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Announcements Office
Australian Securities Exchange Limited
Sydney NSW

Peak Resources Announces \$3.2 Million Placement to Fund 100% Acquisition of Ngualla Rare Earth Project

- **Peak Resources announces successful placement of \$3.2 million to institutional shareholders**
- **Funds raised will be utilised to complete the acquisition of Zari Exploration Ltd providing Peak Resources 100% interest in the Ngualla Rare Earth Project**
- **100% ownership of the Ngualla Rare Earth Project provides Peak greater flexibility of options in progressing the project**
- **Maiden resource estimate scheduled for completion in 1st quarter 2012**
- **Executive search program for appointment of new Managing Director commenced**
- **Further drilling results from current 22,000m resource drilling program expected in near term**

The Directors of Peak Resources Limited ("**Peak**" or "**the Company**") are pleased to announce that the Company has successfully received firm commitments to raise A\$3.2 million through the placement of 11.3 million new ordinary shares ("**Shares**") at \$0.28 per share ("**Placement**").

The Placement was supported by new and existing Australian and international institutional and sophisticated investors. The issue price of \$0.28 represents a discount of approximately 8.2% to the last closing price on 11 November 2011.

GMP Securities Australia Pty Ltd ("**GMP Australia**") acted as Lead Manager to the Placement.

Funds raised from the Placement and the existing cash balance of \$5.6 million at 30 September 2011 will be used to:

- Fund the cash component of the acquisition of all the issued capital of Tanzanian Joint Venture partner Zari Exploration Ltd (Zari) providing Peak 100% ownership of the Ngualla Rare Earth Project in Tanzania (Ngualla Project) (see ASX announcement 26 August 2011);
- Continued assessment and calculation of the maiden resource estimate at the Ngualla Project;
- Continued drilling program at the Ngualla Project; and
- General working capital requirements

Peak's Executive Chairman, Mr Alastair Hunter, said: "The proceeds of this raising provide Peak with the ability to complete the acquisition of Zari and obtain 100% ownership of the Ngualla Project. This provides the Company a far greater flexibility of options in taking the project forward and adds significant additional value for all Peak shareholders."

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“The Company believes the next six to twelve months will be a very productive and exciting period in terms of exploration results and the advancement of the project to maiden rare earth resource status. We have initiated our search for a high quality Managing Director with technical and mining engineering experience to oversee the continued growth of the resource base and development of the Ngualla Project. We look forward to making an appointment in the near future and keeping our shareholders updated on our progress on the Ngualla Project over the coming months”.

Institutional Placement

The Company has agreed to place 11.3 million new ordinary shares at \$0.28 per share to Australian and international institutional and sophisticated investors. The Placement will be made in one tranche to be issued immediately under the Company’s 15% capacity, pursuant to ASX Listing Rule 7.1. Settlement is scheduled for Friday, 25 November 2011.

Zari Acquisition

As announced to the ASX on 26 August 2011, currently Peak as operator and manager is earning 80% equity in the Ngualla Project by carrying Zari through to the completion of a bankable feasibility study.

The Zari acquisition will provide Peak 100% ownership of the Ngualla Project and offer the Company a greater flexibility of options in progressing the Project, including opening up new potential opportunities for future funding and offtake arrangements with strategic partners.

Payment for the acquisition to Zari shareholders is through a combination of cash and shares consisting of US\$6 million cash and the issuing of 24.266475 million Peak shares

The acquisition is conditional upon Peak:

- completing financial and legal due diligence of Zari to its satisfaction;
- becoming entitled to not less than 100% of the Zari shares;
- obtaining Peak shareholder approval at an EGM to be held on or around Thursday 22 December 2011; and
- obtaining the requisite approvals from the relevant Tanzanian authorities

Alastair Hunter
Executive Chairman

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