

15 January 2014



DEVELOPING A LOW COST RARE EARTH PROJECT

Managing Director Appointment

Peak Resources Limited (Peak or Company; ASX:PEK) is pleased to advise the appointment of Mr. Darren Townsend to the role of Managing Director effective 3rd February 2014.

Mr. Townsend has a Bachelor of Engineering Degree (Mining Engineering – Honours) from the West Australian School of Mines as well as an Executive Masters of Business Administration from Curtin University and has extensive project development, operational and corporate experience predominately in strategic metals.

From 1999 to 2004 Darren was responsible as site General Manager for the successful development and expansion of mining and processing operations of what was at the time the world's largest Tantalum Mine at Wodgina in Western Australia.

Darren also has over 7 year's corporate experience at Managing Director and Chairman level in both ASX and TSXV listed Companies.

Mr. Townsend's most recent executive role was as President and Chief Executive Officer of TSXV listed Pacific Wildcat Resources Corp where he has led the Company's activities since 2008. During this period he has overseen the development of a Tantalum Mine in Mozambique and the acquisition and evaluation of the Mrima Hill Rare Earth and Niobium Project in Kenya.

With the appointment of a Managing Director, Executive Chairman Mr. Alastair Hunter will resume his previous position as Non-Executive Chairman.

Peak Resources' Executive Chairman Mr. Alastair Hunter commented "We are very pleased to have attracted an executive of the calibre of Mr. Townsend. His extensive understanding of the rare earth industry, his East African experience and previous corporate roles will be of immense value as Peak moves forward with the development of the Ngualla Rare Earth Project."

A summary of the key items of Mr Townsend's services agreement with Peak is attached below.



Alastair Hunter, Executive Chairman

ATTACHMENT A

SUMMARY OF KEY TERMS AND CONDITIONS OF SERVICES AGREEMENT FOR MR TOWNSEND

Term	<p>Mr Townsend's ("Executive") engagement commences 3rd February 2014 and is an open ended services contract ("Contract").</p> <p>The Executive will provide services to Peak through his private consulting company.</p> <p>The Contract will initially require the Executive to dedicate 75% of his normal working hours in attending to Peak matters. The role can be increased to a full time on the mutual agreement of the Company and the Executive which is expected to occur during the 2014 calendar year.</p> <p>The Contract may be terminated by the Company by giving not less than 6 months notice and by the Executive by giving not less than 3 months notice.</p> <p>In various circumstances where the Executive is a good leaver, including where the Executive terminates the Contract by notice, the Executive will be entitled to a termination payment not exceeding 12 months' salary, subject to any requirements of the ASX Listing Rules and <i>Corporations Act 2001</i> (Cth).</p>
Remuneration	<p>Fixed remuneration of \$400,000 per annum inclusive of superannuation paid on a pro-rata basis. The Executive will initially receive \$300,000 per annum inclusive of superannuation until the role is converted to a full time position.</p>
Leave	<p>Annual leave entitlement of 4 weeks per annum.</p>
Options and Performance Rights	<p>In addition to remuneration set out above, the Executive will be entitled to employee share options and performance rights, as set out below, which the terms of participation are subject to shareholder approval in accordance with the ASX Listing Rules and the <i>Corporations Act 2001</i> (Cth).</p>

	Vesting Date	Expiry Date	Exercise Price	Number
Options - Tranche 1	Date of issue (following shareholder approval)	2 years following date of issue (following shareholder approval)	\$0.07	2,500,000
Options - Tranche 2	01-02-15	31-01-17	\$0.08	2,500,000
Options - Tranche 3	01-01-16	31-01-17	\$0.09	2,500,000
Performance Rights	Satisfaction of Performance Hurdles	31-01-17	N/A	5,000,000