the leading stage to provide the ore feed to the mill (Figure 7-4).

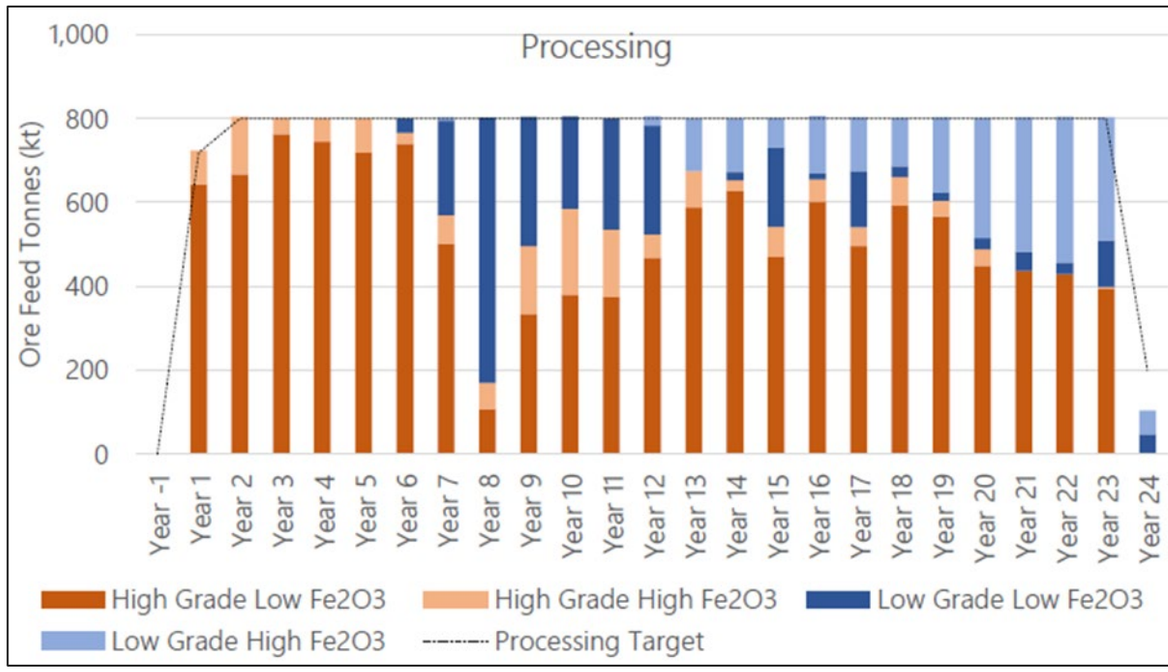


Figure 7-4: Ngualla Project mill processing schedule summary

The stockpiles reach a maximum combined size of 3.2 Mt in Year 6, with approximately 3.0 Mt being classified in the lower TREO ore bins and 0.2 Mt in the high TREO ore bins with high contaminant grades.

The mine design, layout, and LOM schedule detailed in the BFS Update are deemed appropriate for the Ngualla orebody and specified production requirements. Design related parameters are considered to have been used appropriately in the project's financial model.

7.3 Ore Reserves

Orelogy Consulting (Orelogy) prepared the Ore Reserve estimate for the Ngualla Project in October 2022 in accordance with the guidelines of JORC (2012).

The Ore Reserve comprises approximately 92% Proven and 8% Probable Reserves, reflecting the underlying resource model proportions. All mined ore within the Ngualla LOM schedule comprises Ore Reserves. The Ngualla Ore Reserve are summarised in Table 7-2.

Table 7-2: Ngualla Project Ore Reserve estimate (October 2022)

Classification	Ore tonnes (Mt)	TREO grade (%)	Contained TREO (kt)
Proved	17	4.78	813
Probable	1	5.10	74
Total	**18**	**4.80**	**887**

Based on the following REO prices (net of payability): neodymium US$49.6/kg, praseodymium US$46.8/kg, lanthanum US$0.7/kg, cerium US$0.8/kg, samarium US$1.1/kg, europium US$15.9/kg, gadolinium US$20.0/kg, terbium US$666.4/kg, dysprosium US$205.2/kg, holmium US$69.0/kg, erbium US$18.1/kg, ytterbium US$8.1/kg, lutetium US$403.8/kg and Yttrium US$3.2/kg.

At this level of review, the Ore Reserves documentation is deemed appropriate for the Ngualla orebody and mining method and supports the Feasibility Study. Further work is required to determine the ore dilution modifying factor applied.

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7.4 Mining Cost Estimate

7.4.1 Basis of Estimate

Orelogy prepared the mining cost estimate based on an owner-operator mining approach for the Feasibility Study Update (Wood, 2022). The key inputs and assumptions used for the development of the open pit mining cost estimate are detailed below:

- All costs in US dollars.
- Estimated lifecycle cost estimates as provided by Mantrac, the in-country supplier of Caterpillar mining equipment in Tanzania.
- Heavy equipment capital purchase costs as provided by Mantrac.
- Production and grade control drill rig capital purchase costs as provided by Epiroc.
- Submission of a blasting contract provided by AEL Mining Services (AEL) providing storage, and downhole delivery of the explosives.
- Development of an owner mining cost for:
  - mine management and technical services
  - mine equipment operators
  - mine operations supervision and support personnel
  - workshop maintenance personnel and associated management/supervision
  - associated overheads and fixed costs.

All heavy vehicle maintenance parts costs are based on lifecycle cost submissions from either Mantrac or Epiroc. Epiroc also provided indicative pricing for drilling consumables.

Orelogy estimates for consumption and unit costs for:

- Fuel (consumption only)
- Grease, oils and lubricants
- Wear parts
- Tyres.

Calculated equipment operating times based on the scheduled physicals and first principle productivity estimates. Truck hours and fuel burn were generated from the haulage analysis module of the scheduling tool used by Orelogy.

Blasting costs are based on a contract quotation from AEL.

Management costs developed from first principles, including salaries, light vehicles, on-costs, consumables, etc.

7.4.2 Battery Limits

Orelogy prepared battery limit for the cost estimate is effectively the ROM crusher and tipping construction materials at the TSF embankments. The estimate includes an allowance for:

- Clearing/Grubbing/Soil removal and storage
- Haul road construction
- ROM pad construction – cut and fill material only
- Load and haul
- Drill and blast
- Crusher feed
- Ancillary equipment

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- Grade control
- Sample hole drilling
- Sample collection
- Pit dewatering
- Mine operating personnel, including management, technical, operations, administration and maintenance
- Mining fixed overheads and incidental costs
- De-establishment and mine site rehabilitation.

No cost allowance for waste's final placement and compaction within the TSF embankment walls has been made.

7.5 Mining Operating Cost Estimate

The development of the mining operational cost estimate encompasses the following first principles analysis.

Rosters – open pit mining:

- Salary on-costs for PEK Mining Team – mining operations
- Wages – continuous shift mining operations
- Wages – continuous shift mine maintenance
- PEK Mining Management Team – mining operations
- Overall personnel – open pit mining operations
- Owners fixed overheads
- Ancillary and workshop overheads.

Diesel price:

- Equipment utilisation rates – high production period (Year -1 to Year 3)
- Equipment utilisation rates – low production period (Year 4 to Year 24)
- Excavator productivity
- Heavy equipment fuel burn rates
- Haulage delays, heavy equipment tyre prices and life expectancy
- Blast-hole design parameters
- Pre-split blast-hole design parameters
- Drill rig lifecycle costs
- Drilling consumables – production
- Drilling consumables – grade control
- Explosives supply and delivery contract
- Explosive consumables
- Grade control sampling specifications
- Grade control sampler per year
- Loading productivity estimate
- Hauling productivity estimate
- Site preparation costs
- Road building costs

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- Rehabilitation costs
- Dewatering costs
- ROM loader productivity
- Stockpile reclaim productivity
- Operating time breakdown
- LOM operation.

Mining operating costs presented in the Feasibility Study Update (Wood, 2022) are summarised in Table 7-3 and Figure 7-5. The total mining cost of US$204.10 for the LOM, reported in Table 7-3 are consistent with the mining cost of US$3.99/t stated in the Feasibility Study Update (Wood, 2022).

Table 7-3: Orelogy-prepared operating cost summary

Cost Centre	Ore		Waste		Total	
	$ M	$/t Ore	$ M	$/t Waste	$ M	$/t Total
Loading	$4.50	$0.24	$7.50	$0.23	$11.90	$0.23
Hauling	$16.10	$0.87	$38.40	$1.18	$54.50	$1.07
Support	$6.00	$0.32	$12.60	$0.39	$18.60	$0.36
Grade Control	$0.80	$0.04			$0.80	$0.02
Drilling	$0.40	$0.02	$14.00	$0.43	$14.40	$0.28
Blasting	$0.50	$0.03	$13.20	$0.40	$13.60	$0.27
Clearing/Road building/Rehabilitation	$0.60	$0.03	$2.50	$0.08	$3.10	$0.06
Personnel	$29.30	$1.59	$27.50	$0.84	$56.80	$1.11
Overheads	$9.20	$0.50	$8.50	$0.26	$17.70	$0.35
Dewatering	$0.80	$0.04	$1.40	$0.04	$2.20	$0.04
Ore Rehandle	$10.50	$0.57			$10.50	$0.21
Total	**$78.60**	**$4.25**	**$125.50**	**$3.84**	**$204.10**	**$3.99**

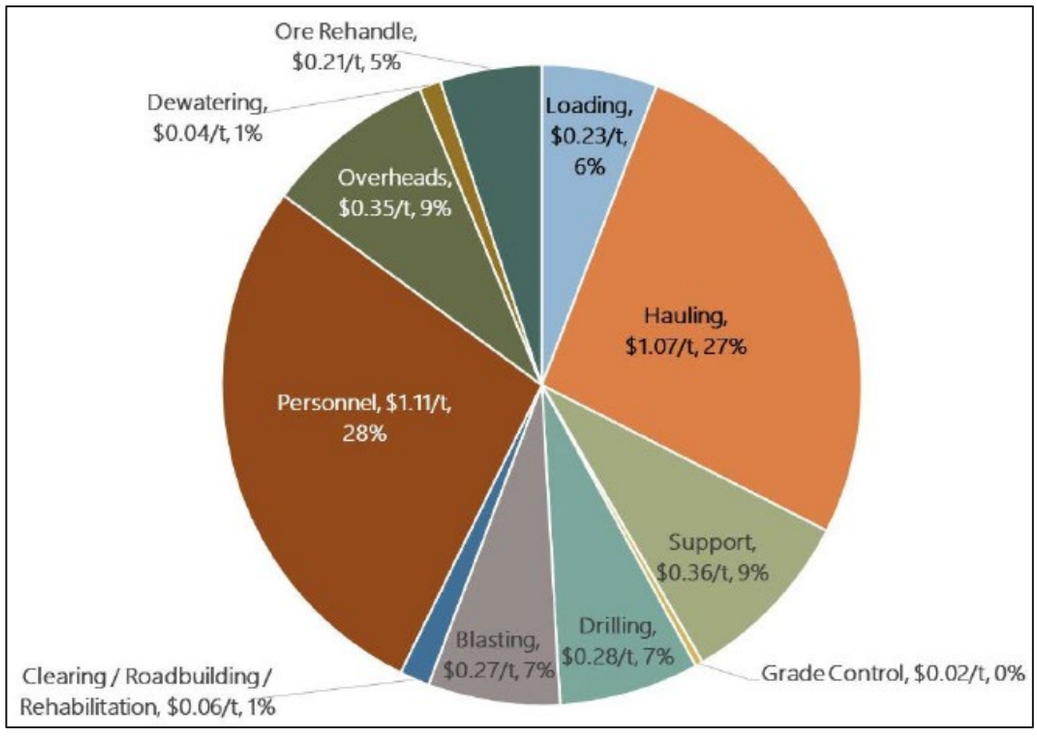


Figure 7-5: LOM operating costs

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The methodologies followed by Orelogy for determining the mine operation cost estimate are very detailed and support the basis of the Ore Reserves and Feasibility Study.

The net unit mining cost of US$3.99/t in the Feasibility Study Update (Wood, 2022) aligns with industry norms for the selected site location and mine method and corresponds with a LOM total mining cost of US$204.1 million. The FEED study reports average contract mining costs provided by three contractors of US$4.97/t, US$4.17/t and US$4.33/t (average of US$4.49/t), resulting in a LOM total mining cost of US$228.6 million. This increase is due to contract mining having higher unit costs but reduced capital due to equipment being provided by the contractor, reducing mining capital costs.

Material quantities mined are discussed further in Section 9.1.

7.6 Mining Capital Cost Estimate

The mine capital cost estimate development encompasses the following first principal analysis:

- Heavy equipment – initial capex
- Heavy equipment – replacement life
- Heavy equipment – replacement schedule and capex
- Ancillary equipment – capital items.

7.6.1 Mining Capital Expenditure Summary

Total non-infrastructure capital costs for the project are detailed in Table 7-4 below.

Table 7-4: Initial and replacement capital summary

Description	Units	Value
Initial capital		
Heavy equipment	US$ M	$16.34
Auxiliary equipment	US$ M	$2.24
Subtotal	**US$ M**	**$18.59**
Replacement capital		
Heavy equipment	US$ M	$16.07
Auxiliary equipment	US$ M	$5.06
Subtotal	**US$ M**	**$21.25**
Total	**US$ M**	**39.71**

ERM considers the methodologies followed by Orelogy to be very detailed and thorough. They support the basis of the Ore Reserves and Feasibility Study. The costings are considered appropriate for use in the financial model used to value the project.

7.7 Feasibility and FEED Study Review

The study findings prepared by Amec Foster Wheeler (Amec Foster Wheeler, 2017), and Wood Australia Pty Ltd (Wood, 2022) have been used as the basis of the project's FEED report (Wood, 2023). The FEED study report incorporates additional work to change to owner-operated mining.

A FEED study is a pre-project planning phase that precedes detailed design and construction. It is a crucial step in mining projects, ensuring technical requirements, project scope and budget are defined before committing to the project's Financial Investment Decision (FID).

ERM considers the scope of the work completed as described in the FEED study report (Wood, 2023) is inconsistent with the definition of a FEED study, as the objectives stated by the authors are to evaluate value-add initiatives and derisk the project. In some cases, the value-add

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opportunities are evaluated at an orders of magnitude level of accuracy. The work builds upon a DFS update that was completed for the Ngualla Project in October 2022. The DFS study report and associated appendices were not presented to ERM for review. In some cases, the report refers to future work to be done in the FEED study (e.g. Executive Summary page 19 referring to the engagement of Knight Piésold to lead TSF design work, Wood, 2023).

This opinion is not a criticism of the work that was done, but rather an observation that the work falls short of the requirements for a FEED study as defined by ERM.

FEED study limitations are considered to have potential to delay construction following a FID for the project as additional work will be required to address FEED study shortcomings before construction could commence. ERM proposes that there are FEED gaps that need to be filled in order to ensure the successful execution of the Deliverable Expectation Document (DED) phase. A gap analysis should be performed to identify and define the FEED scope of work that is required, as it is important to understand that engineering costs are a significant factor in overall project expenses and should be carefully considered during the budget and planning stages.

The FID is considered to be supported by the execution of a binding Scheme Implementation Deed with Shenghe Singapore.

PEK representatives reported that some key enabling works to have been progressed, including access roads, water supply and land compensation. The study document presented key project execution milestones, including the award of long-lead equipment items, some of which were required six months in advance of the FID. PEK has not confirmed that these equipment items were purchased in support of the project delivery. The other fast-track options available to facilitate the FEED phase of work include advancement of detailed engineering based on certified data that is procured or subject to a pre-sanction procurement strategy that includes cancellation clauses at key milestone dates.

The expenditure to date on engineering and the scope of services completed was not provided to ERM for review. Engineering costs are not directly proportional to project size and are best estimated based on the needs specific to the project.

In the professional opinion of ERM (and consistent with industry standards supported by AACE), the FEED component should be at least 60% of the overall engineering cost. Our benchmark is that engineering for a plant with a total installed cost of US$50–250 million will cost approximately 6% of the overall cost.

The problem with FEED is that the budget needs to be spent wisely to ensure that certified vendor data is procured so that overall engineering costs do not increase due to re-work.

ERM proposes, for a project of this size and given that the complexity of the process is low, factors such as the relationship between the EPCM (engineering, procurement and construction management) contractor and PEK, local conditions, market conditions and cost structure will be the factors that will significantly influence the engineering cost.

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8. ORE PROCESSING AND RARE EARTH ELEMENT RECOVERY

8.1 Ore Processing and Beneficiation

A complex weathered ore containing REO minerals (bastnäsite et al.), barite, iron oxides and silicates will be processed to recover REO. Ore processing consists of a comminution circuit followed by two-stage flotation (Figure 8-1). The first stage recovers barite which is rejected to tailings, with the second stage recovering bastnäsite and other rare earth minerals to final concentrate.

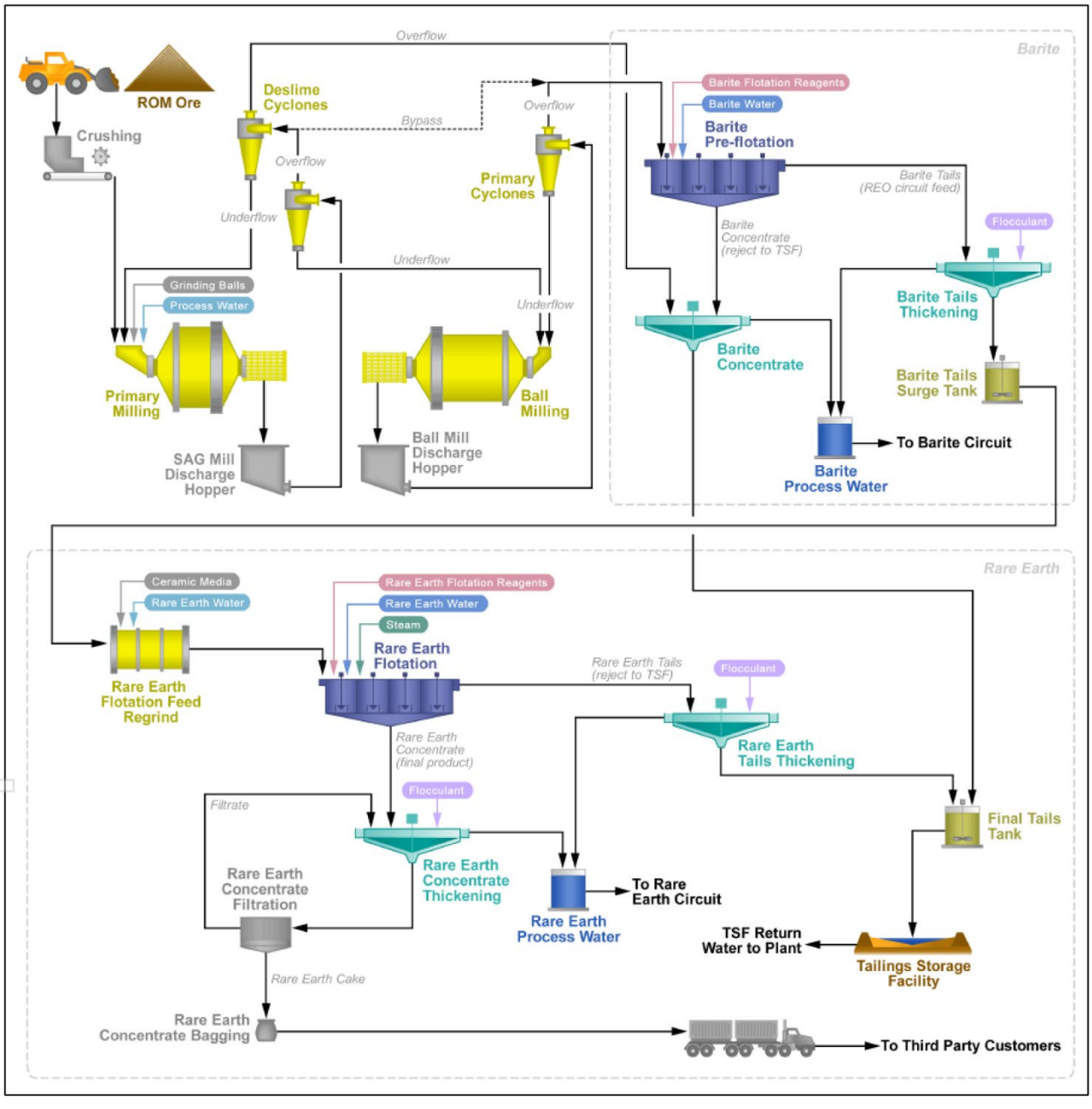


Figure 8-1: Process Flowsheet

The flowsheet proposed by Wood and PEK does not include any novel processing units, hence the technology risk is limited. Reduction of the technology risk to very low levels is considered achievable during the detailed design phase and it is recommended that this objective be aggressively pursued by PEK.

A process review of the flowsheet was divided into the following key components:

- Ore characterisation and appropriateness of the testwork
- Appropriateness of the comminution circuit
- Utility of the desliming circuit
- Barite flotation froth entrainment issue
- Rare earth flotation heating
- Water quality and comprehension of the site water balance.

Most of the above components are specifically identified in the FEED study as requiring additional engineering work.

The flowsheet basis is largely derived from metallurgical testwork performed on a bulk composite sample designated as MET029. MET029 was taken from the existing surface trenches created for a larger trench sampling campaign conducted for the 2015 DFS concentrator pilot program undertaken at ALS in Perth, Western Australia (Figure 8-2, Figure 8-3). The bulk composite sample for the 2015 campaign was designated as MET027 and the testwork reports associated with this work were not presented to ERM for review. The location of the trenches sampled for the MET029 composite are shown in Figure 8-2 below. PEK, when asked, did not provide the spatial location of these trenches with respect to the orebody block model and proposed pit shell.

PEK representatives reported that MET029 material contained the same lithological groups present in the 2015 pilot feed (MET027), though the proportions were slightly different, with MET029 containing more goethitic saprolite. PEK reported that the trench samples from the original campaign (i.e. MET027) and MET029 reflect ore that will be processed in the early years of the project but is not necessarily typical of the entire orebody.

ERM is unable to verify these statements, nor comment on the representitivity of the metallurgical composite samples, based on the data available. In ERM's experience, however, questions relating to the representivity of metallurgical samples in mineral resource development projects are not uncommon. Metallurgical testing is typically based on a limited number of samples collected from a small number of locations within a deposit. This creates issues when assessing deposits that exhibit geological variability that affects grades and ore mineralogy. ERM proposes that this may not be a critical issue for the Ngualla deposit where weathered ore will be mined and mineralisation development can considerably reduce variability evident in mineralisation source rocks. Parameters based on metallurgical testing results used in the financial model for the project are considered suitable for use.

Variability samples tested in both the original 2015 campaign and the more recent 2023 campaign accessed the orebody both spatially and at depth. The status of the 2023 ore variability testwork campaign is reported in the study document as "in progress." Representatives for PEK reported that this testwork was completed, confirmed the flowsheet and identified opportunities to correct off-specification outcomes through manipulation of reagent dosage.

The study recommends that "other" lithologies be included in the variability campaign but the characteristics of these lithologies were not presented.

As the sample provenance and results of the 2023 ore variability testwork were not presented to ERM for review, no conclusion was made concerning geometallurgical characterisation of the ore and the appropriateness of the flowsheet for the entire LOM.

The MET029 ore bulk sample is characteristically fine-grained with agglomerate lumps and a competent ore component that principally consists of ferruginous pisolites, quartz and iron-manganese-REE composites. Given the low SMC A*B comminution results, ERM queried the justification for Wood's selection of a high aspect semi-autogenous grinding (SAG) mill.

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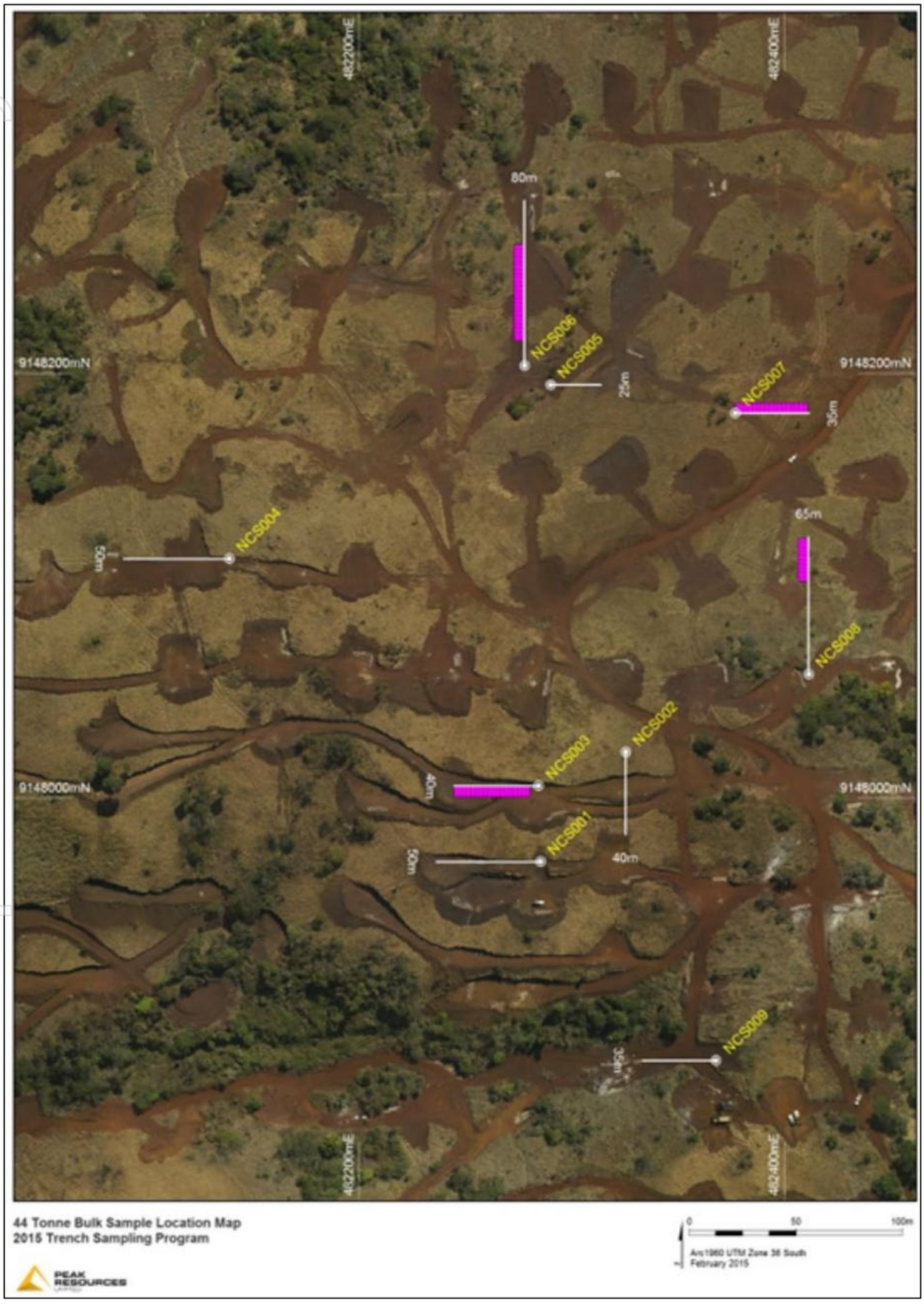


Figure 8-2: Trench sample locations

Source: PEK

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Figure 8-3: MET029 bulk composite stockpile

Representatives for PEK (Wood) reported that given the modest throughput of 114 tph and low specific power demand (around 3 kWh/t), a high aspect mill is necessary to ensure a sufficiently wide mill trunnion and associated mill feed chute to avoid blockage by occasional larger particles that pass through the feeder breaker. The feeder breaker is described as fed by ROM material that passes through a 500 mm square aperture static grizzly, and the breaker produces a maximum top size of 200 mm. The 200 mm top size, if present, is problematic as feed to scrubbing/screening equipment such as log washer/screen, scrubber, or wash trommels and the testwork indicates that these units do not impart sufficient energy to break up conglomerates efficiently. While a low aspect SAG mill would satisfy the energy requirement, the required increase in ball charge would tend to increase barite slimes production. Wood concluded that the comminution circuit selection satisfied the brief of process flexibility, operability and capital cost.

ERM has not sighted the trade-off study nor milling circuit simulations behind Wood's comminution circuit design and has a concern that the circuit optimised both from the perspective of minimising losses to slimes and capital cost. The ore characterisation data presented provides no insight into the occurrence of the coarse boulders of concern in the <200 mm to >125 mm size range. ERM notes that this issue is difficult to quantify without digging a sufficiently large test pit, but there are other means of dealing with this issue that do not require a SAG mill.

The desliming circuit is a known area of review, and as a result, may or may not be retained in the final flowsheet. While desliming is common for the planned process as a method for improving the efficiency of the barite pre-flotation, the testwork indicates that REE losses to slimes may negate any gain in flotation efficiencies.

Preliminary investigation of the suitability of magnetic separation to recover REE (principally liberated bastnaesite) believed to be entrained in the barite froth were undertaken. There was too much barite in the resultant concentrate, however, for this to be worthwhile. Similarly, preliminary investigation of sparged columns was undertaken.

The rare earth flotation circuit requiring slurry heating and indirect heating methods was reviewed, as well as alternative heat sources.

While some aspects of the flotation circuits are well-defined such as reagent selection and dosing scheme, in the professional opinion of ERM, the unresolved issues with the flowsheet that remain do not satisfy the requirements of a FEED study.

The operational impact of a 32-month deferment of the TSF decantation is yet to be determined, as is the process for treatment of the supernatant.

Power supply proposals were received from multiple vendors but remain budgetary. The cost of energy is dependent on comprehension of the long-term diesel pricing. Representatives for PEK report that the diesel price analysis was undertaken by an experienced financial analyst. In the professional opinion of ERM, the cost of energy is critical to the project financials and the economic sensitivity analysis for the cost of diesel should be stated.

In the professional opinion of ERM, it is evident that critical elements of the flowsheet configuration need to be finalised, incorporating all testwork, trade-off study, and review conclusions prior to execution of the pre-project planning phase that is typical of a true FEED study. This work, ideally, would be completed prior to an FID, but is not uncommon for the current stage of project development.

8.2 REO Recovery to Concentrate

Project metallurgical studies predict that the project will achieve an overall TREO recovery of 42.7% for production of a 45% TREO concentrate (Wood, 2022). Neodymium and praseodymium comprise, on average, 22.3% of concentrates by volume and 92.8% by value.

Wood's process design criteria (207113-12000-DC00-DSC-0001) indicates a TREO recovery ranging from 41.4% to 53.2% for production of a 34.8% to 59.6% TREO concentrate based upon a pilot plant shift composite grade-recovery plot prepared by PEK.

There are comments in the FEED report indicating the results of variability testwork were not available at the time of writing and, in the professional opinion of ERM, this introduces an undefined level of uncertainty surrounding the final concentrate grade and TREO recovery. ERM proposes that this information is unlikely to be material to valuation of the project at its current stage of development. Knowledge of ore grade variability, however, is critical to short term mine planning and scheduling and production grade control.

Grade and recovery directly influence mining and processing direct costs (e.g. lower grades may require more ore to be mined to achieve the same recovery, impacting labour and equipment costs). Recovery can also impact indirect costs such as infrastructure and tailings storage. Higher recovery rates may require more robust infrastructure, potentially increasing capital expenditures.

The AusIMM Monograph 27, "Cost Estimation Handbook" (Flanagan, 2012) encourages sensitivity analysis to assess the impact of different grade and recovery scenarios on the project's profitability and financial performance.

In the professional opinion of ERM, the concentrate grade and recovery design envelope is not adequately described in the basis of design document (207113-10000-BA00-DSC-0001) which specifically states that "No consideration will be given to future expansion in this phase for the lower future grade."

Feed deslime is reported to have the potential to increase the concentrate grade at lower overall recovery and has been included in the FEED flowsheet. Magnetic separation is reported to be a potential means to increase grade and recovery dependent upon comprehension of the REE deportment to magnetics and has not been incorporated into the FEED flowsheet pending conclusion of testwork and liberation analysis.

ERM recommends that the final testwork results be validated against the mine schedule developed from the Ore Reserve and mine design to ensure that the plant can cope with all reasonable expected operating ranges, and confirm the production schedule that forms the basis of financial analysis is aligned with domain variability.

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8.3 Concentrate Pricing

Wood commissioned Adamas to complete a REE market study to support pricing assumptions, reported in the project's BFS Update (Wood, 2022). Under its Base Case pricing scenario, Adamas projects the NdPr oxide price to increase to US$200/kg by 2025 and to US$247/kg by 2035 due to accelerating growth in EVs and direct drive wind turbines as well as a rapidly expanding market deficit in NdPr oxide.

PEK announced the execution of a binding offtake agreement with Shenghe Singapore on 9 August 2023 and that all conditions precedent had been satisfied on 21 June 2024. Key terms of the offtake agreement include:

- Products – 100% of rare earth concentrate and subject to entering into subsequent binding offtake agreements a minimum of 50% of any intermediate rare earth products (such as a future Mixed Rare Earth Carbonate) or final separated rare earth oxides;
- Take-or-Pay – Shenghe Singapore is obligated to pay for and take delivery of all agreed products;
- Pricing – market-based pricing formula based on the value of contained rare earth oxides (as quoted by Asianmetal.com) within the product less deductions relating to VAT, trading fees as well as refining recoveries, charges and margins;
- Term – an initial seven-year period which may be extended further by mutual agreement;
- Shipping – sale of concentrate is based on Cost, Insurance and Freight ("CIF") discharge to designated Chinese ports;
- Invoicing – at the election of Peak, the payment of 90% of the Provisional Invoice by delivery of a Letter of Credit prior to the loading of a shipment or the payment of 80% of the Provisional Invoice by telegraphic transfer within five business days of shipping documents being delivered, with the balance of payments to be made within 30 days of customs clearance;
- Performance guarantee – the Offtake Agreement is supported by a parent performance guarantee by Shenghe; and
- Termination – termination rights where an event of default is not remedied within 30 days.

Table 8-1 shows forecast sale price (in US$/kg of dry concentrate) for Ngualla concentrate across various rare earth pricing scenarios.

Table 8-1 Ngualla Project concentrate pricing assumptions

US$/kg (dry)	Year										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Downside	12.0	10.6	9.6	8.6	8.9	10.0	11.3	12.3	13.0	13.7	14.3
Base	**13.0**	**12.7**	**12.5**	**12.3**	**12.7**	**13.4**	**14.2**	**14.9**	**15.4**	**15.9**	**16.4**
Upside	14.1	14.7	15.4	15.39	16.5	16.8	17.2	17.5	17.8	18.2	18.5

The PEK/Government of Tanzania study on the feasibility of a Tanzanian rare earth refinery that is discussed in the BFS Update report is not mentioned in the FEED report. The Government of Tanzania has a stated policy that the refining of mineral products should be undertaken in Tanzania, where feasible.

ERM notes that the Company has a signed off-take agreement with Shenghe Singapore. The primary price estimates from this agreement are used in the Corporate financial model.

8.4 Beneficiation Plant Capital Expenditure Summary

Total capital costs for the project by work breakdown structure are detailed in Table 8-2 below which is reproduced from section 9 of the Ngualla FEED Report that explains the capital cost changes that were introduced in October 2023.

Table 8-2 Beneficiation plant FEED capex summary

Description	Units	Value	% of total installed cost
Direct capital costs			
Infrastructure construction	US$ M	$9.20	3.21%
Mine equipment	US$ M	$0.35	0.12%
Beneficiation plant	US$ M	$0.01	0.00%
ROM ore handling	US$ M	$3.48	1.21%
Primary milling	US$ M	$9.62	3.35%
Flotation	US$ M	$34.27	11.95%
Beneficiation building plant miscellaneous	US$ M	$3.21	1.12%
Concentrate area	US$ M	$5.66	1.97%
Reagent facilities	US$ M	$6.97	2.43%
Water services	US$ M	$5.87	2.05%
Air services	US$ M	$2.84	0.99%
Fuel services and distribution	US$ M	$0.98	0.34%
TSF	US$ M	$16.37	5.71%
Return water	US$ M	$0.88	0.31%
Accommodation facilities	US$ M	$2.24	0.78%
Internal roads	US$ M	$0.33	0.12%
Buildings/Workshops	US$ M	$7.35	2.56%
Other facilities	US$ M	$5.90	2.06%
Regional roads	US$ M	$12.72	4.43%
Bulk earthworks	US$ M	$7.94	2.77%
Air strip	US$ M	$4.13	1.44%
Water	US$ M	$3.08	1.07%
Power	US$ M	$14.64	5.10%
Communications	US$ M	$5.97	2.08%
Miscellaneous services	US$ M	$10.95	3.82%
Mobile equipment	US$ M	$4.45	1.55%
Transport and logistics cost update adjustment	US$ M	($2.39)	-0.83%
Escalation adjustment allowance	US$ M	$10.48	3.65%
Foreign currency exchange rate adjustment (1 June 2022 to October 2023)	US$ M	($5.00)	-1.74%
Subtotal direct costs	**US$ M**	**$181.59**	**63.30%**
Indirect capital costs			
EPCM labour and expenses	US$ M	$29.47	10.27%
Preliminaries	US$ M	$27.39	9.55%
Vendor/Commissioning support	US$ M	$2.34	0.82%
Spares and first fills	US$ M	$2.72	0.95%
Owners costs	US$ M	$13.63	4.75%
Contingency	US$ M	$29.71	10.36%
Subtotal	**US$ M**	**$105.26**	**36.69%**

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Description	Units	Value	% of total installed cost
TOTAL	US$ M	$286.86	100.00%

According to Wood's estimators, the capital cost estimate achieved AACE Class 3 (-10% to +15% accuracy) that is applicable to a Definitive Feasibility level rather than a FEED.

ERM proposes that the beneficiation plant capex estimates are the most suitable estimates available for use in the Corporate financial model.

The concept of contract mining is introduced in the costing and, according to Orelogy, the basis is a tender evaluation of budgetary pricing received from three shortlisted contractors.

In the professional opinion of ERM, a FEED requires the mining contract to be negotiated to binding heads of agreement or near final agreement. The understanding of contract mining costs and terms are, however, understood to a level consistent with projects at a comparable stage of development and suitable to be used as an input to the project's valuation model.

A concern is raised in the FEED report concerning the impact on the REE flotation circuit feed conditioning due to the slurry dilution effects of direct steam injection to the conditioning tanks.

In the professional opinion of ERM, the concern is valid and ERM are not comfortable with Wood's recommendation to retain direct steam injection for slurry heating. Indirect slurry heating requires more consideration.

The Rinkalore RE-81 (fatty acid) collector remaining in the REE flotation tailings needs to be removed from solution before the water can be reused in the process. It is reported that separate flotation tailings deposition was contemplated for the DFS update, but that this was changed to combined flotation tailings deposition in the current FEED work.

Post completion of the FEED Study, PEK completed preliminary water treatment testwork for the removal of fatty acid reagent from the TSF return water. Walnut shell coalescer technology was tested and found to be moderately effective, but would would likely require either an additional scavenger stage or activated carbon to ensure target collector levels are reached, notionally 10 ppm or less.

Space in the plant footprint and CapEx have been allocated for a water treatment plant. As a result of this testwork, the decant of the TSF return water will not be deferred.

Geotechnical investigation works were undertaken by Norplan (an experienced geotechnical consultancy with their own laboratory in Tanzania). The geotechnical drilling and fieldwork were undertaken during the FEED study period.

The testwork and final interpretation report were completed in May 2024. The report and findings have been reviewed by Wood (to inform their designs for the Process Plant and Roads) and Knight Piesold (to inform their TSF design). Some of the boreholes encountered voids, which will require further geophysical surveying to confirm the extent of the voids in order to finalise mitigation measures (most likely grouting).

The geotechnical costing in Corporate financial model needs to be revisited following completion of the geotechnical interpretation.

The values in the model are appropriate for use at this stage in ERM's opinion.

The project will transport 40kt/yr of concentrate by truck from the site to the deepwater Port of Dar es Salaam, a distance exceeding 1,000 km. This is about six trucks per day plus inbound and outbound freight.

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A fixed price forecast for diesel has been adopted, resulting in far reaching cost reduction including mining, transport and most significantly a US$4.6 million per annum reduction in the cost of power generation.

ERM is comfortable with the use a fixed price forecast for diesel but is uncomfortable with the basis stated by the authors as being that the limited market data indicates significant volatility. The derivation of the fixed price and sensitivity of the project profitability is not discussed in the documentation.

A build-own-operate contract has been assumed for the hybrid diesel-solar-battery power supply.

In the professional opinion of ERM, a FEED requires the build-own-operate power supply contract to be negotiated to binding heads of agreement or near final agreement. Operating cost estimates for electrical power in the Corporate financial model are, however, considered suitable for use in lieu of a build-own-operate contract being negotiated.

The estimates presented for review typically included a 10% growth allowance contingency. Line item contingency or "growth allowance contingency" is normally applied to the derived supply, erection and transport costs for each capex line item. The growth allowance range is typically selected based on the level of maturity of the engineering quantities and the source of the pricing. Growth allowance contingency is meant to cover the normal inadequacies that are inherent in design definition, execution definition and estimating omissions. The growth allowance contingency is normally held by the project group and draw approved by the project manager via trend change notices; it is expected to be used and will be subject to budget shift to balance its use from derivation (i.e. there will be swings and roundabouts as to where it is needed).

Project or "management reserve" contingency is a provision of funds for unforeseeable capital costs within the project scope (unknown unknowns) and specifically excludes scope changes. Unknown unknowns include change driven by external factors such as unusual weather events, national industrial action, insurable events or unforeseen cost escalation due to demand or foreign exchange variation. A sum for this is normally determined by a Monte Carlo simulation rather than parametric line item estimation such as used in the determination of line item growth allowance contingency estimate.

Normally what happens over time in project development is that the growth allowances are adjusted and adsorbed into the budget (or even retired into a management reserve) but some management reserve is called upon as surprises materialise. In the case at hand, PEK needs to consider just how satisfied it is with the flowsheet and where cost escalation may materialise (or not) once further work is complete. When dealing with unknown unknowns, it may seem somewhat disingenuous to apply sums without analysis, however, those that have been running the project development in terms of testwork and site investigations are in the best position to ascertain what sum should be considered.

In the professional opinion of ERM, a sum should be considered for "management reserve" contingency in order not to disappoint funders at a later date. PEK is expected to be most cognisant of the risks affecting the project and in a position to estimate their impact on capital and operating costs. ERM proposes that a management reserve allowance of 20% of metallurgical plant capital costs is considered by ERM to be appropriate. The management reserve should be included in financing arrangements for the project as a contingency that may not be required and should not be included in the project's valuation model.

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9. CORPORATE FINANCIAL MODEL REVIEW

9.1 Mined Quantities

Section 6 of the project's Feasibility Study Update (Wood, 2022) and the Corporate financial model (Peak Rare Earths, 2025c) contain some variances in production volumes (Table 9-1).

Table 9-1: Mine production volume discrepancies

Details	Units	BFS LOM	FEED model
Total material mined	kt	51,134	50,915
Ore mined delivered to mill	kt	14,110	13,924
Ore mined delivered to stockpile	kt	4,368	4,368
Waste	kt	32,656	32,623
Total ore mined	kt	18,478	18,292
Reclaim ore	kt	4,368	4,368
Crusher feed to mill	kt	18,478	18,478

The datasets are considered by ERM to be generally comparable with minor variances. The Ore Reserves detail 18.5 Mt of ore. Open pit shell optimisation reported in the project's Feasibility Study similarly details ore of 18.5 Mt and waste of 32.7 Mt.

9.2 Operating Costs

Several discrepancies are evident between the FEED study and Corporate financial model (Table 9-2).

Table 9-2: Ngualla Project average annual operating cost summary

Items	FEED		Corporate financial model	
	US$/a (M)	US$/t concentrate	US$/a (M)	US$/t concentrate
Power	17.39	425.00	17.73	492.33
Process reagents, labour and maintenance	19.72	482.60	24.92	691.99
Mining	12.81	313.00	12.67	351.80
General and other	9.67	237.00	4.58	127.17
Transportation costs	12.71	311.00	11.20	311.00
Miscellaneous costs	4.38	107.00	3.89	108.01
Total operating cost	**76.68**	**1,875.60**	**75.00**	**2,082.30**

9.3 Mining Costs

ERM identified differences in ore mined and total mining costs between studies (Table 9-3), relating to the changes associated with owner-operated or contract mining.

Table 9-3: Comparison of Mining Quantities and Costs Between Studies

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DFS 2017	$11.05	$3.99	$204.10
FEED contract mining (Section 8)	$11.62	$4.17	$214.72
FEED contract mining (Section 10)	$16.11	$5.78	$297.69
Contract Mining (Corporate Financial Model)	$16.38	$5.88	$302.71

Mining costs included in the Corporate Financial model were verified by ERM using information provided for mining activities listed in project studies comprising:

- Site establishment, mobilisation and demobilisation;
- Management overheads;
- Site preparation, clearing and topsoil management;
- Drill and blast;
- Load and haul; and
- Dayworks.

Material quantities and costs associated with each of these activities were reviewed using information included in the project's Feasibility and FEED studies. Information provided supporting these activities has been summarised from various third -party equipment vendors. The BFS Update summarises these activities annually with no supporting information for further validation. Details required to assess and validate mining cost inputs has not been provided in the project's studies.

Changes in total mining costs between the 2017 feasibility study and the FEED study (Table 9-3) reflect a change from owner-operated mining to contract mining, where equipment costs are removed from capital expenditure and included in the contract mining cost estimates. The differences between contract mining costs between sections 8 and 10 of the FEED study are not explained in the report. ERM believes the Section 8 costs do not adequately account for provision of mining equipment by a contractor. The costs included in Section 10, however, are considered to account for the costs that would be associated with provision and maintenance of the mining equipment required by the project. A small difference is reported between the FEED model and Corporate financial model that may reflect cost increases between the times at which these inputs were prepared and is not considered material.

ERM concludes that mining operating costs included in the Corporate financial model are suitable for use in valuing the project.

ERM concludes that the mining capital cost from the Corporate financial model is suitable for use in valuing the project.

Given the mining owner's operating capital (initial and sustainable) quantum and the operational cost difference between the mining owner's operating and the contract mining options, ERM recommends that these evaluation options remain current until the project's final investment decision.

9.4 Capital Costs

The capital costs estimated in the FEED Study are captured accurately in the Corporate financial model, and in ERM's professional opinion are appropriate and no adjustments are recommended.

9.5 Closure Costs

Closure and rehabilitation requirements are expected to include:

- Dismantling of buildings and infrastructure that cannot be transferred to the community surrounding the project
- Rehabilitating haul roads and hard stand areas
- Ensuring access to the void left from open pit mining is restricted
- Reprofiling slopes and top surfaces of waste rock dumps, stockpiles and TSF to ensure stable landforms
- Revegetation of previously disturbed areas with indigenous vegetation.

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Rehabilitation cost estimates are included in the Corporate financial model and Debt model for the project prepared for PEK.

The Feasibility Study and Feasibility Study Update reports indicated that PEK would adhere to the Tanzanian Mining Act 2019 and the following international guidelines on mine closure:

- The International Finance Corporation (IFC) Environmental Health and Safety Guidelines for Mining[1] recognise that a detailed mine reclamation and closure plan, including physical rehabilitation and socioeconomic considerations, should be an integral part of the project life cycle. The IFC guidelines also stipulate that closure funding arrangements should be established and reviewed annually.
- The International Council on Mining and Metals (ICMM) Integrated Mine Closure: Good Practice Guide (ICMM, 2025) is a practical guide for the mining and metals sector to ensure mine closure is undertaken in a sustainable manner. The guideline provides a suite of tools to formulate well-considered decisions when planning for closure and uses a risk and opportunity-based approach to closure planning.
- The Australian Government Leading Practice Handbook: Mine Closure (DISR, 2016) provides guidelines for developing a post-mining land use plan as part of long-term considerations for closure, rehabilitation and relinquishment.

The Feasibility Study Update (Wood, 2022) states that the intention is for the open pit to remain a void that will gradually fill with water. Some re-profiling of pit slopes is expected to be required to make the open pit stable, safe and non-polluting.

The FEED study (Wood, 2023) includes an estimate of the land areas to be rehabilitated of 39.7 ha that would comprise reprofiling of stockpile areas, the plant site, scarifying the ROM stockpile area and roads, and topsoil spreading. This is generally consistent with FEED study statements that the total area affected by land clearing at the site is reported to be 85.49 ha, which includes the open pit area of 49.29 ha. The TSF is estimated to affect an area of 16.5 ha. ERM interprets that this points to a total area to require rehabilitation of 36.2 ha. The discrepancy in the FEED study rehabilitation area is interpreted by ERM to be an allowance for making the open pit safe and non-polluting after filling with water.

Rehabilitation cost estimates are included in the Corporate financial model and the Debt model for the project prepared for PEK (Waterbourne Capital, 2025).

The Debt model prepared for the project includes:

- Present value of closure costs of US$12.70 million
- Future value of closure costs of US$26.36 million
- LOM contributions to rehabilitation of US$13.66 million.

These were estimated using a provision discount rate of 2.9%. The estimated costs have been carried into the Corporate financial model.

ERM proposes that this rehabilitation provision included in the Corporate financial model is suitable for use in valuing the project.

A detailed mine closure technical assessment should be completed prior to the project's FID.

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10. NGUALLA PROJECT VALUATION OPINION

ERM was instructed, solely, to value the Mineral Resources not included in the project's Ore Reserve.

10.1 Mineral Resources Exclusive of the Ore Reserve

The Corporate financial model for the project uses the Proved + Probable Ore Reserve estimated for the project. A small Bastnaesite Zone Mineral Resource is estimated to remain (Table 10-1).

All but a small portion of the Measured + Indicated Mineral Resource for the project have been used in estimating the project's Ore Reserve after allowing for 6% ore loss and 0% dilution proposed in mining studies for the project.

Table 10-1: Estimated Mineral Resources exclusive of Ore Reserve

Mineral Resource and Ore Reserve classification	Tonnes (Mt)	Grade (TREO %)	Contained REO (kt)
Mineral Resources (Bastnaesite Zone)			
Measured	18.9	4.75	900
Indicated	1.9	4.85	90
Inferred	0.5	4.43	20
Total	**21.3**	**4.75**	**1,010**
Ore Reserves			
Proved	17.0	4.78	813
Probable	1.5	5.10	74
Total	**18.0**	**4.80**	**887**
Estimated Mineral Resources exclusive of Ore Reserves			
Measured	0.9	4.34	38
Indicated	0.3	3.73	12
Inferred	0.4	4.43	20
Total	**1.6**	**4.25**	**32**

The Bastnaesite Zone Mineral Resource not included in the project's Ore Reserve is relatively small, outside the open pit design for the project, and distributed around the periphery of the area to be mined.

ERM considers the estimated Bastnaesite Mineral Resources not included in the project's Ore Reserve are unlikely to be of material value by not possessing reasonable prospects for eventual economic extraction.

Future near-mine exploration may identify additional Mineral Resources that would require a review of the current mine design and Ore Reserves and would necessitate review of this conclusion.

A total Mineral Resource for the project comprising mineralisation forming the Bastnaesite, Southwest Alluvial and Monazite Zones was reported by PEK in 2017 (Peak Resources Ltd, 2017). The portion of this estimate attributable to the Southwest Alluvial and Monazite Zones only is presented in Table 10-2.

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Table 10-2: Ngualla Project Mineral Resource (excluding Bastnaesite Zone)

Mineral Resource category	Tonnage (Mt)	REO grade (%)	Contained REO (kt)
Measured	67.2	2.01	1,350
Indicated	110.7	1.76	1,950
Inferred	15.2	2.11	320
Total	**193.1**	**1.87**	**3,620**

>1% REO cut-off

This portion of the project's total Mineral Resource represents a significant quantity of mineralisation that is also not included in the project's Ore Reserve.

The mineralisation, however, is lower grade that may include localised, higher-grade, zones. This mineralisation is expected to be mineralogically different to the Weathered Bastnaesite Zone that has been the subject of metallurgical testwork to date.

This portion of the Mineral Resources is difficult to ascribe value to at this stage due to several factors:

- The mineralisation does not have prospects of being mined by PEK until mining of the Bastnaesite Zone nears completion. Mining from these areas would displace higher grade Bastnaesite Zone mineralisation from processing by the project's concentrator that would detract from project value.
- A detailed understanding of metallurgical characteristics of this material is at an early stage of development.
- REE markets are dynamic and emerging technologies have potential to dramatically change demand and pricing for individual REE.

In ERM's professional opinion, the portion of the Mineral Resources outside the Weathered Bastnaesite Zone represent a potentially attractive opportunity that, however, may not contribute material value to the proposed transaction, but represents a source of potential project upside in the longer term.

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11. CONCLUSIONS

11.1 Project Summary

ERM's review of the Ngualla Project comprised a comprehensive desktop study and valuation of the portion of the Mineral Resource not included in the Ore Reserve.

Principal references used in the study included:

- A Feasibility Study for the Ngualla Project completed initially in 2017 and updated in 2022 (Wood, 2022)
- A FEED study report completed for PEK by Wood during 2023 (Wood, 2023)
- A Corporate financial model and debt model prepared by PEK.

These sources were supplemented by publicly available information and additional discussions with PEK personnel and consultants where questions arose during the preparation of this report.

The Ngualla Project has the potential to produce REO concentrate containing a significant proportion of high-value products, including neodymium and praseodymium that are in strong demand by industry. Ngualla concentrates are attractive due to their low contaminant and radionuclide content.

ERM expects prices for Ngualla concentrates to be driven by the value of contained neodymium and praseodymium for the foreseeable future and potentially a significant proportion of the project's life, unless new uses for other REE emerge.

PEK has secured tenure required to facilitate development of the project.

In ERM's opinion, the project's Mineral Resource and Ore Reserve estimates have been developed through rigorous and effective processes.

Capital and operating cost estimates provided for the project are considered to be robust.

The weathered ore mineralogy is metallurgically complex. The processing flowsheet needs to recover rare earth minerals from materials including barite, iron oxides and silicates. The FEED study for the project (Wood, 2023) identifies aspects of the project's metallurgical process as requiring further work. Metallurgical studies predict that the project will achieve an overall TREO recovery of 42.7% for production of a 45% TREO concentrate (Wood, 2022). Neodymium and praseodymium comprise, on average, 22.3% of concentrates by volume and 92.8% by value.

In ERM's opinion, the project's Mineral Resource and Ore Reserve estimates have been developed through rigorous and effective processes.

11.2 Corporate Financial Model Adjustments

A review of Mineral Resource, Ore Reserve, mining and metallurgical inputs used for the model and the modelling process employed in preparing estimates used in project studies has not revealed shortcomings that could impact use of the results of these studies in valuing the project.

The Corporate financial model (Peak Rare Earths, 2025c) is considered by ERM to provide a suitable basis for valuing the project. Inputs capturing the outcomes of project studies and adjustments that take account of early works completed by PEK at the Ngualla project site are represented in the Corporate financial model.

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The Corporate financial model is considered by ERM to provide a suitable basis for estimating the value of the project.

Appropriate modifying factors have been used during estimation of the project's Ore Reserve

Capital and operating cost estimates provided for the project are considered appropriate.

The requirement for long-term ore stockpiles during the initial seven years of production potentially detracts from the project's value.

ERM was unable to assess the representivity of metallurgical composite samples used in process design. In ERM's experience, however, questions relating to the representivity of metallurgical samples in mineral resource development projects are not uncommon. Metallurgical testing is typically based on a limited number of samples collected from a small number of locations within a deposit. This creates issues when assessing deposits that exhibit geological variability that affects grades and ore mineralogy.

ERM's proposes that this is not a critical issue for the Ngualla deposit where weathered ore is more continuous and less variable that the underlying primary mineralisation. Parameters based on metallurgical testing results used in the Corporate financial model for the project are considered suitable.

11.3 Valuation of Mineral Resources Not Included in Ore Reserves

The project's Ore Reserve utilises all but 9% of the estimated Weathered Bastnaesite Mineral Resource.

Remnant Weathered Bastnaesite Mineral Resource is concluded to have no value due to the small volumes distributed around the periphery of the project.

There has not been sufficient work thus far to support a value for the primary REE mineralisation.

This opinion could be changed by additional exploration resulting in the discovery of additional mineralisation, but more testwork, or by changes in REE pricing.

11.4 Opportunities for Improvement

ERM proposes that opportunities for improvement of confidence in project development outcomes exist in several areas:

Ore Production Strategy: The adoption of a zero dilution strategy is consistent with maximisation of ROM ore grade and ore grade consistency. The rationale underpinning this approach from a mining operations viewpoint could benefit from further technical analysis.

Stockpile Requirements: The requirement for large stockpiles in the initial seven years of production is a cost that may be able to be reduced through further review of the production schedule, resulting in increased project value.

Ore Processing: The ore processing flowsheet and engineering of the plant could benefit from further analysis. Post FEED study work commissioned by PEK may have addressed some concerns. While some aspects of the flotation circuits are well-defined, such as reagent selection and dosing scheme, in the professional opinion of ERM, unresolved issues with the flowsheet that remain may not satisfy the requirements of a FEED study. Further improvements to the flowsheet configuration could be made, incorporating all testwork, trade-off study, and review conclusions prior to execution of the pre-project planning phase. ERM notes that Shenghe has

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extensive REE processing experience and will, potentially, have experience and technologies to further enhance REE recoveries as development of the project proceeds.

Rehabilitation: A comprehensive rehabilitation study was not sighted by ERM during preparation fo this report, and should be completed prior to a FID for the project.

Potential Future Mineral Resources: Exploration has delineated a large but significantly lower grade Mineral Resource outside the Bastnaesite Zone that is not considered to be a source of additional material value for the purposes of the proposed transaction, but does provide a source of future upside potential.

None of these issues affects the use of parameters included in the Corporate financial model from being used as a basis for valuing the project at the current level of study.

ERM considers that it may be prudent to consider inclusion of a management reserve of 20% of metallurgical plant capital costs. This would allow for uncertainties not addressed by the project's feasibility and FEED studies. The proposed management reserve should be included in financing arrangements for the project as a contingency that may not be drawn upon and should not be included in valuing the project using the Corporate financial model.

Discrepancies in mining capital and operating costs between studies completed during evaluation of the project reflect a change to owner-operated mining during the FEED study (Wood, 2023). The mining capital and operating costs in the Corporate financial model are considered by ERM to be appropriate for use in valuing the project.

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ERM is one of the world's leading providers of environmental, health, safety and social consulting services. Our team has specific experience working in the mining sector with major mining companies, as well as advising Pension Funds, Private Equity firms, International Development Finance Institutions and Equator Principles Finance Institutions on investment risks and opportunities.

ERM's Sustainable Mining Services Team is a leading group of geological and mining professionals that includes geologists, mining engineers, hydrologists, hydrogeologists, data, and resource estimation specialists with experience on all types and stages of mineral projects from around the world. We have a high level of technical expertise across mineral commodities gained from 35 years of experience within the global exploration and mining industry. Our team possess experience in all stages of the mining cycle from project generation to production and the challenge of finding, developing, and mining orebodies.

ERM has multiple points of entry throughout the mining lifecycle and our global network of expertise, together with ERM, enables us to provide innovative solutions to improve operational performance and support efficient mine operations.

We offer an integrated and comprehensive set of services which cover the full lifecycle of mineral assets. Our services include corporate advisory, operational support, mining and feasibility studies, resource estimation, geometallurgical modelling, exploration, data and water management, and technology expertise.

Our highly experienced teams provide insight and innovative solutions to produce optimal outcomes for our clients. Our team can take your project from a concept through discovery and resource definition to a profitable and sustainable operating mine, with a robust closure plan and positive stakeholder engagement.

ERM's capabilities align seamlessly with this mission and vision, from the new country entry risk assessment, global operational strategy, geoscience and advanced technological solutions, data capture and management, hydrogeology, nature and beyond, through all stages of exploration, acquisition, mine planning and development, operations, and closure. ERM plays a pivotal role in addressing the strategic, operational, and tactical challenges encountered by major, mid-tier, and junior mining companies worldwide.

Our specialists are supported by a huge team of scientists, engineers, social, environmental, health, safety, and sustainability consultants from our parent company ERM. ERM's Sustainable Mining Services Team offers substantial depth of expertise and breadth of service to the mining community.

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Snapshot of Our Services

Exploration and Geoscience

- Mineral systems targeting and project generation
- Remote sensing, geophysics, and geochemistry
- Mapping and drill program planning and supervision
- Exploration strategy and project management.

Resource Estimation and Mine Geology

- Resource audits and risk analysis
- Geological and geo-metallurgical modelling
- Geostatistical analysis and variography
- Mineral Resource estimation, validation, classification and reporting.

Data and Mapping

- Data management (capture, data validation, and quality assurance/quality control)
- Data visualisation, analytics, and cartography
- GIS plans, section, and 3D plots
- Machine learning.

Mining Engineering

- Mining and engineering studies (concept to feasibility)
- Mine optimisation, scheduling, design, and Ore Reserve estimation
- Grade control and reconciliation
- Productivity improvement and project management.

Hydrogeology and Hydrology

- Water management and groundwater supply
- Project approvals
- Dewatering and depressurisation
- Ground/Surface water modelling
- Formulating water stewardship strategies and advanced technical solutions.

Mining Transactions and Corporate Advice

- Project reviews and independent reports
- Due diligence and expert valuations
- Geo-corporate advice
- Conducting independent evaluations to guide decisions on mergers, acquisitions, due diligence and compliance assessments.

Environmental, Social and Governance

- Efficiently bringing new mines to fruition in adherence to ESG best practices
- Advancing strategic and practical decarbonisation throughout the value chain, from mining equipment to processing and transportation
- Expert knowledge of the Licence to Operate issues, their prevention and solutions.

Planning and Approvals

- Environmental risk identification, management and compliance
- Climate change, biodiversity, natural resources
- Indigenous and historical heritage management
- Social strategy and policy development
- Community consultation programs
- Environmental and social impact assessments (ESIAs)
- Operational management and compliance.

Health and Safety

- Enhancing health and safety strategies and practical incident prevention through managing operational risks and controls
- Furnishing functional safety services, including certifications, machinery safety, and compliance with safety regulations
- Risk assessment and management systems
- Hazard assessment/personal protective equipment (PPE) advice
- Health, safety and environmental systems, policies, standards, and procedures
- Risk management and incident investigation
- Hazard identification, inspections, risk assessments and prevention control
- Occupational health and safety systems and compliance auditing.

Rehabilitation and Mine Closure

- Progressive Rehabilitation and Closure Plans
- Strategic and conceptual planning for repurposing or transitioning site uses
- Rehabilitation appraisals, planning and progress monitoring
- Community development and economic transition
- Earthworks, cover, landform designs and modelling
- Waste characterisation
- Water management and reduction strategies
- Final void assessment
- Land use capability assessment
- Erosion and sediment management
- Estimated rehabilitation costs
- Probabilistic estimates of site closure costs/financial provisioning
- Closure risk assessments.

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Appendix 2 Scheme

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Peak Rare Earths Limited

Scheme Shareholders

Scheme of Arrangement

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Parties

Peak Rare Earths Limited ACN 112 546 700 of Suite 5, Level 3, 220 St Georges Terrace, Perth, WA 6000 (**Peak**)

Each Scheme Shareholder

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document these terms have the following meanings:

ADI	Authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
Business Day	Any day that is each of the following: (a) a Business Day within the meaning given in the Listing Rules; (b) a day that banks are open for business in each of Sydney, New South Wales, Singapore and Beijing, People's Republic of China, provided that where this document refers to a date that is a certain number of days before the Second Court Date, only paragraph (a) of this definition shall apply.
CHESS	The Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Ltd.
CHESS Holding	Has the meaning given in the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Control	Has the meaning given in section 50AA of the Corporations Act.
Controlled Entity	In respect of a party, an entity that party Controls.

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Corporations Act	The *Corporations Act 2001* (Cth).
Court	The Supreme Court of New South Wales or such other court of competent jurisdiction as agreed between Peak and Shenghe.
Deed Poll	The deed poll executed on 24 July 2025 by Shenghe in favour of Scheme Shareholders.
Effective	When used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	With respect to this Scheme, the date on which this Scheme becomes Effective.
Encumbrance	A mortgage, charge, pledge, lien, encumbrance, security interest, assignment by way of security, debenture, option, hypothecation, title retention, pre-emptive or preferential right, claim, equitable or other right, power of sale, retention of title, right of first refusal, trust arrangement, contractual right of set-off, or any other security agreement or arrangement or third party right in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	The later of: (a) the date that is seven months from the date of the Scheme Implementation Deed; and (b) such other date and time agreed in writing between Peak and Shenghe before that date.
Excluded Shareholder	Shenghe.
Government Agency	Any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, stock exchange or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Implementation Date	The fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing by Peak and Shenghe.

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Issuer Sponsored Holding	Has the meaning given in the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Listing Rules	The official listing rules of ASX as amended from time to time.
Peak Group	Peak and its Controlled Entities.
Peak Group Member	Each member of the Peak Group.
Record Date	7.00 pm (Sydney time) on the second Trading Day after the Effective Date or such other time and date agreed to in writing between Peak and Shenghe.
Registered Address	In relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Share Register.
Registry	MUFG Corporate Markets.
Related Body Corporate	Has the meaning given to that term pursuant to section 50 of the Corporations Act.
Rights	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Peak.
Scheme	This scheme of arrangement between Peak and Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Shenghe and Peak in accordance with **clause 10**.
Scheme Consideration	The consideration to be provided by Shenghe to each Scheme Shareholder for the transfer to Shenghe of each Scheme Share under the terms of this Scheme, calculated as follows: $\frac{A\$157,992,038}{\textit{Total number of Shares as at the Record Date which shall include, the Scheme Shares and the Shares held by Shenghe as at the Record Date}}$ subject always to the terms of this Scheme.
Scheme Implementation Deed	The Scheme Implementation Deed dated 14 May 2025 as novated and amended pursuant to the Amendment and Novation Deed dated 24 July 2025 between Ganzhou Chenguang Rare Earths New Material Co., Ltd., Shenghe and Peak under which, amongst other things, Peak has agreed to propose this Scheme to Shareholders, and each of Peak and

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	Shenghe has agreed to take certain steps to give effect to this Scheme.
Scheme Meeting	The meeting of Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Share	A Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	A person who holds Shares recorded in the Share Register as at the Record Date (other than the Excluded Shareholder).
Second Court Date	The first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, means the date on which the adjourned application or appeal is heard.
Security Interest	Any security interest, including: (a) a 'security interest' as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth); (b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property; and (c) any right of first refusal, pre-emptive right or any similar restriction.
Share	An issued fully paid ordinary share in the capital of Peak.
Share Register	The register of members of Peak maintained in accordance with the Corporations Act.
Share Scheme Transfer	One or more duly completed and executed proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all Scheme Shares.
Shareholder	Each person who is registered in the Share Register as a holder of one or more Shares.
Shenghe	Shenghe Resources (Singapore) Pte. Ltd.
Shenghe Group	Shenghe and Shenghe's Related Bodies Corporate (excluding, at any time, the Peak Group Members to the extent that the Peak Group Members are Subsidiaries of Shenghe at that time).

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Shenghe Group Member	Each member of the Shenghe Group.
Subsidiary	Has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.
Trading Day	A 'business day' as defined in the Listing Rules.

1.2 Interpretation

Headings are for ease of reference only and do not affect interpretation. In this document, the following rules apply unless the context requires otherwise:

(a) the singular includes the plural, and the converse also applies;

(b) the meaning of general words is not limited by specific examples introduced by 'including', 'for example', 'such as' or similar expressions;

(c) a gender includes other genders;

(d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(e) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this document, and a reference to this document includes any schedule or annexure;

(f) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(g) a reference to **A$, $A, dollar** or **$** is to the lawful currency of Australia;

(h) a reference to time is, unless otherwise indicated, a reference to that time in Sydney, Australia time;

(i) a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(j) a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity or organisation;

(k) a reference to 'law' includes common law, principles of equity and legislation (including regulations);

(l) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;

(m) a reference to 'regulations' includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);

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(n) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(o) a reference to an agreement other than this document includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;

(p) a word or expression defined in the Corporations Act, and which is not defined in **clause 1.1**, has the meaning given to it in the Corporations Act;

(q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(s) if an act prescribed under this document to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day;

(t) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;

(u) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it;

(v) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur, when assessed objectively; and

(w) a reference to conduct includes an omission, statement or undertaking, whether or not in writing.

1.3 Business Day

If a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2 Preliminary

2.1 Shenghe

Shenghe is:

(a) a limited liability company; and

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(b) incorporated in Singapore.

2.2 Peak

Peak is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in Western Australia; and

(c) admitted to the official list of ASX and Shares are officially quoted on the stock market conducted by ASX.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective, then:

(a) in consideration of the transfer of each Scheme Share to Shenghe, Shenghe will provide, or cause to be provided, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;

(b) all Scheme Shares, and all the Rights attaching to them as at the Implementation Date, will be transferred to Shenghe on the Implementation Date; and

(c) Peak will enter the name of Shenghe in the Share Register in respect of all Scheme Shares transferred to Shenghe in accordance with the terms of this Scheme and the Deed Poll.

2.4 Scheme Implementation Deed

Shenghe and Peak have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

2.5 Deed Poll

This Scheme attributes actions to Shenghe but does not itself impose an obligation on it to perform those actions. Shenghe has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform (or procure the performance of) the obligations attributable to Shenghe as contemplated by this Scheme, including to provide, or cause to be provided, the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) all of the conditions precedent in schedule 1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent relating to Court approval set out in item 6 of schedule 1 of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed by 8.00 am on the Second Court Date;

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(b) neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with their terms before 8.00am on the Second Court Date;

(c) the Court having approved this Scheme pursuant to section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Shenghe and Peak (such agreement not to be unreasonably withheld or delayed);

(d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Shenghe and Peak (such agreement not to be unreasonably withheld or delayed) having been satisfied or waived; and

(e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date.

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of **clause 3.1** is a condition precedent to the operation of **clause 5**.

3.3 Certificate in relation to conditions precedent

(a) Shenghe and Peak must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 3.1** (other than the conditions precedent in **clauses 3.1(c)**, **3.1(d)** and **3.1(e)**) have been satisfied or waived as at 8.00 am on the Second Court Date.

(b) The certificate referred to in **clause 3.3(a)** will constitute conclusive evidence of whether the conditions precedent referred to in **clause 3.1** (other than the condition precedent in **clauses 3.1(c)**, **3.1(d)** and **3.1(e)**) have been satisfied or waived as at 8.00 am on the Second Court Date.

3.4 End Date

This Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,

unless Shenghe and Peak otherwise agree in writing.

4 Scheme

Subject to **clause 3**, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

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5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in **clause 3.1** (other than the condition precedent in **clause 3.1(e)**) are satisfied, Peak must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Trading Day after the day on which the Court approves this Scheme or such later time as Peak and Shenghe agree in writing.

5.2 Transfer and registration of Scheme Shares

Subject to this Scheme becoming Effective, on the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 6**:

(a) the Scheme Shares, together with all Rights as at the Implementation Date, must be transferred to Shenghe, without the need for any further act by any Scheme Shareholder (other than acts performed by Peak as attorney and agent for Scheme Shareholders under **clause 8**), by:

(i) Peak delivering to Shenghe a duly completed and executed Share Scheme Transfer to transfer all of the Scheme Shares to Shenghe, duly executed on behalf of the Scheme Shareholders by Peak as their agent and attorney, for registration; and

(ii) Shenghe duly executing the Share Scheme Transfer and delivering it to Peak for registration; and

(b) immediately after receipt of the duly executed Share Scheme Transfer, Peak must enter, or procure the entry of, the name of Shenghe in the Share Register in respect of all Scheme Shares transferred to Shenghe in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Shenghe of the Scheme Shares, each Scheme Shareholder will be entitled to receive, and Shenghe will provide to each Scheme Shareholder (subject to the terms of this Scheme), the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 6** and with the Deed Poll.

5.4 Title and rights in Scheme Shares

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by **clause 6**, Shenghe will be beneficially entitled to the Scheme Shares transferred to it under this Scheme, pending registration by Peak of Shenghe in the Share Register as the holder of the Scheme Shares.

5.5 Warranty by Scheme Shareholders

(a) Each Scheme Shareholder is deemed to have warranted to Shenghe and Peak on the Implementation Date, and, to the extent enforceable, to

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have appointed and authorised Peak as that Scheme Shareholder's agent and attorney to warrant to Shenghe, that:

(i) all their Scheme Shares (including any Rights) transferred to Shenghe under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances of any kind whether legal or otherwise, and restrictions on transfer of any kind; and

(ii) have full power and capacity to sell and to transfer their Scheme Shares (including any Rights) to Shenghe under this Scheme; and

(iii) they have no existing right to be issued any Shares or any other Peak securities.

(b) Peak undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Shenghe as agent and attorney for each Scheme Shareholder.

5.6 Transfer free of Security Interests

To the extent permitted by law, all Scheme Shares (including any Rights) which are transferred to Shenghe under this Scheme will, at the date of the transfer of them to Shenghe, be fully paid and free from all Encumbrances of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.7 Appointment of Shenghe as sole proxy

(a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clause 6**, on and from the Implementation Date until Peak registers Shenghe as the holder of all of the Scheme Shares in the Share Register, each Scheme Shareholder:

(i) is deemed to have irrevocably appointed Peak as attorney and agent (and directed Peak in such capacity) to appoint Shenghe and any of its directors, secretaries and officers nominated by Shenghe as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may themself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 5.7(a)(i)**);

(ii) must take all other actions in the capacity of the registered holder of Scheme Shares as Shenghe directs; and

(iii) acknowledges and agrees that in exercising the powers referred to in **clause 5.7(a)(i)**, Shenghe and any person nominated by Shenghe under **clause 5.7(a)(i)** may act in the best interests of Shenghe as the intended registered holder of the Scheme Shares.

(b) Peak undertakes in favour of each Scheme Shareholder that it will appoint Shenghe and any of its directors, secretaries or officers

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nominated under **clause 5.7(a)(i)** as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with **clause 5.7(a)(i)**.

6 Scheme Consideration

6.1 Consideration under this Scheme

(a) Shenghe must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders for such Scheme Shares (less the Withholding Amount as defined in **clause 6.1(b)**), into an Australian dollar denominated trust account with an ADI operated by or on behalf of Peak as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Shenghe's account).

(b) If Shenghe is required by section 260-5 or Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) or section 255 of the *Income Tax Assessment Act 1936* (Cth) (or equivalent provisions) to pay to a Government Agency an amount in respect of the acquisition of the Scheme Shares (the **Withholding Amount**), Shenghe is permitted to deduct the Withholding Amount from the Scheme Consideration otherwise payable to those Scheme Shareholders and remit such amounts to the Government Agency. The aggregate sum payable shall not be increased to reflect the deduction of the Withholding Amount and the net amount payable to those Scheme Shareholders to whom the Withholding Amount relates shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders. Shenghe must pay any Withholding Amount in the time required by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt of other evidence) to the relevant Scheme Shareholder.

(c) On the Implementation Date, subject to funds having been deposited in accordance with **clause 6.1(a)**, Peak must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in **clause 6.1(a)**.

(d) The obligations of Peak under **clause 6.1(c)** of this Scheme will be satisfied by Peak (in its absolute discretion, and despite any election referred to in **clause 6.1(d)(i)** or authority referred to in **clause 6.1(d)(ii)** made or given by the Scheme Shareholder):

(i) if a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from Peak by electronic funds transfer to a bank account nominated by the Scheme Shareholder,

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paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

(ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Peak; or

(iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in **clause 6.7**).

6.2 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

6.3 Scheme Shareholders' agreements

Under this Scheme, each Scheme Shareholder irrevocably:

(a) agrees to the transfer of their Scheme Shares together with all Rights in accordance with this Scheme;

(b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;

(c) agrees to, on the direction of Shenghe, destroy any holding statements or share certificates relating to their Scheme Shares;

(d) agrees, to the extent the Scheme Shareholder holds their Shares in a CHESS Holding, to the conversion of their Shares to an Issuer Sponsored Holding and irrevocably authorises Peak to do anything necessary or expedient to effect or facilitate such conversion;

(e) acknowledges that this Scheme binds Peak and all of the Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Peak; and

(f) irrevocably consents to Peak and Shenghe doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

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6.4 Unclaimed monies

(a) Peak may cancel a cheque issued under this **clause 6** if the cheque:

(i) is returned to Peak; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Peak (or the Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Peak must reissue or procure the reissuance of a cheque that was previously cancelled under this **clause 6**.

(c) The *Unclaimed Monies Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 6 of that Act). Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Peak.

6.5 Remaining monies (if any) in trust account

To the extent that, following satisfaction of Peak's obligations under the other provisions of this **clause 6** and provided Shenghe has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the trust account referred to in **clause 6.1(a)**, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Peak (or the Registry on Peak's behalf) to Shenghe.

6.6 Orders of a court or Government Agency

(a) If written notice is given to Peak (or the Registry) or Shenghe of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Peak in accordance with this **clause 6**, then Peak shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(ii) prevents Peak from providing consideration to any particular Scheme Shareholder in accordance with this **clause 6**, or the payment or issuance of such consideration is otherwise prohibited by applicable law, then Peak shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this **clause 6** is permitted by that (or another) order or direction or otherwise by law.

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(b) To the extent that amounts are so deducted or withheld in accordance with **clause 6.6(a)**, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6.7 Joint holders

In the case of Scheme Shares held in joint names:

(a) subject to **clause 6.1(d)**, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Peak, the holder whose name appears first in the Share Register as at the Record Date or to the joint holders; and

(b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Peak, the holder whose name appears first in the Share Register as at the Record Date or to the joint holders.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the Share Register will only be recognised by Peak if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00 pm on the day which is the Record Date at the place where the Share Register is kept,

and Peak must not accept for registration, nor recognise for any purpose (except a transfer to Shenghe pursuant to this Scheme and any subsequent transfer by Shenghe or its successors in title) any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Share Register

Peak must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 7.1(b)** on or before the Record Date, provided that nothing in this **clause 7.2** requires Peak to register a transfer that would result in a Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

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7.3 No disposals after Record Date

If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5.00 pm on the Record Date in any way except as set out in this Scheme and any such disposal will be void, of no legal effect whatsoever and Peak shall be entitled to disregard any such disposal, purported disposal or agreement.

7.4 Maintenance of Share Register

For the purpose of determining entitlements to the Scheme Consideration, Peak must maintain the Share Register in accordance with the provisions of this **clause 7** until the Scheme Consideration has been provided to the Scheme Shareholders and Shenghe has been entered in the Share Register as the holder of all the Scheme Shares. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Shenghe contemplated in **clauses 5.2** and **7.4**, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Shenghe and its successors in title). After the Record Date, each entry current on the Share Register as at the Record Date (other than entries in respect of Shenghe or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Shares relating to that entry.

7.6 Details of Scheme Shareholders

As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Peak must ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the Share Register at the Record Date, are available to Shenghe in such form as Shenghe reasonably requires.

7.7 Quotation of Shares

Peak must apply to the ASX to suspend trading in the Shares on the ASX with effect from the close of trading on ASX on the Effective Date.

7.8 Termination of quotation of Shares

Peak must apply:

(a) for termination of the official quotation of Shares on ASX; and

(b) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the Trading Day immediately following the Implementation Date.

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8 Power of attorney

Each Scheme Shareholder, without the need for any further act by any Scheme Shareholder:

(a) on the Effective Date, irrevocably appoints Peak as its attorney and agent for the purpose of enforcing the Deed Poll against Shenghe; and

(b) on the Implementation Date, irrevocably appoints Peak as its attorney and agent for the purpose of executing any document, or doing or taking any other act, necessary or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) the Share Scheme Transfer,

and Peak accepts such appointment. Peak as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this **clause 8** to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

9 Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Peak, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Peak's registered office or at the office of the registrar of Shares.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10 General

10.1 Variations, alterations and conditions

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Peak may, with the prior consent of Shenghe, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

(b) Each Scheme Shareholder agrees to any such alterations or conditions which Peak has consented to pursuant to **clause 10.1(a)**.

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10.2 Further assurances

(a) Each Scheme Shareholder and Peak will execute all documents and do all things necessary or expedient to implement, and perform its obligations under, this Scheme and the transactions contemplated by it.

(b) Without limiting Peak's other powers under this Scheme, Peak has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

10.3 Consent

Each of the Scheme Shareholders irrevocably consents to Peak doing all things necessary or expedient for or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Peak or otherwise.

10.4 No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither Shenghe nor Peak, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.5 Enforcement of Deed Poll

Peak undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Shenghe on behalf of and as agent and attorney for the Scheme Shareholders.

10.6 Stamp duty

Shenghe will:

(a) pay all stamp duty (if any) and any related fines, penalties and interest with respect to stamp duty in connection with this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with **clause 10.6(a)**.

11 Governing law

11.1 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Appendix 3 Deed Poll

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Execution version

Shenghe Resources (Singapore) Pte. Ltd.

In favour of each Scheme Shareholder

Deed Poll

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Date 24 July 2025

Parties

Shenghe Resources (Singapore) Pte. Ltd. with Unique Entity Number 201602200G of 60 Paya Lebar Road, #04-23 Paya Lebar Square, Singapore 409051 (**Shenghe**)

In favour of each Scheme Shareholder

Background

A Shenghe and Peak Rare Earths Limited ACN 112 546 700 (**Peak**) are parties to a Scheme Implementation Deed dated 14 May 2025 as novated and amended pursuant to the Amendment and Novation Deed dated on or around the date of this document between Ganzhou Chenguang Rare Earths New Material Co., Ltd., Shenghe and Peak (**Scheme Implementation Deed**).

B Peak has agreed in the Scheme Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, Shenghe will acquire all of the Scheme Shares from Scheme Shareholders for the payment of the Scheme Consideration.

C In accordance with the Scheme Implementation Deed, Shenghe is entering into this document for the purpose of covenanting in favour of the Scheme Shareholders that Shenghe will observe and perform the obligations contemplated of it under the Scheme.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

Terms defined in the Scheme have the same meaning in this document, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this document as if set out in full in this document.

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2 Nature of deed poll

Shenghe acknowledges that:

(a) this document may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Peak (and Peak may sub-delegate its functions, authorities or powers to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally)) as its attorney and agent for the purpose of enforcing this document against Shenghe on behalf of that Scheme Shareholder.

3 Condition precedent and termination

3.1 Condition precedent

The obligations of Shenghe under this document are subject to the Scheme becoming Effective.

3.2 Termination

The obligations of Shenghe under this document will automatically terminate and the terms of this document will be of no further force or effect:

(a) if the Scheme has not become Effective on or before the End Date; or

(b) if the Scheme Implementation Deed is terminated before the Effective Date in accordance with its terms,

unless Shenghe and Peak otherwise agree in writing.

3.3 Consequences of termination

If this document is terminated under **clause 3.2**, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

(a) Shenghe is released from its obligations to further perform this document, except those obligations under **clause 7**; and

(b) each Scheme Shareholder retains the rights, powers or remedies they have against Shenghe in respect of any breach of this document which occurs before it is terminated.

4 Compliance with Scheme obligations

Shenghe undertakes in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of Shenghe under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

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5 Representations and warranties

Shenghe represents and warrants that:

(a) (**status**) it has been incorporated or formed in accordance with the laws of its place of incorporation;

(b) (**power**) it has full legal capacity and power to enter into this document, to comply with its obligations under it, exercise its rights under it and otherwise carry out the transactions contemplated by it;

(c) (**no contravention**) the entry by it into, its compliance with its obligations and the exercise of its rights under, this document does not and will not breach:

  (i) its constituent documents; or

  (ii) any agreement or deed or any writ, order or injunction, rule or regulation to which it is a party or to which it is bound;

(d) (**authorisations**) it has taken all necessary action to authorise its entry into and performance of this document and to carry out the transactions contemplated by this document;

(e) (**validity of obligations**) its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and

(f) (**solvency**) no Insolvency Event (as that term is defined in the Scheme Implementation Deed) has occurred in relation to it.

6 Continuing obligations

This document is irrevocable and, subject to **clause 3**, remains in full force and effect until the earlier of:

(a) Shenghe having fully performed its obligations under this document; or

(b) termination of this document under **clause 3.2**.

7 Stamp duty

Shenghe:

(a) agrees to pay all stamp duty (if any) and any related fines, penalties and interest with respect to stamp duty in respect of this document and the Scheme, the performance of this document and each transaction effected by or made under or in connection with this document and the Scheme; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with **clause 7(a)**.

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8 Notices

(a) Notices and other communications in connection with this document must be in legible writing in English, signed by the person giving the notice or other communication and sent to the following address:

Address:	60 Paya Lebar Road #04-23 Paua Lebar Square, Singapore 409051
Email:	liling@shenghesg.com
For the attention of:	Ling Li
with a copy to:	Shasha Lu (lushasha@shenghesg.com)
	Huichu Xu (xuhuichu@shenghesg.com)

(b) If the intended recipient has notified of changed contact details, then communications must be sent to the changed contact details.

(c) Any notice or other communication given in accordance with **clause 8(a)** will be deemed to have been duly given and received by one of the following methods and at the time set out below:

(i) if delivered by hand, on delivery to the nominated address;

(ii) if sent by post to the nominated address in the same country, at 9.00 am (addressee's time) on the second Business Day after the date of posting;

(iii) if sent by post to the nominated address in another country, at 9.00 am (addressee's time) on the tenth Business Day after the date of posting;

(iv) if sent by email:

(A) when the sender receives an automated message confirming delivery; or

(B) twelve hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not, within that period, receive an automated message that the email has not been delivered,

whichever happens first.

(d) Any notice that, pursuant to **clause 8(c)**, would be deemed to be given:

(i) other than on a Business Day or after 5.00 pm on a Business Day is regarded as given at 9:00 am on the following Business Day; and

(ii) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,

when references to time are to time in the place the recipient is located.

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9 General

9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

(a) if the variation occurs before the First Court Date (as that term is defined in the Scheme Implementation Deed), the variation is agreed to by Shenghe and Peak in writing (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); and

(b) if the variation occurs after the First Court Date, the Court approves (either at the hearing on the First Court Date, an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment,

in which event Shenghe must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

9.2 Waiver

(a) Shenghe may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

(b) No Scheme Shareholder may rely on words or conduct of Shenghe as a waiver of any right unless the waiver is in writing and signed by Shenghe. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

(c) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this document.

9.3 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

9.4 Assignment or other dealings

(a) The rights created by this document are personal to Shenghe and each Scheme Shareholder and must not be assigned or otherwise dealt with at law or in equity without the prior written consent of Shenghe.

(b) Any purposed dealing in contravention of **clause 9.4(a)** is invalid.

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9.5 Further steps

Shenghe agrees to do all things (on its own behalf or on behalf of each Scheme Shareholder) reasonably necessary to give full effect to this document and the transactions contemplated by it.

9.6 Severance and enforceability

Any provision, or the application of any provision, of this document that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this document in that or any other jurisdiction.

10 Governing law and jurisdiction

10.1 Governing law and jurisdiction

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.2 Service of process

Without preventing any other mode of service, any document in an action or proceeding (including any writ of summons, statement of claim or other originating process or any third or other party notice) may be served on Shenghe by being delivered to or left for Shenghe at its address for service of notices under **clause 8(a)**.

Execution

Executed and delivered as a deed poll

Signed sealed and delivered by)
Shenghe Resources (Singapore) Pte. Ltd. in the presence of:)

.....	.....
Signature of witness	Signature of authorised signatory
LI Ling	WANG Quangen
Name of Witness	Name of authorised signatory

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Appendix 4 Notice of Scheme Meeting

Notice of Scheme Meeting

Peak Rare Earths Limited ACN 112 546 700 (Peak)

Notice is given that, by an order of the Supreme Court of New South Wales made on 8 August 2025 pursuant to section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in Peak (other than Shenghe Resources (Singapore) Pte. Ltd.) (**Peak Shareholders**) will be held on Tuesday, 16 September 2025 at 10.30am (Sydney time) at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia (**Scheme Meeting**).

The Court has also directed that Russell Scrimshaw act as chairperson of the Scheme Meeting, or failing him Bardin Davis, and has directed the chairperson to report the results of the Scheme Meeting to the Court.

Purpose of Meeting

On 15 May 2025, Peak announced that it had entered into a scheme implementation deed (**Scheme Implementation Deed**) with Ganzhou Chenguang Rare Earths New Material Co., Ltd. (**Chenguang**) (an entity ultimately owned by Shenghe Resources Holding Co., Ltd.) and pursuant to which Chenguang would have acquired all of the issued shares in Peak by way of a court approved scheme of arrangement (**Scheme**).

On 24 July 2025, Peak, Chenguang and Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**) entered into an Amendment and Novation Deed pursuant to which it was agreed, amongst other matters, that the Scheme Implementation Deed would be novated from Chenguang to Shenghe. Accordingly, Shenghe became the proposed acquirer of Peak under the Scheme in place of Chenguang.

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification) the Scheme.

To enable you to make an informed voting decision, important information on the Scheme is set out in the scheme booklet accompanying this Notice of Scheme Meeting (**Scheme Booklet**).

The Explanatory Memorandum forms part of this Notice of Scheme Meeting. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 12 of the Scheme Booklet.

Agenda

Resolution 1 – Approval of the Scheme

To consider and, if thought fit, to pass, with or without amendment, the following resolution in accordance with section 411 of the Corporations Act:

"*That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Peak Rare Earths Limited and the holders of its fully paid ordinary shares, the terms of which are contained in and more precisely described in the scheme booklet (of which the notice convening this meeting forms a part) is approved (with or without any variations, alterations or conditions as approved by the Supreme Court of New South Wales and agreed to by Peak Rare Earths Limited and Shenghe Resources (Singapore) Pte. Ltd.) and, subject to approval of the scheme by the Supreme Court of New South Wales, the board of directors of Peak Rare Earths Limited is authorised to implement the Scheme with any such variations, alterations or conditions.*"

Peak Independent Board Committee Recommendation

For the reasons set out in the Scheme Booklet, the Peak Independent Board Committee unanimously recommends that Peak Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe.

Subject to those same qualifications, each member of the Peak Independent Board Committee intends to vote, or cause to be voted, all of the Peak Shares in which they have a Relevant Interest in favour of the Scheme.

The Peak Independent Board Committee is comprised of all of the Peak Directors, other than Non-Executive Director Dr Shasha Lu. Dr Lu is the Managing Director of Shenghe Resources Overseas Development and has been nominated to the Peak Board by Shenghe. Dr Lu is also a director of Shenghe. Dr Lu did not consider herself independent in relation to the Scheme and so removed herself from negotiations and deliberations concerning the Scheme (including the decision by the Peak Independent Board Committee to enter into the Scheme Implementation Deed). Accordingly, Dr Lu abstains from making a recommendation in relation to how Peak Shareholders should vote on the Scheme.

By order of the Court and the Peak Board

Dated 11 August 2025

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Explanatory Memorandum

1 General

This Explanatory Memorandum has been prepared for the information of Peak Shareholders in connection with the business to be conducted at the Scheme Meeting at 10.30am (Sydney time) on Tuesday, 16 September 2025 at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia.

This Explanatory Memorandum should be read in conjunction with the Notice of Scheme Meeting and the Scheme Booklet (of which the Notice of Scheme Meeting forms a part).

Terms used in this Explanatory Memorandum have the same meaning as set out in the Glossary in Section 12 of the Scheme Booklet.

Any changes to the Scheme Meeting will be communicated to Peak Shareholders virtually via Peak's ASX platform.

A copy of the Scheme is set out in Appendix 2 of the Scheme Booklet.

2 Chairperson

The Court has directed that Russell Scrimshaw is to act as Chairperson of the Scheme Meeting.

3 Requisite Majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- unless the Court orders otherwise, a majority in number (i.e. more than 50%) of the holders of Peak Shares (other than Excluded Shareholders) present and voting (in person, by proxy, by attorney or in the case of a corporate holder, by duly appointed corporate representative) at the Scheme Meeting; and

- at least 75% of the total number of votes cast on the Scheme Resolution by Peak Shareholders (either attending in person, by proxy, by attorney or in the case of a corporate holder, by duly appointed corporate representative).

The Court has the power to waive the first requirement.

4 Entitlement to vote

The Court has ordered that, for the purposes of determining eligibility to vote at the Scheme Meeting, Peak Shares will be taken to be held by the persons who are registered as members of Peak as of 7.00pm (Sydney time) on 14 September 2025. Accordingly, transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

5 Voting at the Scheme Meeting

You can vote in the following ways:

- **in person**, by attending and voting at the Scheme Meeting in person;

- by **proxy**, by appointing a proxy for the Scheme Meeting in accordance with the instructions set out in paragraph 11 (except that a power of attorney cannot be lodged online) and on the Proxy Form. To be valid, your online proxy appointment or Proxy Form (together with any power of attorney under which it is signed) must be received by the Share Registry by no later than 10.30am (Sydney time) on 14 September 2025 (or if the

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Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of that meeting);

- **by attorney**, by appointing an attorney in accordance with the instructions set out in paragraph 9 to attend and vote at the Scheme Meeting in person on your behalf and providing a duly executed power of attorney to the Share Registry by no later than 10.30am (Sydney time) on 14 September 2025 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of that meeting); or

- **by corporate representative**, in the case of a body corporate which is a Peak Shareholder, by appointing a corporate representative in accordance with the instructions set out in paragraph 10 to attend and vote at the Scheme Meeting in person on your behalf and providing a duly executed certificate of appointment (in accordance with section 250D of the Corporations Act) prior to or at the Scheme Meeting.

If Peak Shares are jointly held, either one of the joint shareholders is entitled to vote. If more than one joint shareholder votes in respect of jointly held shares, only the vote of the shareholder whose name appears first in the Peak Share Register will be counted.

Voting will be conducted by poll.

6 Participating at the Scheme Meeting

All people attending the Scheme Meeting are asked to arrive at the Scheme Meeting venue (Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia) at least 30 minutes prior to the start of the Scheme Meeting, so that their shareholding can be checked against the Peak Share Register and any power of attorney or form of appointment of corporate representative verified (if applicable), and their attendance noted.

7 Asking questions

Peak Shareholders are encouraged to submit questions in advance of the Scheme Meeting to Peak.

Questions must be submitted by email to info@peakrareearths.com prior to 5.00pm (Sydney time) on 14 September 2025. Alternatively, Peak Shareholders can submit questions when attending the Scheme Meeting.

8 Proxies

Peak Shareholders are notified that:

- you may appoint a proxy to attend and act for you;

- a proxy need not be a holder of Peak Shares;

- if you are entitled to cast two or more votes, you may appoint not more than two proxies;

- if two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes. If you wish to appoint a second proxy, a second hard copy proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you will need to obtain a second proxy form. Please contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding

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public holidays) to obtain an additional proxy form. You cannot appoint a second proxy online;

- if you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit;
- if a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- if you return your Proxy Form without identifying a proxy on it, you will be taken to have appointed the Chairperson of the Scheme Meeting as your proxy to vote on your behalf;
- where a Proxy Form has a proxy identified on it but your proxy does not attend the Scheme Meeting, the Chairperson of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form;
- proxy appointments in favour of, or which default, to the Chairperson of the Scheme Meeting which do not contain a direction will be voted in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude in the Independent Expert's Report that the Scheme is in the best interests of Peak Shareholders not associated with Shenghe;
- if you wish to replace your proxy, you must submit another Proxy Form to the Share Registry;
- if you have appointed a proxy and participate in and vote at the Scheme Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended; and
- if a proxy has been appointed under a power of attorney and you have not already lodged the power of attorney with the Share Registry, please attach an original or certified copy of the power of attorney to the Proxy Form when you return it.

9 Voting by attorney

You may appoint an attorney to attend and vote at the Scheme Meeting in your behalf. Original or certified copies of powers of attorney must be received by the Share Registry by no later than 10.30am (Sydney time) on 14 September 2025 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of that meeting). An original or certified copy of a power of attorney may be submitted in the manner as described below at paragraph 11 (except that a power of attorney cannot be submitted online).

The appointment of an attorney does not preclude you from attending the Scheme Meeting in person, revoking the appointment or voting at the meeting.

10 Voting by corporate representative (in the case of a body corporate)

If you are a body corporate, you can appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf. The appointment must comply with section 250D of the Corporations Act. To vote by corporate representative, a corporate representative must provide written evidence of their appointment by obtaining and completing an "Appointment of Corporate Representative" form from the Share Registry or online at https://www.mpms.mufg.com/en/for-individuals/au/shareholders/forms/. Corporate representative forms must be provided to the Share Registry prior to the Scheme Meeting by email to support@cm.mpms.mufg.com, or at the Scheme Meeting. The appointment may be submitted in the manner described below at paragraph 11 (except that an appointment cannot be lodged online).

11 Lodgement of proxies

Online	Peak Shareholders who have elected to receive notices of meeting electronically will receive an email providing for proxy appointments to be made online. Proxy appointments can be lodged online at https://au.investorcentre.mpms.mufg.com/ by following the below instructions: Login to the Investor Centre using the holding details as shown on the Proxy Form. Select "Voting" and follow the prompts to lodge your proxy. To use the online lodgement facility, Peak Shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN) - and postcode for their shareholding. You will be taken to have signed a Proxy Form and appointed a proxy if you lodge your proxy appointment online in accordance with the instructions on the website. Please read the instructions for online proxy appointments carefully before you lodge your proxy. The online proxy appointment must be received by Peak by no later than 10.30am (Sydney time) on 14 September 2025 to be effective (being 48 hours before the Scheme Meeting). Proxy appointments received later than this time will be invalid.
By mobile device	Peak Shareholders can lodge their proxy appointment online by scanning the QR code on the Proxy Form or enter the voting link https://au.investorcentre.mpms.mufg.com/ into their mobile device. Log in using the Holder Identifier and postcode for your shareholding. To scan the QR code you will need a QR code reader application which can be downloaded for free on your mobile device.
Hard copy	Peak Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form. Peak Shareholders may appoint a proxy by lodging it online (as set out above) or by completing and returning the Proxy Form to Peak or the Share Registry by either posting it in the reply-paid envelope provided (only for use in Australia) or by delivering, sending or faxing it as follows:
In person:	By hand delivering it to MUFG Corporate Markets (AU) Limited* Parramatta Square Level 22, Tower 6 10 Darcy Street Parramatta NSW 2150 *During business hours Monday to Friday (9:00am - 5:00pm)
Mail to:	Peak Rare Earths Limited C/- MUFG Corporate Markets (AU) Limited Locked Bag A14 Sydney South NSW 1235 Australia
Fax to:	+61 2 9287 0309

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For further information on proxy appointment, please refer to the Proxy Form.

12 Questions about voting at the Scheme Meeting

Peak Shareholders should contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays) with any queries regarding the number of Peak Shares held, how to vote at the Scheme Meeting, or how to vote by proxy.

13 Court approval of the Scheme

If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majority, the implementation of the Scheme (with or without modification) will be subject, among other things, to the subsequent approval of the Court in accordance with section 411(4)(b) of the Corporations Act.

14 Changes to the current arrangement

Peak may be required to make changes to the arrangements for the Scheme Meeting. If there are any updates, Peak will ensure that Peak Shareholders are given as much notice as possible. Further information will also be made available on Peak's ASX market announcements platform (ASX code: PEK).

15 Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the Peak's website at www.peakrareearths.com, from the ASX website at www.asx.com.au or by contacting the Share Registry.

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Corporate Directory

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Directors

Russell Scrimshaw – Executive Chairman
Abdullah Mwinyi – Non-Executive Director
Shasha Lu – Non-Executive Director
Nick Bowen – Non-Executive Director
Hannah Badenach – Non-Executive Director

Senior Management

Bardin Davis – Chief Executive Officer
Philip Rundell – Company Secretary and Chief Financial Officer
Justin Grinceri – Deputy CFO

Legal Adviser

Corrs Chambers Westgarth
Brookfield Place Tower 2, Level 6
123 St Georges Terrace
Perth WA 6000

Independent Expert

RSM Corporate Australia Pty Ltd
Level 32 Exchange Tower
2 The Esplanade
Perth WA 6000

Independent Technical Specialist

ERM Australia Consultants Pty Ltd
Level 9, 260 Queen Street
Brisbane QLD 4000

Registered and Corporate Office

Suite 5, Level 3
220 St Georges Terrace
Perth WA 6000

Website

www.peakrareearths.com

Financial Adviser

Macquarie Capital (Australia) Limited
Level 1, 1 Elizabeth Street
Sydney NSW 2000

Share Registry

MUFG Corporate Markets (AU) Limited
Liberty Place, Level 41, 161 Castlereagh Street,
Sydney, NSW 2000

Australian Securities Exchange Listing

ASX Code: PEK

Peak
RARE EARTHS

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Peak RARE EARTHS

ABN 72 112 546 700

LODGE YOUR PROXY

ONLINE
https://au.investorcentre.mpms.mufg.com

BY MAIL
Peak Rare Earths Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
MUFG Corporate Markets (AU) Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

X99999999999

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PROXY FORM

I/We being a member(s) of Peak Rare Earths Limited (the **Company**) and entitled to participate in and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the scheme meeting of the Company to be held at **10:30am (Sydney time) on Tuesday, 16 September 2025 at Henry Lawson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street Sydney, New South Wales, Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change their voting intention on an item of business, in which case an ASX announcement will be made.

STEP 2 VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

		For	Against	Abstain*
1	That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by Peak Rare Earths Limited)	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Appointment of Corporate Representative" form must be received prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufg-corporate-markets.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Sydney time) on Sunday, 14 September 2025,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged as follows:

ONLINE

https://au.investorcentre.mpms.mufg.com

Login to the Investor Centre using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN) - and postcode for their shareholding.

BY MOBILE DEVICE

QR Code

Our website is designed specifically for lodging proxies online. You can now lodge your proxy by scanning the QR code adjacent or enter the following link **https://au.investorcentre.mpms.mufg.com** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Peak Rare Earths Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to MUFG Corporate Markets (AU) Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

For personal use only

All Registry communications to:
MUFG Corporate Markets (AU) Limited
A division of MUFG Pension & Market Services
Locked Bag A14
Sydney South NSW 1235 Australia
Email: support@cm.mpms.mufg.com
Website: au.investorcentre.mpms.mufg.com

Company or Trust in which investment is held – THIS MUST BE COMPLETED

Full Name(s) of Registered Holding

Account Designation

Registered Address

Postcode

Securityholder Reference Number (SRN)
Or Holder Identification Number (HIN)

A REQUEST FOR DIRECT CREDIT OF PAYMENTS

Please use a BLACK pen. Print CAPITAL letters inside the shaded areas.

A B C

1 2 3

Insert details of your Australian Financial Institution, Branch and Account into which you wish to have your payments made. This request will not cancel any reinvestment plan participation (if any) unless we receive specific instructions from you. A detailed payment advice will be provided for each payment.

A direct credit request form is required for each holding.

Name(s) in which your account is held

BSB Number *(must be 6 digits)*

Account Number

Name of Financial Institution

Branch Suburb/Town

B SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary/Director (delete one)

Director/Company Secretary (delete one)

Date / /

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth) (or for New Zealand companies, the *Companies Act 1993*).

Personal Information Collection Notification Statement: MUFG Pension & Market Services ("MPMS") advises that your personal information is collected by MPMS organisations for the administration of your investment as required or permitted by the *Corporations Act 2001* (Cth) and other legislation. Some or all of your personal information may be disclosed to contracted third parties, or related MPMS companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.mpms.mufg.com for a copy of the MPMS privacy policy, or contact us by phone on +61 1300 554 474 to request a copy.

For personal use only