



Ngualla Rare Earth Project Funding Update

The Directors of Peak Resources Limited (“Peak” or “the Company”) are pleased to provide an update on the negotiations currently underway with a significant Cornerstone Investor (“Investor”).

As announced on 22 April 2013, Peak entered into a non-binding Memorandum of Understanding (“**MOU**”) for a transaction that will provide funding for the on-going development of the Ngualla Rare Earth Project. (“**Ngualla**”)

As advised, a condition of the MOU is completion of the Investor’s due diligence process which includes technical and legal review. A site visit to Ngualla has been successfully concluded to the satisfaction of the Investor’s senior management representatives and the due diligence process is largely complete. However due to a delay in the site visit, completion of the due diligence could not be achieved by the end of May.

The Company is satisfied with negotiations to date and can confirm that the major terms and conditions have been agreed with only some minor terms that remain outstanding. Peak and the Investor are continuing to work together to finalise all outstanding matters and the Company remains confident that the formal agreement will be finalised in the near future.

Jeff Dawkins

Company Secretary