

2013 ANNUAL REPORT

NGUALLA PROJECT
TANZANIA
DEVELOPING A
LOW COST RARE
EARTH PROJECT

The logo for Peak Resources Limited, consisting of a stylized yellow triangle with a white outline, positioned to the left of the company name.

**PEAK
RESOURCES**
LIMITED

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**PEAK
RESOURCES**
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MARKET USES

Rare earths are an important ingredient in emerging 'green technologies' directed at increased energy efficiency and greenhouse gas reduction. As a key component in rechargeable batteries and magnets in electric motors, rare earths play a fundamental role in hybrid motor vehicles and wind turbines.



CRITICAL

A critical mineral is a mineral with few or no satisfactory substitutes and vulnerable to high supply risks due to potential shortages resulting from constrained production in the face of high rates of growth in demand.



DEMAND

Global demand for rare earths is predicted to increase to 160 thousand tonnes in 2016 and 200-240 thousand tonnes in 2020. Demand drivers include automation technology, polishing powders, wind turbine and hybrid vehicles.

Nd
Neodymium

Dy
Dysprosium

Eu
Europium

Tb
Terbium

Y
Yttrium

FIVE RARE EARTHS ARE FORECAST TO BE IN CRITICAL UNDERSUPPLY

The world is seeking alternative supplies for these vital strategic metals.

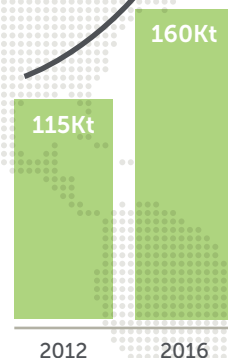
CRITICAL

USES

RARE
20

DEMAND

PREDICTED
**11% PER ANNUM
INCREASE
IN GLOBAL DEMAND**



LIGHT REEs

57 138.91	58 140.13	59 140.91	60 144.24	61 (145)	62 150.36
La	Ce	Pr	Nd	Pm	Sm
LANTHANUM	CERIUM	PRASEODYMIUM	NEODYMIUM	PROMETHIUM	SAMARIUM

39 88.906	21 44.956
Y	Sc
YTTERBIUM	SCANDIUM

HEAVY REEs

63 151.96	64 157.25	65 158.93	66 162.50	67 164.93	68 167.26	69 168.93	70 173.04	71 174.97
Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu
EUROPIUM	GADOLINIUM	TERBIUM	DYSPROSIUM	HOLMIUM	ERBIUM	THULIUM	YTTERBIUM	LUTEIUM

The rare earth metals include 15 lanthanide metals and two other metals, Sc and Y which have similar properties.

MOST HAVE
AND ARE
**NO SUBSTITUTES
INDISPENSABLE**
IN MANY APPLICATIONS

ELEMENTS

EARTHS
13

PRICE

NGUALLA BASKET PRICE

\$79,500/t

Neodymium Oxide

\$520,000/t

Dysprosium Oxide

JUNE 2007

JUNE 2011

STABILITY AFTER
THE BUBBLE

JUNE 2013

CHINA

CHINA CONTROLS
85% OF GLOBAL
SUPPLY

AND
65% OF GLOBAL
DEMAND

NGUALLA

PERTH



ELEMENTS

Rare earths possess certain chemical and physical properties that make them indispensable in many high-tech applications. Among the key properties of rare earths are their high thermal and electrical conductivity, magnetism, luminosity, catalytic and optical properties.



PRICES

Rare Earth prices increased dramatically in 2011 after China stopped exports to Japan following conflict between the two nations. Neodymium oxide increased 2,360% between August 2009 and August 2011. Prices for the oxide have been increasing since July 2013, driven by demand and dwindling stockpiles.



CHINA

China controls the global supply and refining of rare earths. China has imposed export quotas and taxes to encourage downstream industries.

NGUALLA RARE EARTH PROJECT

A YEAR OF SIGNIFICANT MILESTONES

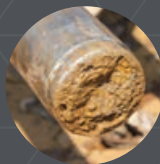
1 PROOF OF CONCEPT TESTWORK

Simple Sulphuric
Acid Leach Process



2 HIGH DEFINITION DRILLING

130 holes
for 13,600m



3 REVISED RESOURCE ESTIMATE

21.6 Mt @ 4.54% REO
982,000t contained REO

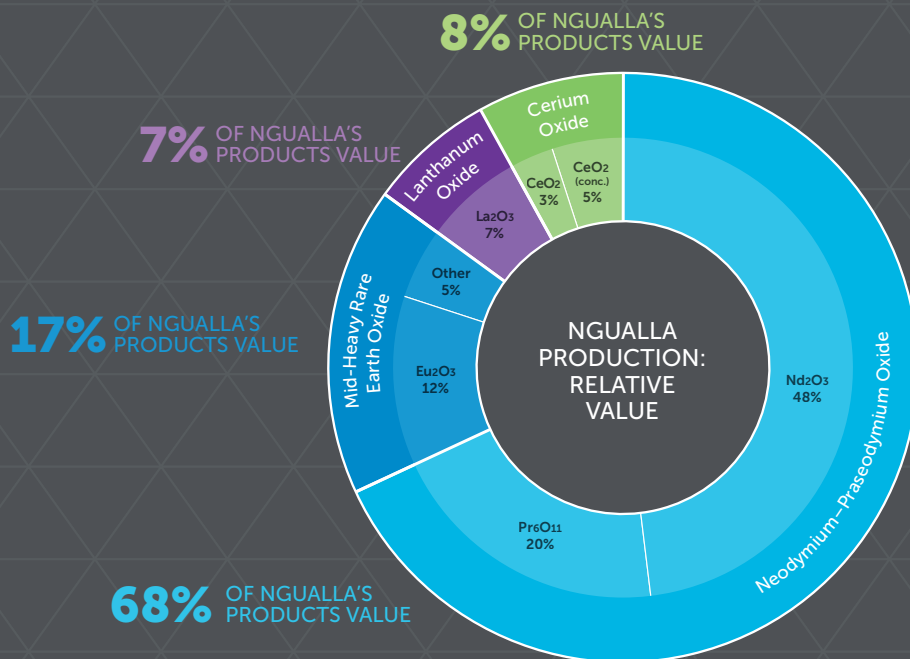
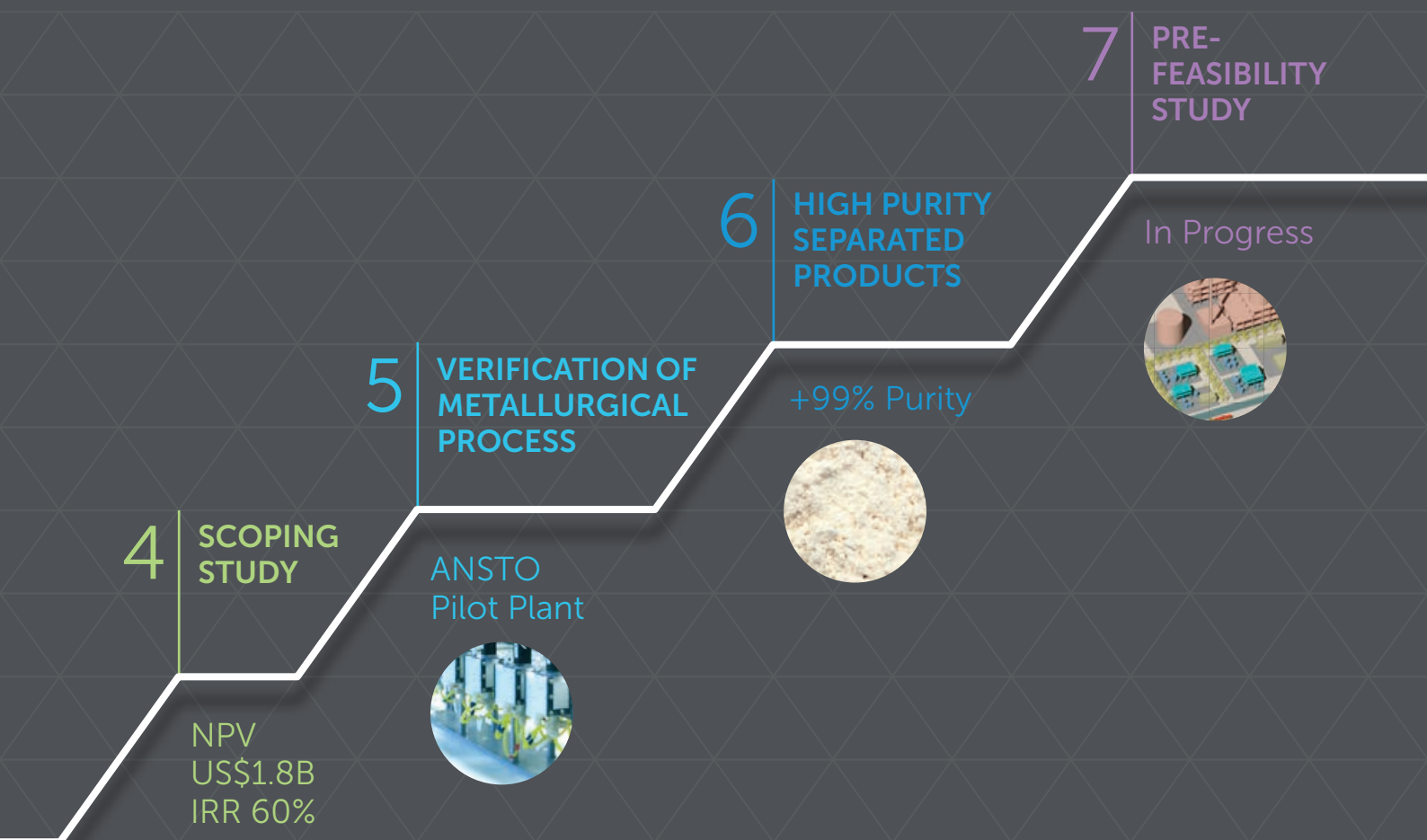


MINERALOGY

- Favourable bastnaesite mineralogy
- No phosphate or monazite
- Very low uranium (14ppm) and thorium (42ppm)

RESOURCE

- Bastnaesite Zone: 21.6Mt at 4.54% REO for 982,000t contained REO
- High grade deposit, 5.35% REO for first 25 years
- Low strip ratio open pit mining
- >50 year mine life within Bastnaesite Zone alone

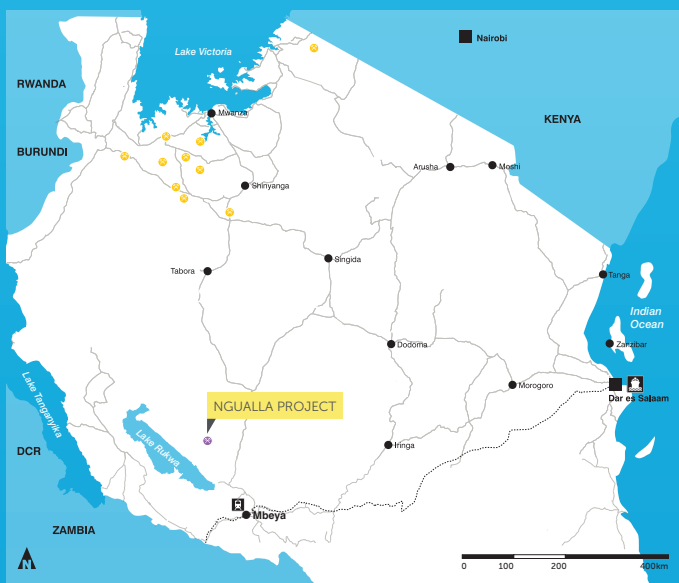
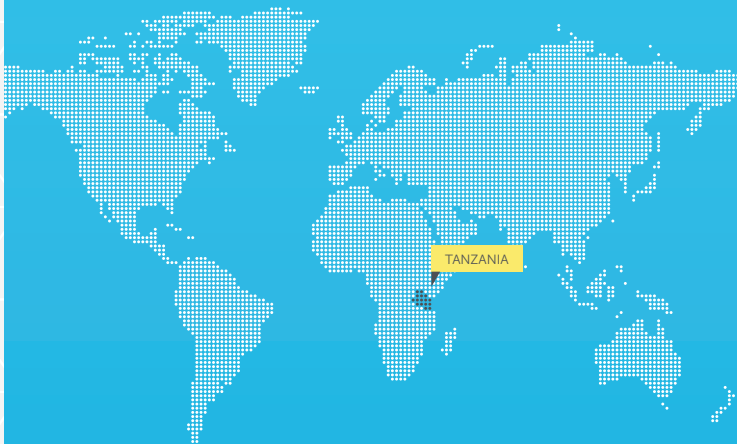


METALLURGY

- Successful and effective beneficiation
- Demonstrated simple sulphuric acid leach processing route
- Four high purity (+99%) separated oxides produced

ECONOMIC ASSESSMENT

- Net Present Value of US\$1.768 billion and IRR of 60%
- Low capital cost of US\$373 million and payback within 2 years
- Low operating costs of US\$10.18/kg FOB
- 85% of annual revenue from high value Nd-Pr and Mid-Heavy high purity products



ABOUT TANZANIA

Tanzania is the fourth largest gold producer in Africa and has an established mining culture. It has a stable government and one of the best performing economies in the region.

Its vast natural resources have been identified by the government as key to the country's economic development and as such there are a number of policies and incentives in place to ensure the mining sector's ongoing and sustained success.

Ngualla is well located in close proximity to the main north-south trunk road in the west of the country and to the TAZARA railway in the south connecting the city of Mbeya 150km south of the site to the deep water port of Dar es Salaam. Ongoing major upgrades to the road and rail network are bringing this region's infrastructure up to first world standards and is a major advantage for Ngualla's logistics and site access.

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CHAIRMAN'S LETTER



DEAR SHAREHOLDER

The past year has been difficult for the general resource sector, particularly for the junior end of the market, which has made it extremely challenging for most companies with Peak Resources being no exception. This said, your company has continued to focus its efforts on advancing the development of its Ngualla Rare Earth Project located in southern Tanzania.

Your Company's efforts have continued to return excellent results and the Project continues to go from strength to strength to the point where your directors consider the Ngualla Project to be one of the premier undeveloped rare earth deposits in the world. This assertion is made on no single factor but a combination of many, which make the project stand out from our competitors.

The Company completed a Scoping Study in December 2012, updated in May 2013, which highlights the extremely robust economics of the Project with a net present value of US\$1.768 billion and an internal rate of return of 60%.

The world has seen a sharp and sustained fall in rare earth prices since their peak in July 2011, however, your Company is continuing work on the project which despite all of this, remains robust.

In April this year your Company announced a new Mineral Resource estimate for Ngualla. This incorporated results from the last field season's infill and extensional drilling programs which consisted of both reverse circulation and diamond drilling.

At a lower grade cut of 1% rare earth oxide (REO) the new Mineral Resource for Ngualla is 195 million tonnes grading 2.26% REO for 4.4 million tonnes of contained REO.

Ngualla remains one of the largest and highest grade deposits of its type in the world. Of particular significance is the central Bastnaesite Zone portion of the deposit which is the principle focus of your Company's development studies.

The Bastnaesite Zone Mineral Resource estimate, at a 3% REO lower grade cut is 21.6 million tonnes at 4.54% REO for 982,000 tonnes of contained REO. Optimisation studies indicate that this is sufficient to support a + 50 year mine life at a 10,000 tonnes per annum production rate. In this scenario, the first 25 years would see a head grade of 5.35% REO.

This high grade portion of the mineralised body sits close to the top of a hill where it comes to surface and therefore is readily amenable to low cost open cut mining with very low strip ratios. Most of the material is expected to be free dig. The very favourable mineralogy and resulting metallurgical characteristics further differentiate Ngualla from other projects.

Many of the current crop of rare earth projects being evaluated or subject to various development studies have rare earths occurring in the mineral monazite, which requires 'cracking' in custom built kilns at high temperatures. Many other projects contain relatively high levels of radioactive uranium and thorium, which can be costly to remove and create environmental, permitting and transportation issues.

The Bastnaesite Zone at Ngualla is non-radioactive as it contains only very low levels of uranium and thorium. Rare earths occur within bastnaesite, a rare earth fluorocarbonate mineral amenable to direct atmospheric acid leach, eliminating the need for expensive construction and operation of kilns.

Ngualla can use the much cheaper sulphuric acid that can be readily transported as raw sulphur and manufactured into acid on site. This process will provide sufficient heat to produce steam for the leach process and to drive turbines to produce a significant proportion of the required onsite electricity.

The past twelve months has seen the Company carry out a sustained and definitive program of metallurgical test work. This work can be divided into several key areas, the first being beneficiation whereby, through the use of wet magnetic separation and flotation techniques, we have achieved a significant upgrade of feed mineralisation to about 17% REO by the rejection of 78% of the less mineralised mass.

This is economically important as the rejection of gangue and concentration of mineralisation results in less material going through to the acid recovery plant which can be reduced in size and have lower construction and operating costs.

The second stage in the development of a metallurgical processing route for Ngualla, the simple sulphuric acid leach process, was successfully demonstrated at Nagrom Laboratories in Perth in August 2012. Both of these segments of the metallurgical test work were extremely important to your Company as they laid the foundation for one of the least complex and most efficient processing routes that has been developed in the rare earth industry.

Also of importance has been the work carried out by ANSTO Minerals at the Lucas Heights research facility south of Sydney. ANSTO are a very highly regarded metallurgical process development group who have considerable experience with rare earth projects not only within Australia but worldwide.

Two types of test work have been or are nearing completion at ANSTO. The first was the verification of the simple sulphuric acid leach process at bulk sample scale. ANSTO successfully validated the initial work, producing a 99% pure carbonate with an REO content of 56% and very low levels of contaminants such as thorium and uranium, which were below the 1ppm assay detection limit.

The second phase of work now nearing completion is the operation of a solvent extraction pilot plant to separate the mixed rare earth carbonate into four higher value +99% purity products. To this end - as of year-end we have produced two products; a mid-heavy high purity oxide and a neodymium-praseodymium oxide of 99.9% purity from Ngualla's mineralisation via the sulphuric acid leach process. This represents a major milestone for the Company and validates what we are attempting to achieve.

All this said, it has been due to a great extent to the dedication of all our staff both here in Australia and in Tanzania and on behalf of the shareholders I would like to thank them. The Company looks forward to continuing our success in the coming year.



Alastair Hunter
EXECUTIVE CHAIRMAN

Opposite page ►
ANSTO Minerals
Rare Earth
Separation Facility



REVIEW OF OPERATIONS

NGUALLA REMAINS ONE OF THE **LARGEST AND HIGHEST GRADE** RARE EARTH DEPOSITS IN THE WORLD.

SUMMARY OF OPERATIONS

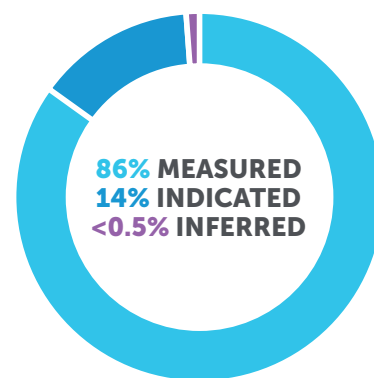
The year saw the Company make rapid progress in the development of its 100% owned Ngualla Rare Earth Project in Tanzania.

An infill resource drilling program consisting of 130 holes for 13,600 metres was completed during the dry season between May and November 2012. Drilling focused on the Bastnaesite Zone, mineralogically the most favourable area of the greater Ngualla deposit and identified for initial production. The drilling supported a revised Mineral Resource estimate that was completed in April 2013. The weathered Bastnaesite Zone is now a high confidence, well defined Mineral Resource with 86% in the highest 'Measured' JORC category.

▼ Drill pads on Ngualla Hill, the Bastnaesite Zone, looking north west, July 2013

Test work was successfully completed to develop and demonstrate a simple metallurgical process for Ngualla's weathered bastnaesite mineralisation. A proven three stage process of beneficiation, sulphuric acid leach and solvent extraction enables a simple, low cost, low risk operation and differentiates Ngualla from other projects.

A Scoping Study and preliminary economic assessment was completed in December 2012 and subsequently revised in May 2013 to include the new Mineral Resource and further efficiencies achieved in the metallurgical process.



▲ High confidence Resource

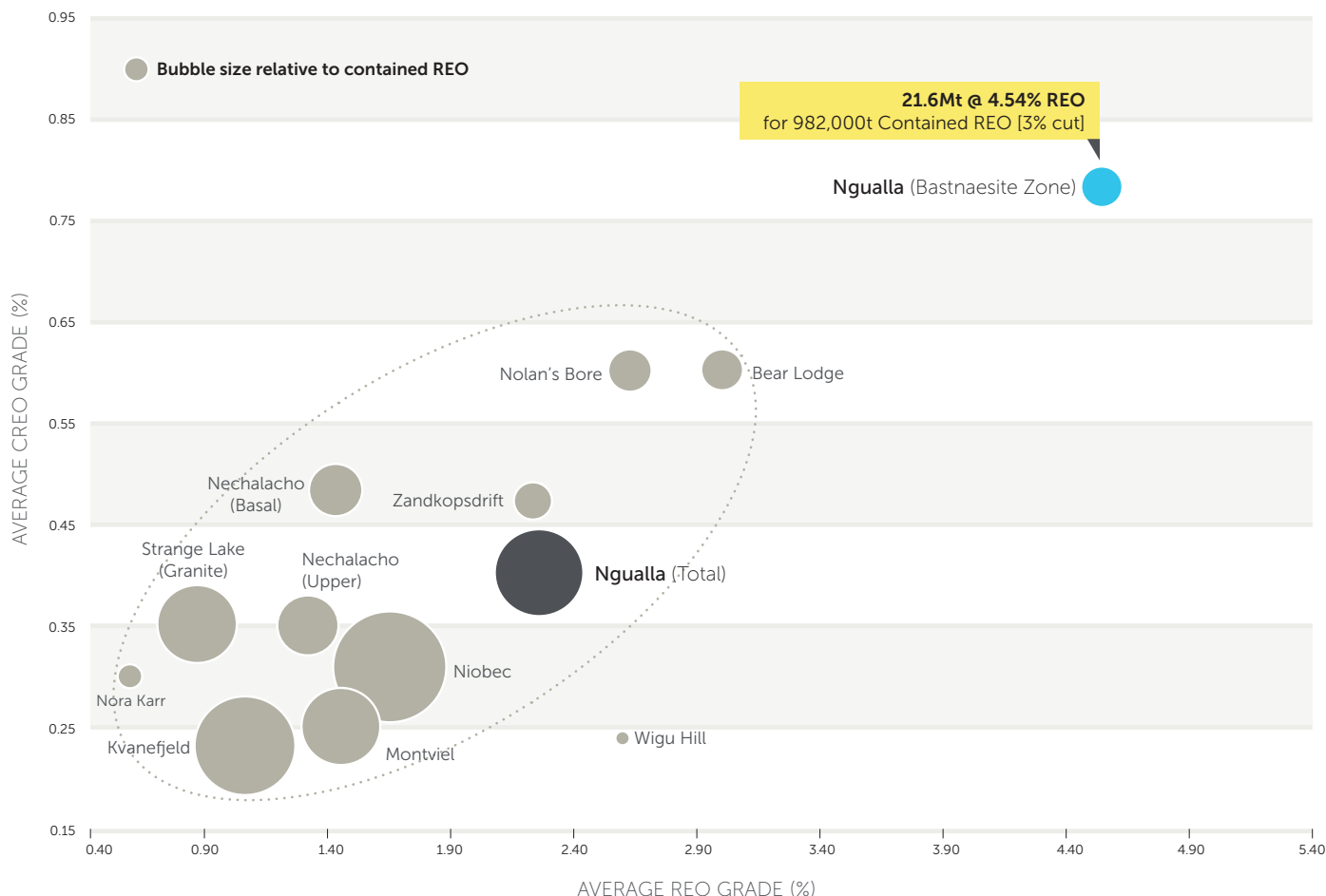
The study defines robust project economics at a production level of 10,000tpa REO with low capital and operating costs, payback within two years and a mine life of over 50 years. Other highlights of the study include:

- NPV10: US\$1.768 billion
- IRR: 60%
- Cash cost¹: US\$10.18 / kg
- Annual operating cashflow: US\$273 million

¹25 year average. Rare earth prices October 2012 (FOB) China as provided by Technology Metals Research for Scoping Study

The production of a range of high purity separated rare earth oxides and mixed rare earth carbonate from Ngualla's mineralisation at ANSTO Minerals completed a year of significant technological achievements that have de-risked the project and support the Company's belief that Ngualla is the leading new rare earth development project.





▲ Figure 4: Critical rare earth grades place Ngualla 'outside the pack'.

Peak has appointed financial advisors for different sectors of the world to assist with sourcing long term funding partners for the development of the project and continues to advance discussions with several interested parties regarding potential strategic partnerships, cornerstone investments and off-take agreements.

Feasibility studies are now in progress and will lead to a maiden Reserve and updated economic assessment in early 2014, with production on schedule to commence in 2016.

NGUALLA RARE EARTH PROJECT – PEAK 100%

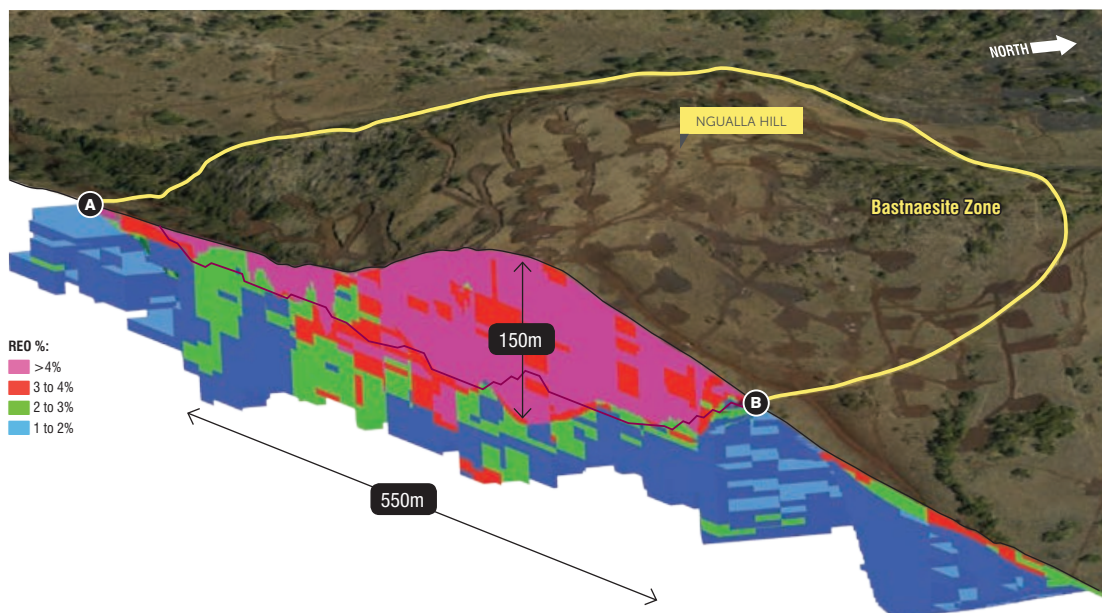
Ngualla is a virgin discovery made by Peak in 2010 and is centred on the Ngualla Carbonatite, a roughly circular volcanic pipe with a diameter of approximately 3.8km (Figure 8).

As well as being one of the largest rare earth deposits in the world, the project also contains widespread niobium – tantalum and phosphate mineralisation at an early stage of evaluation.

The Ngualla Rare Earth Project is differentiated from others by the combination of favourable fundamental factors including:

- High grades
- A large high confidence Mineral Resource offering opportunities for expansion
- Thick blanket of mineralisation at surface amenable to low cost open cut mining
- >50 year mine life
- Favourable mineralogy enabling simple processing
- Proven metallurgical processing route from mineralisation to separated, high purity products
- Lowest uranium – thorium contents of any major rare earth deposit
- Low capital and operating costs

These factors have enabled Peak to rapidly progress Ngualla's development in comparison to other rare earth projects.



◀ Figure 5: A thick blanket of high grade mineralisation at surface allows for simple, low cost open pit mining.

NEW MINERAL RESOURCE ESTIMATE

The maiden Mineral Resource for the Ngualla Rare Earth Project was announced last year on 29th February 2012 and ranked the Ngualla discovery as the fifth largest rare earth deposit in the world outside of China.

Drilling recommenced after the end of the rain season in May 2012 and a program of 13,600m of drilling was completed by season's end in December 2012.

Infill drilling was completed to increase the amount of weathered mineralisation in the Bastnaesite Zone (Figure 2) classified as 'Measured' or 'Indicated' Mineral Resource and provide the definition required for a detailed mine plan and schedule for the project to support the Pre-Feasibility Study now in progress.

A new Mineral Resource estimate reported according to the 2004 JORC Code and Guidelines was announced on 4th April 2013. Ngualla remains one of the largest and highest grade rare earth deposits in the world.

THE MINERAL RESOURCE FOR THE BASTNAESITE ZONE WEATHERED MINERALISATION AT A 3.0% LOWER GRADE CUT-OFF IS: **21.6 MILLION TONNES AT 4.54% REO*, FOR 982,000 TONNES OF CONTAINED REO#**

*= total rare earth oxides plus Y_2O_3
#see Appendix Table 1 for classification of Mineral Resource

The new weathered Bastnaesite Zone Mineral Resource is a significant increase over the 8.2 million tonnes at 4.35% REO in the December 2012 Scoping Study mine plan, which supported an initial 25 year mine life at a 10,000tpa REO production level.

The 2013 Mineral Resource offers the opportunity to increase production levels and extend mine life to +50 years within the Bastnaesite Zone alone. This was reflected by the revised Scoping Study and economic assessment released on 29th May 2013 (see following Project Development section of this report).

Over 99% of the total weathered Bastnaesite Zone Mineral Resource is now classified in the 'Measured or Indicated' JORC category, with the majority (86%) being 'Measured' (Appendix Table 1).

The Measured and Indicated portions will form the basis for a maiden Reserve estimate to be completed together with a revised economic assessment as part of the Pre-Feasibility Study currently in progress.

The extremely low levels of uranium and thorium in the Bastnaesite Zone weathered Mineral Resource are another distinct advantage for Ngualla and will allow the Company to avoid the environmental, transport and publicity concerns experienced by other projects.

At a 1% lower grade cut-off, the 2013 total Mineral Resource estimate for Ngualla (which includes the Bastnaesite Zone) increased by 15% in terms of tonnes and contained REO compared to the 2012 maiden Mineral Resource estimate.

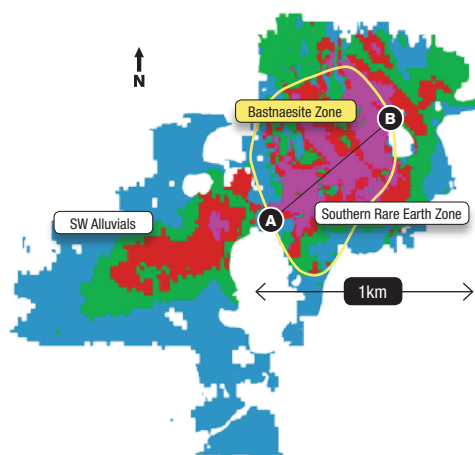


▲ Figure 5: The sharp contact between the weathered (brown) and fresh carbonatite (white) in the Bastnaesite Zone.

AT A 1% LOWER GRADE CUT OFF, THE NEW MINERAL RESOURCE ESTIMATE IS: **195 MILLION TONNES AT 2.26% REO, FOR 4.4 MILLION TONNES OF CONTAINED REO[#]**

[#]See Appendix Table 2 for classification of Mineral Resource

The large size of the Ngualla Mineral Resource allows Peak to select the highest grade, most mineralogically favourable portion of the deposit for development and offers the potential to expand the initial operation in future years.



Natural weathering has commenced the metallurgical process through the complete removal of the original carbonate minerals, **a process which has also increased rare earth grades approximately three fold within a near surface zone extending up to 140 metres deep.**

FAVOURABLE MINERALOGY

Metallurgy is the key driver for development time, capital and operating costs for rare earth projects. Metallurgical process routes differ widely between projects as they are governed by the combination of host rock and rare earth mineralogy.

The identification of the weathered Bastnaesite Zone with its favourable mineralogy and high grades at surface (Figure 5) fundamentally differentiates Ngualla from other projects and ultimately drives the lower capital and operating costs through the ability to apply a relatively simple but highly effective metallurgical process.

Natural weathering has commenced the metallurgical process through the complete removal of the original carbonate minerals, a process which has also increased rare earth grades approximately three fold within a near surface zone extending up to 140m deep. The removal of carbonate minerals allows the use of lower cost sulphuric acid which otherwise would be consumed and neutralised. Rare earths remain in the weathered

rock as the fluorocarbonate mineral bastnaesite within an iron oxide, barite and silica matrix. This unique combination of host rock and rare earth mineralogy enables the beneficiation and sulphuric acid leach processes developed and demonstrated by Peak during the year.

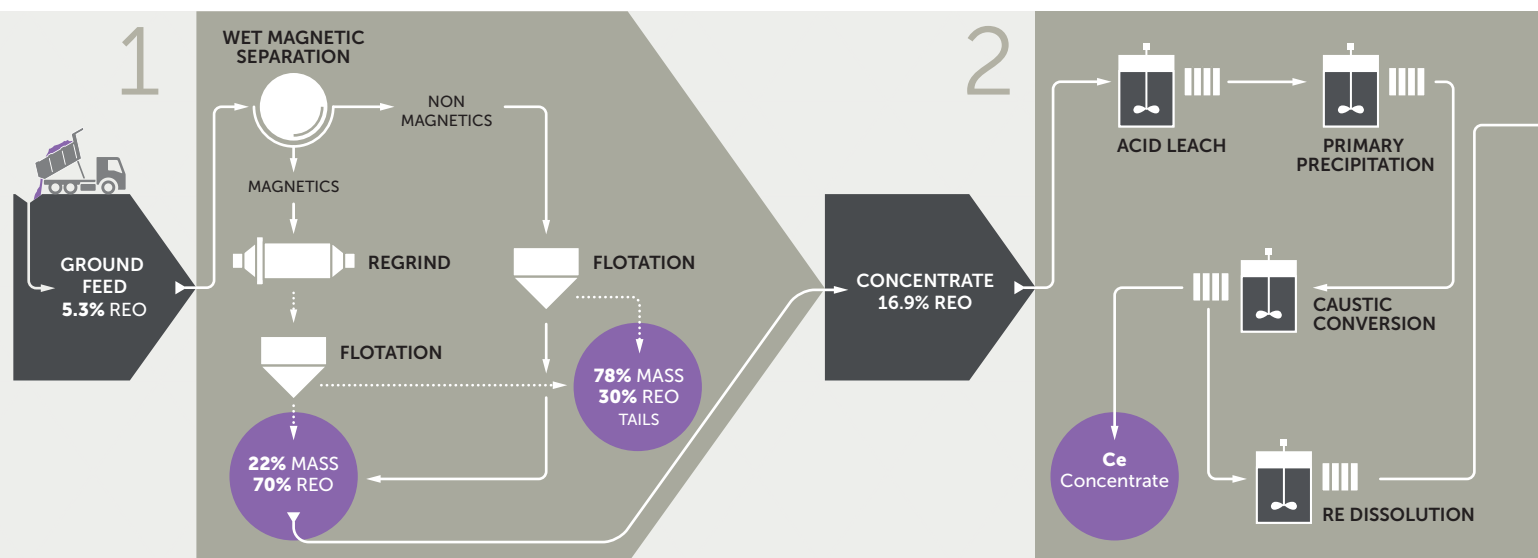
In most rare earth projects, significant levels of radioactive uranium and thorium occur naturally within rare earth minerals such as monazite and xenotime, or in accompanying phosphate minerals such as apatite. These uranium and thorium bearing minerals are not present in the Bastnaesite Zone.

NGUALLA HAS THE **LOWEST URANIUM AND THORIUM LEVELS OF ANY MAJOR RARE EARTH DEPOSIT AT JUST 14PPM U AND 42PPM Th.**

Environmental, permitting, public relations and handling issues relating to radioactivity are avoided at Ngualla because of this favourable mineralogy and lack of radioactivity.

METALLURGICAL PROCESS DEVELOPMENT

During the year Peak developed and successfully demonstrated a three stage metallurgical process for the weathered Bastnaesite Zone mineralisation from bulk samples right through to high purity separated rare earth products (Figure 6). This relatively simple process uses established, low risk technology and leads to the low capital and operating costs indicated by the Scoping Study.



STAGE 1

BENEFICIATION

The first stage of the process is the physical concentration of feed mineralisation and is a key contributor towards lowering costs by reducing the size of the downstream acid leach recovery plant, tailings and amount of reagents required.

Test work completed early in 2013 using conventional wet magnetic separation and flotation techniques on representative samples of Ngualla's mineralisation achieved a more than threefold upgrade to a 16.9% REO concentrate within just 22% of the original feed mass at 70% REO recovery.

The ability to efficiently pre-concentrate the feed for the simple sulphuric acid leach stage differentiates Ngualla from many other projects that are unable to beneficiate to such a degree.

STAGE 2

ACID LEACH RECOVERY

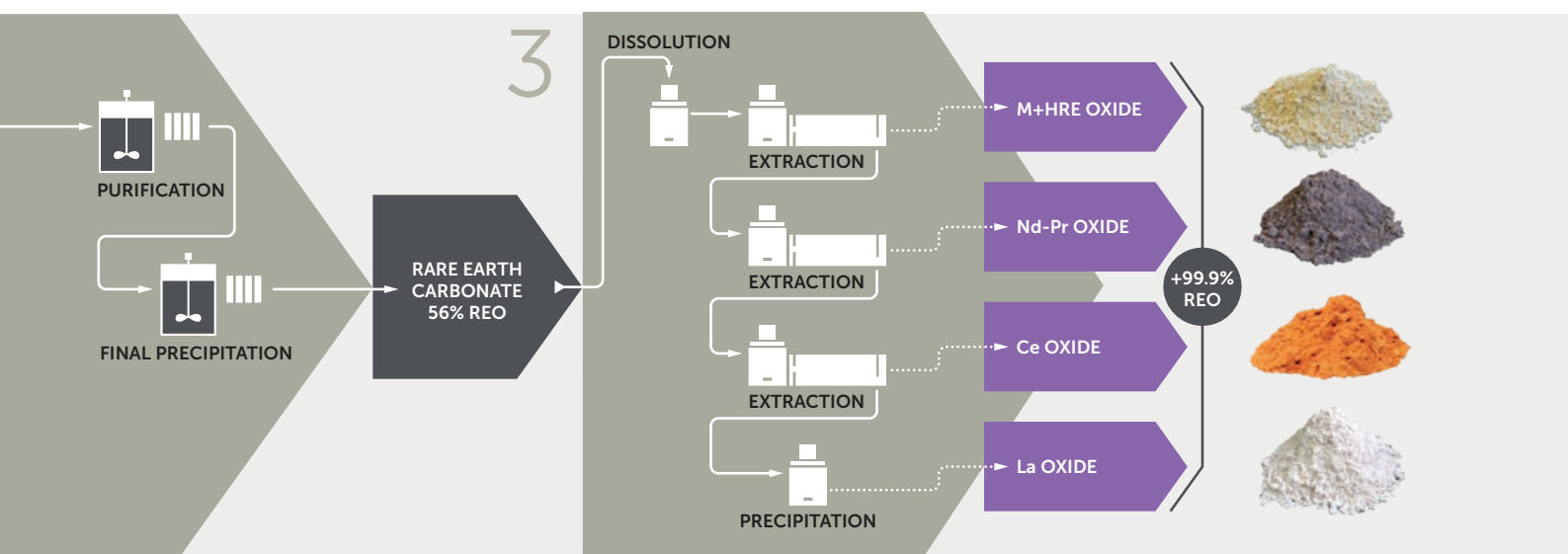
The second stage achieves 83 to 88% REO recovery using sulphuric acid at atmospheric pressure in a simple, easy to operate process of 'tanks, pumps and filters' to produce a high purity mixed rare earth carbonate. The 'proof of concept' work was completed in August 2012 at Nagrom Laboratories in Perth.

Peak has thoroughly demonstrated the suitability of the acid leach recovery process through variability test work on 211 individual samples from across the Southern Rare Earth Zone (SREZ).

Additional demonstration test work completed at ANSTO Minerals research facility at Lucas Heights near Sydney confirmed the process on a bulk composite sample of 1.3 tonnes of representative mineralisation, producing a +99%

▼ Figure 6: Overview of three stage metallurgical process developed and demonstrated for Ngualla mineralisation.

The simple sulphuric acid leach recovery process developed adds further advantages to the Ngualla Project since sulphuric acid is approximately a third of the cost of the alternative hydrochloric acid used by some projects.



STAGE 3

SOLVENT EXTRACTION

Demonstration of the third and final stage commenced early in 2013 at a pilot plant operated by ANSTO Minerals and was completed just after the reporting year end. A bulk sample of Ngualla mineralisation was treated using the sulphuric acid leach recovery process to produce feed for the pilot plant to create four separated, high purity (>99%) rare earth oxide products:

- Mid+Heavy RE Oxide
- Nd-Pr Oxide
- Ce Oxide
- La Oxide

Peak is one of only a few rare earth companies to have practically demonstrated a metallurgical process from mineralisation through to high purity separated rare earth oxides.

The separation stage adds significant value to Ngualla's products and allows access to wider end use markets.

pure mixed rare earth carbonate with a grade of 56% REO.

One option revealed by the test work is the ability to remove cerium early during the leach recovery stage. Early precipitation of a cerium oxide concentrate almost halves the size of the plant and cost of associated reagents for the subsequent purification and solvent extraction stages.

The simple sulphuric acid leach recovery process adds a further advantage to the Ngualla Project since sulphuric acid is approximately a third of the cost of the alternative hydrochloric acid used by some projects.

Other projects have to use high temperature acid baking and expensive, difficult to operate kilns to recover the rare earths.

PROJECT DEVELOPMENT STUDIES AND ECONOMIC ASSESSMENT

Peak completed a comprehensive Scoping Study and preliminary economic assessment of the Ngualla Rare Earth Project in early December 2012, which was subsequently updated in May 2013 (Table 1) to include the new Mineral Resource model and improved beneficiation test work results.

The study included an evaluation of the mineralisation and Mineral Resource, mining, processing, infrastructure, environment, logistics, capital and operating costs, revenue, risks, opportunities, and expected returns.

Robust project economics are indicated with a base case +50 year mine life, pre-tax project net present value of US\$1.768 billion and an internal rate of return of 60% (Table 1).

The Scoping Study focused on the weathered Bastnaesite Zone mineralisation, assumes a small open pit operation and uses the proven beneficiation, simple sulphuric acid leach recovery and solvent extraction separation processes outlined above to produce, in the base case, 10,000tpa of high purity separated rare earth oxides.

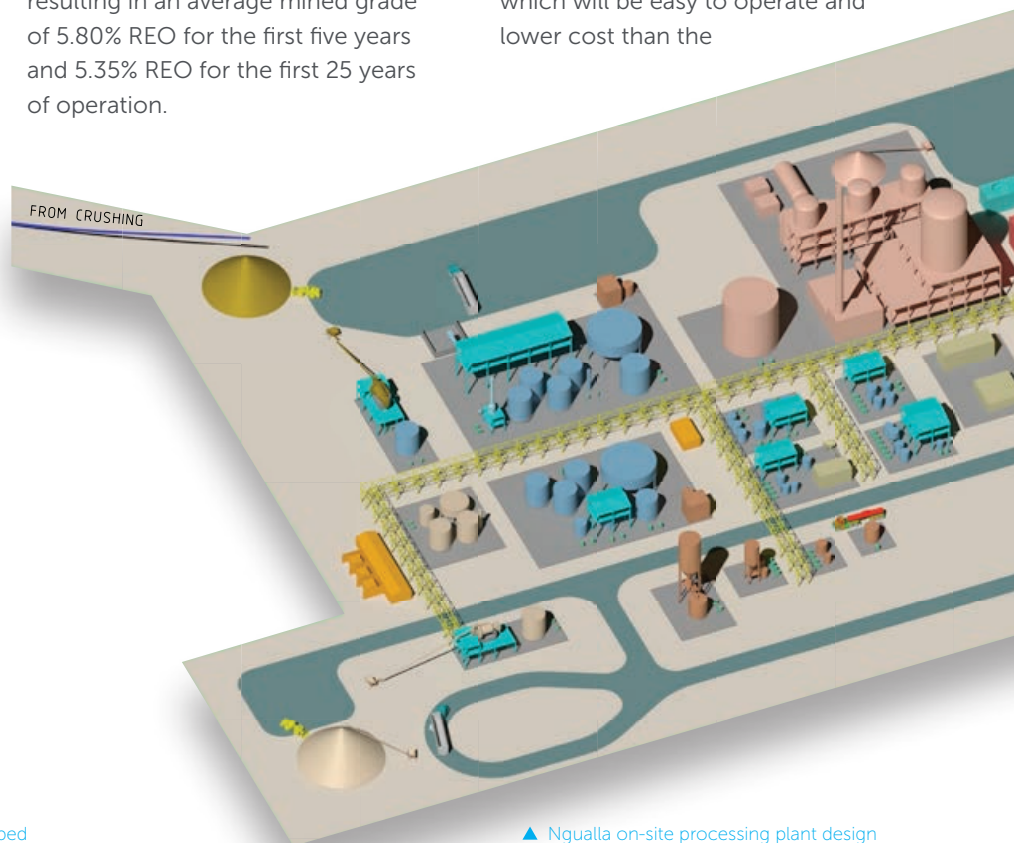
MINING

The thick blanket of mineralisation within the Bastnaesite Zone occurs at surface on a hill and extends to 140m vertical depth. This allows for conventional, low cost open pit mining with a low waste:mineralisation strip ratio. The envisaged mining operation is modest in size with just 333,000t of mineralisation per year required to feed the processing plant. The pit optimisation studies identify higher grade areas that can be mined earlier to maximise early returns resulting in an average mined grade of 5.80% REO for the first five years and 5.35% REO for the first 25 years of operation.

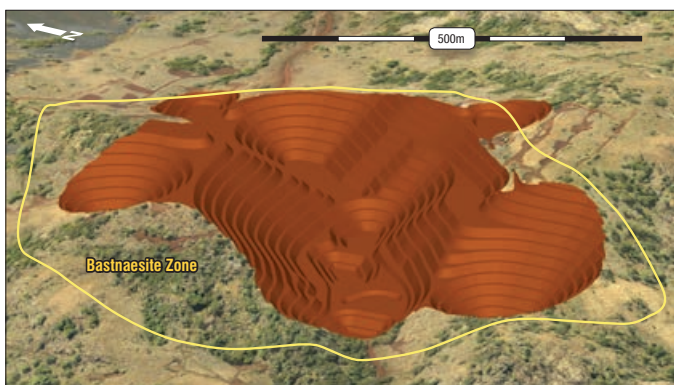
PROCESSING

The on-site processing plant will consist of a front end beneficiation circuit which includes crushing, milling, magnetic separation and flotation.

Sulphuric acid is made on site from prill sulphur in an acid plant that will produce, as a by-product of the process, a significant portion of the heat and power requirements of the operation. The sulphuric acid leach recovery plant consists of simple 'tanks, pumps and filters' which will be easy to operate and lower cost than the



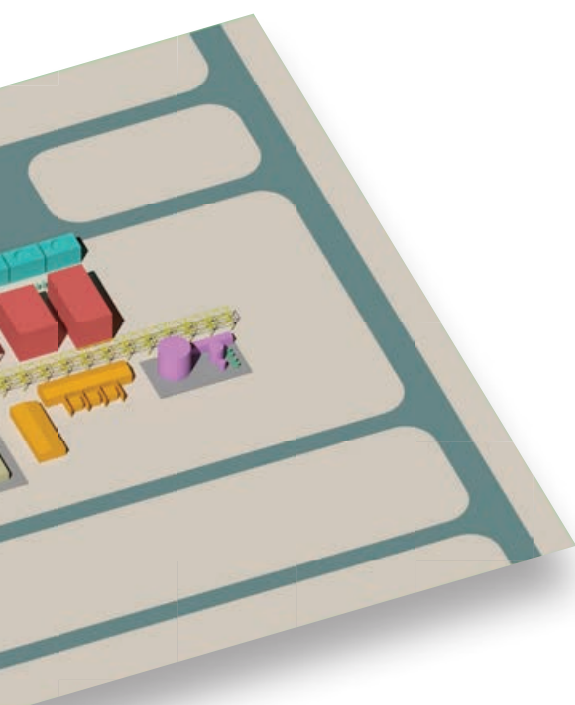
▼ Ngualla 25 year pit shell and aerial photograph draped on topography, looking northeast



▲ Ngualla on-site processing plant design

alternative high temperature kilns and hydrochloric leach operations.

The final product of the leach recovery plant is a clean, high purity mixed rare earth carbonate, which is inert, non-radioactive and can be readily transported to a solvent extraction purification and separation plant, which may be best located off site, close to port facilities.

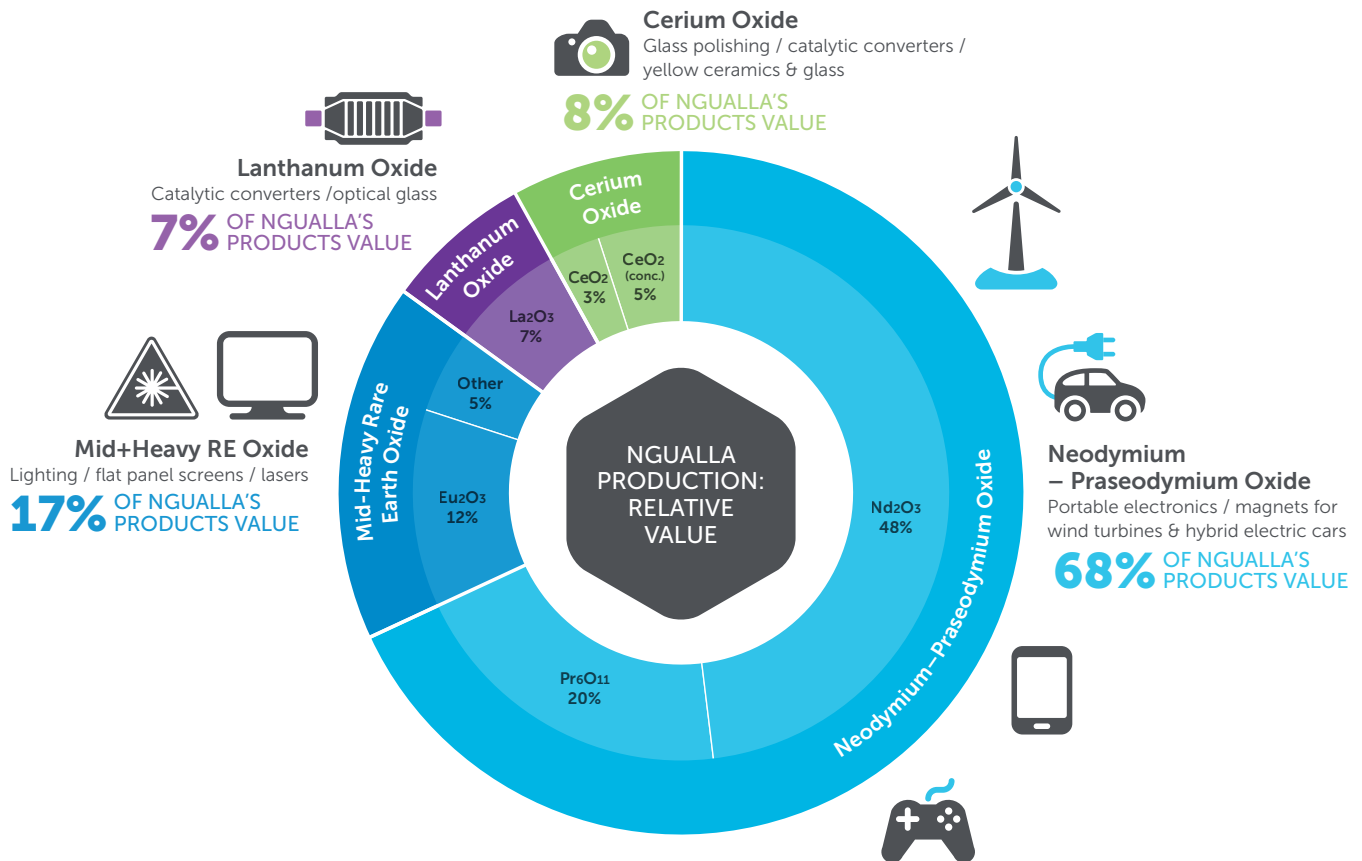


The solvent extraction plant will produce four high purity (+99%) separated rare earth oxide products chosen to suit end use markets and consumers (see Economic Assessment section). Samples of these products have been created from a bulk sample of Ngualla mineralisation at the ANSTO pilot plant and are available for assessment by potential off take customers.

The Scoping Study also assumed production of a fifth product – a cerium concentrate produced early during the leach recovery stage, thereby reducing the size of downstream plant and reagent costs.

Table 1: Physical and Financial Summary Scoping Study Comparisons

	Revised May 2013	Revised (20kt Production)
Average Annual Mine Production (after ramp up)	333,000 tonnes	828,000 tonnes
Life of Mine (LoM)	>50 Years	25 years
Average Grade (25 years)	5.35% REO	4.44% REO
Average Grade for first 5 years	5.80% REO	5.55% REO
Average Stripping Ratio (LoM)	0.89	1.62
Average Stripping Ratio for first 5 Years	1.82	1.36
Total REO Recovery	57%	57%
Average Annual Equivalent REO Product (after Ramp-up)	Separated REO = 6,647 tonnes CeO ₂ Concentrate = 3,762 tonnes Total REO Production = 10,409 tonnes	Separated REO = 13,648 tonnes CeO ₂ Concentrate = 7,725 tonnes Total REO Production = 21,372 tonnes
Capital Costs (Excluding Contingency)	US\$373M	US\$671M
Average (LoM) Cash Cost (FOB), Excluding Amortisation, Depreciation, and Royalties. (C1 Cost)	US\$10.18 / kg	US\$10.33 / kg
Average (C1 Cost) for first 5 years of full production	US\$ 9.92 / kg	US\$ 9.56 / kg
In-Ground Basket Price (FOB)	US\$38.84 / kg	US\$38.84 / kg
Revenue (FOB)		
Separated REO Product	US\$ 52.33	US\$ 52.33
Cerium Concentrate	US\$ 8 / kg	US\$ 8 / kg
Average Annual Revenue (EBITDA after Ramp-up)	US\$ 378 million	US\$ 776 million
Average annual cash operating costs (after ramp up)	US\$105 million	US\$221 million
Annual cash flow (before tax and royalties)	US\$273 million	US\$555 million
Discount Rate Applied	10%	10%
IRR (Pre-tax and Royalties)	60%	77%
NPV (Pre-tax and Royalties)	US\$1.768 billion	US\$3.833 billion
Payback from production start-up	In 2nd Year	In 2nd Year



ECONOMIC ASSESSMENT

The Scoping Study confirms Ngualla as a uniquely low cost operation, with the lowest capital requirements of all emerging rare earth producers.

Highlights of the 10,000tpa REO base case include:

- NPV10 of US\$1.768 billion, IRR of 60%
- Low capital cost requirement of US\$373 million (excluding contingency) with a payback period within the first 2 years of production.
- Low operating cash costs of US\$10.18 per kg Free on Board "FOB".
- Annual average revenues of US\$378 million at 10,000 tonne equivalent rare earth oxide production.
- Scoping study mine plans with a life of mine in excess of 50 years, based solely on the Indicated and Measured portions of the weathered Bastnaesite Zone Mineral Resource which

represents just 20% of the entire Ngualla deposit.

- Revenue underpinned by the critical rare earths Neodymium and Praseodymium.
- On target to begin production in 2016.

The increased Mineral Resource completed in April 2013 included in the May revision of the Scoping Study offers the option to double production rates to 20,000tpa REO, which would deliver an NPV10 of US\$3.83 billion and IRR of 77%.

The rare earth prices used for the study are based on the October 2012 (FOB) China prices as provided by Technology Metals Research, representing an in ground basket price of US\$38.84 / kg REO. Table 3 summarises the May 2013 revised Scoping Study physical and financial parameters.

The Ngualla operation has high returns and much lower capital and operating costs compared to other projects.

As Figure 7 illustrates, the products are selected to target specific end uses. The lower priced cerium and lanthanum oxides are relative by-products at only 15% of the total revenue.

The real value drivers for the Ngualla operation are the high purity, separated neodymium-praseodymium oxide and mid+heavy high purity oxide products, which together contribute 85% of projected annual revenue (August 2013 relative prices).

These high value strategic rare earths are predicted to be in high demand in coming years and underpin Ngualla's revenue, giving some confidence to future cash flows for the project.

▲ Figure 7: Relative value contributors by product type and constituent REO's, (refer Table 1). The majority (85%) of Ngualla's revenue is from the mid to heavy and neodymium – praseodymium high purity separated rare earth oxide products. Product Values based on in ground relative distribution of rare earths and product splits as per revised Scoping Study and rare earth prices as per 22nd August 2013 (MetalPages)

INDICATIVE DEVELOPMENT SCHEDULE

The successful metallurgical test work and strongly positive economic assessment completed during the past year provide a clear path forward for Peak to complete the development and subsequent production and commercialisation of the Ngualla Rare Earth Project.

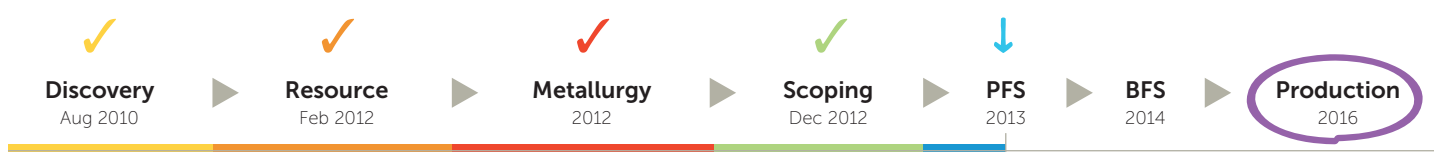
The Company is progressing the sourcing of finance for the development of Ngualla through the identification of a suitable strategic partner whilst completing a detailed Pre-Feasibility Study (PFS).

The PFS includes:

- Additional metallurgical test work to further improve beneficiation efficiency
- Test work to demonstrate the recycling of sulphuric acid – the single largest reagent cost
- Optimisation of the acid leach recovery stage to reduce reagent and power consumption
- Investigate the optimum offsite location of the separation plant to reduce power, reagent and transport costs

- Refinement of marketing samples and off take agreements
- A revised economic assessment
- A maiden Reserve for the project
- Engineering designs to +/-25% cost accuracy

The Company has an accelerated development schedule for Ngualla with first production in 2016.

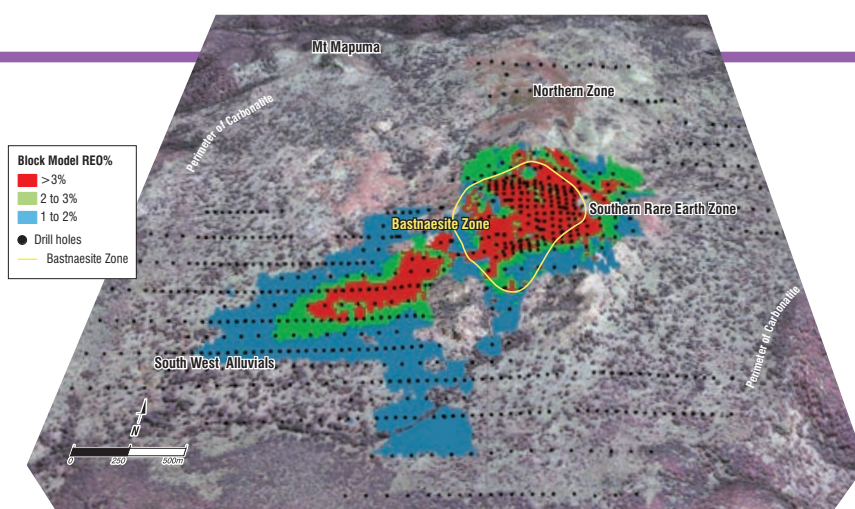


EXPLORATION POTENTIAL

Considerable upside remains at Ngualla for the discovery of additional large deposits of niobium-tantalum, rare earths and phosphate.

Surface sampling in the Northern Zone, located approximately one kilometre to the north of the SREZ (Figure 8), has identified strong anomalism in all these elements over an area of 1 km x 1 km. Two wide spaced reconnaissance drill traverses completed in November 2011 intersected long intervals of high tenor mineralisation in near surface weathered bedrock over tens of metres.

The Company's focus remains firmly on the development of a rare earth operation based on the Bastnaesite Zone but these early exploration results to the north demonstrate the potential for additional commodity streams in the future. The Company will consider additional drilling to define resources once baseline



▲ Figure 8: 2013 Ngualla Mineral Resource block model coloured by REO% grade, and drilling on satellite image draped over topography.

metallurgical test work to investigate a suitable processing route for these additional styles of mineralisation has been completed.

During the year Peak maintained an exploration base at Mwanza in the Lake Victoria Gold Field region of Tanzania to support the Company's strategy of growing a portfolio of gold properties and adding value through early stage exploration. Evaluation of 'low entry cost' gold and other commodity

projects continued with the aim of identifying high potential exploration projects to leverage off the Company's logistical and knowledge base in country. This activity was scaled back towards the end of the year as the Ngualla Project continued to advance but a 'watching brief' is maintained for new exploration and resource opportunities.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Peak Resources is committed to assisting the communities in which it operates whilst maintaining best practice environmental management. Through provisions of employment opportunities, training, purchase of local products and funding for local building projects, win-win relationships have been established with the local community.

In July 2012 Peak commenced the construction of two teachers' houses for the Ngwala Primary School after the community identified a lack of adequate housing was resulting in a shortage of teachers in the area. This was Peak's biggest community project to date and involved many local contractors, labourers and suppliers. A stone laying ceremony was held in November 2012 and the houses were completed in June 2013.

Peak was also pleased to donate a total of 2,236 textbooks to the local schools in the area in September 2012 together with atlases, maps, calculators, stationery and sporting equipment.

This work builds upon the earlier community projects that Peak has undertaken since commencing exploration in the area in 2009. These have included the building of two new classrooms, the refurbishment of several others, provision of school desks and repairs to the village water supply system.



▲ From top: Peak geologists logging drill core. The two teachers' houses from construction to completion, 2012-2013. Project Manager Patrick Ochieng and Logistics Manager Ismail Hassan handing over school books at Ngwala Primary School, 2012.

APPENDIX

Table 1: Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut off grade.

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	TOTAL	21.6	4.54	982,000

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 3 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

Table 2: Comparison of 2012 maiden and 2013 revised Mineral Resources and classification of Mineral Resources for the Ngualla Rare Earth Project, 1.0% and 3.0% REO cut-off grades.

		March 2013 Revised Resource			February 2012 Maiden Resource		
Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes	Tonnage (Mt)	REO (%)*	Contained REO tonnes
1.0% REO	Measured	81	2.66	2,100,000	29	2.61	750,000
	Indicated	94	2.02	1,900,000	69	2.43	1,700,000
	Inferred	20	1.83	380,000	72	1.92	1,400,000
	TOTAL	195	2.26	4,400,000	170	2.24	3,800,000
3.0% REO	Measured	27	4.33	1,200,000	11	3.99	430,000
	Indicated	13	3.99	520,000	21	4.09	850,000
	Inferred	1.7	3.56	60,000	8.7	4.11	360,000
	TOTAL	42	4.19	1,800,000	40	4.07	1,600,000

*REO (%) includes all the lanthanide elements plus yttrium oxides. Total Ngualla Mineral Resource includes Bastnaesite Zone. See Table 3 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

Competent Person Statements

The information in this report that relates to Mineral Resources is based on information compiled by Robert Spiers, who is a member of The Australasian Institute of Geoscientists. Robert Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Robert Spiers 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'. Robert Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical Test Work Results based on information compiled and / or reviewed by Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy. Gavin Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 3 : Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the Ngualla 2013 Mineral Resource estimates and other global rare earth projects.

	OXIDE		Bastnaesite Zone* Mineral Resource at 3.0% cut	Ngualla* total Mineral Resource at 1.0% cut	Mountain Pass (USA)	Bayan Obo (China)	Mt Weld
			%	%	%	%	(%)
Light Rare Earths	Lanthanum	La2O3	27.6	27.1	33.2	27.1	23.9
	Cerium	CeO2	48.2	48.2	49.1	49.9	47.5
	Praseodymium	Pr6O11	4.73	4.81	4.30	5.15	5.16
	• Neodymium	Nd2O3	16.6	16.3	12.0	15.4	18.1
	Samarium	Sm2O3	1.60	1.67	0.80	1.15	2.44
Heavy Rare Earths	• Europium	Eu2O3	0.30	0.35	0.10	0.19	0.53
	Gadolinium	Gd2O3	0.61	0.76	0.20	0.40	1.09
	• Terbium	Tb4O7	0.05	0.07	0.06	-	0.09
	• Dysprosium	Dy2O3	0.08	0.16	0.05	0.30	0.25
	Holmium	Ho2O3	0.01	0.02	0.02	0.03	0.03
	Erbium	Er2O3	0.03	0.06	0.02		0.06
	Thulium	Tm2O3	0.00	0.00	0.02		0.01
	Ytterbium	Yb2O3	0.01	0.02	0.02		0.03
	Lutetium	Lu2O3	0.00	0.00	0.01		0.00
Other	• Yttrium	Y2O3	0.20	0.48	0.10	0.20	0.76
Total %			100	100	100	100	100

The blue markers (•) denote the five "critical rare earths" which are predicted to be in undersupply in the years ahead and predicted to command significantly high value than other rare earths (US DoE, "Critical Materials Strategy" report, December 2011. Source: Arafura website and * = Ngualla Mineral Resource

DIRECTORS' REPORT

The directors of Peak Resources Limited submit herewith the financial statements of the Company for the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors Report as follows:

DIRECTORS

The names and details of the Company's directors in office during and since the financial year end until the date of the report are as follows. Directors were in office for the entire period unless otherwise stated.

- Mr Alastair Hunter** – Executive Chairman
- Mr Richard Beazley** – Managing Director (resigned 05 April 2013)
- Mr Dave Hammond** – Technical Director
- Mr Jonathan Murray** – Non-Executive Director

INFORMATION ON DIRECTORS

Mr Alastair Hunter

Executive Chairman

Mr Hunter has in excess of forty years' experience in exploration and management of resource companies. During this period, he has played a significant role in a number of base metal, gold and uranium discoveries. Mr Hunter was formerly a director of Peninsula Minerals NL, Matlock Mining NL and Anglo Australian Resources NL. His experience extends to working throughout Australia, Africa as well as North America.



Mr Richard Beazley

Managing Director - resigned 05 April 2013

Mr Beazley is a mining engineer with more than 25 years' experience in the resources sector who has held management and executive roles with a range of companies operating throughout Australia including Consolidated Minerals, St. Barbara Limited, Aditya Birla Minerals Limited, Henry Walker Eltin Contracting Pty Ltd and Sons of Gwalia.

Mr Beazley's background is strongly operational with his previous role as the General Manager of Operations for Consolidated Minerals responsible for the Groups manganese, chromite and nickel operations. Consolidated Minerals is an international business with significant manganese reserves in Australia and Ghana.



Mr David Hammond MSc in Mineral Exploration, BSc (Hons), MAusIMM

Technical Director

Mr David Hammond has 25 years technical and management experience. Mr Hammond was previously the Exploration Manager with De Grey Mining Limited working on projects in the Pilbara and new project acquisitions globally. His previous experience also includes Exploration Manager for Sons of Gwalia in NE Goldfields in Western Australia and Project Geologist with Billiton/Gencor in South Africa and Zambia in a range of commodities and geological deposit styles.



Mr Jonathan Murray Bachelor Laws and Commerce

Non-Executive Director

Mr Murray is a partner at independent corporate law firm Steinepreis Paganin, based in Perth, Western Australia. He specialises in equity capital raisings, all forms of acquisitions and divestments, governance and corporate compliance.

Mr Murray graduated from Murdoch University in 1996 with a Bachelor of Laws and Commerce (majoring in Accounting).

He is also a member of FINSIA (formerly the Securities Institute of Australia). Mr Murray is a non-executive director of Highfield Resources Limited, Laguna Resources NL and Kalgoorlie Mining Company Limited.



COMPANY SECRETARY

The following person(s) has held the position of company secretary during or at the end of the financial year:

Farlee Walker

Company Secretary

Ms Walker is an experienced Chartered Accountant and Company Secretary with a background in external audit, specialising in exploration, mining and resources, and ASX compliance gained while working for Ernst & Young and the ASX Limited respectively. Employed by Mining Corporate Pty Ltd, Ms Walker provides financial accounting and company secretarial services to listed entities, and was appointed as interim CFO and Company Secretary of Peak on 14 August 2012. Ms Walker ceased her role as interim CFO on 15th October 2012 when Mr Dawkins assumed the role, but has continued to act as joint Company Secretary.

Jeffrey Dawkins

Joint Company Secretary – appointed 01 November 2012

Mr Dawkins is an Australian Chartered Accountant with more than 20 years' experience in professional and corporate roles in Perth, London and Singapore. Mr Dawkins holds a Bachelor of Business Degree from Curtin University and a Graduate Diploma in Applied Finance and Investment. He has a strong background in mining and has worked with various mining Companies involved with gold, copper, rare earth and iron ore.

His previous appointment was as Chief Financial Officer of Archipelago Resources Plc ("Archipelago") from November 2006 until February 2012. Mr. Dawkins has also worked for Deloitte and has held senior finance roles with listed resource companies including Marengo Mining Ltd, Lynas Corporation, Schlumberger and Weatherford.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was exploration and evaluation of mineral licences. There were no significant changes in the nature of the Company's principal activities during the financial year.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to \$2,867,384 (2012: loss \$5,297,738). The decline in loss is mainly on account of the R&D rebate receivable from the Australian Taxation Office in relation to the R&D expenditure incurred by the Group.

The basic and diluted loss per share for the Group for the year was 1.15 cents (2012: 3.01 cents)

FINANCIAL POSITION

The net assets of the Group have increased from \$28,254,972 at 30 June 2012 to \$36,102,609 at 30 June 2013.

The Group's working capital, being current assets less current liabilities, was \$3,437,359 at 30 June 2013 (2012: \$2,422,467).

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REVIEW OF OPERATIONS

The review of Group's operations is included in pages 8 through 20 of this annual report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than detailed in the Review of Operations above there were no significant changes in the state of affairs of the Company, during the financial year.

AFTER BALANCE DATE EVENTS

There were no subsequent events to 30 June 2013 that have a material impact on the financial statements at present.

MEETINGS OF DIRECTORS

The number of meetings attended by each Director of the Company during the financial year was:

	Board Meetings		Remuneration Committee Meetings	
	Number held and entitled to attend	Number attended	Number held and entitled to attend	Number attended
Alastair Hunter	8	8	-	-
Richard Beazley	7	7	-	-
David Hammond	8	8	-	-
Jonathan Murray	8	8	-	-

Note – no Audit Committee Meetings were held during the year as the function of the audit committee was dealt with by the full Board.

EQUITY HOLDING OF DIRECTORS

As at the date of this report, the Directors' interest in the Company were:

	Equity shares	Equity options*
Mr Alastair Hunter	9,048,993	272,597
Mr David Hammond	58,824	58,824
Mr Jonathan Murray	950,000	136,298

**These options were allocated to the Directors under Tranche 2 of the Placement completed in September 2012, following shareholder approval on 10 September 2012.*

No options were granted during the financial year or since the end of the financial year to the Directors or other key management personnel.

FUTURE DEVELOPMENTS

Likely future developments in the operations of the Group are referred to elsewhere in the Annual Report. Other than as referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative.

ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors of the Company are not aware of any breach of environmental regulations for the year under review.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations which exceed specified thresholds. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The remuneration report outlines the director and executive remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Company's financial results.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. The executive directors receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes method. Shares have been given to directors as part of their remuneration. Shares and options provided to directors are detailed in note 19 of the financial statements.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Non-executive director remuneration

The remuneration of non-executive directors has been set at a maximum of \$150,000 as approved by shareholders at the 2006 annual general meeting.

Performance based remuneration

The Company does not currently have a performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and director's and executive's remuneration

Summary of group's performance and movements in Peak Resources Limited's share price over the last five years:

	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
Revenue	2,503,930	582,143	558,722	162,084	188,218
Net loss before tax	(2,867,384)	(5,297,738)	(2,241,059)	(1,397,445)	(2,497,483)
Net loss after tax	(2,867,384)	(5,297,738)	(2,241,059)	(1,397,445)	(2,497,483)
Closing share price at end of year	\$0.13	\$0.22	\$0.51	\$0.10	\$0.02
Basic and diluted loss per share (cents)	1.15	3.01	1.71	1.42	4.09
Dividends per share	-	-	-	-	-

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through a policy to issue options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth.

For details of directors and executives interests in options at year end, refer note 19 of the financial statements.

Details of remuneration

The relevant Key Management Personnel (KMP) of the Group for the 2013 financial year were:

Mr. Alastair Hunter	– Executive Chairman
Mr. Richard Beazley	– Managing Director (resigned 05 April 2013)
Mr. David Hammond	– Technical Director
Mr. Jonathan Murray	– Non-Executive Director
Ms. Linda Paini	– Company Secretary and Chief Financial Officer (resigned 14 August 2012)
Mr. Jeffrey Dawkins	– Company Secretary (appointed 01 November 2012) and Chief Financial Officer (appointed 15 October 2012)

Total remuneration for the year was:

	2013 \$	2012 \$
Salary and fees	1,083,874	640,033
Superannuation	65,883	42,902
Share based payments	169,739	218,136
	1,319,496	901,071

Remuneration of individual KMP's were:

	Short-Term Benefits		Post Employment	Share-Based Payment		Total	Equity compensation proportion
	Salary & Fees	Non-Monetary	Super-annuation	Shares	Options		
30 June 2013	\$	\$	\$	\$	\$	\$	%
DIRECTORS							
Mr. Alastair Hunter	61,583	-	1,500	-	-	63,083	0%
Mr. Richard Beazley	463,087 ⁽¹⁾	-	16,470	-	-	479,557	0%
Mr. David Hammond	300,000	-	27,000	-	169,739 ⁽²⁾	496,739	34%
Mr. Jonathan Murray	40,049	-	-	-	-	40,049	0%
	864,719		44,970		169,739	1,079,428	16%
EXECUTIVES							
Ms. Linda Paini	25,655	-	2,309	-	-	27,964	0%
Mr. Jeffrey Dawkins	193,500	-	18,604	-	-	212,104	0%
	219,155		20,913			240,068	0%
Total remuneration	1,083,874	-	65,883	-	169,739	1,319,496	13%
30 June 2012	\$	\$	\$	\$	\$	\$	%
DIRECTORS							
Mr. Alastair Hunter	49,000	-	-	-	-	49,000	0%
Mr. Richard Beazley	161,987	-	7,888	-	-	169,875	0%
Mr. David Hammond	254,046	-	22,864	-	218,136 ⁽²⁾	495,046	44%
Mr. Jonathan Murray	40,000	-	-	-	-	40,000	0%
	505,033	-	30,752	-	218,136	753,921	29%
EXECUTIVES							
Ms. Linda Paini	135,000	-	12,150	-	-	147,150	0%
	135,000	-	12,150	-	-	147,150	0%
Total remuneration	640,033	-	42,902	-	218,136	901,071	24%

(1) Mr. Richard Beazley resigned on 05 April 2013 and his salary includes termination payment of \$175,000, representing payout of 6 months salary in accordance with his service agreement.

(2) The share based payment amounts provided to Mr Hammond in 2012 and 2013 relate to the expensing of options issued in 2011. These options were cancelled on 13 May 2013, refer note 17.

Compensation shares granted during the year ended 30 June 2013

No shares have been granted to directors or executive during the financial year.

The share based payments recognised in 2013 and 2012 relate to options granted in 2011 and vesting on 16 May 2013.

Performance income as a proportion of total income

No performance based bonuses have been paid to directors or executives during the financial year.

Options cancelled during the year ended 30 June 2013

During the financial year ended 30 June 2013, the Company did not grant options to either directors or executives.

On the 13 May 2013 the Company announced that 2,250,000 unlisted Employee Options were cancelled by mutual agreement between the Company and a Director, David Hammond. These options are disclosed below:

750,000 options at \$0.60 exercisable 16 May 2015 vesting 16 May 2013

750,000 options at \$0.90 exercisable 16 May 2015 vesting 16 May 2013

750,000 options at \$1.20 exercisable 16 May 2015 vesting 16 May 2013

Share based payment expense of \$169,739 (2012: \$218,136) have been recognised in relation to these options.

Year Ended 30 June 2012

During the financial year ended 30 June 2012, the Company did not grant options to either directors or executives.

Service agreements:

The key terms of the service agreements with the KMP's are:

Alastair Hunter

Alastair Hunter's engagement as Non-executive Director (Chairman) is via an on-going informal agreement. Mr Hunter's engagement has no fixed term but ceases on his resignation or removal as a director in accordance with the Corporations Act. Mr Hunter received director and consultancy fees of \$44,916 in 2013. From June 2013, Mr Hunter's remuneration was changed to an annual salary of \$200,000 plus superannuation to reflect his role changing from non-executive to executive and received \$16,667.

Jonathan Murray

Jonathan Murray is employed by Peak as Non-executive Director with an on-going contract dated 22 March 2011. Mr Murray's engagement has no fixed term but ceases on his resignation or removal as a director in accordance with the Corporations Act. Mr Murray receives directors' fees of \$40,000 per annum. As a non-executive director, Mr Murray is not entitled to leave entitlements or superannuation.

Richard Beazley

Richard Beazley was employed by Peak as Managing Director with an on-going contract dated 16 January 2012 and resigned on 05 April 2013. Mr Beazley's annual salary was \$350,000, exclusive of superannuation, and did not receive any equity issues or bonuses. Mr Beazley's engagement had no fixed term and terminated on his resignation or removal as a director in accordance with the Corporations Act, with notice of either party, or without notice in instances of misconduct. Any options issued as remuneration not exercised before or on the date of termination would have lapsed.

Dave Hammond

Dave Hammond is employed by Peak as Technical Director with a three year contract dated 28 October 2010. Mr Hammond's base annual salary is \$300,000, exclusive of superannuation, plus expenses and discretionary equity issues and bonuses. The Executive is entitled to leave in accordance with the relevant legislation. Mr Hammond's engagement ceases on his resignation or removal as a director in accordance with the Corporations Act, with notice of either party, or without notice in instances of misconduct. Any options issued as remuneration not exercised before or on the date of termination will lapse.

Linda Paini

Linda Paini was employed by Peak as Chief Financial Officer (CFO) and Company Secretary by contract dated 16 June 2011. Ms Paini's annual salary was \$135,000, exclusive of superannuation. The Executive was entitled to leave in accordance with the relevant legislation. Ms Paini's engagement had no fixed term but ceased on her resignation, with notice given. Ms Paini resigned as CFO and Company Secretary on 14 August 2012.

Jeffrey Dawkins

Jeffrey Dawkins is employed by Peak as Chief Financial Officer (CFO) and Company Secretary by contract dated 15 October 2012. Mr Dawkins annual salary is \$270,000, exclusive of superannuation plus expenses and discretionary equity issues and bonuses. The Executive is entitled to leave in accordance with the relevant legislation. Mr Dawkins engagement has no fixed term but ceases on his resignation.

Farlee Walker

Farlee Walker was appointed by Peak as interim Chief Financial Officer (CFO) and Company Secretary on 14 August 2012. Her engagement is by way of a service agreement dated 10 August 2012 between Peak and Mining Corporate Pty Ltd. Peak have agreed to pay fees to Mining Corporate Pty Ltd, by whom Ms Walker is employed, for Ms Walker's services as CFO and Company Secretary. \$67,346 of fees were paid in the year to June 2013.

(End of Remuneration Report)

OPTIONS

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number under option
31 July 2014	\$0.25	51,659,251
26 May 2014	\$1.50	1,000,000
20 February 2017	\$0.55	6,250,000
24 February 2014	\$0.75	541,667
03 March 2018	\$0.55	150,000

No ordinary shares were issued as a result of the exercise of options during or since the financial year ended 30 June 2013. During the year, no Directors exercised options that were granted to them as part of their compensation.

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year, the company paid a premium in respect of a contract insuring the directors and officers of the Company and related body corporates against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

The Group has not entered into any arrangement to indemnify the auditors.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the court under legislation such as section 237 of the Corporations Act of Australia for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the consolidated entity with leave of the court under such legislation.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found immediately following this Directors' Report.

Details of amounts paid or payable to the auditor for non-audit services are set out in note 3 to the Financial Statements.

The Board of Directors is satisfied that the provision of non-audit services performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services did not compromise the external auditor's independence for the following reason:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditors independence as set out in the APES 110 (Code of Ethics for Professional Accountants).

The Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors,



Alastair Hunter Executive Chairman
Perth, 26 September 2013

AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Peak Resources Limited
Level 2, 46 Ord Street
West Perth WA 6005

26 September 2013

Dear Directors

Peak Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Peak Resources Limited.

As lead audit partner for the audit of the financial statements of Peak Resources Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Neil Smith".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read "Neil Smith".

Neil Smith
Partner
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT



Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Peak Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Peak Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 31 to 56.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peak Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Deloitte.*Opinion*

In our opinion:

- (a) the financial report of Peak Resources Limited is in accordance with the *Corporations Act 2001*, including:
- (b)
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (iii)
- (c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$2,867,384 and experienced net cash outflows from operating and investing activities of \$11,424,786 for the year ended 30 June 2013. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's and the Company's ability to continue as going concerns and therefore the Consolidated Entity and the Company may be unable to realise their assets and extinguish their liabilities in the normal course of business.

Report on the Remuneration Report

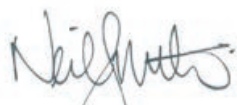
We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Peak Resources Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU

**Neil Smith**

Partner

Chartered Accountants

Perth, 26 September 2013

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Finance income		116,959	254,868
Other income	3	2,386,971	327,275
		2,503,930	582,143
Employee benefits expenses		(1,993,118)	(1,270,848)
Share based payments expenses		(169,739)	(218,138)
Impairment of capitalised exploration costs		(628,742)	(1,058,280)
Impairment of available for sale financial assets		(96,000)	-
Depreciation and amortisation expenses		(60,663)	(51,026)
Costs for Zari acquisition		-	(605,949)
Finance costs		(20,733)	-
Administrative and other costs		(2,402,319)	(2,675,640)
Loss before income tax	3	(2,867,384)	(5,297,738)
Income tax benefit	6	-	-
Loss after income tax		(2,867,384)	(5,297,738)
Other comprehensive income, net of tax			
Exchange difference on translation of foreign operations		547,414	(41,981)
Total comprehensive income for the year		(2,319,970)	(5,339,719)
Loss per share (in cents)			
Basic and diluted loss per share	5	(1.15)	(3.01)

The statement should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,463,309	3,562,868
Trade and other receivables	8	2,501,329	431,653
Prepayments		139,739	179,066
Total current assets		5,104,377	4,173,587
Non-current assets			
Property plant and equipment	9	121,315	128,098
Capitalised exploration and evaluation costs	10	32,439,935	25,704,407
Available for sale financial assets	11	104,000	-
Total non-current assets		32,665,250	25,832,505
Total assets		37,769,627	30,006,092
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,277,209	1,685,848
Provisions	13	74,809	65,272
Interest bearing liabilities	14	315,000	-
Total current liabilities		1,667,018	1,751,120
Total liabilities		1,667,018	1,751,120
Net assets		36,102,609	28,254,972
EQUITY			
Contributed equity	15	51,537,888	41,740,020
Reserves	16	1,580,167	663,014
Accumulated losses		(17,015,446)	(14,148,062)
Total equity		36,102,609	28,254,972

The statement should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
OPERATING ACTIVITIES			
Payments to suppliers and employees		(4,634,975)	(3,595,230)
Interest received		116,959	254,868
Finance costs paid		(20,733)	-
Cash used in operating activities	7	(4,538,749)	(3,340,362)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(53,880)	(99,602)
Proceeds from sale of non-current assets		-	26,784
Payment for acquisition of Zari exploration tenements		-	(5,993,934)
Payment for exploration and evaluation costs		(6,832,157)	(4,602,510)
Cash used in investing activities		(6,886,037)	(10,669,262)
FINANCING ACTIVITIES			
Proceeds from issue of equity shares		10,602,072	10,945,934
Costs of issuing equity shares		(604,204)	(677,489)
Proceeds from borrowings		315,000	-
Cash generated from financing activities		10,312,868	10,268,445
Net (decrease) / increase in cash and cash equivalents		(1,111,918)	(3,741,179)
Balance at the beginning of the year		3,562,868	7,346,028
Effect of foreign currency translation		12,359	(41,981)
Balance at the end of the year	7	2,463,309	3,562,868

The statement should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2013

	Contributed Equity	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 30 June 2011	19,767,170	414,153	7,868	(8,850,324)	11,338,867
Loss for the year 2012	-	-	-	(5,297,738)	(5,297,738)
Other comprehensive income	-	-	(41,981)	-	(41,981)
Total comprehensive income for the year	-	-	(41,981)	(5,297,738)	(5,339,719)
Equity issued	22,715,175	-	-	-	22,715,175
Equity based payments	-	282,974	-	-	282,974
Transaction costs	(742,325)	-	-	-	(742,325)
Transaction with equity holders	21,972,850	282,974	-	-	22,255,824
At 30 June 2012	41,740,020	697,127	(34,113)	(14,148,062)	28,254,972
Loss for the year 2013	-	-	-	(2,867,384)	(2,867,384)
Other comprehensive income	-	-	547,414	-	547,414
Total comprehensive income for the year	-	-	547,414	(2,867,384)	(2,319,970)
Equity issued	10,602,072	-	-	-	10,602,072
Equity based payments	-	369,739	-	-	369,739
Transaction costs	(804,204)	-	-	-	(804,204)
Transaction with equity holders	9,797,868	369,739	-	-	10,167,607
At 30 June 2013	51,537,888	1,066,866	513,301	(17,015,446)	36,102,609

The statement should be read in conjunction with the accompanying notes

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Peak Resources Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 26 September 2013

Peak Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The address of its registered office and principal place of business is disclosed in the Corporate Directory on page 69 of this report.

The principal activity of the Group during the year was exploration and evaluation of mineral licences.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted.

The functional and presentation currency is Australian Dollars.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred losses after tax of \$2,867,384 (2012: \$5,297,738) and experienced cash outflows from operating and investing activities of \$11,424,786 (2012: \$14,009,624) for the year ended 30 June 2013. As at 30 June 2013, the Consolidated Entity had cash assets of \$2,463,309 (30 June 2012: \$3,562,868) and net current assets of \$3,437,359 (30 June 2012: \$2,422,467).

The Directors have prepared a cash flow forecast for the period ending 30 September 2014 to cover corporate costs, feasibility test work, exploration expenditure and working capital. The Company is required to raise additional capital before 30 June 2014 to fund the Consolidated Entity's and Company's planned operations.

The Consolidated Entity's and the Company's ability to meet their obligations and continue as going concerns is dependent upon their ability to obtain additional equity financing.

The Directors are currently engaging with a number of parties in order to raise sufficient working capital required to fund its definitive feasibility study and ongoing activities. The Directors are satisfied they will be able to raise additional working capital when required to enable the Consolidated Entity and the Company to meet their obligations as and when they fall due.

Should the Consolidated Entity and the Company be unable to achieve the matters referred to above, there is a material uncertainty whether the Consolidated Entity and the Company will be able to continue as going concerns and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity and the Company be unable to continue as going concerns.

b) Adoption of new or revised accounting standards**Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)**

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements. Details of other Standards and interpretations adopted in these financial statements but that have had no effect on the amounts reported.

Standards affecting presentation and disclosure

Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2011-9 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
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Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Expected impact on Group's financial report
AASB 9 'Financial Instruments', AASB 200911 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2015	30 June 2016	No material as this is not expected to alter the recognition and measurement of Group's financial instruments.
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014	Not material as this is not expected to alter the currently consolidated entity's.
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014	No impact as the Group is currently not a party to joint arrangements.
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014	No impact as the Group does not have material interest in other entities.
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014	No impact as the Group presents consolidated financial statements.
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014	No impact as the Group does not have interest in associates or joint ventures.
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014	The impact of this standard would be assessed if the Group is engaged in any transaction that require assessment or disclosure of fair values.
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014	No material impact on the Group
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 January 2013	30 June 2014	This is expected to alter the presentation of KMP notes in the financial statements.
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014	Not material as this is not expected to alter the currently consolidated entity's.

c) Basis of consolidation

A controlled entity is any entity Peak Resources Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/ excluded from the date control was obtained or until the date control ceased.

The consolidated financial statements comprise the financial statements of Peak Resources Limited and its controlled subsidiaries ('the Group').

Pursuant to an acquisition agreement dated 10 July 2006 Peak Resources (the "legal parent", formerly Acquisitor Limited) acquired all of the issued shares of PRL, by the issue of 8,400,000 ordinary shares in Peak Resources.

After the issue, the former shareholders of PRL controlled 43% of Peak Resources, and also all of the directors in the "legal parent" changed as a result of the change of control. The continuing business is that of PRL. Consequently the acquisition of PRL has been accounted for as a reverse acquisition of Peak Resources by PRL using the purchase method of accounting. The continuing financial statements for the group include the assets, liabilities and results of PRL and the assets liabilities and results of the legal parent, Peak Resources, from the effective date of the business combination. The consolidated results are those of PRL and the continuing financial statements of the parent are those of the "legal parent".

d) Foreign Currency Translation

The financial statements have been presented in Australian Dollars.

Translation of foreign operations

As at the reporting date the assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year.

The exchange differences arising on the retranslation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity.

On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date, and gain or loss in exchange rate movements are recognised in profit or loss.

e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion at rates agreed between the parties.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset on initial recognition).

Debt forgiveness

Debt forgiveness is being recognised as income in profit or loss in the year in which the debt is forgiven or when the debtholders right of claim over the debt is fully exhausted.

f) Employee benefits

Employee benefits such as salary and wages are measured at the rate at which the entity expects to settle the liability; and recognised during the period over which the employee services are being rendered.

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation entitlements

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

g) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

h) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

When the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

R&D Rebate receivable from the Australian Taxation Office is recognised in the profit or loss in the year in which the claim for the rebate is substantially validated.

j) Earnings per share**a. Basic earnings per share**

Basic earnings per share is determined by dividing the Group operating result after income tax attributable to members by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

b. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share by taking into account amounts paid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

k) Financial Instruments

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument. The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

The financial instruments of the Group are (i) cash and cash equivalent; (ii) trade and other receivable; and (iii) trade and other payable.

l) Cash and Cash Equivalent

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

m) Trade and Other Receivable

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

n) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The useful life of the assets have been set at the following levels to determine the depreciation rates:

Leasehold improvements: 2 years

Plant and equipment: 2 to 5 years

Other assets: 2 to 5 years

The carrying amount of the property, plant and equipment are reviewed by the management to determine the adequacy of the depreciation charged at the end of each reporting period. Any excess or shortfall in depreciation charged is being adjusted in the statement of comprehensive income in the year in which such adjustments are being made as a reversal of the depreciation expense.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses, if any, are recognised in the profit or loss.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

o) Deferred exploration and evaluation costs

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

the rights to tenure of the area of interest are current; and
at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to production assets.

p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost due to their short term nature they are not discounted.

They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arising when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and are usually paid within 30 days of recognition.

q) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

r) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The current plan in place to provide these benefits is the Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives; and

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external party using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Peak Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired and
- the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

s) Critical accounting judgements and estimates

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of deferred exploration and evaluation costs

The future recoverability of deferred exploration and evaluation costs are dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

To the extent that deferred exploration and evaluation costs is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of the assets and liabilities, within the next annual reporting period but may impact profit or loss and equity.

3. INCOME AND EXPENDITURE ITEMS

	2013 \$	2012 \$
Included in loss for the year are:		
Gain on sale of non-current assets	197,058	13,125
Debt forgiveness ⁽¹⁾	502,326	-
Australian R&D rebate receivable	1,687,587	-
Occupancy costs	(221,544)	(148,554)
Consultants fees	(432,382)	(260,772)
Travel & accommodation	(408,318)	(267,980)
Auditors' remuneration		
To Deloitte Touche Tohmatsu for:		
Audit and review of financial statements	44,000	39,232
Taxation services	-	64,203
	44,000	103,435
 To Crowe Horwarth Tanzania for:		
Subsidiaries audit and review of financial statements	17,541	17,254
Subsidiaries taxation services	-	-
	17,541	17,254

(1) Relates to debts due to Zari Resources Plc, which has been de-recognised as the debt is time barred by statute of limitation.

4. OPERATING SEGMENTS

Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on the exploration activities of the Group. The Group's reportable segment under AASB 8 are as follows:

Exploration – Group's exploration activities carried in Tanzania; and

Corporate – to manage the corporate affairs of the Group.

The segments have applied the same accounting policies as applied to the Group and disclosed in the notes 1 and 2 to these financial statements.

	30 June 2013			30 June 2012		
	Tanzania \$	Australia \$	Total \$	Tanzania \$	Australia \$	Total \$
Finance income	-	116,959	116,959	-	254,868	254,868
Other income	502,326	1,884,645	2,386,971	122,054	205,221	327,275
Total revenue	502,326	2,001,604	2,503,930	122,054	460,089	582,143
Depreciation and amortisation	(4,717)	(55,946)	(60,663)	(15,978)	(35,048)	(51,026)
Impairment of exploration and evaluation costs	(628,742)	-	(628,742)	(1,058,280)	-	(1,058,280)
Impairment of Investments	-	(96,000)	(96,000)	-	-	-
Share based payment expenses	-	(169,739)	(169,739)	-	(218,138)	(218,138)
Costs for Zari acquisition	-	-	-	(605,949)	-	(605,949)
Other expenses	(632,623)	(3,783,547)	(4,416,170)	(2,858,210)	(1,088,278)	(3,946,488)
Income Tax	-	-	-	-	-	-
Segment results	(763,756)	(1,933,889)	(2,867,384)	(4,416,363)	(881,375)	(5,297,738)
Segment assets	33,207,260	4,562,367	37,769,627	25,764,667	4,241,426	30,006,092
Segment liabilities	777,142	895,877	1,667,018	962,372	788,748	1,751,120
Additions to non-current assets						
Plant and equipment	29,984	24,790	54,774	-	99,602	99,602
Capitalised exploration & evaluation costs	6,832,157	-	6,832,157	22,365,685	-	22,365,685
	6,862,141	24,790	6,886,931	22,365,685	99,602	22,465,287

5. LOSS PER SHARE

The following reflects the income and share data used in the total operations basic and dilutive earnings per share computations:

	2013 Cents	2012 Cents
Basic and diluted loss per share	(1.15)	(3.01)
	Nos.	Nos.
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	248,857,410	177,660,173
Anti-dilutive options over ordinary shares excluded from the weighted average number of shares	59,600,918	11,191,667

6. INCOME TAX

	2013 \$	2012 \$
a. The components of tax expense comprise:		
Current tax	-	407
Deferred tax	-	-
Losses recouped not previously recognised	-	(407)
Income tax expense reported in statement of comprehensive income	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2011: 30%)	(860,215)	(1,589,321)
Add tax effect of:		
Revenue losses not recognised	796,078	571,303
Equity based payments	50,923	65,441
Australian R&D rebate	(506,276)	-
Other deferred tax balances not recognised	74,413	-
Other non-allowable items	445,077	974,293
	-	21,716
Less tax effect of:		
– Other deferred tax balances not recognised	-	21,309
– Losses recouped not previously recognised	-	407
Income tax expense reported in statement of comprehensive income	-	-
c. Deferred tax recognised:		
Deferred tax liabilities:		
Accrued interest	(1,885)	(7,514)
Other	(655)	(1,006)
Deferred tax assets:		
Carry forward revenue losses	2,540	8,520
Net deferred tax	-	-
d. Unrecognised deferred tax assets:		
Carry forward revenue losses	3,563,628	2,814,111
Carry forward capital losses	86,424	-
Capital raising costs	-	333,702
Provisions and accruals	599,025	25,255
Other	3,973	-
	4,253,050	3,173,068

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

Tax Consolidation

For the purpose of income taxation, the Company and its 100% Australian controlled entities have elected to form a tax consolidated group effective from 1 July 2012.

7. CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
Reconciliation of cash and cash equivalent		
For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash at bank and in hand	459,308	1,108,868
Short term deposits	2,004,000	2,454,000
	2,463,308	3,562,868
Loss for the year	(2,867,384)	(5,297,738)
<i>Adjustments for non-cash items:</i>		
Gain on sale of non-current assets	(197,058)	(13,125)
Debt forgiveness	(502,326)	-
Share based payments expenses	169,739	218,138
Impairment of capitalised exploration costs	628,742	1,058,280
Impairment on available for sale financial assets	96,000	-
Depreciation and amortisation expenses	60,663	51,026
<i>Movement in working capital items:</i>		
(Increase) / decrease in trade and other receivables	(2,069,676)	(344,965)
(Increase) / decrease in prepayments	39,327	(35,477)
Increase / (decrease) in trade and other payables	93,687	970,350
Increase / (decrease) in provisions	9,537	53,149
	(4,538,749)	(3,340,362)

Restriction on use of cash:

A deposit of \$104,000 (2012: \$154,000), of which \$59,000 has been secured against guarantee issued by the bank against the Group's tenements and \$45,000 secured as a rental deposit. These cash balances are not available for withdrawal till such guarantees are withdrawn.

Material non-cash transactions:

2013: During 2013, the Group sold its exploration tenements in Australia and this transaction was settled through the issue of equity shares of the buyer valued at \$200,000. These investments have been recognised in the Statement of Financial Position as available for sale financial assets.

2012: 24,266,476 shares valued at \$11,769,241 were issued during 2012 in consideration for the acquisition of Zari Exploration Limited

8. TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
GST / VAT receivable	781,294	386,275
Australian R&D rebate receivable	1,687,587	-
Other receivable	32,448	45,378
	2,501,329	431,653
<i>Ageing of receivables</i>		
Recoverable within 3 months	1,838,851	431,653
Beyond 3 months	662,478	-
	2,501,329	431,653

Receivables are non-interest bearing, unsecured

9. PROPERTY, PLANT AND EQUIPMENT

	2013 \$	2012 \$
Plant and equipment		
At cost	254,537	200,862
Accumulated depreciation	(133,222)	(72,764)
	121,315	128,098
Movement in net carrying amount		
Balance at the beginning of the year	128,098	93,181
Additions	54,774	99,602
Disposals	(894)	(13,659)
Depreciation for the year	(60,663)	(51,026)
Balance at the end of the year	121,315	128,098

10. CAPITALISED EXPLORATION AND EVALUATION COSTS

	2013 \$	2012 \$
Movement in net carrying amount:		
Balance at the beginning of the year	25,704,407	4,397,002
Acquisition of Zari exploration assets (a)	-	17,763,175
Expenditure capitalised during the year	6,822,157	4,602,510
Effect of exchange rate movement in foreign operations	532,113	-
Impairment recognised during the year (b)	(628,742)	(1,058,280)
Balance at the end of the year	32,439,935	25,704,407
Capitalised areas of interest:		
Ngualla Rare Earths Project, Tanzania	32,439,935	25,626,730
Lake Victoria Gold Fields, Tanzania	-	77,677
	32,439,935	25,704,407

- (a) During 2012, the Group completed the acquisition of Zari Exploration Limited (Zari), a Tanzanian incorporated company. Through this acquisition, the Group acquired 100% ownership of the Ngualla Rare Earth Project. The acquisition was considered to be an acquisition of exploration assets and not a business combination.

The consideration for acquisition was settled through:

- 24,266,476 fully paid ordinary shares of Peak Resources Limited fair valued at \$11,769,241 based on the closing price of \$0.485 per share; and
- US\$6,000,000 (\$5,993,934) in cash.

- (b) During the financial year, the Directors have reviewed the exploration projects of the Group and have decided to continue with the Ngualla Rare Earths Project. The Directors have decided to abandon the other projects of the Group and accordingly the carrying amount of \$628,742 has been impaired at the reporting date.

The carrying amount of the abandoned projects have been written down to NIL value as the Group's right to tenure the exploration areas have expired.

- (c) The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of the respective exploration areas.

Deferred exploration and evaluation expenditure is assessed for impairment by the Directors when facts and circumstances suggest that the carrying amount exceeds the future economic benefits that may be recovered from the asset. This assessment is performed when the above circumstances occur and at every reporting date.

11. AVAILABLE FOR SALE FINANCIAL ASSETS

	2013 \$	2012 \$
Investment in listed shares – at fair value	104,000	-
	104,000	-

12. TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
Trade and other payables	1,277,209	1,685,848
	1,277,209	1,685,848
<i>Ageing of payables</i>		
Payable within 3 months	1,277,209	1,685,848
Beyond 3 months	-	-
	1,277,209	1,685,848

Payables are non-interest bearing, unsecured and are generally payable in 30-90 days

13. PROVISIONS

	2013 \$	2012 \$
Employee benefits - leave entitlements	74,809	65,272
	74,809	65,272

14. 14. INTEREST BEARING LIABILITIES

	2013 \$	2012 \$
Short term loans	315,000	-
	315,000	-

The loan is secured against R&D rebate receivable.

15. CONTRIBUTED EQUITY

		Nos.	\$
Balance at 30 June 2011		152,342,643	19,767,170
Placement at \$0.55 per share	13-Jul-11	2,784,500	1,531,475
Placement at \$0.28 per share	28-Nov-11	11,337,349	3,174,459
Placement at \$0.28 per share	9-Jan-12	8,000,000	2,240,000
Issued for acquisition of Zari Exploration assets \$0.485	22-Feb-12	24,266,476	11,769,241
Placement at \$0.48 per share*	22-Feb-12	8,333,334	4,000,000
Equity issue costs		-	(742,325)
Balance at 30 June 2012		207,064,302	41,740,020
Placement at \$0.17 per share*	6-Aug-12	15,529,822	2,640,070
Placement at \$0.17 per share*	11-Sep-12	16,823,120	2,859,930
Share Purchase Plan at \$0.17 per share*	20-Sep-12	15,306,309	2,602,073
Placement at \$0.12 per share	17-May-13	20,833,333	2,500,000
Equity issue costs		-	(804,204)
Balance at 30 June 2013		275,556,886	51,537,888

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company

Pursuant to an agreement dated 10 July 2007 PRL Pty Ltd (PRL) has undertaken a reverse acquisition of Peak Resources Limited (formerly Acquisitor Ltd). As a result of this transaction PRL became a wholly owned subsidiary of Peak Resources. For accounting purposes, the number of shares disclosed reflects that of the legal Parent, Peak Resources, whilst the amounts are those of the legal subsidiary PRL.

Options over ordinary shares

At the end of the reporting period, there are 7,941,667 options over unissued shares as follows:

Type	Date of Expiry	Exercise Price	Number under Option	Vesting Date
Listed Options	31-May-14	\$0.25	51,659,251	Vested
Unlisted Options	26-May-14	\$1.50	1,000,000	Vested
Unlisted Options	20-Feb-17	\$0.55	6,250,000	Vested
Unlisted Options	24-Feb-14	\$0.75	541,667	Vested
Unlisted Options	3-Mar-18	\$0.55	150,000	Vested

No ordinary shares were issued as a result of the exercise of options during the financial year ended 30 June 2013.

During the financial year, 2,250,000 unlisted Employee options were cancelled by mutual agreement between the Company and a Director, David Hammond

Weighted average exercise price of options outstanding were \$0.68; and the average time was 3.12 years.

Capital Management Policy

The Group's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The Group manages its contributed equity and reserves as part of its capital. The Group has an unsecured debt of \$315,000.

The Group is not subject to any externally imposed capital requirements.

As is similar with many other exploration companies, the operational requirements of the Group are funded through equity raised in various trenches. The overall capital management policy of the Group remains unchanged and is consistent with prior years.

16. RESERVES

	Share based payment reserve	Foreign currency translation reserve	Total
	\$	\$	\$
At 30 June 2011	414,153	7,868	422,021
Share based payment made in 2012	282,974	-	282,974
Exchange difference on translation of foreign operations	-	(41,981)	(41,981)
At 30 June 2012	697,127	(34,113)	663,014
Share based payment made in 2013	369,739	-	369,739
Exchange difference on translation of foreign operations	-	547,414	547,414
At 30 June 2013	1,066,866	513,301	1,580,167

Share based payment reserve – the reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for supply of goods and services.

Foreign currency translation reserve – the reserve is used to recognise exchange differences arising from translation of foreign operations to Australian dollar.

17. SHARE BASED PAYMENTS

Employee share option plan

The Group has an employee share options plan (ESOP) for the granting of non-transferable options to directors, executives and employees. No options (2012: nil) have been granted pursuant to the ESOP prior to or during the year.

The following share based payment were recognised during the year:

	2013 \$	2012 \$
4,000,000 listed options granted in relation to equity issue costs (a)	200,000	-
691,667 unlisted options granted in relation to equity issue costs (b)	-	64,836
Unlisted options granted in 2011 and recognised over the vesting period (c)	169,739	218,138
	369,739	282,974

- (a) 4,000,000 listed options were granted to brokers in relation to the equity raising undertaken during the 2013 financial year. These options have been granted on 21 May 2013 and have been fair valued at \$0.05 based on the quoted market price on that date. These options have been vested at grant date.

The key terms of the options issue are:

- Exercise price: \$0.25 per share
- Expiry date: 31 July 2014

None of the options were exercised during the financial year (2012: Nil)

- (b) During 2012 financial year, two lots of 541,667 and 150,000 unlisted options were granted to financial consultants in consideration for their services in relation to the equity raising made during 2012. The options have been vested at grant date. These options have been valued applying the Black & Scholes valuation model and the key terms and assumptions in the valuation model are:

Number of options	541,667	150,000
Grant date	25/06/2012	25/06/2012
Expiry date	24/02/2014	03/03/2018
Exercise price	\$0.75	\$0.55
Share price at grant date	\$0.215	\$0.215
Volatility	86%	86%
Risk free interest rate	2.41%	2.41%
Fair value per option	\$0.10	\$0.13

(c) During 2011 financial year, the Group granted the three lots of 750,000 options each to Mr. David Hammond, Director in consideration for his services. The options had the following terms:

750,000 options at \$0.60 exercisable 16 May 2015 vesting 16 May 2013

750,000 options at \$0.90 exercisable 16 May 2015 vesting 16 May 2013

750,000 options at \$1.20 exercisable 16 May 2015 vesting 16 May 2013

Share based payment expense of \$169,739 (2012: \$218,136) have been recognised in relation to these options.

On the 13 May 2013 the Company announced that 2,250,000 unlisted Employee Options were cancelled by mutual agreement between the Company and Mr. David Hammond.

None of the options were exercised during the financial year (2012: Nil)

18. CONTINGENCIES AND COMMITMENTS

Lease commitments

The company has committed to an office lease of \$105,300 per annum to 31 January 2015

	2013 \$	2012 \$
Up to 1 year	133,511	128,376
1 to 5 years	80,467	213,978
Beyond 5 years	-	-
	213,978	342,354

Tenement Commitments

The Group has prospecting licences located in Tanzania which have a requirement for a certain level of expenditure each and every year in addition to annual rental payments for the tenements. Additional detail on the tenements is available in Additional Shareholder Information in the Annual Report.

At 30 June 2013 minimum annual expenditure commitments in respect of exploration assets amounted to \$117,745 (2012 \$105,855). These mineral commitments are subject to provisions of legislation governing the granting of mineral exploration licences. Commitments may be varied in accordance with the provisions of governing regulations or obligations may be farmed out under agreements with third parties.

Capital Commitments

At 30 June 2013, the Group has no capital commitments. At 30 June 2013 the Group had no commitments under farm in agreements (2012 \$176,470).

Contingencies

At 30 June 2013, the Group had no contingencies (2012: Nil).

19. KEY MANAGEMENT PERSONNEL DISCLOSURE

	2013 \$	2012 \$
Salary and fees	1,083,874	640,033
Superannuation	65,883	42,902
Share based payments	169,739	218,136
	1,319,496	901,071

Shareholdings of KMP's

	Opening balance	Granted as remuneration	Exercise of options	Cancelled	Market transactions	Closing balance
30 June 2013	Nos.	\$	\$	\$	\$	\$
Directors						
Mr. Alastair Hunter	8,776,395	-	-	-	272,596	9,048,991
Mr. Richard Beazley*	28,779	-	-	-	488,177	516,956
Mr. David Hammond	-	-	-	-	58,825	58,825
Mr. Jonathan Murray	600,000	-	-	-	350,000	950,000
	9,405,174	-	-	-	1,169,598	10,574,772

Executives

Ms. Linda Paini**	-	-	-	-	-	-
Jeffrey Dawkins	-	-	-	-	25,000	25,000
	-	-	-	-	25,000	25,000
Total	9,405,174	-	-	-	1,194,598	10,599,772

30 June 2012	Nos.	\$	\$	\$	\$	\$
Directors						
Mr. Alastair Hunter	9,276,395	-	-	-	(500,000)	8,776,395
Mr. Richard Beazley*	-	-	-	-	28,779	28,779
Mr. David Hammond	-	-	-	-	-	-
Mr. Jonathan Murray	520,000	-	-	-	80,000	600,000
	9,796,395	-	-	-	(391,221)	9,405,174
Executives						
Ms. Linda Paini	-	-	-	-	-	-
	-	-	-	-	-	-
Total	9,796,395	-	-	-	(391,221)	9,405,174

Option holdings of KMP's

	Opening balance	Granted as remun- eration	Cancelled	Exercise / expiry of options	Market trans- actions	Closing balance	Vest at 30 June
30 June 2013	Nos.	\$	\$	\$	\$	\$	
Directors							
Mr. Alastair Hunter	-	-	-	-	272,597	272,597	-
Mr. Richard Beazley*	-	-	-	-	-	-	-
Mr. David Hammond	2,250,000	-	2,250,000	-	58,825	58,825	-
Mr. Jonathan Murray	-	-	-	-	136,298	136,298	-
	2,250,000	-	2,250,000	-	467,720	467,720	-
Executives							
Ms. Linda Paini**	-	-	-	-	-	-	-
Jeffrey Dawkins	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	2,250,000	-	2,250,000	-	467,720	467,720	-

30 June 2012	Nos.	\$	\$	\$	\$	\$	
Directors							
Mr. Alastair Hunter	-	-	-	-	-	-	-
Mr. Richard Beazley*	-	-	-	-	-	-	-
Mr. David Hammond	2,250,000	-	-	-	-	2,250,000	-
Mr. Jonathan Murray	-	-	-	-	-	-	-
	2,250,000	-	-	-	-	2,250,000	-
Executives							
Ms. Linda Paini**	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	2,250,000	-	-	-	-	2,250,000	-

*Mr Beazley resigned from the Company on 05 April 2013

** Ms Paini resigned on 14 August 2012

***Mr Dawkins was appointed on 15 October 2012

Loans to KMP's

No loans were made to KMP's during the financial year (2012: \$Nil)

Other transaction and balances with KMP's

During the year Steinepreis Paganin Lawyers and Consultants a legal practice associated with Mr Jonathan Murray received \$135,937.96 (2012: \$175,581) as fees for the provision of legal advice.

These costs have not been included in directors' remuneration as these fees were not paid to individual directors in relation to the management of the affairs of the Company. All transactions were entered into on normal commercial terms.

20. GROUP STRUCTURE

Parent and subsidiaries

The parent and the ultimate parent entity of the Group is Peak Resources Limited, a company listed on the Australian Securities Exchange.

The components of the Group are:

	Incorporation	Extent of control	
		2013	2012
Accounting Parent			
PRL Pty Ltd	Australia	-	-
Controlled entities			
Peak Resources Limited (Legal parent but accounting subsidiary)	Australia	100%	100%
Peak Hill Gold Mines Pty Ltd	Australia	100%	100%
Redpalm Pty Ltd	Australia	100%	100%
Pan African Exploration Limited	Australia	100%	100%
PR NG Minerals Limited (Formerly Zari Exploration Limited)	Tanzania	100%	100%
Peak Resources Tanzania Limited	Tanzania	100%	100%
Peak Africa Minerals Limited	Mauritius	100%	100%

21. FINANCIAL INSTRUMENTS

The financial instruments of the group comprise of (i) cash and cash equivalents; (ii) trade and other receivables; and (iii) trade and other payables.

The Group's principal financial instruments are cash and short term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The financial instruments expose the Group to certain risks. The nature and extent of such risks, and the management's risk management strategy are noted below.

Fair value of financial instruments

	2013 \$	2012 \$
Cash and cash equivalents	2,463,309	3,562,868
Trade and other receivables	2,501,329	431,653
Trade and other payables	(1,277,209)	(1,685,848)

The carrying amount of financial instruments closely approximate their fair value on account of short maturity cycle.

Credit Risk

The Group's credit risks arise from potential default of trade and other receivables. The maximum credit exposure is limited to the carrying amount of trade and other receivables \$2,501,329 (2012:\$431,653) at reporting dates.

As at 30 June 2013, the receivable balances consist primarily of GST/VAT credits. The management does not consider the GST/VAT receivable to be at risk of default as these are receivable from the Government agencies. Management has received assurances from its tax advisors that the amounts will be received in due course.

There were no significant concentration of credit risks.

Liquidity risk

The Group's liquidity risks arise from potential inability of the group to meet its financial obligations as and when they fall due, generally due to shortage of cleared funds. The Group is exposed to liquidity risk on account of trade and other payables. The Group manages its liquidity risk through continuously monitoring the cleared funds position; and by utilising short term cash budgets.

The contractual maturity analysis of Group's financial instruments are noted below:

	2013			2012		
	Up to 3 months \$	> 3 months \$	Total \$	Up to 3 months \$	> 3 months \$	Total \$
Financial liabilities						
Trade and other payables	(1,277,209)	-	(1,277,209)	(1,685,848)	-	(1,685,848)
Financial assets	(1,277,209)	-	(1,277,209)	(1,685,848)	-	(1,685,848)
Cash and cash equivalents	2,463,309	-	2,463,309	3,408,868	154,000	3,562,868
Trade and other receivables	1,720,035	781,294	2,501,329	431,653	-	431,653
	4,183,344	781,294	4,964,638	3,840,521	154,000	3,994,521

Interest rate risk

Interest rate risk is the risk that fair values and cash flows of the Group's financial instruments will be affected by changes in the market interest rates.

The Group's cash and cash equivalents are impacted by interest rate risks. Other receivables and payables have short maturities and are non-interest bearing. Management believes that the risk of interest rate movement would not have a material impact of the Group's operations.

Management does not closely monitor the interest rates offered on cash and cash equivalents as the Group's primary objective is exploration of resources rather than earning interest income. The cash balances are invested at the prevailing short term market interest rates with credit worthy financial institutions.

The sensitivity of the interest bearing financial instruments to a 1% change in market interest rate are noted below:

	2013 \$	2012 \$
Cash and cash equivalents	2,463,309	3,562,868
Impact on profit and equity - +1% movement	24,633	35,629
Impact on profit and equity - -1% movement	(24,633)	(35,629)

Foreign currency risk

The Group's exposure to price risk is minimal at this stage of the operations. The Group will transfer cash and cash equivalents into foreign currency to meet short term expenditure obligations.

The Group's expenditure obligations in Tanzania are primarily in US dollars as a result the Group is exposed to fluctuations in the US dollar to Australian currency. These exposures are not subject to a hedging programme. The Board and management from time to time having regard to likely forward commitments review this policy.

Commodity price risk

The Group's exposure to commodity price risk is minimal at this stage of the operation.

22. SUBSEQUENT EVENTS

There were no subsequent events to 30 June 2013 that have a material impact on the financial statements at present.

23. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Resources Limited, at 30 June 2013. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2013 \$	2012 \$
Financial position		
Current assets	3,996,403	3,598,773
Non-current assets	33,542,351	28,256,472
Total assets	37,538,754	31,855,245
Current liabilities	1,436,145	894,632
Non-current liabilities	-	-
Total liabilities	1,436,145	894,632
Net assets	36,102,609	30,960,613
Contributed equity	51,853,642	42,119,258
Share based payment reserve	960,611	697,127
Accumulated losses	(16,711,644)	(11,855,771)
Total equity	36,102,609	30,960,613
Financial performance		
Loss for the year	(4,855,873)	(2,798,522)
Other comprehensive income	-	-
Total comprehensive loss for the year	(4,855,873)	(2,798,522)

No guarantees have been entered into by Peak Resources Limited in relation to the debts of its subsidiaries.

Peak Resources Limited had no commitments to purchase property, plant and equipment or contingent liabilities at year end.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Peak Resources Limited, I state that:

In the opinion of the Directors:

- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note to the financial statements;
- (c) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;
- (d) The Directors have been given the declarations required by section 295A of the Corporations Act 2001

The Directors have been given the declarations required by section 295A of the Corporations Act 2001

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Alastair Hunter', written in a cursive, flowing style.

Alastair Hunter
Executive Chairman

Perth, 26 September 2013

CORPORATE GOVERNANCE STATEMENT

Peak is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve Peak has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*. Peak is pleased to advise that Peak's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where Peak did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where Peak's corporate governance practices do not correlate with the practices recommended by the Council, Peak is working towards compliance however it does not consider that all the practices are appropriate for Peak due to the size and scale of Company operations.

To illustrate where Peak has addressed each of the Council's recommendations, a checklist is set out at the end of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at

http://www.asxgroup.com.au/media/PDFs/08_asx_corp_governance_principles_recommendations.pdf

1. BOARD OF DIRECTORS

1.1 Role of the Board

The Board's role is to govern Peak rather than to manage it. In governing Peak, the Directors must act in the best interests of Peak as a whole. It is the role of senior management to manage Peak in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of Peak. The Board must also ensure that Peak complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of Peak.

To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors, the Chief Financial Officer or its equivalent and other key executives in the performance of their roles.

1.2 Composition of the Board

To add value to Peak the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by Peak and on their decision-making and judgment skills.

Peak recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr. Jonathan Murray is a Non-Executive Director and as an independent Director he meets the following criteria for independence adopted by Peak:

- An Independent Director is a Non-Executive Director and:
- is not a substantial shareholder of Peak or an officer of, or otherwise associated directly with, a substantial shareholder of Peak;
- within the last three years has not been employed in an executive capacity by Peak or another group member, or been a Director after ceasing to hold any such employment;
- has no material contractual relationship with Peak or other group member other than as a Director of Peak; has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Peak; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Peak.

Mr. Alastair Hunter is the Executive Chairman of Peak and does not meet Peak's criteria for independence. Mr. David Hammond is an Executive Director and does not meet Peak's criteria for independence. The Board considers that its current structure is appropriate given the Company's stage of development and given the size, nature and scope of the Company's activities. The Company considers industry experience and specific expertise to be important attributes of its Board members and therefore believes that the composition of the Board is appropriate given the size and development of the Company at the present time.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Peak. It is required to do all things that may be necessary to be done in order to carry out the objectives of Peak.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing Peak and establishing codes that reflect the values of Peak and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for Peak and ensuring that there are policies in place to govern the operation of Peak.
- Overseeing Planning Activities: the development of Peak's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of Peak.
- Monitoring, Compliance and Risk Management: the development of Peak's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of Peak.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Executive Chairman and Executive Director and Chief Financial Officer (CFO) as well as reviewing the performance of the Directors and monitoring the performance of senior management in their implementation of Peak's strategy.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of Peak's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the Executive Chairman to ensure the effective day-to-day management of Peak and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at Peak's registered office.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of Peak; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of Peak.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of Peak have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* Peak immediately notifies the ASX of information:

- concerning Peak that a reasonable person would expect to have a material effect on the price or value of Peak's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Peak's securities.

1.4.5 *Education and Induction*

It is the policy of Peak that a new Director undergoes an induction process in which they are given a full briefing on Peak. Where possible this includes meetings with key executives, tour of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of Peak;
- a synopsis of the current strategic direction of Peak; and
- a copy of the Constitution of Peak.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 *Independent Professional Advice*

The Board collectively and each Director has the right to seek independent professional advice at Peak's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 *Related Party Transactions*

Related party transactions include any financial transaction between a Director and Peak. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 *Shareholder Communication*

Peak respects the rights of its shareholders and to facilitate the effective exercise of those rights Peak is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders, information posted on Peak's website and the general meetings of Peak;
- giving shareholders ready access to balanced and understandable information about Peak and corporate proposals;
- making it easy for shareholders to participate in general meetings of Peak; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Peak also makes available a telephone number and email address for shareholders to make enquiries of Peak.

1.4.9 *Trading in Company Shares*

The share trading policy sets out Peak's policy regarding the trading in Company securities, which includes shares, options, warrants, debentures and any other security on issue from time to time. This policy is separate from and additional to the legal constraints imposed by the common law, the *Corporations Act* and ASX Listing Rules.

This policy applies to all Directors and employees of Peak and their associates (including spouses, children, family trusts and family companies) as well as contractors, consultants, advisers and auditors of Peak ("designated officers").

1.4.10 *Performance Review/Evaluation*

It is the policy of the Board to conduct evaluation of its performance and that of its senior executives. The objective of this evaluation will be to provide best practice corporate governance to Peak.

1.4.11 *Attestations Executive Chairman and CFO*

It is the Board's policy that the Executive Chairman and the CFO or its equivalent to make the attestations recommended by the ASX Corporate Governance Council as to Peak financial condition prior to the Board signing the Annual Report.

The Board will also require the Executive Chairman and CFO or its equivalent to attest to the implementation and compliance to Peak's internal control and risk management strategies and to ensure that these policies are being managed effectively.

2. BOARD COMMITTEES

2.1 Audit Committee

Due to the size and scale of operations of Peak the full Board undertakes the role of the Audit Committee. Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of Peak's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, Peak does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing Peak on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, Peak is moving towards establishing an audit committee consisting primarily of Independent Directors.

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of Peak and the independence of the external auditor.

2.1.2 Responsibilities

The Audit Committee, or as at the date of this report the full Board of Peak, reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee, or as at the date of this report the full Board of Peak, each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee, or as at the date of this report the full Board of Peak, is also responsible for establishing policies on risk oversight and management.

2.1.3 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of four (4) members, Peak does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing Peak on specific issues.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, Peak does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing Peak on specific issues.

2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board, include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Executive Chairman and Director, reviewing and making recommendations to the Board on Peak's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations on any proposed changes and undertaking reviews of the Executive Chairman and Directors performance, including, setting goals and reviewing progress in achieving those goals.

2.2.3 Remuneration Policy¹

Directors' Remuneration for the majority of directors was approved at a Board meeting held in August 2006. Directors' remuneration is also reviewed on an annual basis.

2.2.3.1 Senior Executive Remuneration Policy

Peak is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;

- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration Peak aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.3.2 *Non-Executive Director Remuneration Policy*

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses, however they do participate in equity schemes of Peak.

Non-Executive Directors are not paid superannuation.

2.2.4.2 *Current Director Remuneration*

Full details regarding the remuneration of Directors, is included in the Directors' Report.

2.3 **Nomination Committee**

2.3.1 *Role*

The role of a Nomination Committee is to help achieve a structured Board that adds value to Peak by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of three (3) members, Peak does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing Peak on specific issues.

2.3.2 *Responsibilities*

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the Executive Chairman and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3 *Criteria for selection of Directors*

Directors are appointed based on the specific governance skills required by Peak. Given the size of Peak and the business that it operates, Peak aims at all times to have at least two Directors with experience appropriate to Peak's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

3. **COMPANY CODE OF CONDUCT**

The Board has adopted a Code of Conduct which applies to all directors and officers of Peak. It sets out Peak's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards.

4. **DIVERSITY POLICY**

The board is primarily responsible for setting achievable objectives on gender diversity and monitoring the progress of Peak towards them on an annual basis. Due to the size and scale of operations of Peak, the board has determined that a long term gender diversity objective is more appropriate.

Peak does not currently have any women holding positions at board level, however, one of the joint Company Secretary roles is held by a female, Farlee Walker as of 14 August 2012.

The checklist following summarises Peak's compliance with the Recommendations.

Principles	Recommendations	Compliance Yes/No	Reference and Explanation
Pr 1	Lay solid foundations for management and oversight		
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	Yes	1.1
Rec 1.2	Companies should disclose the process for evaluation the performance of senior executives.	Yes	1.4.5 and 1.4.10
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	1.1
Pr 2	Structure the board to add value		
Rec 2.1	A majority of the board should be independent directors.	No	1.2
Rec 2.2	The Chairman should be an independent director.	No	1.2
Rec 2.3	The roles of chairman and chief executive officer should not be exercised by the same individual.	No	1.2
Rec 2.4	The board should establish a nomination committee	No	2.3.1
Rec 2.5	Companies should disclose the process of evaluating the performance of the board, its committees and individual directors.	Yes	1.4.10
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2	Yes	1.2, 1.4.10 and 2.3.1
Pr 3	Promote ethical and responsible decision making		
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in Peak's integrity the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	Yes	3
Rec 3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Yes	4
Rec 3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes	4.1
Rec 3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	4.1
Rec 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes	3 and 4
Pr 4	Safeguard integrity in financial reporting		
Rec 4.1	The board should establish an audit committee.	No	2.1
Rec 4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> consists only of non-executive directors; consists of a majority of independent directors; is chaired by an independent chair, who is not the chair of the board; and has at least three members. 	No	2.1
Rec 4.3	The audit committee should have a formal charter.	Yes	2.1
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	2.1

Principles	Recommendations	Compliance Yes/No	Reference and Explanation
Pr 5	Make timely and balanced disclosure		
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	Yes	1.4.4
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	1.4.4
Pr 6	Respect the rights of shareholders		
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	1.4.8
Rec 6.2	Company should provide the information indicated in the Guide to reporting on Principle 6.	Yes	1.4.8
Pr 7	Recognize and manage risk		
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	2.1.3
Rec 7.2	The board should require management to design and implement the risk management and internal control system to manage Peak's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of Peak's management of its material business risks.	Yes	2.1.3
Rec 7.3	The board should disclose whether it has received assurance from the executive chairman (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	1.4.11
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	1.4.11 and 2.1.3
Pr 8	Remuneration fairly and responsibly		
Rec 8.1	The board should establish a remuneration committee.	No	2.2.1
Rec 8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent director • has at least three members 	No	2.2.3.1 and 2.2.3.2
Rec 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	2.2.3.1 and 2.2.3.2
Rec 8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	2.2 and 2.2.3

TENEMENT SCHEDULE

Project	Tenement	%	Status	Arrangement/Comment
Tanzanian Projects				
Ngualla	PL 6079/2009	100	Granted	Held by 100% Tanzanian subsidiary PR NG Minerals Ltd
Ngualla	PL 9157/2013	100	Granted	Held by 100% Tanzanian subsidiary PR NG Minerals Ltd
Muhange	PL 6955/2011	0	Granted	Right to acquire held pursuant to an option agreement entered into by Peak Resources (Tanzania) Ltd

ADDITIONAL SHAREHOLDER INFORMATION

Quoted security distribution

The distribution of members and their holdings of quoted equity securities in the company as at 18 September 2013 were as follows:

Number Held as at 18 September 2013	Class of Equity Securities
	Fully Paid Ordinary Shares
1-1,000	161
1,001 - 5,000	466
5,001 – 10,000	464
10,001 - 100,000	1,496
100,001 and over	405
Total	2,993

Holders of less than a marketable parcel: fully paid shares 0

Number Held as at 18 September 2013	Class of Equity Securities
	PEKO*
1-1,000	0
1,001 - 5,000	3
5,001 – 10,000	0
10,001 - 100,000	247
100,001 and over	87
Total	337

*PEKO are quoted options exercisable at \$0.25 on or before 31 July 2014

Holders of less than a marketable parcel: PEKO 104

Substantial Security holders

Substantial shareholders listed in the Company's register as at 18 September 2013 were:

Holder	Number of shares	Percentage of issued capital
JP MORGAN NOMINEES AUSTRALIA LIMITED	16,268,837	5.90%

Substantial PEKO option holders listed in the Company's register as at 18 September 2013 were:

Holder	Number of options	Percentage of PEKO on issue
PERSHING AUSTRALIA NOMINEES PTY LTD	3,390,000	6.56%
NATIONAL NOMINEES LIMITED	3,364,765	6.51%

Unquoted Securities

Class of Equity Security	Number	Number of Security Holders
\$1.50 options expiring 26 May 2014	1,000,000	1
\$0.75 options expiring 24 February 2014	541,667	1
\$0.55 options expiring 20 February 2017	6,250,000	1
\$0.55 options expiring 3 March 2018	150,000	1

Names of persons holding greater than 20% of a class of unquoted securities:

Class of Equity Security	Number	Holder
\$1.50 options expiring 26 May 2014	1,000,000	Brian Lloyd
\$0.75 options expiring 24 February 2014	541,667	Roth Capital Partners LLC
\$0.55 options expiring 20 February 2017	6,250,000	Citicorp Nominees Pty Ltd
\$0.55 options expiring 3 March 2018	150,000	Mzhci LLC

Voting Rights**Ordinary Shares**

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Restricted Securities

As at 30 June 2013, there were no restricted securities.

Twenty largest security holders

The names of the twenty largest ordinary fully paid shareholders as at 18 September 2013 are as follows:

Name	Number Held of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
JP Morgan Nominees Australia Limited	16,268,837	5.90%
National Nominees Limited	12,906,362	4.68%
Hotlake Pty Ltd	7,635,000	2.77%
Citicorp Nominees Pty Limited	5,323,539	1.93%
Ashabia Pty Ltd	4,800,000	1.74%
Wisevest Pty Ltd	4,759,567	1.73%
UBS Nominees Pty Ltd	4,128,984	1.50%
HSBC Custody Nominees (Australia) Limited	3,388,983	1.23%
Yarandi Investments Pty Ltd	3,344,401	1.21%
Buell Pty Ltd	3,274,497	1.19%
Scottish Caledonian Pty Ltd	3,274,494	1.19%
Rask Pty Ltd	3,213,332	1.17%
Michael Bushell	2,788,889	1.01%
Forth-Clyde Investments Pty Ltd	2,500,000	0.91%
JP Morgan Nominees Australia Limited	2,245,716	0.81%
Bainpro Nominees Pty Limited	2,043,474	0.74%
Mazzdel Pty Limited	2,000,000	0.73%
Suvalé Nominees Pty Ltd	1,950,000	0.71%
Mr Paul Francis Parsonson & Mrs Josephine Margaret Parsonson	1,925,000	0.70%
CRX Investments Pty Limited	1,883,333	0.68%
TOTAL	89,654,408	32.54%

Note: Information in the above schedule is based on data recorded in the Company's Share Register on the date noted. A listed holder may hold shareholdings or hold an associated shareholding in addition to those listed above. The data provided is solely attributable to a HIN or SRN particular to that holding and as such may not necessarily represent the total of all holdings of the shareholder noted or their associates.

Twenty largest option holders

The names of the twenty largest PEKO option holders as at 18 September 2013 are as follows:

Name	Number Held of PEKO options	% Held of Issued PEKO options
Pershing Australia Nominees Pty Ltd	3,390,000	6.56%
National Nominees Limited	3,364,765	6.51%
Onmell Pty Ltd	1,625,000	3.15%
All States Finance Pty Limited	1,475,000	2.86%
Rask Pty Ltd	1,254,382	2.43%
Ashabia Pty Ltd	1,078,235	2.09%
Wisevest Pty Ltd	1,032,377	2.00%
Towns Corporation Pty Ltd	1,000,000	1.94%
Ms Michelle Anne Paine	1,000,000	1.94%
Hotlake Pty Ltd	885,000	1.71%
Shaw Corporate Finance Pty Limited	800,000	1.55%
Citicorp Nominees Pty Limited	650,789	1.26%
Mr David Murphy	650,000	1.26%
UBS Wealth Management Australia Nominees Pty Ltd	650,000	1.26%
JP Morgan Nominees Australia Limited	636,273	1.23%
BNP Paribas Noms Pty Ltd	630,601	1.22%
Dirdot Pty Limited	628,235	1.22%
Mazzdel Pty Limited	627,499	1.21%
Mr Allan Zion	573,936	1.11%
CRX Investments Pty Limited	558,835	1.08%
Mr Anthony John Vetter & Mrs Jeannette Vetter	500,000	0.97%
Mr Peruinder Steven Singh Dhillon	500,000	0.97%
Elinora Investments Pty Ltd	451,686	0.87%
TOTAL	23,962,613	46.39%

Note: Information in the above schedule is based on data recorded in the Company's Register on the date noted. A listed holder may hold shareholdings or hold an associated shareholding in addition to those listed above. The data provided is solely attributable to a HIN or SRN particular to that holding and as such may not necessarily represent the total of all holdings of the shareholder noted or their associates.

CORPORATE DIRECTORY

DIRECTORS

Alastair Hunter Executive Chairman
 David Hammond Technical Director
 Jonathan Murray Non-Executive Director

COMPANY SECRETARY

Farlee Walker
 Jeffrey Dawkins

REGISTERED OFFICE

Level 2
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 West Perth WA 6005

SOLICITORS

Steinepreis Paganin (Australia)
 The Read Building
 Level 4, 16 Milligan Street
 Perth WA 6000

Ako Law (Tanzania)
 11th Floor, Jubilee Towers
 Ohio Street
 Dar es Salaam
 Tanzania

AUDITORS

Deloitte Touche Tohmatsu
 Woodside Plaza
 Level 14, 240 St Georges Terrace
 Perth WA 6000

SHARE REGISTRY

Link Market Services Limited
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 680 George Street
 Sydney NSW 2000

CONTACT DETAILS

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STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
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 Code: PEK

OTCQX
 New York, USA
 Code: PKRLY

