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ASX RELEASE

PEAK RESOURCES LIMITED

WIDE RARE EARTH INTERSECTIONS EXTEND MINERALISATION FURTHER AT NGUALLA

Peak Resources Limited is pleased to report the second batch of assay results received from the 2011 resource drilling program at the Ngualla Rare Earth Project in southern Tanzania.

The results from a further ten reverse circulation (RC) holes extend the rare earth mineralisation in the Southern Rare Earth Zone a further 250m to the southwest with several new wide drill intersections from surface. Extensive primary mineralisation in fresh rock carbonatite beneath the enriched weathered profile is also confirmed.

Highlights include:

Weathered Zone Mineralisation:		Primary Mineralisation:	
NRC037:	**68m** at **3.33% REO** from surface	**NRC024:**	**34m** at **1.82% REO** from 86m to EOH
NRC039:	**56m** at **5.83% REO** from surface	**NRC034:**	**10m** at **1.72% REO** from 110m to EOH
NRC041:	**39m** at **4.39% REO** from surface	**NRC039:**	**44m** at **1.50% REO** from 76m to EOH

*REO = Total Rare Earth Oxide including yttrium. See Table 1 for full drill intersection details. EOH = End of hole.

Results from the most southern drill traverse completed to date show that the rare earth mineralisation still remains open to the south and west. The limits of the mineralisation in the Southern Rare Earth Zone have also not yet been determined to the north or at depth.

The Company is pleased with the rapid progress at Ngualla since the release of assay results from the discovery drill holes at the end of September 2010 to the positive results from the current drilling program. Together they demonstrate the potential for Ngualla to be one of the largest and better grade new rare earth discoveries in recent years. Peak has rights to earn 80% of the project, which also has the potential to host large, near surface deposits of niobium – tantalum and phosphate.

A maiden JORC compliant rare earth resource estimate is expected to be completed by the end of the first quarter of 2012.

Photo 1: Drilling hole NRC049 looking East, Southern Rare Earth Zone, Mt Ngualla, June 2011.

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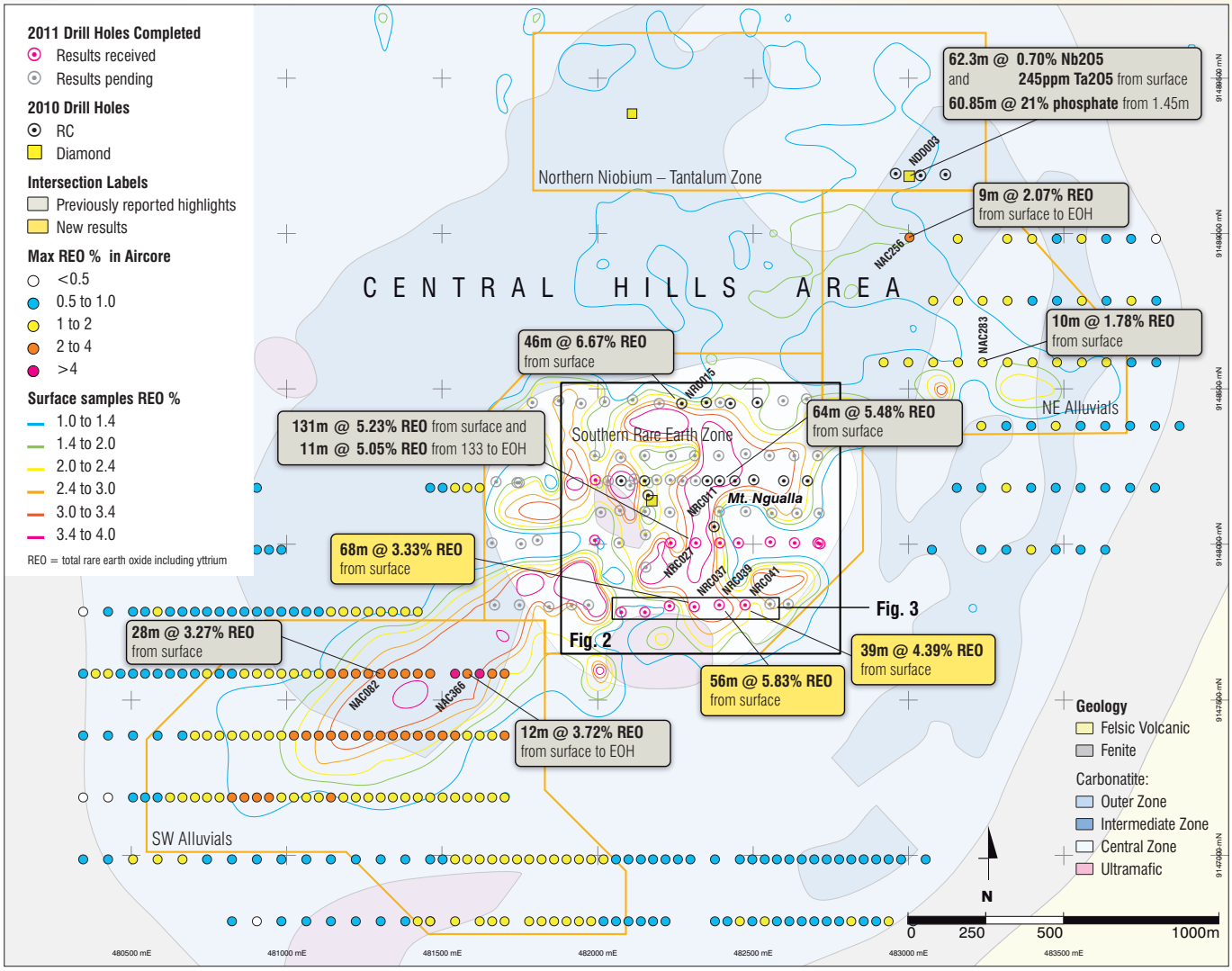

Figure 1: Location of new drilling and assay results over simplified geology map of the Ngualla Carbonatite showing areas of planned drilling with previous key intersections and surface sampling results.

All 10 holes for which results have just been received intersected +1% rare earth mineralisation. Most of the holes also intersected significant widths of higher grade including:

DRILL HOLE	INTERSECTION
NRC024:	**34m at 1.82% REO** from 86m to EOH
NRC025:	**14m at 2.00% REO** from surface
NRC033:	**30m at 2.93% REO** from surface
NRC034:	**40m at 2.93% REO** from surface and **9m at 4.75 % REO** from 84m
NRC037:	**68m at 3.33% REO** from surface and **14m at 1.22% REO** from 106m to EOH

DRILL HOLE	INTERSECTION
NRC038:	**60m at 1.94% REO** from 42m
NRC039:	**56m at 5.83% REO** from surface and **44m at 1.50% REO** from 76m to eoh
NRC041:	**39m at 4.39% REO** from surface and **17m at 2.51% REO** from 43m **14m at 2.94% REO** from 64m

Full drill hole intersection details included in Table 1. Distribution of individual REO's shown in Table 2.

The highest grade mineralisation occurs from surface within the ferruginous weathered zone of the Ngualla Carbonatite where grades vary from 3% to 7% REO within an area of 650m x 500m. There is potential to increase the area of mineralisation since the limits have not yet been determined to the north, south and west. Several holes for which assays are currently awaited have intersected deep ferruginous weathering up to 140m vertical depth in areas of known mineralisation (see Figure 2).

The new results also confirm extensive primary REO mineralisation within fresh carbonatite, which is significant in terms of additional tonnage potential. Primary mineralisation in the unweathered carbonatite typically grades from 1% to 2.5% REO. Many holes end in this mineralisation at 120m down hole, indicating it to be open at depth (Figure 3). As with the weathered zone mineralisation, the extent of the primary mineralisation has also not yet been determined to the north, south and west.

A total of 71 reverse circulation (RC) drill holes for 9,032m have now been completed of the total 22,000m 2011 drilling program (Figures 1 and 2). With assays from just 18 of these holes received to date and analytical data from 54 completed holes currently outstanding, a steady flow of new assay results is expected over the coming weeks. The Company will continue to provide regular updates regarding progress and results as they come to hand.

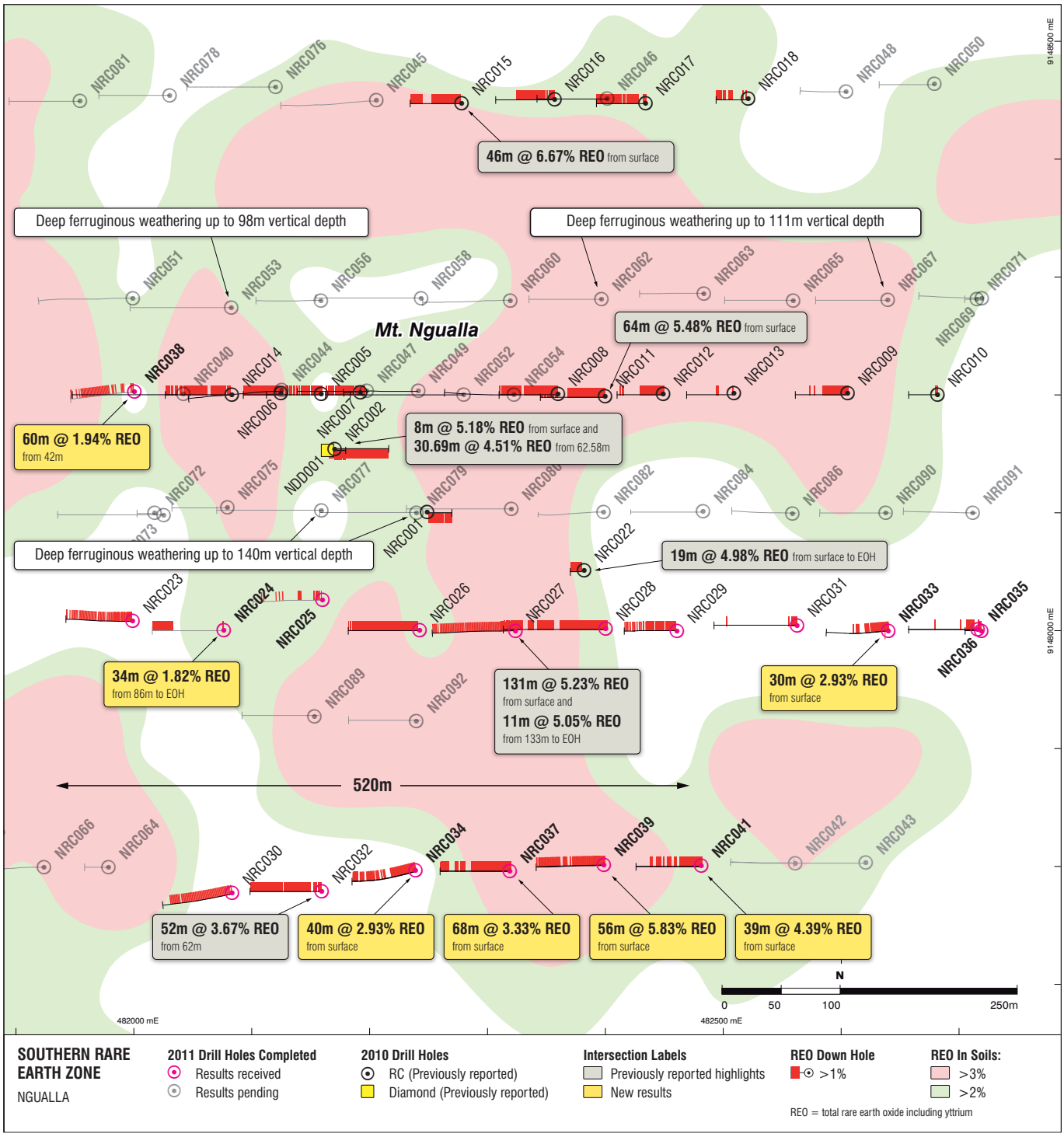

Figure 2: Plan of new rare earth intersections and RC drilling completed to date, with previous drilling, key intersections and surface sampling contours, Southern Rare Earth Zone

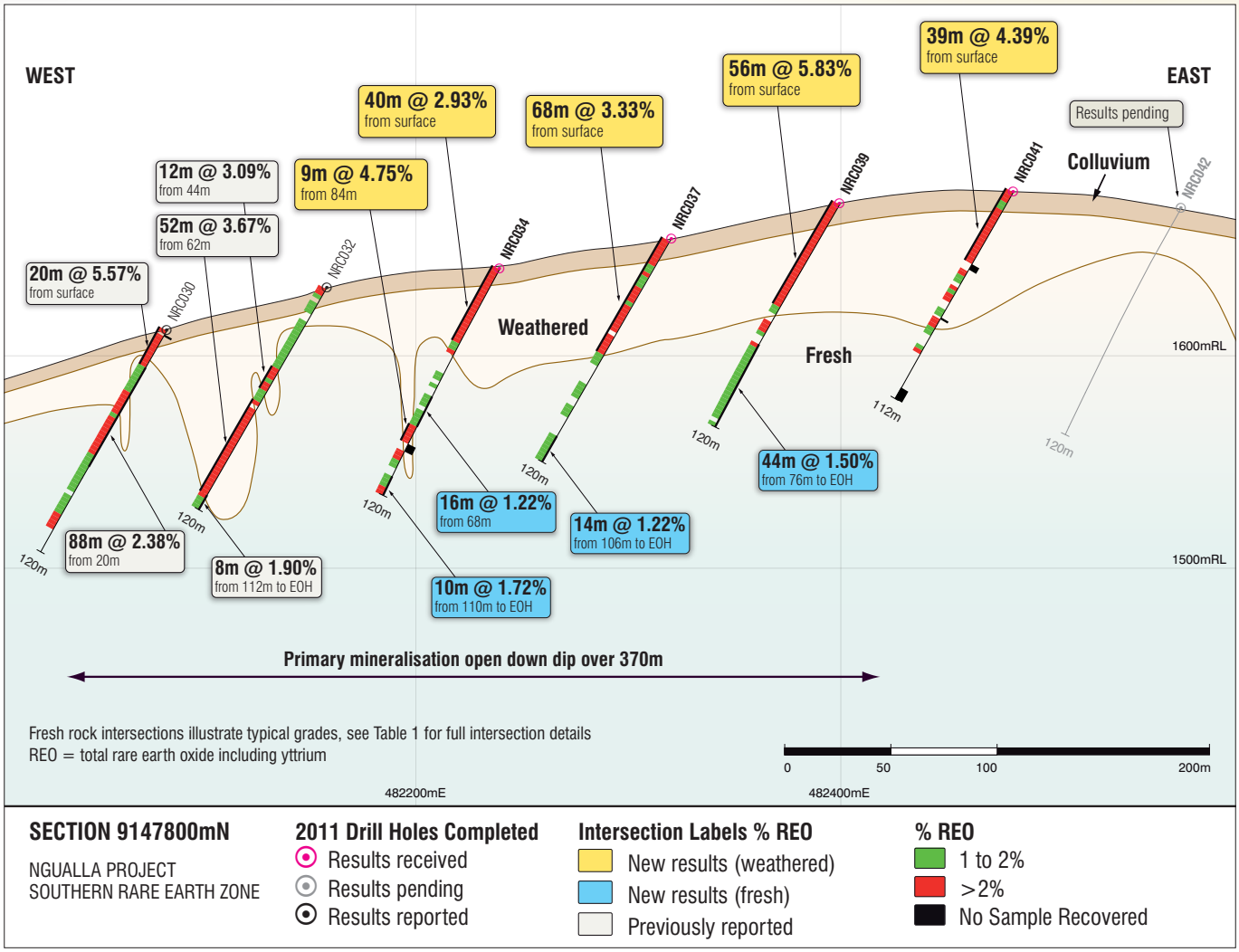

Figure 3: Drill hole cross section 9,147,800mN looking north with new drill results and geology.

Alastair Hunter Executive Chairman

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Dave Hammond who is a Member of The Australasian Institute of Mining and Metallurgy. Dave Hammond is the Technical Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dave Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1: NGUALLA PROJECT RC DRILL RESULTS

CENTRAL BEDROCK ZONE - INTERSECTIONS +1% REO. SELECTED INTERSECTIONS +2% REO IN **BOLD**

Hole ID	East	North	Hole Depth (m)	From (m)	To (m)	Interval (m)	REO %
NRC024	482,076	9,148,000	120	0	2	2	1.91
				86	120	34*	1.82
NRC025	482,159	9,148,026	120	0	14	14	2.00
			(incl.	**0**	**6**	**6**	**3.17)**
				34	42	8	1.76
				66	68	2	1.92
				72	74	2	1.42
				78	80	2	1.17
NRC033	482,641	9,148,000	120	0	42	42	2.54
			(incl.	**0**	**30**	**30**	**2.93)**
				52	58	6	1.34
				62	64	2	1.34
NRC034	482,240	9,147,796	120	0	46	46	2.79
			(incl.	**0**	**40**	**40**	**2.93)**
				56	64	8	1.19
				68	93	25	2.49
			(incl.	**84**	**93**	**9**	**4.75)**
				97	106	9	2.69
				110	120	10*	1.72
NRC035	482,719	9,148000	28	0	4	4	1.30
				12	21	9	1.45
				24	26	2	1.24
NRC036	482,717	9,148,001	120	0	2	2	1.57
				8	22	14	1.63
				30	32	2	1.52
				74	76	2	1.46
NRC037	482,320	9,147,796	120	0	68	68	3.33
			(incl.	0	**14**	**14**	**4.13**
			and	**26**	**62**	**36**	**3.89)**
				78	86	8	1.23
				90	96	6	1.21
				106	120	14*	1.22
NRC038	482,000	9,148,202	120	0	6	6	1.90
				16	22	6	1.58
				30	38	8	1.46
				42	102	60	1.94
				106	108	2	1.31
				116	120	4*	1.14
NRC039	482,400	9,147,801	120	0	60	60	5.52
			(incl.	**0**	**56**	**56**	**5.83)**
				64	72	8	1.95
				76	120	44*	1.50
NRC041	482,482	9,147,800	112	0	39	39	4.39
			(incl.	**10**	**39**	**29**	**4.94)**
				43	60	17	2.51
				64	78	14	2.94
			(incl.	**69**	**74**	**5**	**6.33)**
				84	88	4	2.00

Note: REO = Total Rare Earth Oxides including Yttrium. See Table 2 for relative distribution of individual rare earth oxides. Samples are 2m composites from angled -60° west RC drilling. Intersections calculated using 1% REO lower cut and a maximum of 2m internal dilution. Maximum 2m of no sample return (NSR) included in each intersection at a zero grade. Analysis by SGS laboratory, Perth, by 4 acid digest and ICP or XRF. Co-ordinate system is Arc 1960 UTM zone 36S. *=hole ended in mineralisation.

Table 2: INDIVIDUAL RARE EARTH OXIDES AS A PERCENTAGE OF TOTAL RARE EARTH OXIDES

Light REO = 98.6%						Heavy REO = 1.20%									0.25%
La_2O_3	CeO_2	Pr_6O_{11}	Sc_2O_3	Nd_2O_3	Sm_2O_3	Eu_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Ho_2O_3	Er_2O_3	Tm_2O_3	Yb_2O_3	Lu_2O_3	Y_2O_3
27.1	48.4	4.69	0.17	16.6	1.61	0.31	0.67	0.05	0.10	0.01	0.04	0.00	0.01	0.00	0.25

Note: Average relative REO components are calculated using individual rare earth grades in samples above 1% REO in the 35 RC holes and one diamond hole for which assays have been received in the Southern Rare Earth Zone.