2015
ANNUAL
REPORT

DEVELOPING THE NGUALLA RARE EARTH PROJECT

PEAK RESOURCES LIMITED

Peak is developing the Ngualla Project as a ‘Next Generation’ rare earth producer aligned to the realities of the new rare earth market.

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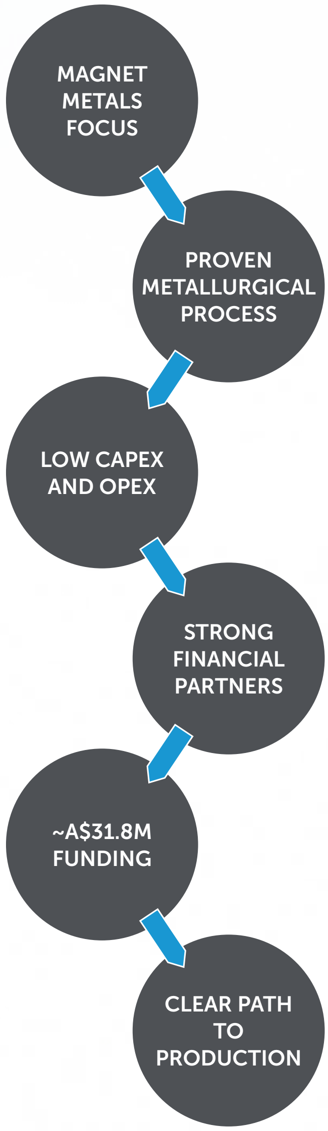
The Next Generation rare earth producer

Ngualla is differentiated from current rare earth producers and other developers by a distinctly different development approach backed by the advantages of a large high quality deposit and demonstrated process.

- Products strongly aligned with the high value, high growth Magnet Metal rare earth market
- Production profile suitably sized for entry to the market at only 5% of global supply
- Quality deposit and demonstrated process supports Capex that is substantially less than the Western producers
- Small modular plant construction with expansion ability
- Simpler and lower cost processing
- No radioactivity issues
- Potential for a low debt structure
- Very large, high grade deposit will support a long project life
- Well placed to become the key strategic, long term, low cost producer of the Magnet Metal rare earths



The discovery, definition of a large Mineral Resource, completion of a favourable PFS and high quality Ore Reserve, demonstration of a uniquely tailored process flow sheet and production profile in five years since discovery is without comparison in the rare earth industry. Peak has achieved this at a fraction of the cost of other western development projects.

The Magnet Metals

75% of the world rare

The rare earths used in the manufacture of high strength permanent magnets comprise neodymium, praseodymium and to a lesser extent terbium, dysprosium, gadolinium and samarium (the Magnet Metals).

Market value and increase

The contribution of the Magnet Metals to the global rare earth market value has increased markedly - from 47% in 2011, to 74% in 2014 (Figure 1). The increase in demand for these rare earths is driven largely by growth in permanent magnet end use sectors including personal electronic mobile devices such as mobile phones, computer hard drives, audio equipment, hybrid and electric cars and wind energy turbines.

The most important of these six rare earths in terms of both value and volume are neodymium and praseodymium, which together comprised 85% of the Magnet Metals market value in 2014 (Figure 2).

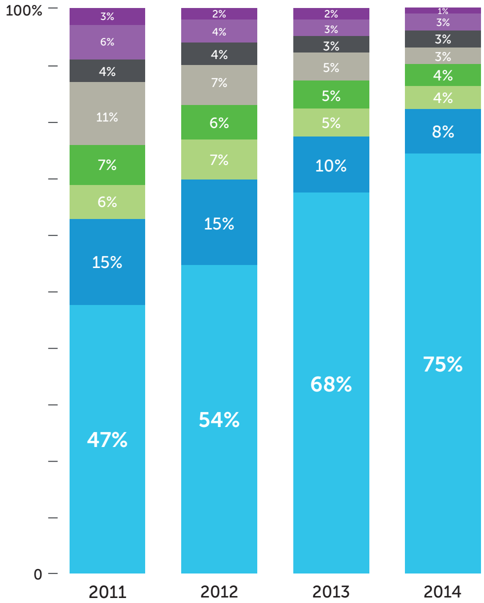


Figure 1: The increasing importance of the rare earth permanent magnet industry to the global rare earth market value, 2011 to 2014.

Source data - Curtin-IMCOA.

Significance for Ngualla

The growing importance of neodymium and praseodymium in terms of relative rare earth market share and absolute value is positive for Ngualla, as the project is particularly well endowed with these rare earths and is one of the highest grade neodymium-praseodymium development projects.

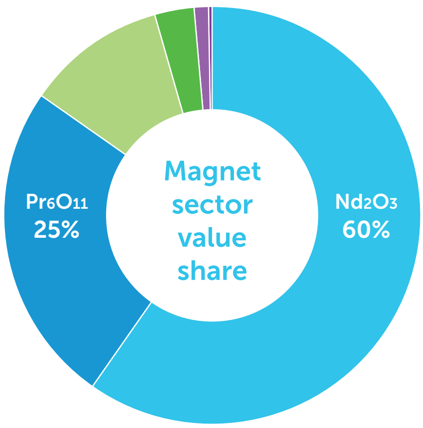


Figure 2: Magnet sector breakdown of individual rare earths by relative value contribution (2014).

Source data - Curtin-IMCOA.

The Company's focus on these magnet metals results in an estimated 81% of projected revenue will be derived from neodymium and praseodymium.

earth market value

High Growth applications

Increasing demand from end use applications in the green energy and consumer electronics sectors is predicted to drive Magnet Metal rare earth growth of 8- 12% pa from 2015-20 and beyond. Demand may be even greater if the rare earths used in permanent magnets were to become available in larger quantities on a long term sustainable basis at reasonable prices.

Rare earth magnets are the engine room of growth for the industry. Rare earth magnets are found in electric vehicles, hybrid vehicles, wind turbines, mag-lev trains and in the more-efficient standard automobiles:

Hybrid & electric vehicles

- Hybrid and electric vehicles: 30% of the permanent magnet market, growth opportunities of 15-20% pa are predicted with 2 to 10kg of rare earth magnets typically used in each vehicle

30%
OF PERMANENT MAGNET MARKET

Electronics

- Hard disk drives, voice coils. 10-20g in each DVD. HDD production to increase 6-8% pa by 2019. Low substitution risk as key to weight reduction
- Personal electronics make use of smaller, lighter rare earth permanent magnets

20%
OF WORLD MARKET

Wind turbines

- 550kg of rare earth magnets per MW, expanding green energy generation driving growth 10 to 15% pa
- Direct drive technologies for new offshore wind turbines rely on NdFeB magnets

10%
MARKET SHARE

Air-conditioning and MRI

- Widely used applications
- Improved power efficiency by incorporating rare earth magnets
- ~5% pa growth predicted

20%
MARKET SHARE

1) Roskill Market Outlook to 2020. 15th Edition 2015 and, 2) Prof. Dudley Kingsnorth, Curtin-IMCOA

Chairman's Letter

Dear Shareholder

The 2015 financial year has seen our Company continue on its stated course of transition from exploration to development of the Ngualla Rare Earth Project ('**Project**').

Over the course of the year a number of key milestones were achieved. These key milestones include:

- completion of Stage 1 of the Company's financing transaction with Appian Natural Resources Fund ('**Appian**') and International Finance Corporation ('**IFC**');
- commencement of the Bankable Feasible Study ('**BFS**');
- several key executive and consultant appointments and advancement of various technical processes necessary for BFS completion;
- continued improvements to metallurgical test work and Project flowsheet design; and
- the appointment of new directors having complimentary skills and expertise.

In formally welcoming John Jetter and Robin Mills as our new non-executive directors, I would also like to thank Alastair Hunter, our previous Chairman, for his unwavering commitment to the Company and its promotion over many years. Not only did he oversee the original discovery of the Project, Alastair played a vital role in raising capital at various points and in so doing, attracted other key investors to our register. Many of these parties remain valued stakeholders to this day. The continued support of all our shareholders is noted by the Board and very much appreciated.

I would like to thank our executive and management team, all employees and my fellow board members for their tireless effort, contribution and support over the past year.

The year ahead will present continued challenges particularly in the context of a difficult market landscape. However in my view, the Peak team remains steadfast, prepared and well resourced to meet these challenges front on.

The Company is currently well funded, enjoys the support of its investment partners Appian and IFC and possesses a committed executive and management team that will engine the implementation of objectives in the coming term.

I look forward to our shared success in the future.

Jonathan Murray Chairman

Managing Director's Letter

Dear Shareholder,

On behalf of the Peak team I am very pleased to present the 2015 Annual Report. Against a backdrop of uncertain global markets and a drop in rare earth prices this year we are one of the few rare earth companies to raise funding for the meaningful advancement of their project. With the recent closing of Stage 1 (circa A$20m) of a three stage funding transaction with Appian and IFC the Company is well funded to undertake the BFS for the Ngualla Rare Earth project.

The financing transaction involved extensive due diligence and this should give all investors comfort of the strong technical merits of the Ngualla Project and the quality of the management team that is in place to advance the project.

Appian and IFC have a long term investment horizon and in addition to strong financial capability bring a large number of other benefits ranging from extensive mine construction and operations experience through to relationships with international banks. They, like Peak, are dedicated to seeing the Ngualla Project advanced through construction and into production. Peak welcomes both Appian and IFC as significant shareholders in the Company and also as partners for the development of Ngualla.

This year we have had strong progress on the technical front, as continued metallurgical test work identified significant improvements over the preliminary feasibility study flowsheet. The breakthrough in achieving high beneficiation concentrate grades have allowed for opportunities to improve the leach recovery stage of the process. These process developments are expected to reduce both capital and operating costs in these areas.

Peak's focus on the magnet metals rare earths together with the following factors bode well for the Company and the Ngualla Project, despite current softness in the rare earth markets:

1) 71% of the rare earth market by value are the permanent magnet metals Neodymium and Praseodymium (Nd/Pr),
2) Demand for permanent magnets is expected to grow at 10% per annum over the next decade,
3) Ngualla has the highest Nd/Pr grade of any of the development projects and as a result 81% of our revenues are expected to come from Nd/Pr.
4) Ngualla's capital and operating costs are very competitive and this is driven by our ability to get a high grade mineral concentrate and to reject the bulk of the loss making cerium early in our process.

If you, like me, are a believer in the growing demand for green and technology applications such as wind turbines, electric and hybrid vehicles and personal electronics then the future does indeed look very bright for Peak.

I would like to thank the community in and around the Ngwala village area for their strong support of the project as well as the Tanzanian government and the various agencies we interact with for their interest in and support for the project.

The coming year will be a busy one as we progress the BFS, project permitting and offtake discussions. In the near term we look forward to completing our pilot plant work which will lead to commencement of the detailed process engineering.

As these milestones are achieved and the project continues to be derisked we should see an improved market recognition of the Company.

Darren Townsend Managing Director

Ngualla Rare Earth Project

The Ngualla Rare Earth Project in Tanzania was discovered by Peak in 2010. The weathered Bastnaesite Zone portion of the deposit that is identified for development is favourably differentiated from other deposits by a unique combination of fundamental factors including:

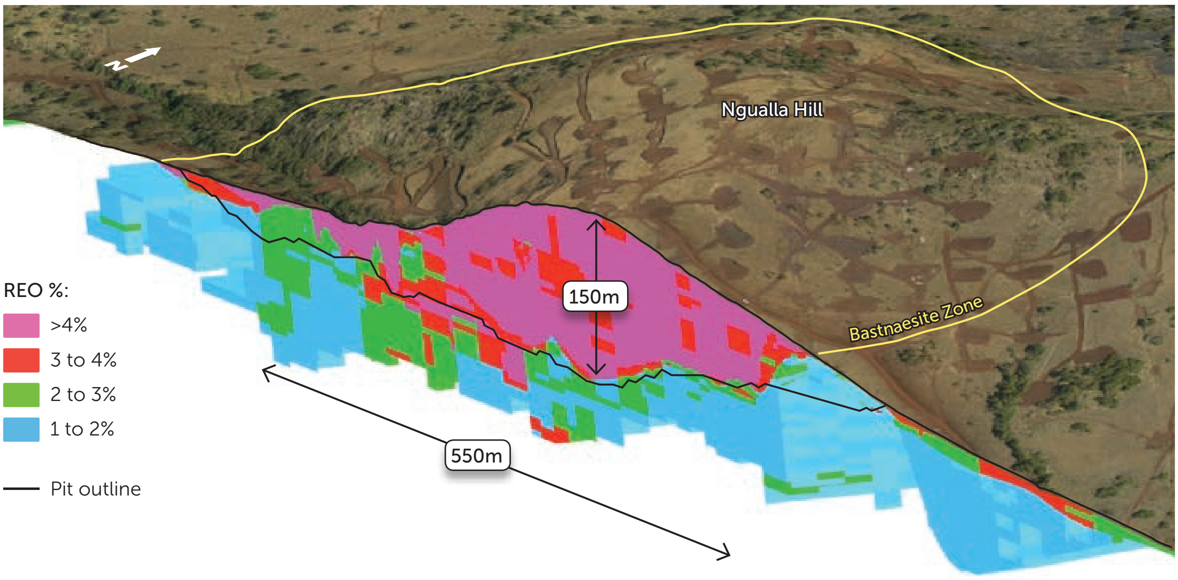
- High REO grades
- High neodymium-praseodymium ratio to other rare earths
- Thick blanket of mineralisation at surface – supporting low cost, predominantly 'free dig', open cut mining
- A unique combination of bastnaesite rare earth mineralogy and favourable gangue minerals – enabling low cost processing
- The lowest uranium – thorium contents of any major rare earth deposit – no radioactivity or transport issues
- Large, high grade Ore Reserve supporting a long life project

Classification	Ore Tonnes (million)	REO %	Contained REO tonnes
Proved	18.0	4.53	817,000
Probable	2.7	4.62	124,000
TOTAL	**20.7**	**4.54**	**941,000**

See Appendix Table 4 for breakdown of individual REO's. A 3.0% cut-off grade is applied.

These factors have enabled Peak to rapidly progress Ngualla's development at a markedly lower cost in comparison to other rare earth projects and also now attract investor partners of the quality and depth of Appian and IFC.

Ngualla has the potential to have the lowest capital and operating cost of any comparable development rare earth project or operating western producer and provide a strong cash flow over an initial mine life of over 30 years.



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

Mineralogy is the key to low risks and costs

Acid-consuming carbonate minerals have been completely leached from the weathered Bastnaesite Zone mineralisation by natural weathering processes, which also upgrade the rare earths threefold to an average grade of 5% REO.

Unlike many rare earth deposits, the weathered Bastnaesite Zone mineralisation is non-radioactive, containing just 14ppm uranium and 51ppm thorium.

The mineral association allows for an effective benefication process to produce a high grade mineral concentrate that leads to lower production costs.

Ngualla's favourable mineralogy is a key advantage of the project and underpins low capital and operating costs.

Main components of typical Ore	
Barite	40%
Iron Oxides (Haematite and Goethite)	35%
Quartz	15%
Bastnaesite	6.5%

Mineral Associations	
Quartz:	liberated
Barite:	liberated
Fe Ox & Bast:	more intimately associated

Diamond core NDD006:

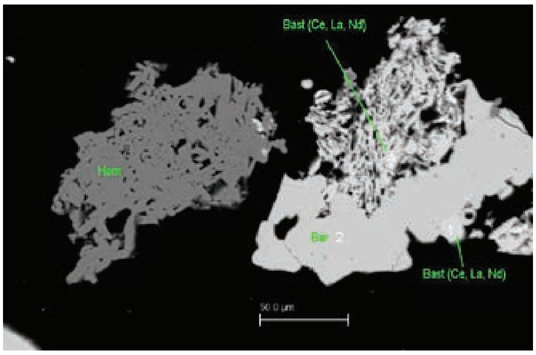
Weathered iron oxide- barite carbonatite containing high grade mineralisation, **3 to 8 % REO**.

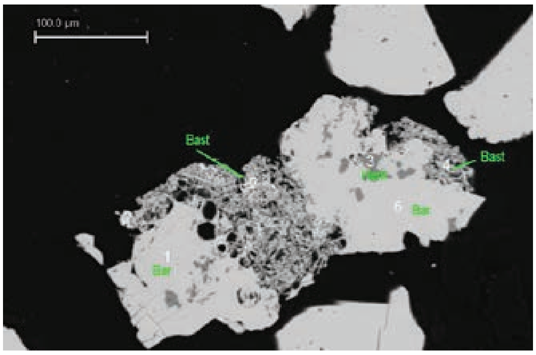
Amenable to selective acid leach as majority of carbonate minerals removed through weathering.

Sharp karstic surface contact between weathered and fresh carbonatite.

Fresh carbonatite rock containing primary mineralisation **1 to 2.5% REO**.

SEM images of weathered Bastnaesite





Review of Operations

Summary

The Company, in collaboration with strategic partners Appian and IFC, is advancing the development of the Ngualla Project into a long term, low cost supplier of Magnet Metal rare earths for the expanding green technology sector.

A large number of technical programs were completed during the year that were successful in demonstrating significant improvements to each of the three main stages of the process design flowsheet, and show potential to further reduce the already low operating and / or capital costs compared to the March 2014 Preliminary Feasibility Study (**PFS**) ("ASX Announcement "*Peak Resources Delivers Robust PFS for Ngualla*" of 19 March 2014).

Engineering studies for the Bankable Feasibility Study (**BFS**) also commenced with the appointment of AMEC Foster Wheeler as Lead Engineer.

Continuing work programs include pilot plant operations and preliminary engineering design to support the completion of the BFS by the end of 2016.

The detailed PFS completed in March 2014 last year evaluated the potential to develop a mine and process plants to produce 10,000 tonnes of >99% purity separated rare earth oxide products.

The 2014 PFS indicated robust project economics that result from the combination of favourable characteristics that together contribute to lowering costs at every stage of the operation. The 2014 PFS demonstrated robust project economics including:

- Low capex: US$367m (30% contingency)
- Low cost: US$11.74/kg REO
- Long mine life
- Large high quality Ore Reserve just 22% of Mineral Resource contained REO

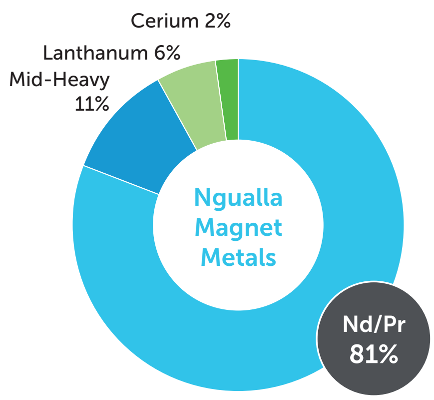
The net effect of work programs completed during the reporting year, together with some still in progress, is expected to improve the fundamentals of the Project in several areas and lead to a 'Next Generation' Rare Earth Project well aligned to the current realities of the world rare earth market.

Increased Production focus on Magnet Metals

During the year Peak revised the planned production profile of the proposed Ngualla operation by increasing the focus on Magnet Metal rare earths through a cerium rejection strategy demonstrated in laboratory scale testwork.

The rejection of cerium is expected to lead to reduced costs and improved margins for the future operation. The focus on the Magnet Metals, particularly neodymium and praseodymium, aligns the production profile with the most important rare earths in terms of expected demand growth and market value. Neodymium and praseodymium are of increasing importance to the global rare earth market.

At March 2015 prices and Ngualla' s revised rare earth production profile, 81% of Ngualla' s projected revenue will be derived from neodymium and praseodymium. The focus on Magnet Metals is expected to improve the marketing potential of Ngualla' s product as cerium is currently (and expected to continue) in oversupply. As a low value product, where the cost of production exceeds the achievable sale price, operating margins should also be increased.

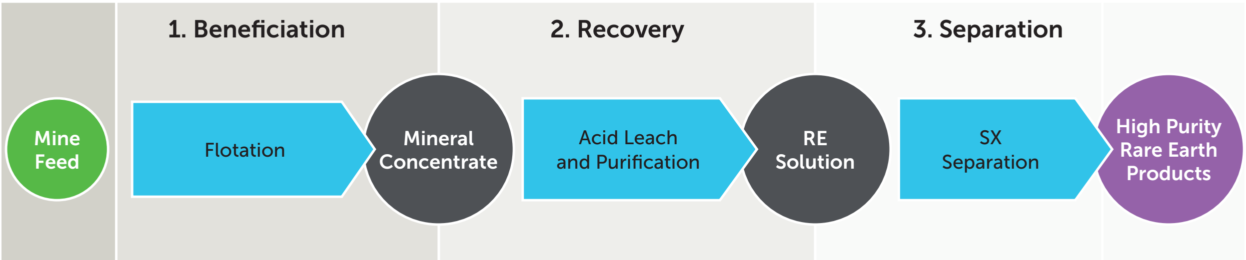


Ngualla's Projected Revenue

Process Development – Beneficiation Breakthrough

Breakthrough improvements in the beneficiation process were achieved during the year, with testwork delivering concentrate grades of between 30 and 50% rare earth oxide (REO) from two alternative new flowsheets developed specifically for Ngualla's unique mineralisation. The grades achieved range from double to triple the 16.3% REO attained at PFS. The ability to produce a high grade mineral concentrate has a profound positive impact on the downstream leach recovery process and provides the potential to reduce both operating and capital costs for the project compared to the Preliminary Feasibility Study (PFS).

The three major steps in processing Ngualla's weathered bastnaesite mineralisation from mine feed to high purity rare earth products.



In addition to reducing the mass of concentrate to be transported and treated in the subsequent leach recovery stage, by reducing transport costs and decreasing the size of the recovery plant, a significant benefit of a higher grade concentrate is the improved rejection of acid consuming iron from the concentrate, thereby reducing downstream reagent requirements.

After extensive evaluation of the two alternative beneficiation flowsheets, a two stage float process has been selected on the basis of operational advantages and lower operating costs.

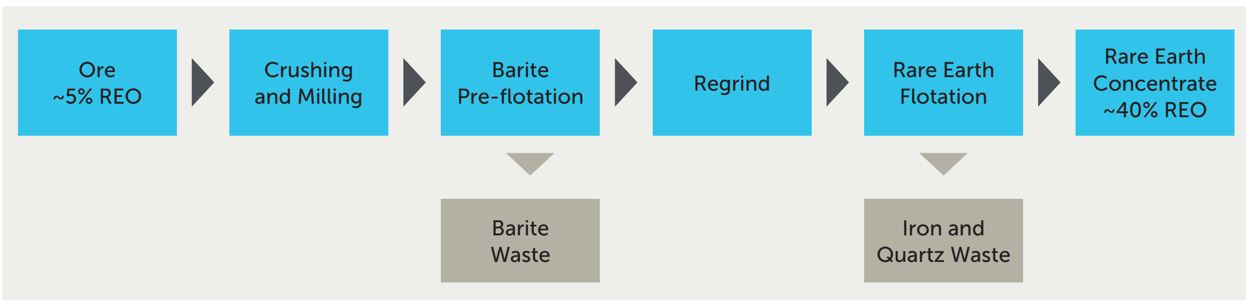
The selected two stage float process will be demonstrated at pilot plant scale to provide the operating data to assist in the engineering of the developed process into the commercial scale operation.

BENEFITS OF A HIGHER GRADE CONCENTRATE

REDUCTIONS IN:

- ✓ Concentrate **transport costs**
- ✓ Leach recovery plant size
- ✓ Leach plant **capital costs**
- ✓ Acid consumption
- ✓ Leach plant **operating costs**

Two Stage Float flowsheet developed and selected by Peak.



One of several excavated trenches for 66 tonne bulk sample collection, March 2015.

66 tonne sample of weathered typical mineralisation in Perth being prepared as feed for the pilot plants.

A bulk sample of 66 tonnes of typical Ngualla weathered bastnaesite mineralisation was collected from the area of proposed first mining and shipped to Perth to be prepared for the operation of the beneficiation pilot plant during the latter half of 2015 as part of the BFS.

Process Development –Advances in Leach Recovery

The breakthrough in increased concentrate grades through beneficiation achieved during the year has provided the opportunity to improve the next stage leach recovery process. Additional testwork is now nearing completion to define an improved leach recovery process that is expected to realise further savings in Opex and Capex compared to PFS.

The reduced feed mass of the higher grade mineral concentrate into the leach circuit is expected to significantly reduce the leach plant size. The higher grade concentrate also contains less than half the levels of acid consuming iron compared to PFS, thereby leading to reductions in reagent consumption.

A multiple stage and selective leach process using dilute reagents has been developed. This allows for the specific targeting of the rare earth bearing bastnaesite minerals whilst rejecting the majority of the gangue minerals and cerium. As a result, reagent requirements are further reduced during both leaching and purification stages.

The ability to reject a significant proportion of low value cerium during the leach process also has the potential to significantly reduce both the size and reagent requirements of the downstream separation plant.

The extensive testwork program on a range of mineral concentrates, which was commenced during 2015, is now nearing completion and will quantify the optimum leach parameters applicable to the higher grade concentrate prior to the design and operation of a leach recovery pilot plant.

Operation of a leach recovery pilot plant will commence in early 2016 following the completion of the beneficiation pilot plant.

IMPROVEMENTS IN LEACH RECOVERY PROCESS

COMPARED TO PFS:

- ✓ At least double the concentrate grade into less mass
- ✓ Reduces leach plant size and reagent consumption
- ✓ Acid consuming iron content halved
- ✓ Selective leaching has potential to:
  - Require less acid
  - Reduce gangue dissolution
  - Reject cerium
- ✓ Potential for Capex and Opex reductions

Process Development – Separation

A simplified and lower cost solvent extraction (SX) process compared to PFS has been chosen as a result of the focus on Ngualla's major value drivers, the Magnet Metals neodymium and praseodymium.

Peak has also changed the form of and reduced the number of final products from the four at PFS to three at BFS to align with market requirements.

The amount of high purity neodymium – praseodymium oxide to be produced, the main value driver estimated at approximately 81% of Ngualla's revenue, will be maintained. Marketing discussions indicate a preference for the remaining rare earths to be produced in carbonate form, and without the separation of lanthanum and cerium.

The size of the separation plant and the amount of hydrochloric acid (the major reagent) required to produce the same amount of neodymium – praseodymium as at PFS are expected to be reduced as the result of the cerium rejection strategy.

The reduced product suite reduces the complexity of the solvent extraction circuit compared to the PFS. The effect of this is expected to reduce the size of the solvent extraction separation plant as well as significantly reduce reagent requirements – most notably hydrochloric acid and caustic soda .

Peak completed the operation of a solvent extraction pilot plant at ANSTO Minerals research facility at Lucas Heights near Sydney in 2013. The data obtained will feed into the BFS and engineering design together with additional test work to be completed as part of the BFS.

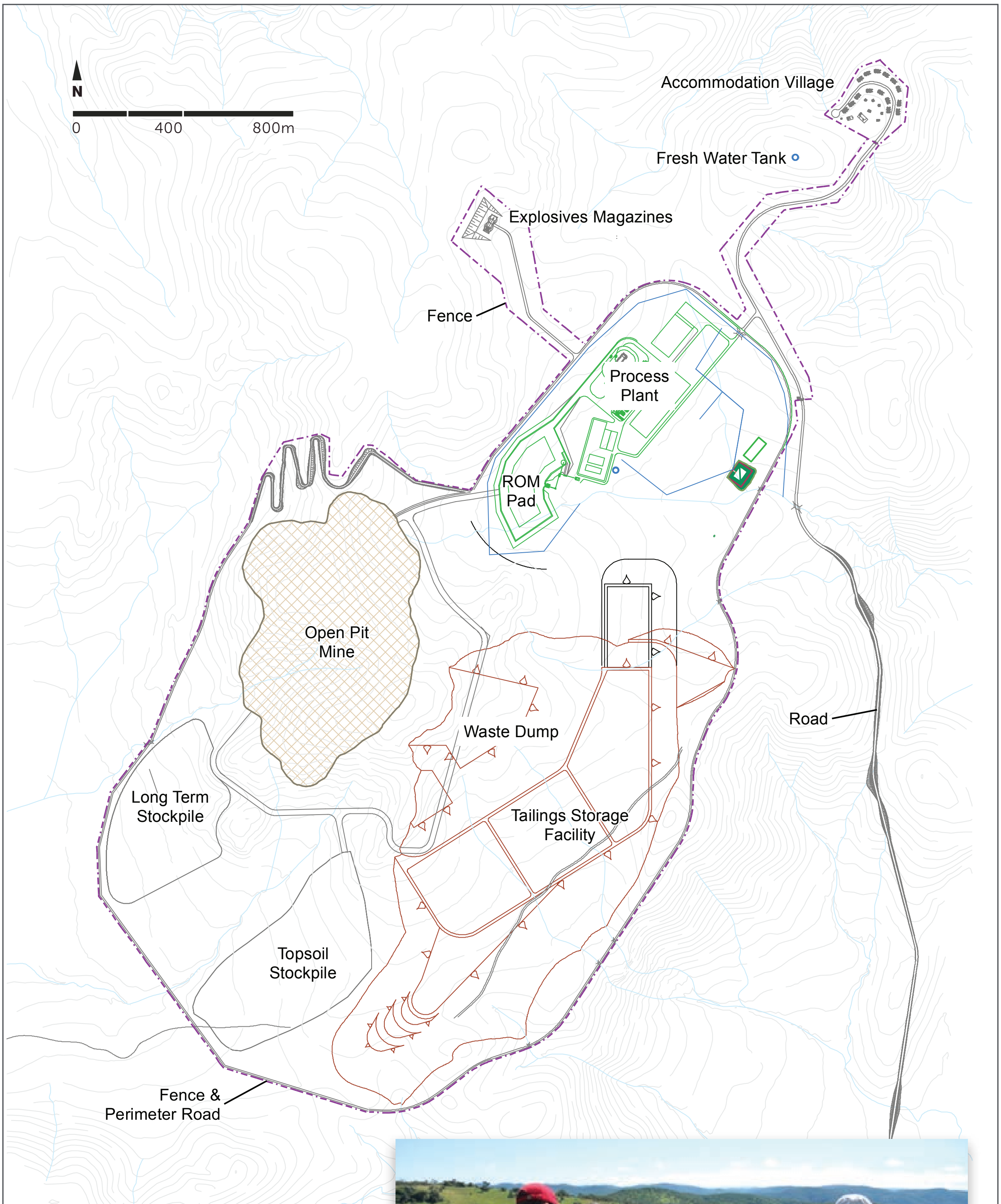
ADVANCES IN SEPARATION PROCESS

COMPARED TO PFS:

- ✓ Prior cerium rejection reduces plant size and reagent requirements
- ✓ New product suite allows for a simplified SX plant
- ✓ Lower separation costs achieved for low value products
- ✓ Overall potential for significant Capex and Opex reductions

ANSTO SX pilot plant.

Some of the final products produced from a bulk sample of Ngualla's mineralisation.



Above: Ngualla rare earth mine, infrastructure and processing plant preliminary design concept.

Right: Peak Technical Director Dave Hammond and appointed Feasibility Study Lead Engineers AMECFW personnel reviewing proposed mining and plant sites, Ngualla, March 2015.

BFS progress and Engineering Studies

The build out of the Peak team continued successively during the year as feasibility study activity ramped up, with the appointment of a tier one team of internationally recognised engineering specialists for the BFS.

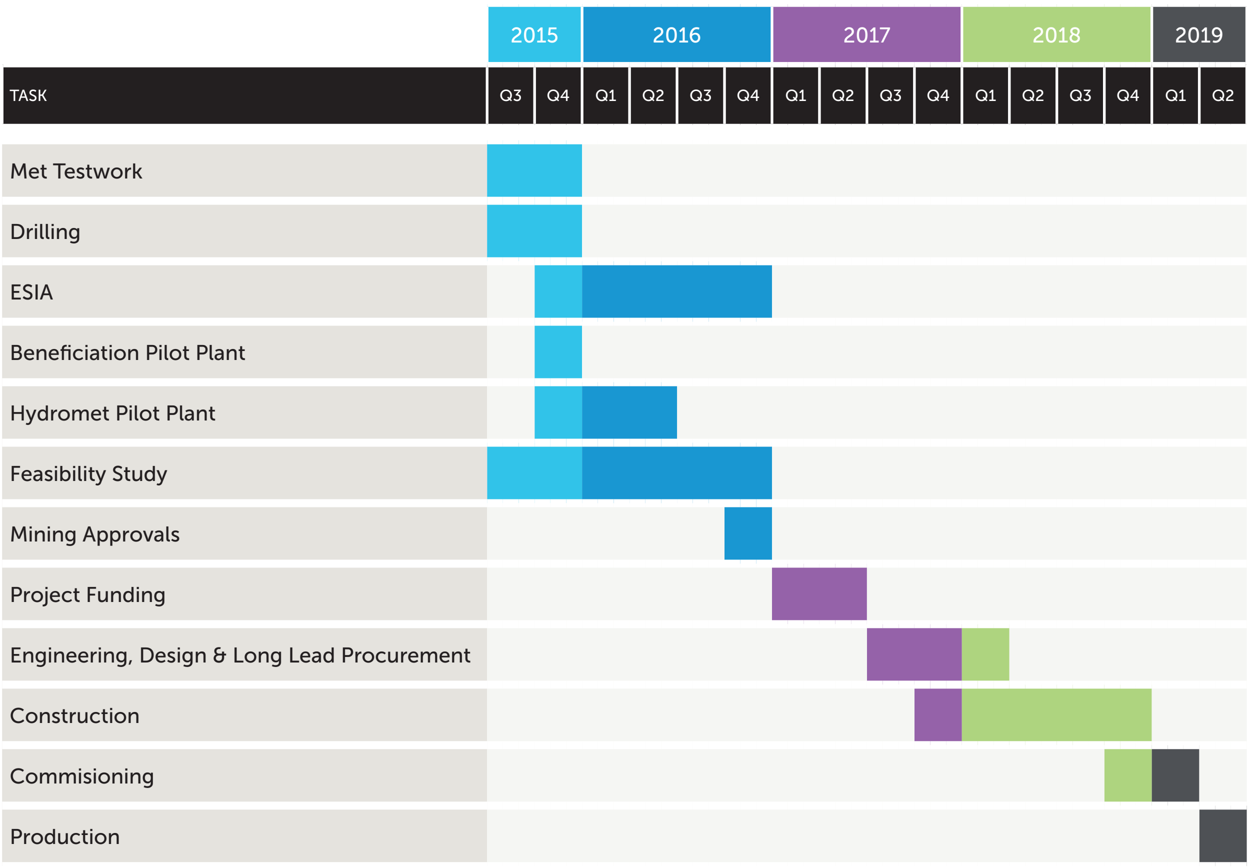
Peak appointed international engineering group AMEC Foster Wheeler (AMEC FW) as Lead Study Engineers for the Feasibility Studies early in 2015. Gavin Beer was appointed as General Manager of Metallurgy in February, after consulting to the Company since April 2012. Additional tier one consultants for the BFS were appointed in specialised areas including Mineral Resource Estimation (SRK), open pit geotechnical and hydrological (Golder Associates) and mine waste, process tailings, plant site geotechnical and water supply (Knight Piesold).

Engineering design commenced with preliminary layout plan of the Ngualla site and evaluation of waste storage and treatment options.

Preparation was completed for drilling programs at Ngualla to support the BFS. Drilling commenced just after year end in July 2015. Individual programs include infill and trial grade control drilling in the area of the proposed pit, diamond drilling to provide additional metallurgical samples, geotechnical and hydrological investigation of the pit area, geotechnical diamond drilling in the plant site and tailings storage facility and exploration drilling for water supply.

The selection of the final optimised process flowsheets and pilot plant operation will allow the engineering design of the processing plants and associated infrastructure to commence in the coming year.
The Company is on target to commence the execution phase of detailed design and construction in 2017 and commissioning towards the end of 2018.

Ngualla Project Summary Development Schedule.



Environmental Permitting

Early in 2015 Peak announced the appointment of environmental consultants to complete studies and reports required to support a mining licence application for the Ngualla Rare Earth Project.

In country consultants Align Environment and Risk ("**Align**") and Paulsam Geo-engineering Company Ltd are well respected with extensive experience in the field and have operational centres in Tanzania.

An additional part of Align's role is to assist Peak to continue to meet IFC's best practise standards of operation and to complete the reporting required by IFC and international banks in environmental and social responsibility.

Wet season baseline surveys were completed to support the Environmental and Social Impact Assessment required for the issue of an Environmental Certificate ("**EC**"). The EC is required prior to the grant of a mining licence. The project development area at Ngualla is free of any habitation, farming or grazing and there are no Reserves of any kind over the area. Dry season surveys were completed in 2014 with no endangered species identified.

Social and Environmental Responsibility

Peak is committed to assisting the communities in which it operates whilst maintaining best practise environmental management and health and safety standards.

The Company values the excellent relationship maintained with local village, district authorities and individuals and recognises that the development of the Ngualla Project must provide for benefits for both Community and Company. 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.

Ngwala village chairman, Michael Nazia receiving the donated furniture from Peak Project Manager Patrick Ochieng, June 2015.

The Ngwala community identified that a lack of housing was continuing to lead to a shortage of teachers for the primary school. In the 2014 – 2015 reporting year Peak completed a second pair of teacher's houses and is now constructing two more at the outlying village of Itiziro.

Peak's community projects have included:

- Construction and refurbishment of classrooms for the Ngwala Primary School
- Donation and construction of new school desks for schools in the Ngwala Ward
- Donation of a range of items for community needs including beds, mattresses, textbooks, cement, office furniture, stationary and sports equipment
- Construction of six teacher's houses
- Assistance with water supply, road and airstrip maintenance

The Community projects further benefit the community through the involvement of many local contractors, labourer and suppliers.

Construction nearing completion on a pair of teachers houses at the Itiziro village, September 2015.

Preparations for the handover of the second pair of teachers houses constructed by Peak for the Ngwala Primary School, November 2014.

Peak Geologist Erasto Kafyulilo handing over a donation of cement for the Kapalala secondary school to the Chunya District Commissioner, Hon. Deodatus Kinawiro watched by District Executive Director , Mrs Sofia Kumbule, November 2014.

APPENDIX

Corporate Governance and Internal Controls

Peak ensures that the Ore Reserve and Mineral Resources estimates are subject to appropriate governance and internal controls which are reviewed periodically in line with the expansion and development of the Company.

The Mineral Resource estimate and Ore Reserve were derived by independent consulting organisations whose staff are highly competent and professional. Competent Persons named by the company are Members or Fellows of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code. The Mineral Resource consultant carried out rigorous reviews of the quality of the database and geological models prior to estimation. Internal technical reviews are carried out systematically by both of the independent consulting organisations.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Comparison of Mineral Resources and Ore Reserves with previous year

The tables below compare the Ore Reserve and Mineral Resource statements for 2014 and 2015. There have been no material changes in the Mineral Resource or Ore Reserve holdings from the previous year.

Table 1: Classification of Ore Reserves for the weathered Bastnaesite Zone at Ngualla.

		Ore Reserve as at 30 June 2015			Ore Reserve as at 30 June 2014		
	JORC Category	Ore Tonnes (million)	REO%	Contained REO tonnes	Ore Tonnes (million)	REO%	Contained REO tonnes
Ngualla weathered Bastnaesite Zone	Proved	18.0	4.53	817,000	18.0	4.53	817,000
	Probable	2.7	4.62	124,000	2.7	4.62	124,000
	Total	**20.7**	**4.54**	**941,000**	**20.7**	**4.54**	**941,000**

*A 3.0% REO cut-off grade is applied. See Table 4 for the breakdown of individual REO's. Reported according to the JORC 2012 Code and Guidelines.

The maiden Ngualla Ore Reserve is detailed in the ASX announcement titled 'Ngualla Rare Earth Project – Maiden Ore Reserve' of 19 March 2014, which also includes a detailed summary of the supporting project assumptions and data.

Table 2: Classification of Mineral Resources for the Ngualla Rare Earth Project at a 1.0% cut-off grade.

			Mineral Resource as at 30 June 2015				Mineral Resource as at 30 June 2014		
	Lower cut-off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes ('000)	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes ('000)
Ngualla Rare Earth Project	**1.0% REO**	Measured	81	2.66	2,100	Measured	81	2.66	2,100
		Indicated	94	2.02	1,900	Indicated	94	2.02	1,900
		Inferred	20	1.83	380	Inferred	20	1.83	380
		Total	**195**	**2.26**	**4,400**	**Total**	**195**	**2.26**	**4,400**

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 5 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. Reported according to the JORC 2004 Code and Guidelines.

The Ngualla Mineral Resource is detailed in the ASX announcement titled 'Increased Resource Estimate to improve Ngualla Project economics' of 4 April 2013.

Table 3: Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut off grade.

			Mineral Resource as at 30 June 2015				Mineral Resource as at 30 June 2014		
	Lower cut-off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes ('000)	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes ('000)
Ngualla weathered Bastnaesite Zone	**3.0% REO**	Measured	19	4.53	840	Measured	19	4.53	840
		Indicated	2.9	4.62	140	Indicated	2.9	4.62	140
		Inferred	0.11	4.10	4	Inferred	0.11	4.10	4
		Total	**21.6**	**4.54**	**982**	**Total**	**21.6**	**4.54**	**982**

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 5 for breakdown of individual REO's. The weathered Bastnaesite Zone mineral resource is contained within and is a subset of the Total Ngualla Project Mineral Resource at a 1% REO cut-off grade in Table 2 above'. Reported according to the JORC 2004 Code and Guidelines. Figures above may not sum precisely due to rounding.

Table 4: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the Ngualla Project Ore Reserve summarised in Table 1.

Oxide		% of Total REO	Individual REO Grade %
Lanthanum	La_2O_3	27.6	1.25
Cerium	CeO_2	48.2	2.19
Praseodymium	Pr_6O_{11}	4.74	0.21
Neodymium	Nd_2O_3	16.6	0.75
Samarium	Sm_2O_3	1.60	0.07
Europium	Eu_2O_3	0.30	0.01
Gadolinium	Gd_2O_3	0.62	0.03
Terbium	Tb_4O_7	0.05	0.00
Dysprosium	Dy_2O_3	0.08	0.00
Holmium	Ho_2O_3	0.01	0.00
Erbium	Er_2O_3	0.03	0.00
Thulium	Tm_2O_3	0.00	0.00
Ytterbium	Yb_2O_3	0.01	0.00
Lutetium	Lu_2O_3	0.00	0.00
Yttrium	Y_2O_3	0.20	0.01
	Total %:	**100**	**4.54**

Table 5: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the weathered Bastnaesite Zone +3% REO and Total Ngualla +1% REO Mineral Resources.

Oxide		Bastnaesite ZoneMineral Resource at 3.0% cut %	Ngualla total Mineral Resource at 1.0% cut%
Lanthanum	La_2O_3	27.6	27.1
Cerium	CeO_2	48.2	48.2
Praseodymium	Pr_6O_{11}	4.73	4.81
Neodymium	Nd_2O_3	16.6	16.3
Samarium	Sm_2O_3	1.60	1.67
Europium	Eu_2O_3	0.30	0.35
Gadolinium	Gd_2O_3	0.61	0.76
Terbium	Tb_4O_7	0.05	0.07
Dysprosium	Dy_2O_3	0.08	0.16
Holmium	Ho_2O_3	0.01	0.02
Erbium	Er_2O_3	0.03	0.06
Thulium	Tm_2O_3	0.00	0.00
Ytterbium	Yb_2O_3	0.01	0.02
Lutetium	Lu_2O_3	0.00	0.00
Yttrium	Y_2O_3	0.20	0.48
	Total %	**100**	**100**

Figures may not sum due to rounding to 0.01%

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 2012 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.

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 the announcement that related to Ore Reserves and estimated mine operating costs was based on information compiled by Mr Ryan Locke, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Locke is a Principal Planner and is employed by Orelogy Pty Ltd, an independent consultant to Peak Resources. Mr Locke has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ryan Locke consents to the inclusion in the report of the maters 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 and a Chartered Professional. 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 infrastructure, project execution and cost estimating is based on information compiled and / or reviewed by Lucas Stanfield who is a Member of the Australian Institute of Mining and Metallurgy. Lucas Stanfield is the Chief Development Officer for Peak Resources Limited and is a Mining Engineer with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report.

Directors' Report

The directors of Peak Resources Limited submit herewith the financial statements of the Company for the financial year ended 30 June 2015. 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 Jonathan Murray	Non-Executive Chairman (appointed 1 April 2015, previously Non-Executive Director)
Mr Darren Townsend	Managing Director
Mr Dave Hammond	Technical Director
Mr Robin Mills	Non-Executive Director (appointed 1 April 2015)
Mr John Jetter	Non-Executive Director (appointed 1 April 2015)
Mr Alastair Hunter	Non-Executive Chairman (resigned 1 April 2015)

INFORMATION ON DIRECTORS

Mr Jonathan Murray Bachelor Laws and Commerce

Non-Executive Chairman (Appointed Chairman 1 April 2015, previously Non-Executive Director appointed 22 February 2011)

Jonathan 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). Jonathan has also served as a director of the following other listed companies:

- Hannans Reward Ltd – from 22 January 2010
- Lemur Resources Limited (appointed 6 November 2013; resigned 29 May 2014)
- Highfield Resources Ltd (appointed 25 October 2011; resigned 14 August 2013)
- Kalgoorlie Mining Company Ltd (appointed 4 June 2010; resigned 5 October 2012) previously US Nickel Ltd

Mr Darren Townsend B.Eng (Mining-Hons), EMBA, MAusIMM

Managing Director (Appointed 3 February 2014)

Darren is a mining engineer with extensive mining and corporate experience. Prior to joining Peak over a period of 6 years Darren was President & CEO of TSXV listed Pacific Wildcat Resources Corp where he was responsible for building a tantalum mine in Mozambique and completing the acquisition and resource drill out of a large rare earth and niobium project in Kenya. Previously Darren has also worked at De Grey Mining Ltd where he held the position of Managing Director from May 2006 to December 2007. Prior to that he was General Manager of Operations at Sons of Gwalia's (now Talison) Wodgina Tantalum operations and over a period of 7 years, led and managed the development of the mine to become the world's largest hard rock Tantalum operation. Darren has also served as a director of the following other listed companies:

- De Grey Mining Ltd – from 23 May 2006 until 20 November 2014
- Pacific Wildcat Resources Corp – from 25 July 2008 until 14 January 2015

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

Technical Director (Appointed 25 October 2010)

David has 26 years technical and management experience in Africa, Australia and South America. He has been Technical Director with Peak and the Ngualla Project for almost five years, since the second drill hole into the main Bastnaesite Zone. He 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 of Western Australia and Project Geologist with Billiton/Gencor in South Africa and Zambia in a range of commodities and geological deposit styles.

Mr Robin Mills BSc.Eng.Rand.(Mining), FSAIMM., FIMMM.(UK), CEng.

Non-Executive Director (Appointed 1 April 2015)

Robin is a South African who has had a long global mining career as an engineer, operating manager and director.
For 40 + years this included operational, consulting and board level assignments with the Anglo American and De Beers Groups, primarily in gold, nickel, copper, platinum and diamond mine projects and operations in Africa, North and South America.
He operated in positions ranging from Mine and General Manager, Consulting Engineer, COO and CEO responsibilities over that period and concluded his career with the majors as the Group Technical Director for De Beers. Robin is currently a senior partner in the London based Appian Capital Advisory LLP. Robin also serves as a director of the following other listed companies:

- Royal Bafokeng Platinum Ltd (JSE) – from 20 September 2010
- RoXgold Incorporated (TSX) – from 11 June 2015

Mr John Jetter BLaw, BEcon, INSEAD

Non-Executive Director (Appointed 1 April 2015)

John has Bachelor of Law and Bachelor of Economics degrees and has extensive international finance and M&A experience having been the former Managing Director, CEO and head of investment banking of JP Morgan in Germany and Austria, and a member of the European Advisory Council of JP Morgan in London. He has held various senior positions with JP Morgan during which time he focused his attention on major corporate clients and advised on some of Europe's largest transactions. Before joining JP Morgan, he spent 12 years with CRA Limited (now Rio Tinto) in a variety of senior management roles gaining extensive experience in the mining and mineral processing industries. In addition, John has an extensive understanding of the rare earths industry and has been actively involved in negotiating and executing rare earth offtake agreements. John has also served as a director of the following other listed companies:

- Otto Energy – from 10 December 2007
- Venture Minerals Ltd – from 8 June 2010

Mr Alastair Hunter

Non- executive Chairman (Resigned 1 April 2015)

Alastair 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. He 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. Alastair was appointed as a Director on 23 May 2008.

COMPANY SECRETARY

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

Graeme Scott

Company Secretary (Appointed 3 November 2014)

Graeme is a fellow of the Association of Chartered Certified Accountants (UK) with more than 20 years' experience in professional and corporate roles in both Australia and the UK. He has spent the last 10 years working in the resources sector in CFO and Company Secretarial roles for both ASX and TSX listed companies.

Jeffrey Dawkins

Company Secretary (Resigned 3 November 2014)

Jeff is an Australian Chartered Accountant with more than 20 years' experience in professional and corporate roles in Perth, London and Singapore. He 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.

PRINCIPAL ACTIVITIES

During the year, the principal activities of the Company consisted of:

(a) Mineral processing technological evaluations;

(b) Mining and associated infrastructure, feasibility evaluations; and

(c) Mineral definition and development.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to $4,195,877 (2014: loss $3,148,903).

The basic and diluted loss per share for the Group for the year was 1.26 cents (2014: 1.05 cents)

FINANCIAL POSITION

The net assets of the Group have decreased from $36,145,291 at 30 June 2014 to $33,459,177 at 30 June 2015.

The Group's working capital deficiency, being current assets less current liabilities, was ($6,418,152) at 30 June 2015 (2014: net working capital $2,113,434). On 26 July 2015 the Company announced the closing of Stage 1 of the financing transaction with Appian Natural Resource Fund (Appian), a UK Based private equity investor, and International Finance Corporation (IFC) which has addressed the Company's working capital deficiency. Further details are provided in the After Balance Date Events section of this report, please also refer ASX release dated 26 July 2015 – *Closing of BFS Financing with Appian and IFC.*

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 group is advancing the development of the Ngualla Rare Earth Project towards becoming a long term, low cost supplier of magnet metal raw materials.

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

On the 26 July 2015 the Company announced the closing of Stage 1 of the Bankable Feasibility (BFS) financing with Appian and IFC. The Stage 1 closure involved the following:

1. Issue of 40,107,495 and 10,026,874 fully paid ordinary shares for A$0.09 per share to Appian and IFC respectively for a total of A$4,512,094.
2. Appian have the right to nominate two directors to the Peak Board (Mr Mills and Mr Jetter appointed 1 April 2015) and IFC have the right to nominate one director.
3. A subscription of US$4,385,219 into Peak's 100% owned subsidiary Peak African Minerals giving Appian and IFC a 10% and 2.5% interest respectively. Peak retains an 87.5% interest.
4. A subscription of A$2,599,004 for a convertible loan note, convertible into either 33,370,698 fully paid ordinary shares in Peak at A$0.103 per share or an additional combined interest of 4.99% in Peak African Minerals.
5. Appian have been granted rights to an equal number of directors as Peak on the Peak African Minerals board, including the right to nominate the chairman with a casting vote.
6. The granting of a 2% Gross Sales Royalty over the production from the Ngualla Rare Earth Project for a payment of US$5,191,200.
7. Repayment in full of interim loan funding facilities provided by Appian of US$3,000,000 and A$5,000,000 together with all applicable interest.

MEETINGS OF DIRECTORS

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

	Board Meetings	
	Number held and entitled to attend	Number attended
Jonathan Murray	9	8
Darren Townsend	9	9
David Hammond	9	9
Alastair Hunter	7	7
John Jetter	2	2
Robin Mills	2	2

Note – no Audit Committee Meetings or Remuneration Committee Meetings were held during the year as the function of these committees 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	Performance Rights
Mr Jonathan Murray	1,140,001	1,000,000	-
Mr Darren Townsend	-	6,000,000	5,000,000
Mr David Hammond	1,570,589	4,000,000	2,500,000
Mr John Jetter*	-	-	-
Mr Robin Mills*	-	-	-

During the year an allocation of options and performance rights was made to the Director's following approval by shareholders on 1 July 2014. Details of these issues are provided in the Remuneration Report.

*An allocation of options to Messrs Jetter and Mills was approved at a General Meeting of Shareholders held on 11 September 2015.

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 and employees are also entitled to participate in the employee share and option arrangements.

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 directors are not provided with any specified 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 and performance rights are valued using the Black-Scholes methodology. Details of options and performance rights provided to directors are detailed in the Remuneration Report.

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 is in the process of including a performance based remuneration component built into director and executive remuneration packages.

During the year the Company issued 2,500,000 vested performance rights and 8,000,000 unvested performance rights. The unvested performance rights vest on achievement of performance milestones:

(i) the Company (or any of its subsidiaries) receiving an offer of unconditional finance for the construction of a rare earth processing plant for its Ngualla Rare Earth Project and approval of the Board of the Company being received to proceed with construction; or

ii) the Company (or any of its subsidiaries) receiving an offer of unconditional finance for an amount in excess of AUD $50 million and approval by the Board of such financing.

The Board consider that the achievement of these milestones will deliver increased shareholder wealth.

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:

	2015 $	2014 $	2013 $	2012 $	2011 $
Other income	38,426	54,134	2,503,930	582,143	558,722
Net loss before tax	(4,195,877)	(3,148,903)	(2,867,384)	(5,297,738)	(2,241,059)
Net loss after tax	(4,195,877)	(3,148,903)	(2,867,384)	(5,297,738)	(2,241,059)
Closing share price at end of year	$0.085	$0.06	$0.13	$0.22	$0.51
Basic loss per share (cents)	1.13	1.05	1.15	3.01	1.71
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 and in some instances performance rights 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. Details of directors and executives interests in shares and options at year end are detailed below.

Details of remuneration

The relevant Key Management Personnel (KMP) of the group for the 2015 financial year were:

Mr. Jonathan Murray – Non-Executive Chairman (Appointed 1 April 2015, previously Non-Executive Director)
Mr. Darren Townsend – Managing Director
Mr. David Hammond – Technical Director
Mr John Jetter – Non-Executive Director (Appointed 1 April 2015)
Mr Robin Mills – Non-Executive Director (Appointed 1 April 2015)
Mr. Alastair Hunter – Non-Executive Chairman (Resigned 1 April 2015)
Mr. Graeme Scott – Chief Financial Officer & Company Secretary (Appointed 3 November 2014)
Mr. Jeffrey Dawkins – Chief Financial Officer & Company Secretary (Resigned 3 November 2014)

Total remuneration for the year was:

	2015 $	2014 $
Salary and fees	951,530	863,592
Superannuation	63,838	66,469
Share based payments	472,726	-
	1,488,094	**930,061**

Remuneration of individual KMP's were:

	Short-Term Benefits		Post Employ-ment	Share-Based Payment*		Total	Proportion related to:	
	Salary & Fees	Non-Monetary	Super-annuation	Performance Rights	Options		Equity	Perfor-mance
30 June 2015	$	$	$	$	$	$	%	%
DIRECTORS								
Mr. Alastair Hunter	56,534	-	5,371	77,967	27,167	167,039	63%	47%
Mr. Darren Townsend	319,445	-	10,103	59,964	81,500	471,012	30%	13%
Mr. David Hammond	300,000	-	28,500	137,837	54,333	520,670	37%	26%
Mr. Jonathan Murray	36,676	-	-	-	13,583	50,259	27%	0%
Mr. John Jetter	10,000	-	-	-	-	10,000	0%	0%
Mr. Robin Mills	10,000	-	-	-	-	10,000	0%	0%
	732,655	**-**	**43,974**	**275,768**	**176,583**	**1,228,980**	**37%**	**22%**
EXECUTIVES								
Mr. Jeffrey Dawkins	65,041	-	5,250	-	12,104	82,395	15%	0%
Mr. Graeme Scott	153,834	-	14,614	-	8,271	176,719	5%	0%
	218,875	**-**	**19,864**	**-**	**20,375**	**259,114**	**8%**	**0%**
Total remuneration	**951,530**	**-**	**63,838**	**275,768**	**196,958**	**1,488,094**	**52%**	**18%**

30 June 2014	$	$	$	$	$	$	%	%
DIRECTORS								
Mr. Alastair Hunter	133,333	-	12,333	-	-	145,667	0%	0%
Mr. Darren Townsend	123,590	-	1,411	-	-	125,002	0%	0%
Mr. David Hammond	300,000	-	27,750	-	-	327,750	0%	0%
Mr. Jonathan Murray	36,668	-	-	-	-	36,668	0%	0%
	593,592	**-**	**41,494**	**-**	**-**	**635,086**	**0%**	**0%**
EXECUTIVES								
Mr. Jeffrey Dawkins	270,000	-	24,975	-	-	294,975	0%	0%
	270,000	**-**	**24,975**	**-**	**-**	**294,975**	**0%**	**0%**
Total remuneration	**863,592**	**-**	**66,469**	**-**	**-**	**930,061**	**0%**	**0%**

**Some options and performance rights are subject to length of service vesting criteria and achievement of performance milestone vesting criteria.*

Options and performance rights granted during the year ended 30 June 2015

Options granted during the year

30 June 2015	Date of issue	Number of options issued	Value per Option[1]	Total value of issue	Vesting Date[2]	Exercise Price	Expiry Date	Number vested during the year
DIRECTORS								
Mr Jonathan Murray	5-Jan-15	333,334	0.024	8,069	5-Jan-15	$ 0.10	5-Jan-17	333,334
	5-Jan-15	333,333	0.024	7,997	5-Jan-16	$ 0.15	5-Jan-18	-
	5-Jan-15	333,333	0.019	6,424	5-Jan-17	$ 0.20	5-Jan-18	-
Mr Alastair Hunter	5-Jan-15	666,667	0.024	16,139	5-Jan-15	$ 0.10	5-Jan-17	666,667
	5-Jan-15	666,667	0.024	15,993	5-Jan-16	$ 0.15	5-Jan-18	-
	5-Jan-15	666,666	0.019	12,847	5-Jan-17	$ 0.20	5-Jan-18	-
Mr Darren Townsend	5-Jan-15	2,000,000	0.024	48,416	5-Jan-15	$ 0.10	5-Jan-17	2,000,000
	5-Jan-15	2,000,000	0.024	47,980	5-Jan-16	$ 0.15	5-Jan-18	-
	5-Jan-15	2,000,000	0.019	38,542	5-Jan-17	$ 0.20	5-Jan-18	-
Mr David Hammond	5-Jan-15	1,333,334	0.024	32,277	5-Jan-15	$ 0.10	5-Jan-17	1,333,334
	5-Jan-15	1,333,333	0.024	31,987	5-Jan-16	$ 0.15	5-Jan-18	-
	5-Jan-15	1,333,333	0.019	25,695	5-Jan-17	$ 0.20	5-Jan-18	-
		13,000,000		**292,366**				**4,333,335**
EXECUTIVES								
Mr Jeff Dawkins	5-Jan-15	500,000	0.024	12,104	5-Jan-15	$ 0.10	5-Jan-17	500,000
Mr Graeme Scott	5-Jan-15	500,000	0.024	11,995	5-Jan-16	$ 0.15	5-Jan-18	-
	5-Jan-15	500,000	0.019	9,636	5-Jan-17	$ 0.20	5-Jan-18	-
		1,500,000		**33,735**				**500,000**
Total		**14,500,000**		**326,101**				**4,833,335**

1. *Options are valued using the Black-Scholes method on date of grant*
2. *The unvested $0.15 and $0.20 options vest after 1 years continuous service on 5 January 2016 and 2 years continuous service on 5 January 2017 respectively.*

No options were granted during the year ended 30 June 2014.

Performance Rights granted during the year

30 June 2015	Date of issue	Number of Performance Rights issued	Value per Performance Right	Total value of issue	Vesting Date	Exercise Price	Expiry Date	Number vested during the year
DIRECTORS								
Mr Alastair Hunter	5-Jan-15	1,000,000	$ 0.072	72,000	5-Jan-15	$ -	5-Jan-18	1,000,000
	5-Jan-15	500,000	$ 0.072	36,000	**	$ -	5-Jan-18	-
Mr Darren Townsend	5-Jan-15	5,000,000	$ 0.072	360,000	**	$ -	5-Jan-18	-
Mr David Hammond	5-Jan-15	1,500,000	$ 0.072	108,000	5-Jan-15	$ -	5-Jan-18	1,500,000
	5-Jan-15	2,500,000	$ 0.072	180,000	**	$ -	5-Jan-18	-
		10,500,000		**756,000**				**2,500,000**

***Vest on achievement of performance milestones.*

No Performance Rights were granted during the year ended 30 June 2014.

Shareholdings of KMP's

30 June 2015	Opening balance	Granted as remuneration	Exercise / expiry of options	Cancelled	Market transactions	Closing balance
DIRECTORS						
Mr Jonathan Murray	1,140,001	-	-	-	-	1,140,001
Mr Alastair Hunter*	9,048,991	-	-	-	(9,048,991)	-
Mr Darren Townsend	-	-	-	-	-	-
Mr David Hammond	70,589	-	-	-	-	70,589
Mr Robin Mills	-	-	-	-	-	-
Mr John Jetter	-	-	-	-	-	-
	10,259,581	**-**	**-**	**-**	**(9,048,991)**	**1,210,590**
EXECUTIVES						
Mr Jeffrey Dawkins*	25,000	-	-	-	(25,000)	-
Mr Graeme Scott	-	-	-	-	-	-
	25,000	**-**	**-**	**-**	**(25,000)**	**-**
Total	**10,284,581**	**-**	**-**	**-**	**(9,073,991)**	**1,210,590**

**Ceased engagement during the year, their holdings are not reported at the year end.*

Option Holdings of KMP's including performance rights

30 June 2015	Opening balance	Granted as remuneration	Exercise of Options	Expired/ Cancelled	Market transactions	Closing balance	Vested at 30 June
DIRECTORS							
Mr Jonathan Murray	326,298	1,000,000	-	(326,298)	-	1,000,000	333,334
Mr Alastair Hunter*	2,082,396	4,500,000	-	(2,082,396)	(4,500,000)	-	-
Mr Darren Townsend	-	11,000,000	-	-	-	11,000,000	2,000,000
Mr David Hammond	70,590	8,000,000	-	(70,590)	-	8,000,000	2,833,334
Mr Robin Mills	-	-	-	-	-	-	-
Mr John Jetter	-	-	-	-	-	-	-
	2,479,284	**24,500,000**	**-**	**(2,479,284)**	**(4,500,000)**	**20,000,000**	**5,166,668**
EXECUTIVES							
Mr Jeff Dawkins*	83,334	500,000	-	(83,334)	(500,000)	-	-
Mr Graeme Scott	-	1,000,000	-	-	-	1,000,000	-
	83,334	**1,500,000**	**-**	**(83,334)**	**(500,000)**	**1,000,000**	**-**
Total	**2,562,618**	**26,000,000**	**-**	**(2,562,618)**	**(5,000,000)**	**21,000,000**	**5,166,668**

**Ceased engagement during the year, their holdings are not reported at the year end.*

Performance income as a proportion of total income

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

Service agreements:

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

Darren Townsend – Managing Director

Darren is employed under an Executive Service Agreement (ESA). The agreement provides for an annual salary of $400,000 inclusive of superannuation, plus a fully expensed vehicle (not currently taken), expenses, discretionary bonuses, options and performance rights. The Executive is entitled to leave in accordance with the relevant legislation. Darren's engagement has no fixed term but is subject to a six month notice period from either party.

Dave Hammond – Technical Director

Dave is employed under an ESA. The agreement provides for an annual salary of $300,000 plus superannuation, expenses, and eligibility for options. The Executive is entitled to leave in accordance with the relevant legislation. Dave's engagement has no fixed term but is subject to a three month notice period from either party.

Alastair Hunter – Non-Executive Chairman (resigned 1 April 2015)

Under Alastair's agreement annual directors fees of $75,000 plus superannuation were payable. No retirement benefits are provided for.

Jonathan Murray / John Jetter / Robin Mills - Non-Executive Directors

Non-Executive Directors are appointed by letter agreement with no fixed term ceasing on resignation or removal as a director in accordance with the Corporations Act. Fees are currently set at $40,000 per annum. No retirement benefits are provided for.

Jeffrey Dawkins – CFO & Company Secretary (resigned 3 November 2014)

Jeff was employed under an ESA. The agreement provides for an annual salary of $270,000, plus superannuation, expenses, and eligibility for options. The Executive is entitled to leave in accordance with the relevant legislation. Jeff's engagement has no fixed term but is subject to a three month notice period from either party.

Graeme Scott – CFO & Company Secretary (appointed 3 November 2014)

Graeme is employed under an ESA. The agreement provides for an annual salary of $200,000, plus superannuation, expenses, and eligibility for options. The Executive is entitled to leave in accordance with the relevant legislation. Graeme's engagement has no fixed term but is subject to a three month notice period from either party.

Other transactions

During the year Steinepreis Paganin Lawyers and Consultants a legal practice associated with Mr Jonathan Murray received $365,711 (2014: $98,075.29) as fees for the provision of legal advice. Balance outstanding at 30 June 2015 and included in trade creditors $4,276 (30 June 2014: $27,658).

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.

(End of Remuneration Report)

OPTIONS AND PERFORMANCE RIGHTS

At the date of this report unissued ordinary shares of the Company under option to service providers only are:

Expiry Date	Exercise Price	Number under option
20 February 2017	$0.55	6,250,000
3 March 2018	$0.55	150,000

Unissued ordinary shares of the Company under option to directors, former directors and employees are:

Expiry Date	Exercise Price	Number under option
5 January 2017	$0.10	6,383,334
5 January 2018	$0.15	6,383,333*
5 January 2018	$0.20	6,383,333*

**Vesting subject to length of service criteria*

Unissued ordinary shares of the Company under Performance Right to directors and former directors are:

Expiry Date	Exercise Price	Number under option
5 January 2017	$0.00	2,500,000
5 January 2018	$0.00	8,000,000#

#Vest on achievement of performance milestones

Option or rights holders do not have any right, by virtue of the option or right to participate in any share issue of the Company or any related body corporate. 317,498 ordinary shares were issued as a result of the exercise of A$0.10 listed options during the financial year ended 30 June 2015. 51,659,251 A$0.25 listed options and 58,354,749 A$0.10 listed options expired unexercised during the year ended 30 June 2015. Details of options and performance rights issued during the year are detailed in the Remuneration Report.

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.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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 2015 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,

Jonathan Murray Non-executive Chairman
Perth, 30 September 2015

Ernst & Young
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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor’s Independence Declaration to the Directors of Peak Resources Limited

In relation to our audit of the financial report of Peak Resources Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

D A Hall
Partner
30 September 2015

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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 consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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.

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 controls as the directors determine are necessary to enable the preparation of the financial report that 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 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 about 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Opinion

In our opinion:

a. the financial report of Peak Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(a) in the financial report which describe the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of an uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

D A Hall

D A Hall
Partner
Perth
30 September 2015

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Finance income	3	38,426	48,959
Other income	3	-	5,175
Total income		**38,426**	**54,134**
Employee benefits expenses		(964,718)	(1,455,033)
Share based payments expenses		(535,597)	-
Impairment of capitalised exploration costs		(1,915)	(122,671)
Depreciation expenses		(37,757)	(45,423)
Borrowing costs		(504,130)	(19,875)
Administrative and other costs		(2,190,186)	(1,560,035)
Loss before income tax		**(4,195,877)**	**(3,148,903)**
Income tax benefit	6	**-**	**-**
Loss after income tax		**(4,195,877)**	**(3,148,903)**
Other comprehensive (loss)/income, net of tax			
Items that could be transferred to profit or loss in future:			
Exchange difference on translation of foreign operations		942,416	(182,191)
Total comprehensive loss for the year		**(3,253,461)**	**(3,331,094)**
Loss per share (in cents)			
Basic and Diluted loss per share	5	(1.26)	(1.05)

The statement should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	7	2,943,861	1,889,470
Trade and other receivables	8	993,819	729,149
Other Financial Assets	9	99,500	104,000
Prepayments		453,423	145,004
Total current assets		**4,490,603**	**2,867,623**
Non-current assets			
Property plant and equipment	10	85,143	91,624
Capitalised exploration and evaluation costs	11	39,784,186	33,936,233
Investments	12	8,000	4,000
Total non-current assets		**39,877,329**	**34,031,857**
Total assets		**44,367,932**	**36,899,480**
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,896,829	666,127
Provisions	14	94,226	88,062
Short term loans	15	8,917,700	-
Total current liabilities		**10,908,755**	**754,189**
Total liabilities		**10,908,755**	**754,189**
Net assets		**33,459,177**	**36,145,291**
EQUITY			
Contributed equity	17	54,943,414	54,911,664
Reserves	16	2,875,989	1,397,976
Accumulated losses		(24,360,226)	(20,164,349)
Total equity		**33,459,177**	**36,145,291**

The statement should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,167,620)	(2,782,218)
Interest received		39,996	48,959
Finance costs paid		(18,012)	-
Borrowing costs paid		(37,692)	(19,875)
R&D Tax Refund received		-	1,690,381
Cash used in operating activities	7	**(3,183,328)**	**(1,062,753)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(31,276)	(31,460)
Proceeds from sale of non-current assets		-	2,381
Payment for exploration and evaluation costs		(4,672,130)	(2,434,328)
Cash used in investing activities		**(4,703,406)**	**(2,463,407)**
FINANCING ACTIVITIES			
Proceeds from issue of equity shares		31,749	3,520,335
Payment for term deposit		4,500	(104,000)
Costs of issuing equity shares		-	(146,559)
(Repayment of) / Proceeds from borrowings		8,917,700	(315,000)
Cash generated from financing activities		**8,953,949**	**2,954,776**
Net decrease in cash and cash equivalents		1,067,215	(571,384)
Balance at the beginning of the year		1,889,474	2,463,309
Effect of foreign currency translation		(12,828)	(2,455)
Balance at the end of the year	7	**2,943,861**	**1,889,470**

The statement should be read in conjunction with the accompanying notes

Consolidated Statement of Changes In Equity

For the Year Ended 30 June 2015

	Contributed Equity $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
At 30 June 2013	**51,537,888**	**1,066,866**	**513,301**	**(17,015,446)**	**36,102,609**
Loss for the year 2014	-	-	-	(3,148,903)	(3,148,903)
Other comprehensive income	-	-	(182,191)	-	(182,191)
Total comprehensive income for the year	**-**	**-**	**(182,191)**	**(3,148,902)**	**(3,331,094)**
Equity issued	3,520,335	-	-	-	3,520,335
Equity based payments	-	-	-	-	-
Transaction costs	(146,559)	-	-	-	(146,559)
At 30 June 2014	**54,911,664**	**1,066,866**	**331,110**	**(20,164,349)**	**36,145,291**
Loss for the year 2015	-	-	-	(4,195,877)	(4,195,877)
Other comprehensive income	-	-	942,416	-	942,416
Total comprehensive income for the year	**-**	**-**	**942,416**	**(4,195,877)**	**(3,253,461)**
Equity issued	31,750	-	-	-	31,750
Equity based payments	-	535,597	-	-	535,597
At 30 June 2015	**54,943,414**	**1,602,463**	**1,273,526**	**(24,360,226)**	**33,459,177**

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 2015 was authorised for issue in accordance with a resolution of the directors on 30 September 2015.

Peak Resources Limited is a for profit 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 introduction to the Annual 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, except for Available for sale (AFS) Investments which are measured at fair value. 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 Group has net current liabilities of $6,418,152 (2014: net current assets $2,113,434) and incurred an operating cash outflow after income tax of $3,183,328 (30 June 2014: $1,062,753) for the year ended 30 June 2015. The Group's ability to continue as a going concern and meet its debts as and when they fall due is dependent on the satisfaction of project milestones in relation to Stage 2 and Stage 3 of the BFS financing transaction with Appian Natural Resource Fund (Appian) and the International Finance Corporation (IFC).

On 26 July 2015, the Group announced the closing of Stage 1 of the financing transaction with Appian and IFC which on closing resulted in the receipt of net $10.776m which addressed the Group's working capital deficiency at the date of the transaction. Completion of Stage 2 and Stage 3 of this financing is subject to the satisfaction of the following milestones:

Stage 2: On or before 31 December 2015, if Appian and IFC deem a high-grade mineral concentrate can be produced from a steady state pilot plant which is of sufficient scale to support scalability to a production sized plant, Appian and IFC will invest a further US$4.4m to purchase a further 12.5% interest in PAM.

Stage 3: On or before 31 July 2016, if Appian and IFC deem production of full separated rare earths of saleable quality is economically viable, Appian and IFC will invest a further US$4.4m to purchase a further 12.5% interest in PAM.

In the directors' opinion, there are reasonable grounds to believe that these milestones will be satisfied and the funding (under Stage 2 and 3) will be made available. However, in the event the milestones are not satisfied, the Group will need to seek alternative funding or may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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. The adoption of these Standards and Interpretations have not had a material impact on the amounts report.

Reference	Title
AASB 2012-3	*Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
AASB 2013-7	*Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders [AASB 1038]* AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source of consolidation requirements applicable to life insurance entities.
AASB 1031	Materiality The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: • AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. • AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. • AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets. • AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. • AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 Related Party Disclosures for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

Reference	Title
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	**Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:** • AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. • AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.
Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	**The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:** • clarify that AASB 1053 relates only to general purpose financial statements; • make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

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. Those Standards and Interpretations which have an application date of 1 July 2015 are not expected to have a material impact on the financial report. The impacts of those amendments for future years have not yet been assessed by management.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	Financial Instruments *(continued)*	**Classification and measurement** AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. **Financial assets** a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. **Financial liabilities** Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.		

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	Financial Instruments *(continued)*	**Impairment** The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. **Hedge accounting** Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016

AASB 15	*Revenue from Contracts with Customers*	AASB 15 *Revenue from Contracts with Customers* replaces the existing revenue recognition standards AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations (Interpretation 13 *Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 T*ransfers of Assets from Customers*, Interpretation 131 *Revenue—Barter Transactions Involving Advertising Services* and Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*). AASB 15 incorporates the requirements of IFRS 15 *Revenue from Contracts with Customers* issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Currently, AASB 15 is effective for annual reporting periods commencing on or after 1 January 2017. Early application is permitted. (Note A) AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	1 January 2017	1 July 2017
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	AASB 2014-10 amends AASB 10 *Consolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016

AASB 2015-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015	1 July 2015

c) Basis of consolidation

The consolidated financial statements of Peak Resources Limited comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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. All controlled entities have a June financial year-end.

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 through an equity transaction.

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 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 translation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

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

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.

R&D rebate grant
Government grants are recognised when there is reasonable assurance that the grant will be received and all conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

The Group is treating its receipt of the R&D rebate as government grant.

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 on a straight line basis over the lease term.

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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit or loss.

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.

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 equivalents; (ii) trade and other receivables; (iii) trade and other payables, (iv) available for sale investments; (v) short term loans; and (vi) other financial assets, including bank deposits.

l) Cash and Cash Equivalents

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 Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently at amortised cost, 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 profit or loss 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 expenditure in relation to each separate area of interest is 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).

The recoverable amount of exploration and evaluation assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

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 initially recognised at fair value, then carried at amortised. 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 plans in place to provide these benefits is the Employee Option Plan (EOP) and Performance Rights Plan (PRP), which provides benefits to directors, senior executives and other eligible participants as determined by the Board; 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 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 profit or loss 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) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

t) Critical accounting judgements and estimates

In the application of Australian Accounting Standards, management is required to make judgments about applying accounting policies and 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 most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Capitalisation of Exploration and Evaluation
The Group assesses the criteria on which exploration and evaluation expenditure is capitalised based on the criteria in Note 2(o).

3. INCOME AND EXPENDITURE ITEMS

	2015 $	2014 $
Included in loss for the year are:		
Interest received	38,426	48,959
Gain on sale of non-current assets	-	2,381
Australian R&D rebate receivable	-	2,794
Total other income	-	5,175
Occupancy costs	(234,608)	(209,859)
Listing compliance costs	(63,644)	(98,725)
Travel & accommodation	(350,598)	(198,331)
Auditors' remuneration		
Amounts received or due and receivable by Ernst and Young for:		
Audit and review of financial statements	25,000	24,032
Taxation services	-	-
	25,000	**24,032**
Subsidiaries audit and review of financial statements	18,012	10,802
Subsidiaries taxation services	-	-
	18,012	**10,802**

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 chief operating decision makers include the board of directors. The Group's reportable segments under AASB 8 are as follows:
Exploration – Group's exploration activities carried on in Tanzania; and
Unallocated - 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 2015			30 June 2014		
	Exploration $	Unallocated $	Total $	Exploration $	Unallocated $	Total $
Finance income	-	38,426	38,426	-	48,959	48,959
Other income	-	-	-	-	5,175	5,175
Total income	**-**	**38,426**	**38,426**	**-**	**54,134**	**54,134**
Depreciation and amortisation	(21,548)	(16,209)	(37,757)	(15,606)	(29,817)	(45,423)
Impairment of exploration and evaluation costs	(1,915)		(1,915)	(122,671)	-	(122,671)
Impairment of Investments	-	4,000	4,000	-	(100,000)	(100,000)
Share based payment expenses	-	(535,597)	(535,597)	-	-	-
Borrowing costs	-	(297,226)	(297,226)	(451,985)	(2,399,284)	(2,851,269)
Other expenses	1,255,951	(4,621,759)	(3,365,808)	-	(19,875)	(19,875)
Income Tax	-	-	-	-	-	-
Segment results	**1,232,488**	**(5,428,365)**	**(4,195,877)**	**(590,262)**	**(2,494,842)**	**(3,085,104)**
Segment assets	**40,949,243**	**3,418,689**	**44,367,932**	**34,738,063**	**2,161,417**	**36,899,480**
Segment liabilities	**(4,435,887)**	**(6,472,868)**	**(10,908,755)**	**(53,689)**	**(700,500)**	**(754,189)**
Additions to non-current assets						
Plant and equipment	22,779	8,497	31,276	26,941	4,519	31,460
Capitalised exploration & evaluation costs	5,849,868	-	5,849,868	1,618,969	-	1,618,969
	5,872,647	**8,497**	**5,881,144**	**1,645,910**	**4,519**	**1,650,429**

5. LOSS PER SHARE

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

	2015 Cents	2014 Cents
Basic and diluted loss per share	(1.26)	(1.05)
	Nos.	**Nos.**
Weighted average number of ordinary shares used in calculating Basic & Diluted loss per share	334,230,002	299,990,260
Anti-dilutive options over ordinary shares and performance rights excluded from the weighted average number of shares	8,500,000	83,404,010

6. INCOME TAX

	2015 $	2014 $
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
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% (2014: 30%)	(1,258,763)	(939,692)
Add tax effect of:		
– Revenue losses not recognised	524,342	787,780
– Other non-allowable items	639,947	203,257
	94,474	**51,345**
Less tax effect of:		
– Other deferred tax balances not recognised	94,474	50,507
– Australian R&D rebate	-	838
Income tax expense reported in statement of comprehensive income	-	-
c. Deferred tax recognised:		
Deferred tax liabilities:		
Accrued interest	(730)	(1,204)
Other	(1,106)	(4,059)
Deferred tax assets:		
Carry forward revenue losses	1,836	5,263
Net deferred tax	-	-
d. Unrecognised deferred tax assets:		
Carry forward revenue losses	4,777,845	4,342,360
Carry forward capital losses	73,303	73,303
Capital raising costs	405,880	572,763
Provisions and accruals	115,073	95,329
Other	3,922	-
	5,376,023	**5,083,755**

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% controlled entities have elected to form a tax consolidated group effective from 1 July 2012.

At 30 June 2015, there was no recognised deferred tax liabilities for taxes that would be payable on the earning of certain of the Group's subsidiaries. The Group has determined that the undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

7. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
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	1,443,861	889,470
Short term deposits	1,500,000	1,000,000
	2,943,861	**1,889,470**

	2015 $	2014 $
Reconciliation of operating loss to operating cash flows		
Loss for the year	**(4,195,877)**	**(3,148,902)**
Adjustments for non-cash items:		
Gain on sale of non-current assets	-	2,381
Share based payments expenses	535,597	-
Impairment of capitalised exploration costs	1,915	122,671
Depreciation expenses	37,757	45,423
Foreign Exchange gain/loss	(222,495)	-
Other non-cash items	(4,000)	100,000
Movement in working capital items:		
(Increase) / decrease in trade and other receivables	(264,669)	1,747,543
(Increase) / decrease in prepayments	(308,419)	(5,265)
Increase / (decrease) in trade and other payables	1,230,699	60,143
Increase in provisions	6,164	13,253
	(3,183,328)	**(1,062,753)**

Material non-cash transactions:
2015: No material non-cash transactions occurred during the year.
2014: No material non-cash transactions occurred during the year.

8. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
GST / VAT receivable	987,846	724,198
Other receivable	5,973	4,951
	993,819	**729,149**
Ageing of receivables		
Recoverable within 3 months	83,988	52,023
Beyond 3 months	909,831	677,126
	993,819	**729,149**

Receivables are non-interest bearing and unsecured

9. OTHER FINANCIAL ASSETS

	2015 $	2014 $
Bank Term Deposit	99,500	104,000
	99,500	**104,000**

A deposit of $99,500 (2014: $104,000) has been secured against two guarantees issued by the bank as rental deposits for office leases. This cash balance is not available for withdrawal until the guarantee is withdrawn.

10. PROPERTY, PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and equipment		
At cost	247,530	216,253
Accumulated depreciation	(162,387)	(124,629)
	85,143	**91,624**
Movement in net carrying amount		
Balance at the beginning of the year	91,624	121,315
Additions	31,276	31,460
Disposals	-	(15,728)
Depreciation for the year	(37,757)	(45,423)
Balance at the end of the year	**85,143**	**91,624**

11. CAPITALISED EXPLORATION AND EVALUATION COSTS

	2015 $	2014 $
Movement in net carrying amount:		
Balance at the beginning of the year	**33,936,233**	**32,439,935**
Expenditure capitalised during the year	5,849,868	1,618,969
Impairment recognised during the year (a)	(1,915)	(122,671)
Balance at the end of the year	**39,784,186**	**33,936,233**

Capitalised areas of interest:		
Ngualla Rare Earths Project, Tanzania	39,784,186	33,936,233
	39,784,186	**33,936,233**

During the financial year, the directors have reviewed the projects of the Group and have decided to continue with the development of the Ngualla Rare Earths Project.

(a) 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.

12. AVAILABLE FOR SALE FINANCIAL ASSETS

	2015 $	2014 $
Investment in listed shares – at fair value (Level 1)	8,000	4,000
	8,000	**4,000**

13. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade and other payables	1,896,829	666,127
	1,896,829	**666,127**
Ageing of payables		
Payable within 3 months	1,896,829	666,127
Beyond 3 months	-	-
	1,896,829	**666,127**

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

14. PROVISIONS

	2015 $	2014 $
Employee benefits - leave entitlements	94,226	88,062
	94,226	**88,062**

15. SHORT TERM LOANS

	2015 $	2014 $
Appian Loan – USD $3,000,000	3,917,700	-
Appian Loan – AUD $5,000,000	5,000,000	-
Balance at the end of the year	**8,917,700**	**-**

Appian provided interim loan funding of USD$3 million during the year (US$1m in October 2014 and US$2m in December 2014) at an interest rate of 15% per annum. Appian provided further interim loan funding of AUD$5 million in March 2015 pending closure of the BFS Financing with Appian and IFC at an interest rate of 8% per annum. As noted in After Balance Date Events, all loan facilities together with applicable interest was repaid on 26 July 2015.

Forms of security customary for a transaction of this type have been agreed and have been or are to be registered including share pledges over the shares in Peak African Minerals, PR NG Minerals Limited and asset level security given by PR NG Minerals Limited.

16. RESERVES

	Share based payment reserve $	Foreign currency translation reserve $	Total $
At 30 June 2013	**1,066,866**	**513,301**	**1,580,167**
Exchange difference on translation of foreign operations	-	(182,191)	(182,191)
At 30 June 2014	**1,066,866**	**331,110**	**1,397,976**
Share based payment made in 2015	535,597	-	535,937
Exchange difference on translation of foreign operations	-	942,416	942,416
At 30 June 2015	**1,602,463**	**1,273,526**	**2,875,989**

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 the Australian dollar.

17. CONTRIBUTED EQUITY

		Nos.	$
Balance at 30 June 2013		**275,556,886**	**51,537,888**
Placement at $0.06 per share	30-Jan-14	58,672,247	3,520,335
Equity issue costs			(146,559)
Balance at 30 June 2014		**334,229,133**	**54,911,664**
Exercise of Options at $0.10 per share	30-Jun-15	317,498	31,750
Balance at 30 June 2015		**334,546,631**	**54,943,414**

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.

Options over ordinary shares

At the end of the reporting period, there were 36,050,000 options over unissued shares as follows:

Options over Ordinary Shares	Date of expiry/ exercise or issue	Nos	Status	Exercise Price	Expiry Date
Balance at 30 June 2014		116,731,498			
Exercised:					
$0.10 exercise of options	30 June 2015	(317,498)			
Expired:					
$0.25 Options lapsed unexercised	31 July 2014	(51,659,251)			
$0.10 Listed options lapsed unexercised	30 June 2015	(58,354,749)			
		6,400,000	Vested	$0.55	20/2/2017 & 03/03/2018

Options over Ordinary Shares	Date of expiry/ exercise or issue	Nos	Status	Exercise Price	Expiry Date
Issued:					
Issue of $0.10 unlisted options	5 January 2015	6,383,334	Vested	$0.10	05/01/2017
Issue of $0.15 unlisted options	5 January 2015	6,383,333	Unvested	$0.15	05/01/2018
Issue of $0.20 unlisted options	5 January 2015	6,383,333	Unvested	$0.20	05/01/2018
Issue of vested performance rights	5 January 2015	2,500,000	Vested	$0.00	05/01/2018
Issue of unvested performance rights with performance milestones	5 January 2015	8,000,000	Unvested	$0.00	05/01/2018
Balance at 30 June 2015		36,050,000			

The issues of the options and performance rights during the year were made under the Company's Employee Option Plan and Performance Rights Plan. Included in these issues are issues to Directors as disclosed in the Remuneration Report, these issues were made subsequent to the receipt of shareholder approval at a General Meeting held on 1 July 2014.

317,498 shares were issued as a result of the exercise of options during the financial year ended 30 June 2015. During the financial year, 110,014,000 listed options lapsed in accordance with their terms of options.

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 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 and debt raised in various tranches. The overall capital management policy of the group remains unchanged and is consistent with prior years.

18. SHARE BASED PAYMENTS

Employee share option plan

The group has an Employee Option Plan (EOP) for the granting of options to eligible participants which was approved by Shareholders at a General Meeting of the Company on 1 July 2014. During the financial year ended 30 June 2015 a total of 19,150,000 options were issued under the EOP to directors, executives, employees and contractors.

Performance rights granted during the year ended 30 June 2015:

	Number	Exercise Price	Value per option
Granted during the year:			
5-Jan-2015 - issue of $0.10 vested options expiring 5-Jan-2017	6,383,334	$0.10	$0.024
5-Jan-2015 - issue of $0.15 unvested options expiring 5-Jan-2018	6,383,333	$0.15	$0.024
5-Jan-2015 - issue of $0.20 unvested options expiring 5-Jan-2018	6,383,333	$0.20	$0.019
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at 30 June 2015	**19,150,000**	**$0.15**	
Exercisable at 30 June 2015	6,383,334	$0.10	

The unvested $0.15 and $0.20 options vest after 1 years continuous service on 5 January 2016 and 2 years continuous service on 5 January 2017 respectively.

No options were granted during the year ended 30 June 2014.

The volume weighted exercise price of options issued during the year was $0.15.

The weighted average remaining contractual life for share options outstanding at 30 June 2015 was 2.19 years.

The weighted average fair value of options issued during the year was $0.022 per option.

Performance Rights Plan

The group has a Performance Rights Plan (PRP) for the granting of performance rights to eligible participants which was approved by Shareholders at a General Meeting of the Company on 1 July 2014. During the financial year ended 30 June 2015 a total of 10,500,000 performance rights were issued to directors under the PRP.

Performance rights granted during the year ended 30 June 2015:

	Number	Exercise Price	Value per performance right
Granted during the year:			
5 January 2015 - issue of vested rights expiring 5 January 2018	2,500,000	$0.00	$0.072
5 January 2015 - issue of unvested rights expiring 5 January 2018	8,000,000	$0.00	$0.072
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at 30 June 2015	**10,500,000**	**$0.00**	
Exercisable at 30 June 2015	2,500,000	$0.00	

The unvested performance rights vest on achievement of performance milestones:

(i) the Company (or any of its subsidiaries) receiving an offer of unconditional finance for the construction of a rare earth processing plant for its Ngualla Rare Earth Project and approval of the Board of the Company being received to proceed with construction; or

ii) the Company (or any of its subsidiaries) receiving an offer of unconditional finance for an amount in excess of AUD $50 million and approval by the Board of such financing.

No Performance Rights were granted in the year ended 30 June 2014.

The volume weighted exercise price of rights issued during the year was $0.00

The weighted average remaining contractual life for rights options outstanding at 30 June 2015 was 2.52 years

The weighted average fair value of rights issued during the year was $0.072 per right

The options and performance rights have been valued using the Black-Scholes methodology with the following inputs:

Share price on date of grant	$0.072
Risk-free interest rate	2.50%
Dividend yield	0%
Expected volatility	77%

The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the case.

The value of options and performance rights granted are expensed over the vesting period. Included in share based payments expense of $535,597 (2014: nil) is $260,121 relating to the options granted during the year and $275,476 relating to performance rights.

19. CONTINGENCIES AND COMMITMENTS

Lease commitments

The company has committed to a non-cancellable office lease of $97,200 per annum to 31 January 2016.

	2015 $	2014 $
Up to 1 year	56,700	80,467
	56,700	**80,467**

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 Information in the Annual Report.

At 30 June 2015 minimum annual expenditure commitments in respect of exploration assets amounted to $118,967 (2014: $96,511). 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 2015, the Group has no capital commitments. (2014: Nil).

Contingencies

At 30 June 2015, the Group had no contingencies (2014: Nil).

20. KEY MANAGEMENT PERSONNEL DISCLOSURE

	2015 $	2014 $
Salary and fees – short term benefits	951,530	863,592
Superannuation	63,838	66,469
Share based payments	472,726	-
	1,488,094	**930,061**

Loans to KMP's

No loans were made to KMP's during the financial year (2014: 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 $365,711 (2014: $98,075.29) as fees for the provision of legal advice. Balance outstanding at 30 June 2015 and included in trade creditors $4,276 (30 June 2014: $27,658).

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.

21. 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 2015	Extent of control 2014
Accounting Parent			
Peak Resources Limited	Australia	100%	100%
Controlled entities			
PRL Pty Ltd	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 African Minerals Limited	Mauritius	100%	100%

There are no restrictions on the ability of the Group to transfer cash or other assets, guarantees or dividends between the parent and subsidiaries.

22. FINANCIAL INSTRUMENTS

The financial instruments of the group comprise of (i) cash and cash equivalents; (ii) trade and other receivables; (iii) trade and other payables; (iv) AFS investments; (v) short term loans and (vi) other financial assets, including bank deposits.

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. 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

	2015 $	2014 $
Cash and cash equivalents	2,943,861	1,889,470
Trade and other receivables	993,819	729,149
Other financial assets	99,500	104,000
AFS Investment	8,000	4,000
Trade and other payables	(1,896,829)	(666,127)
Short term loans	(8,917,700)	-

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, cash and cash equivalents and other financial assets. The maximum credit exposure is limited to the carrying amount of trade and other receivables $993,819 (2014: $729,149) at reporting dates.

As at 30 June 2015, the receivable balances consist primarily of GST/VAT credits. 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.

Credit risk from balances with banks and financial instruments is mitigated by holding balances with banks with a high credit rating. The maximum exposure for cash and cash equivalents is shown below.

There were no significant concentrations 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 the group's financial instruments are noted below:

	2015			2014		
	Up to 3 months $	> 3 months $	Total $	Up to 3 months $	> 3 months $	Total $
Financial liabilities						
Trade and other payables	(1,896,829)	-	(1,896,829)	(666,127)	-	(666,127)
Short term loans	-	-	-	-	-	-
Total financial liabilities	**(1,896,829)**	**-**	**(1,896,829)**	**(666,127)**	**-**	**(666,127)**
Financial assets						
Cash and cash equivalents	2,943,861	-	2,943,861	1,889,470	-	1,889,470
Other financial assets	-	99,500	99,500	-	104,000	104,000
Investments	-	8,000	8,000	-	4,000	-
Trade and other receivables	83,988	909,831	993,819	52,023	677,126	729,149
Total financial assets	**3,027,849**	**1,017,331**	**4,045,180**	**2,045,493**	**785,126**	**2,830,619**

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:

	2015 $	2014 $
Cash and cash equivalents	2,943,861	1,889,470
Impact on profit and equity: +1% movement	29,439	18,895
Impact on profit and equity: -1% movement	(29,439)	(18,895)

Foreign currency risk

The Group's exposure to foreign currency 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.

23. SUBSEQUENT EVENTS

There were no subsequent events to 30 June 2015 that have a material impact on the financial statements at present other than as follows:

On the 26 July 2015 the Company announced the closing of Stage 1 of the Bankable Feasibility (BFS) financing with Appian and the IFC. The Stage 1 closure involved the following:

1. Issue of 40,107,495 and 10,026,874 fully paid ordinary shares for A$0.09 per share to Appian and IFC respectively for a total of A$4,512,094.
2. Appian have the right to nominate two directors to the Peak Board (Mr Mills and Mr Jetter appointed 1 April 2015) and IFC have the right to nominate one director.
3. A subscription of US$4,385,219 into Peak's 100% owned subsidiary Peak African Minerals giving Appian and IFC a 10% and 2.5% interest respectively. Peak retains an 87.5% interest.
4. A subscription of A$2,599,004 for a convertible loan note, convertible into either 33,370,698 fully paid ordinary shares in Peak at A$0.103 per share or an additional combined interest of 4.99% in Peak African Minerals.
5. Appian have been granted rights to an equal number of directors as Peak on the Peak African Minerals board, including the right to nominate the chairman with a casting vote.
6. The granting of a 2% Gross Sales Royalty over the production from the Ngualla Rare Earth Project for a payment of US$5,191,200.
7. Repayment in full of interim loan funding facilities provided by Appian of US$3,000,000 and A$5,000,000 together with all applicable interest.

24. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Resources Limited, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2015 $	2014 $
Financial position		
Current assets	3,310,634	2,089,862
Non-current assets	44,132,461	37,769,705
Total assets	**47,443,095**	**39,859,567**
Current liabilities	6,385,665	653,510
Non-current liabilities	-	-
Total liabilities	**6,385,665**	**653,510**
Net assets	**41,057,430**	**39,206,057**
Equity		
Contributed equity	55,259,165	55,227,417
Share based payment reserve	1,665,948	1,130,351
Accumulated losses	(15,867,683)	(17,151,711)
Total equity	**41,057,430**	**39,206,057**
Financial performance		
Loss for the year	(2,087,678)	(2,563,816)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(2,087,678)**	**(2,563,816)**

Peak Resources Limited has provided a guarantee for the US$3 million loan advanced to PR NG Minerals Limited (refer Note 15).

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 2 to the financial statements;

(c) the attached financial statements and notes thereto for the financial year ended 30 June 2015 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2015 and performance of the consolidated entity for the year ended on that date;

(d) 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,

Jonathan Murray Non-executive Chairman
Perth, 30 September 2015

Tenement Schedule

As at 28 September 2015

Project	Tenement	%	Status	Arrangement/Comment
Tanzanian Projects				
Ngualla	PL 6079/2009	87.5*	Granted	Held by Tanzanian subsidiary PR NG Minerals Ltd
Ngualla	PL 9157/2013	87.5*	Granted	Held by Tanzanian subsidiary PR NG Minerals Ltd

* On 26th July 2015, the Company announced the closing of Stage 1 of the financing transaction with Appian and IFC. As a result, Peak now holds a 87.5% beneficial interest in the above two licences with Appian and IFC holding the remaining 12.5% interest at 80:20 split through their equity interest in Peak African Minerals.

Additional Shareholder Information

Quoted security distribution

The distribution of members and their holdings of quoted equity securities in the company as at 28 September 2015 were as follows:

	Class of Equity Securities
Number Held as at 28 September 2015	Fully Paid Ordinary Shares
1-1,000	152
1,001 - 5,000	366
5,001 – 10,000	372
10,001 - 100,000	1,212
100,001 and over	427
Total	**2,529**

There were 656 holders with less than a marketable parcel of fully paid shares.

Substantial Security holders

Substantial shareholders listed in the Company's register as at 28 September 2015 were:

Holder	Number of shares	Percentage of issued capital
APPIAN PINNACLE HOLDCO LIMITED	40,107,495	10.36%

Unquoted Securities

Class of Equity Security	Number	Number of Security Holders
$0.55 options expiring 20 February 2017	6,250,000	1
$0.55 options expiring 3 March 2018	150,000	1
$0.10 options expiring 5 January 2017	6,383,334	13
$0.15 options expiring 5 January 2018	6,383,333	13
$0.20 options expiring 5 January 2018	6,383,333	13
Unvested performance rights expiring 5 January 2018	8,000,000	3

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

Class of Equity Security	Number	Holder
$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
$0.10 options expiring 5 January 2018	2,000,000	Darren Townsend
$0.10 options expiring 5 January 2018	1,333,334	David Hammond
$0.15 options expiring 5 January 2018	2,000,000	Darren Townsend
$0.15 options expiring 5 January 2018	1,333,333	David Hammond
$0.20 options expiring 5 January 2018	2,000,000	Darren Townsend
$0.20 options expiring 5 January 2018	1,333,333	David Hammond
Unvested performance rights expiring 5 January 2018	5,000,000	Darren Townsend
Unvested performance rights expiring 5 January 2018	2,500,000	David Hammond

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 2015, there were no restricted securities.

Twenty largest security holders

The names of the twenty largest ordinary fully paid shareholders as at 28 September 2015 are as follows:

Name	Number Held of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
JP MORGAN NOMINEES AUSTRALIA LIMITED	59,019,803	15.24
UBS NOMINEES PTY LTD	12,492,332	3.23
WISEVEST PTY LTD	10,380,000	2.68
INTERNATIONAL FINANCE CORPORATION	10,026,874	2.59
CRX INVESTMENTS PTY LIMITED	10,000,000	2.58
CITICORP NOMINEES PTY LIMITED	8,146,995	2.10
NATIONAL NOMINEES LIMITED	7,903,812	2.04
HOTLAKE PTY LTD	7,635,000	1.97
ASHABIA PTY LTD	7,290,000	1.88
YARANDI INVESTMENTS PTY LTD	5,530,114	1.43
PASAGEAN PTY LIMITED	5,250,000	1.36
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,675,000	1.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,583,714	1.18
BUELL PTY LTD	3,929,397	1.01
SCOTTISH CALEDONIAN PTY LTD	3,929,393	1.01
RASK PTY LTD	3,783,332	0.98
MICHAEL BUSHELL	3,288,889	0.85
RASK PTY LTD	3,144,664	0.81
WAPIMALA PTY LIMITED	3,000,000	0.77
FORTH-CLYDE INVESTMENTS PTY LTD	3,000,000	0.77
TOTAL	**179,559,319**	**46.38%**

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.

Corporate Directory

DIRECTORS

Darren Townsend	Managing Director
Jonathan Murray	Non-Executive Chairman
David Hammond	Technical Director
John Jetter	Non-Executive Director
Robin Mills	Non-Executive Director

COMPANY SECRETARY

Graeme Scott

REGISTERED OFFICE

Ground Floor
5 Ord Street
West Perth WA 6005

SOLICITORS

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

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

AUDITORS

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

SHARE REGISTRY

Link Market Services Limited
Level 12,
680 George Street
Sydney NSW 2000

CONTACT DETAILS

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Email:	info@peakresources.com.au
Telephone:	(08) 9200 5360
Facsimile:	(08) 9226 3831

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
Home Exchange: Perth, Western Australia
Code: PEK

Corporate Governance Statement

The Company has adopted the recommendations of the ASX Corporate Governance Council's Principles and Recommendations (Third Edition) in regard to the Corporate Governance Disclosures and provides disclosure of the Company's Corporate Governance Statement on the Company's website at:
http://www.peakresources.com.au/irm/content/corporate-governance

PEAK RESOURCES LIMITED