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Investor Presentation

Peak to be acquired by Shenghe
following a Non-Renounceable
Entitlement Offer

15 May 2025



Peak
RARE EARTHS



ASX: PEK

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Transaction overview¹

Peak to be acquired by Shenghe via a Scheme following a A\$7.5m equity raise

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Shenghe acquisition of Peak

- Shenghe to acquire 100% of Peak via a scheme of arrangement ("**Scheme**")²
- Under the Scheme, Shenghe has agreed to pay A\$150.5m plus an amount equal to the funds raised (before costs) under a ~A\$7.5m Entitlement Offer³
- If the full A\$7.5m is raised and the Scheme is implemented, Peak shareholders will receive ~A\$0.359 per Peak share⁴ in cash, representing a significant and attractive premium of:
 - 199% to Peak's last closing share price of A\$0.12 per share on 9 May 2025, being the last day on which Peak shares traded prior to announcing the Scheme
 - 160% to Peak's 20-day volume-weighted average price of A\$0.138 per share as at 9 May 2025
- Scheme is subject to approval by Peak shareholders and a number of other conditions including Tanzania and Chinese regulatory approvals

Equity raise to support Peak and the transaction

- Prior to implementation of the Scheme, Peak will undertake a non-underwritten, pro-rata non-renounceable entitlement offer to raise up to ~A\$7.5m ("**Entitlement Offer**")
- Funding to progress land compensation and other costs at the Ngualla Project, working capital requirements and transaction costs
- Intended to ensure sufficient funding through the Scheme implementation period (in conjunction with existing cash and the proceeds from the intended sale of Peak's non-core Teesside site)

Indicative transaction timeline

- Entitlement Offer opens 26 May and closes 23 June 2025 (unless withdrawn or extended)
- Scheme Booklet expected to be sent to Peak shareholders in August 2025
- Scheme meeting expected to be held in early September 2025
- Subject to satisfying transaction conditions, completion expected by early October 2025

1. Refer to Peak's announcement lodged with the ASX on 15 May 2025 titled: 'Peak to be acquired by Shenghe following a Non-Renounceable Entitlement Offer'

2. Shenghe Resources Holding Co., Limited ("**Shenghe**") to acquire Peak via its wholly owned subsidiary, Ganzhou Chengguang Rare Earths New Material Co. Ltd. ("**Chengguang**")

3. As the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised





4. The minimum Scheme Consideration per share is A\$0.3589. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A\$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights

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Background to the Scheme

Peak and Shenghe have discontinued the previously announced non-binding NGUK Transaction¹, with the Scheme offering a superior valuation for Peak shareholders

NGUK Transaction (discontinued)

	Valuation Involved Shenghe investing ~A\$96m in Ngualla Group UK Limited (“NGUK”) for a 50% interest
	Funding Balance of total development cost for Ngualla Project was to be funded via a Shenghe arranged debt facility
	Project construction and development Shenghe was to provide a project EPCM, EPC or EPS execution package
	Policy developments Recent geopolitical and regulatory developments have increased the risks of successfully establishing an incorporated joint venture between the parties

Shenghe acquisition of Peak

	Significant premium Consideration of ~A\$0.359 per Peak share ² represents an attractive premium of 199% to Peak’s last closing price of A\$0.12 per share on 9 May 2025
	Superior outcome compared to the NGUK transaction The Scheme values Peak at A\$150.5m (pre-Entitlement Offer) compared to the NGUK Transaction ² , which valued Peak’s interest in the Ngualla Project at A\$96m
	Risk-weighted value for Peak shareholders Risk of obtaining necessary regulatory approvals expected to be reduced, with the potential for shareholders to realise an attractive price today and avoid potential development risks
	Key Tanzanian stakeholder support Transaction is strongly supported by the Government of Tanzania

1. 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’
2. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A\$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights

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Shenghe is well credentialed with a proven track-record in Tanzania and rare earths

Shenghe is strongly committed to Tanzania and has the technical and financial capabilities to fast-track the Ngualla Project

Shenghe overview



盛和资源

- ✓ Peak's **largest shareholder** with ~19.86% shareholding¹
- ✓ Shanghai listed non-SOE with ~**US\$2.9b** market capitalisation
- ✓ **Largest importer of rare earth concentrate** into China
- ✓ Internationally recognised expertise in mining and processing **bastnaesite rare earth mineralisation**

Shenghe overseas investments include



8.4% holding



84%



8.4% holding



100% holding



19.86% holding



10.0% holding

Nyati Mineral Sands



- Since acquiring the Nyati Mineral Sands portfolio in Tanzania from Strandline in May 2024, Shenghe has:
 - Commenced operations at the Fungoni Project
 - Nearly completed the resettlement valuation for the Tajiri Project

Strong support from the Tanzanian Government

"The Government of Tanzania is very appreciative of the efforts of Peak and Shenghe in progressing a transaction that will support the expedited development of the world-class Ngualla Project"

Tanzanian Minister for Minerals, Hon. Anthony Mavunde (May 2025)



Key Scheme details

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1	Transaction structure & consideration	<ul style="list-style-type: none"> Under the Scheme Implementation Deed ("SID"), Shenghe to acquire 100% of Peak at an equity valuation of A\$150.5 million plus an amount equal to the funds raised (before costs) under a ~A\$7.5 million Entitlement Offer¹ If the full A\$7.5m is raised and the Scheme is implemented, this will imply a cash consideration of ~A\$0.359 per Peak share ("Scheme Consideration") on a fully diluted basis post Entitlement Offer (assuming the Entitlement Offer is fully subscribed)² Completion of the Scheme is subject to several conditions, including Peak shareholder approval and Tanzanian and Chinese regulatory approvals (see next slide for more details)
2	Peak Board support	<ul style="list-style-type: none"> The Scheme has been unanimously recommended by the Peak Board³, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders Subject to the above qualifications, each member of the Peak Board³ intends to vote, or cause to be voted, all Peak shares held or controlled by them in favour of the Scheme
3	Deal protection	<ul style="list-style-type: none"> The SID contains customary exclusivity obligations for Peak, including no shop, no talk and no due diligence restrictions, notification obligations, provision of information and a matching right for Shenghe in the event that any superior proposal emerges for Peak A break fee of A\$1.55m may be required to be paid by Peak to Shenghe (or Shenghe to Peak) in certain circumstances
4	Placement option	<ul style="list-style-type: none"> If the SID is terminated because the Chinese regulatory approval precedent has not been satisfied, then Shenghe Singapore must (at Peak's election), subscribe for A\$1.55m worth of Peak shares at a 20% discount to the Scheme Consideration per Share If required, Peak will obtain shareholder approval for any such placement to Shenghe Singapore

1. As the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised

2. Based on fully diluted Shares outstanding of 440,111,934, which is comprised of 352,116,612 Shares on issue (undiluted) as at the date of this presentation, 74,920,432 new shares issued under the Entitlement Offer (assuming the full amount of A\$7.5 million (before costs) is raised pursuant to the Entitlement Offer) and 13,074,890 shares issued on conversion of existing Peak performance rights

3. Excluding Non-Executive Director Shasha Lu, Managing Director of Shenghe Resources Overseas Development

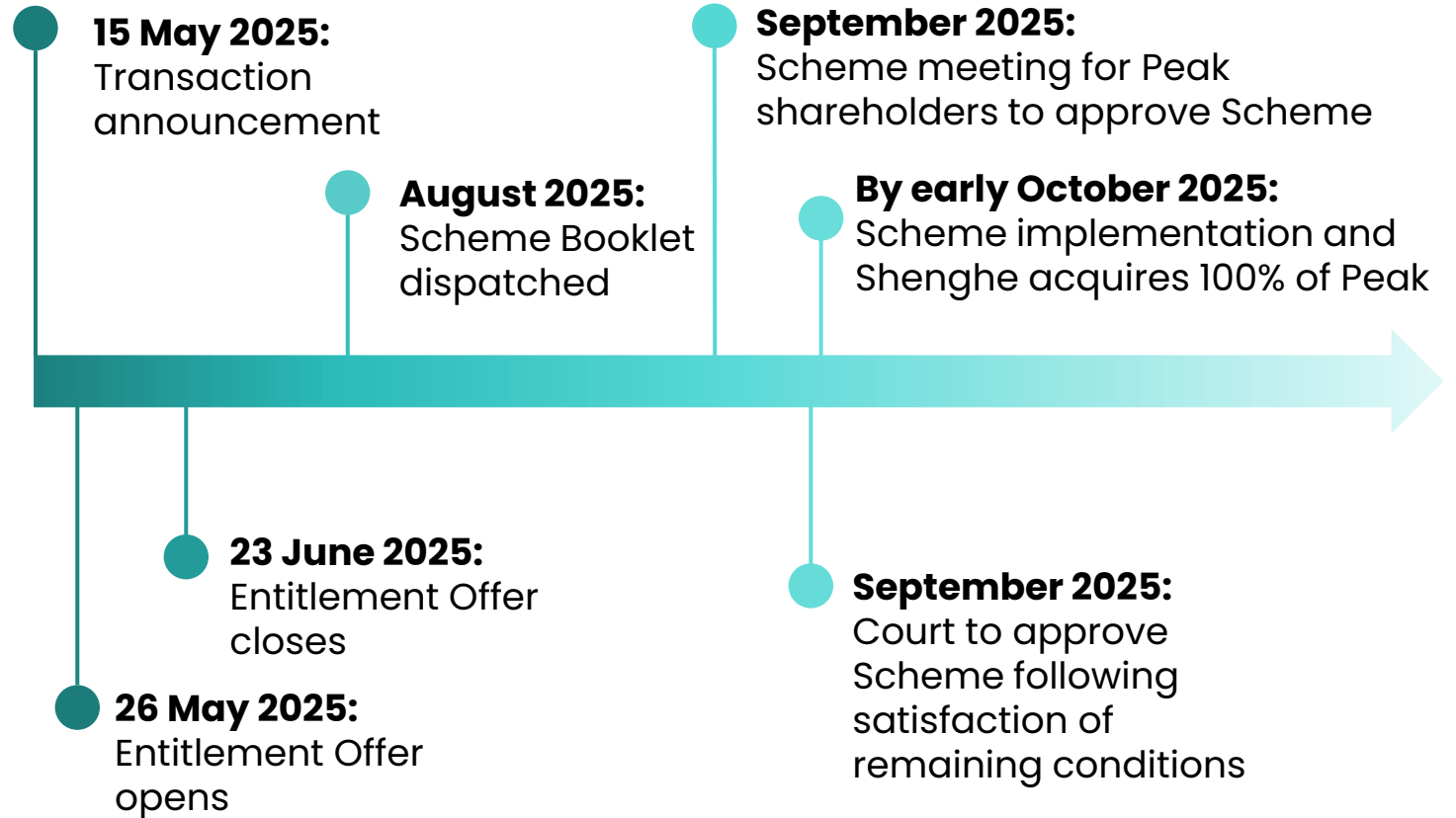
Scheme conditions and timing

The proposed Scheme is targeted to complete by early October, subject to the timing of conditions being satisfied

Scheme conditions

- Peak shareholder approval
- Approval by the Tanzania Fair Competition Commission and any approvals required from the Mining Commission
- Confirmation from the Mining Commission that the Ngualla Project Special Mining Licence is valid and there are no outstanding default notices
- Chinese regulatory approvals
- No restraint of the Scheme by a government agency, no prescribed occurrences, no material adverse changes and no material breach of warranties
- The independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Peak shareholders
- Requisite Australian court approvals

Indicative timetable



Entitlement Offer summary

Peak launches a A\$7.5m Non-Underwritten Non-Renounceable Entitlement Offer

Offer size & structure

- Prior to the Scheme, Peak will undertake a non-underwritten, pro rata non-renounceable entitlement offer to eligible shareholders to subscribe for one (1) new share for every 4.70 shares held at an offer price of A\$0.10 per share to raise up to approximately A\$7.5m (before costs)
- **Shenghe has committed to take up its 19.86% pro rata share of the Entitlement Offer, which represents a commitment of ~A\$1.49m**
- Eligible shareholders will be able to apply for additional shares (that are not applied for by other Eligible Shareholders) under a Top-Up Facility¹
- Any residual shares not applied for by eligible shareholders may be placed under a Shortfall Facility at the offer price²

Offer price

- Offer price of A\$0.10 per new share, represents:
 - 14.2% discount to TERP of A\$0.116 per share based on last closing price on 9 May 2025 of A\$0.12 per share³
 - 16.7% discount to the last closing price of A\$0.12 per share
 - 72.1% discount to the minimum Scheme Consideration per Share of ~A\$0.359

Use of proceeds

- Proceeds from the Entitlement Offer will be used to:
 - Progress development activities at the Ngualla Project (including land compensation payments)
 - Fund working capital requirements and transaction costs

Key risks investing under the Entitlement Offer

- The Entitlement Offer is not conditional on the Scheme and will proceed irrespective of whether or not the Scheme successfully completes
- If a condition precedent to the Scheme, including receipt of Chinese regulatory approvals, is not satisfied then the Scheme may not be able to be successfully implemented
- If the Entitlement Offer is materially undersubscribed or if Peak fails to divest its Teesside site for an acceptable sum, Peak may not have sufficient funds to fund its activities either for the Scheme implementation period or thereafter should the Scheme not proceed⁴

1. Under the Entitlement Offer, eligible shareholders (other than Peak directors and any other person to whom ASX Listing Rule 10.11 applies) who take up their entitlement in full will also be able to apply for additional new shares in excess of their entitlement under a Top-Up Facility. Any new shares not applied for by eligible shareholders under their entitlement will be included in the Top-Up Facility

2. The Peak directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place any shortfall of new shares under the Entitlement Offer (after application of the Top-Up Facility) ("**Shortfall Shares**") at their discretion within three months after the Entitlement Offer closing date (in accordance with ASX Listing Rule 7.2 (Exception 3)). Such Shortfall Shares will be offered at the same price as shares under the Entitlement Offer

3. The TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Peak's closing price of A\$0.12 on 9 May 2025. The TERP calculation includes new shares issued under the Entitlement Offer (assuming full subscription)

4. In such circumstances, Peak may need to pursue an alternate capital raising, which could further dilute shareholders and may result in the Scheme's termination. An alternate funding option may not be successful

Teesside update

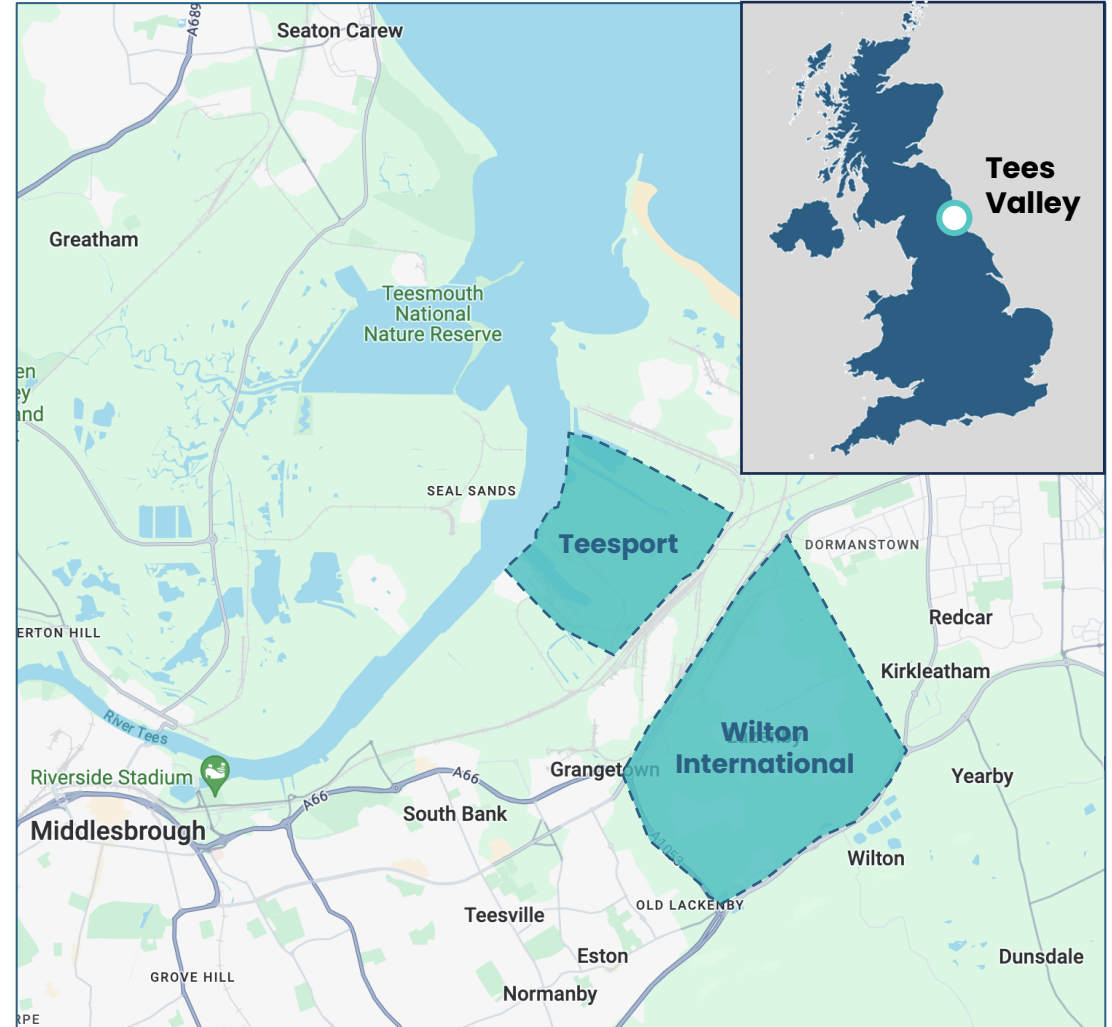
Peak is progressing advanced negotiations with respect to a sale of Teesside

Teesside ... key attractions

- ✓ 19ha site sitting within Wilton International industrial zone in Tees Valley (UK)
- ✓ Within 3km of Teesport deepwater port – 3rd largest in UK by volume
- ✓ Over-the-fence power, air supply and water treatment facilities
- ✓ “Freeport” status – tax, planning and customs benefits

Current status

- A sales process over Peak’s non-core 49-acre Teesside site is well advanced
- Peak is hopeful of completing a near-term sale
- Sale proceeds to be used to support Peak’s working capital requirements and contribute towards Scheme transaction costs



Entitlement Offer – Sources and Uses

Peak requires an interim funding solution to continue the company’s progress at Ngualla and cover transaction costs through to Scheme implementation

Peak funding requirements

- Entitlement Offer is being launched to provide an interim funding solution to Peak whilst the Scheme is implemented
- Funds from the Entitlement Offer and the intended sale of Teesside to be used to support the following:
 - ✓ Continuing to progress the Ngualla Project (including land compensation payments)
 - ✓ General working capital requirements
 - ✓ Transaction costs associated with the Scheme and Entitlement Offer
- If Peak is unable to divest its non-core Teesside site for sufficient proceeds it may need to pursue an alternate capital raising, which may:
 - result in the termination of the Scheme; and
 - place the Company’s future funding capacity at risk

Illustrative Sources and Uses

Source of Funds	A\$m
Entitlement Offer proceeds ¹	7.5
Existing Cash on Hand ²	6.2
Teesside sale (indicative proceeds) ³	5.0–6.0
Total Sources	18.7–19.7

Uses of funds	A\$m
Ngualla project costs (incl. land compensation)	7.3
Scheme contingent transaction costs ⁴	3.8
Other transaction and Entitlement Offer costs	1.3
Working capital ⁵	6.3–7.3
Total Uses	18.7–19.7

1. Proceeds from the Entitlement Offer are presented on a maximum subscription basis. However, as the Entitlement Offer is not underwritten, there is no certainty regarding the amount of funds that will be raised. If the proceeds from the Entitlement Offer are less than is required to meet the Company’s proposed use of proceeds, the Company may review its proposed use of proceeds and consider alternative funding options.

2. Cash and cash equivalents as at 31 March 2025

3. There is no certainty that the Teesside sale will proceed and that Peak will receive the expected proceeds. If the expected proceeds from the sale of Teesside are not received, the Company may not have sufficient funds to pay the Scheme transaction completion costs

4. These costs will not be incurred if the Scheme does not complete

5. The working capital estimate is from 31 March 2025

Indicative timetable for the Entitlement Offer and Scheme

Target transaction implementation by October 2025

	Date ¹
Entitlement Offer booklet dispatched and Entitlement offer opens	26 May 2025
Entitlement Offer closes	23 June 2025
First Court Date	Late July / Early August 2025
Distribute Scheme Booklet to Peak Shareholders	Early August 2025
Scheme Meeting	Early September 2025
Second Court Date for approval of the Scheme	Late September 2025
Effective Date	Late Sept / Early Oct 2025
Scheme Record Date	Late Sept / Early Oct 2025
Implementation Date	Late Sept / Early Oct 2025

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