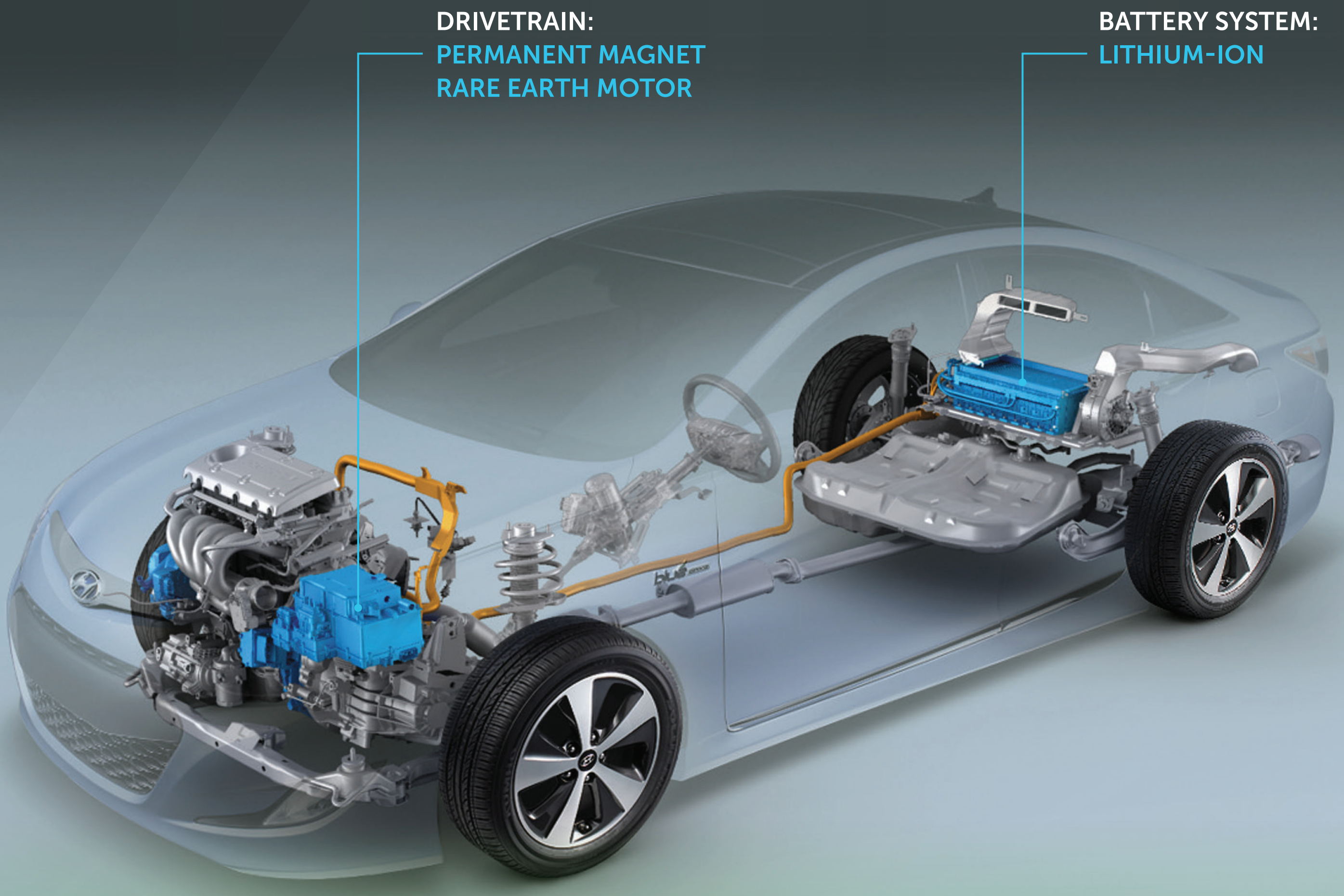
2016
Annual Report

PEAK RESOURCES LIMITED

Markets are aware of the increasing demand forecast for Lithium...

... but do they fully recognise that the preferred powertrain for electric and hybrid vehicles is a Rare Earth permanent magnet motor?

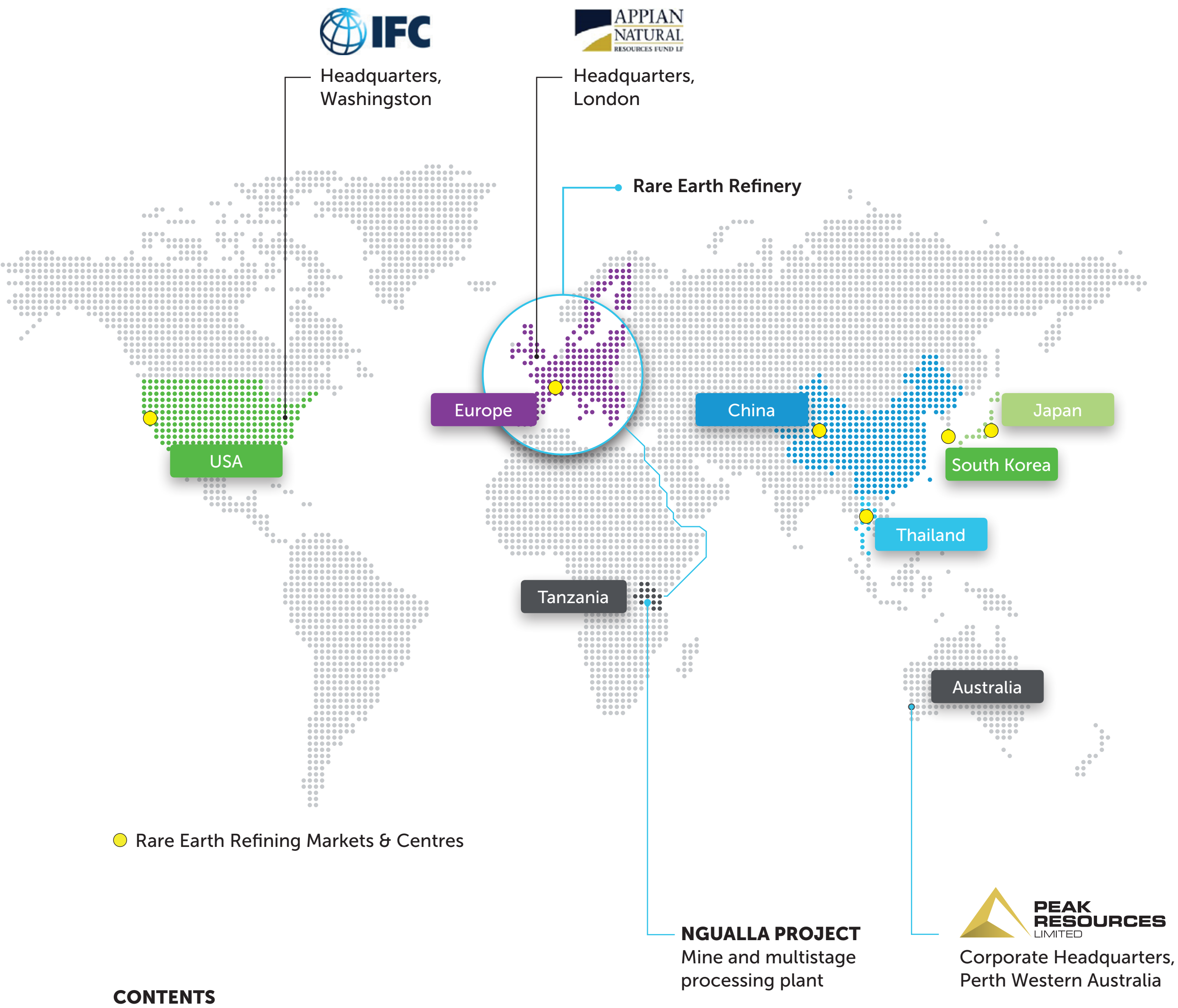


Electric and hybrid car technology is already here and on the brink of mass market acceptance that will drive increased demand for Neodymium and Praseodymium.

There are **75 new models** of electric and hybrid cars already in design, **90% of these contain Rare Earth permanent magnet motors.**

Source: www.hyundai.com - For illustrative purposes only.

Major global rare earth markets and processing centres



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The 2016 Peak achievements in numbers*

2016 was another great year of progress for Peak Resources materialising in the following results:

REDUCTION OF CAPEX

-US $37 million

from PFS (10% reduction from PFS).

REDUCTION OF OPEX

-US $21 million

per annum from PFS (18% reduction from PFS).

RESULTING IN A TOTAL CAPEX OF

US $330 million

including 25% ($63 million) contingency.

... AND TOTAL OPEX OF

US $97 million p.a.

for an annual production of 2,300t Nd/Pr oxide + 250t Mid + carbonate mix + 5,900t La/Ce carbonate.

WITH A MINE LIFE OF

31 years

from the Weathered Bastnaesite Zone alone.

... AND TOTAL RESOURCES OF

214.4 million tonnes

at 2.15% REO, for 4,620,000 tonnes of contained REO.

LOW COST MINING

Low 1.68 strip ratio

Mining rate of only 3.0Mt per year.
High grade of 5.48% REO for first 10 years.

... AND SIMPLER PROCESSING COSTS

95% mass reduction

during beneficiation to produce 27,900t of rare earth concentrate per annum at a grade of 45% REO.

REFINERY IN EUROPE

Less than 4 tonnes / hour

treatment rate using weak acid at <1% strength at 80°C in plastic laminate tanks.

... AND STREAMLINED PRODUCTS

85% of value

is from the high growth magnet metals Neodymium and Praseodymium.

*See ASX Announcement "Ngualla Study delivers substantial Capex and Opex savings" of 16 March 2016 for details on capital and operating costs, mining inventory and rates and processing plants and ASX Announcement "Higher grade Resource for Ngualla nearly 1M tonnes REO" of 22 February 2016 for details of Mineral Resource estimate.

NGUALLA RARE EARTH PROJECT

Enabling green technologies

Peak (or the "Company") is developing Ngualla to be a low cost Next Generation rare earth project that is strongly aligned to the high value, expanding high-tech magnet metal market. With a distinctly different development approach backed by the advantages of a large **high quality deposit** and demonstrated process, the Company is well positioned for growth through the expanding demand **for magnet metals in the green technology sector**.

The Project is centred on the Ngualla Carbonatite in Tanzania, host to one of the world's highest grade and largest rare earth deposits, discovered by Peak in 2010.

Furthermore, our team accomplished significant progress across all disciplines, which assures the competitiveness and cost leadership of PEAK in the rare earth industry:

- Capital costs include a base case of a European based Refinery to produce high purity separated products. The Project's low capital costs and advanced stage of development position Ngualla in the forefront of potential new rare earth producers.
- Processing flowsheet simplified and derisked through beneficiation and separation pilot plants.
- Introduction of an Alkali Roast process, which allows for the early rejection of the majority of low value cerium and deleterious iron, leading to a significant reduction in reagent costs and assuring a top in class total OPEX.
- Focused exposure to high growth rare earth permanent magnet market underpinned by electrification of automobiles and green energy. E-mobility is on the brink of becoming a global mass market application and as a consequence we will see substantial changes in regards to the supply & demand situation.
- The Company has expanded the team to include experienced rare earth operations and marketing executives for the next stage of project implementation.

Ngualla represents one of the best investment opportunities in the rare earth space

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

The past year was a challenging one for all participants in the rare earths business given the continued and unprecedented weakness in global rare earth prices. We understand that at current price levels approximately 90% of the world's rare earth production is loss making which is clearly an unsustainable situation. We remain confident that rare earth prices will recover, especially considering the anticipated demand growth for permanent magnets in electric cars, bikes and wind turbines which contain significant quantities of the rare earths praseodymium and neodymium that our Ngualla Project will produce. In fact, general industry consensus is that praseodymium and neodymium demand could double in the next 10 years which bodes well for Peak, given that approximately 85% of our projected revenue will come from these two rare earth elements.

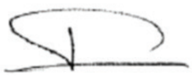
With that global market back drop it is vital we complete the Bankable Feasibility Study (BFS) on Ngualla as soon as possible so that we can move to financing and development of the Project into the anticipated rising price environment. This will allow us to take full advantage of the unique and superior production mix that Ngualla will have compared to many other rare earth producers and potential development projects. I am pleased to report that the Peak team has worked diligently in this regard and that the Study is well advanced, fully funded and now scheduled for completion in the first half of 2017. In parallel, the permitting process in Tanzania is progressing well and the local community remains supportive of the Project which will assist in ensuring all the necessary permits are obtained in a timely manner. We have also made considerable progress on securing a site for our planned European refinery with commercial negotiations now well advanced on the preferred site.

It has been a tough period for our loyal shareholders many of whom have been long term holders and I thank them for their ongoing belief in the Ngualla Project. I would like to thank Appian Natural Resources Fund (Appian) and International Finance Corporation who are co-owners of the Project and investors in the Company for their ongoing support. They have stepped up to the plate at a difficult time in the rare earth price cycle and demonstrated their commitment to the Ngualla Project and the Company by taking up their proportional entitlements in the recent share placement. Appian have also provided the Company with a A$4.1 million medium term loan to allow us to finish the BFS in a timely manner, which is greatly appreciated. We also welcomed some new shareholders to the register via the placement and thank them for their interest and investment in the Company.

I would also like to thank Robin Mills, who until recently represented Appian on the board, for his contribution during his time as a director.

On behalf of the Board and shareholders I acknowledge the hard work and dedication of our Managing Director, Darren Townsend, his management team and all our employees. We have an excellent team in place that is committed to the completion of the BFS and the development of the Ngualla Project in the shortest possible time frame.

Yours sincerely



Peter Harold
Chairman

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Dear Shareholder,

This year has been a busy one for Peak with the technical work programs for the Bankable Feasibility Study ("BFS") now largely complete. Having spent in excess of $4 million on three stages of pilot planting using actual planned feed mineralisation from Ngualla we are now comfortable that the technical route to production has been proven.

In preparation for project execution during the course of this year we have built out the Peak team with the addition of deep rare earth production and marketing expertise. The valuable insights we have obtained from these appointments have been fed into the BFS process further de-risking the project and putting Peak in the unique position of being the only rare earth development project outside of China that has had extensive pilot planting and technical input into the BFS by personnel with actual rare earth operating experience.

Although the rare earth markets remain challenging with prices currently at seven year lows we are strong believers in the upcoming increase in demand for our planned products Neodymium and Praseodymium, which are expected to produce over 85% of our future revenues.

With over 75 new models of electric or hybrid cars already announced as in the pipeline, Bloomberg are predicting the cost of production of electric and hybrid vehicles will become less than conventional combustion engine cars by 2022. At this point we expect the demand for our products to really accelerate. With the excitement this year over lithium and lithium battery storage (and the close on more than US$10 Billion of investment in Battery plants) at some point the penny is going to drop with the investment community that 90% of these new 75 models of electric or hybrid cars are projected to use high performance and light weight, Neodymium and Praseodymium rare earth permanent magnet electric motors to take the energy from the lithium batteries to the wheels.

As always we wish to thank the community in and around the Ngwala village for their ongoing support of the Company and the project. We would also like to thank the Government of Tanzania for their support of the project and we look forward to working with the Government in finishing off our permitting process in 2017.

We also wish to thank our shareholders for their ongoing support as we focus on completing the permitting of our planned operations and, subject to a satisfactory recovery in rare earth prices, concluding our discussions on offtake and strategic investment for construction.

Darren Townsend
Managing Director

REVIEW OF OPERATIONS

SUMMARY

A series of successful technical work programs completed during the year have substantially de-risked the Ngualla Rare Earth Project. A Project Update released in March 2016 summarised major advances in development plans for the project, as well as improved capital and operating costs that together place Ngualla well ahead of its peers as the leading rare earth development project.

Ngualla - the leading rare earth development project:

- **Advanced stage of development**
- **Low Capital Costs**
- **Low Operating costs**
- **Products aligned to market demand**
- **Low risk project**
- **Team with rare earth operational and marketing experience**

The Bankable Feasibility Study under the auspices of Lead Engineers AMEC Foster Wheeler is progressing well with many areas of study and design nearing completion. The BFS is scheduled for completion late first quarter or early second quarter of 2017. Permitting of the project is also progressing in line with this schedule with base line environmental surveys completed, strong support for the project received from formal stakeholder meetings and the Environmental and Social Impact Assessment (ESIA) draft report submitted to the Tanzanian authorities.

PROJECT UPDATE STUDY

Results from the completion of a detailed Project Update completed in March 2016 delivered substantial reductions in operating and capital costs compared to the Preliminary Feasibility Study. Key improvements included:

- Capital costs were reduced by US$37 million (10%) to US$330 million, including 25% contingency
- Operating cost was reduced by ~18%, or US $21 million per annum
- Process flowsheet simplified and de-risked
- Product profile aligned to the high growth, high value permanent magnet market
- A long life project optimised at 31 years

The successful demonstration of new improved metallurgical flowsheets developed during the year contributed to the positive outcomes of the study, as did infill drilling in the higher grade areas of the deposit.

The study and capital and operating cost estimates contemplate a mine and multi-stage processing plant on site at Ngualla in Tanzania, together with a rare earth refinery to produce high purity separated rare earth products located in Europe.

The Study base-case scenario envisages production of approximately:

- **2,300 tonnes per annum of Neodymium and Praseodymium rare earth oxide**
- **250 tonnes per annum of mixed Samarium, Europium and Gadolinium rare earth carbonate (equivalent to 180tpa of contained REO) and**
- **5,900 tonnes per annum of Cerium/Lanthanum carbonate (equivalent to 4,240tpa of contained REO).**

Production forecasts are based on the weathered Bastnaesite Zone Mineral resource estimate at a 1% Rare Earth Oxide (REO) lower grade cut (Measured and Indicated portions only, see Appendix for category breakdown) summarised in ASX Announcement "Higher grade Mineral Resource contains nearly 1 million tonnes rare earth oxide" of 22 February 2016, together with the mining and processing assumptions contained within the Project Update ASX release "Ngualla Project Study delivers substantial Capex and Opex savings" of 16 March 2016.

LOW CAPITAL COST

- **Reduced by US$37 million** (or 10% compared to PFS)
- **Now US$330 million** including 25% contingency

LOW OPERATING COST

- **Reduced by US$21 million pa** (or 18% compared to PFS)
- **Now US$97 million pa**
- **Higher value product focussed on magnet metal market**

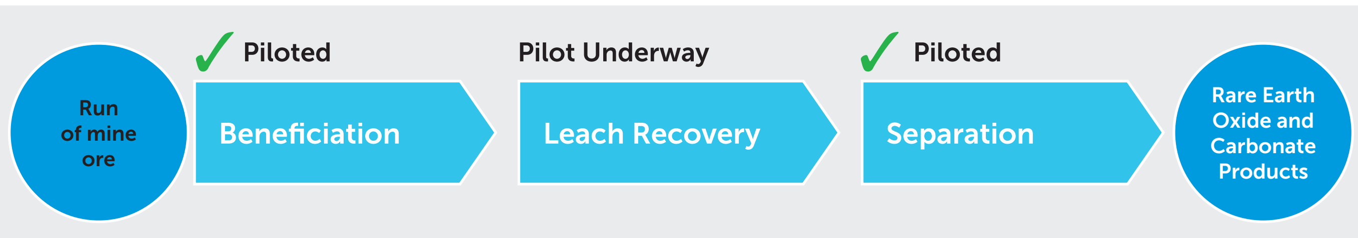
Low Development Risk

Peak is confident that the technical development risk of the Ngualla Project remains low. This is primarily due to the following:

- **High confidence Mineral Resource (89% of the Bastnaesite Zone +1% REO Mineral Resource is classified in the highest JORC 2012 Measured category)**
- **Low cost low strip ratio open pit mining**
- **Conventional multistage processing plant on site at Ngualla to produce high grade rare earth concentrate**
- **Location of refinery in Europe**
- **Peak team have extensive experience in commissioning and operating rare earth projects**
- **Low capex/opex requirement**
- **Non radioactive**
- **Proven and demonstrated extraction process**
- **Advanced stage of development studies**

PROCESS FLOWSHEET DEVELOPMENT AND PILOT PLANTS

Intensive metallurgical work programs at laboratories and test facilities around Australia are now largely complete. Two of the three stages of the metallurgical process had been successfully piloted by year end with the final Leach Recovery stage pilot plant at an advanced stage and performing well.



Three stage process developed by Peak for Ngualla's rare earth mineralisation and pilot plant status.

The beneficiation Pilot Plant was successfully completed in December 2015 at ALS test facility in Perth, with concentrate grade / recovery curve exceeding target expectations. The ability to produce a high grade (45% REO) concentrate on site at Ngualla has significant benefits to downstream processes and is a distinguishing advantage to the project.

BENEFITS OF A HIGHER GRADE RARE EARTH CONCENTRATE

REDUCTIONS IN:

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

The piloting of the second stage process – Leach Recovery – was in progress at ANSTO Minerals piloting facility near Sydney at reporting year end, and on track for completion in Q3 2016. The demonstration of the selective leach process for Ngualla's high grade mineral concentrate will complete the metallurgical development programs and provide the engineering data for the BFS.

The year saw two major pilot plant programs. The beneficiation pilot plant at ALS test facility in Perth (left) and the leach recovery pilot plant at ANSTO Minerals near Sydney (right).

Advantages of the new leach recovery flowsheet compared to PFS:

- **Significant reduction in processing stages**
- **Reduced plant capital cost through a smaller plant of modular designed polymer plastic tanks for leach and purification**
- **A single acid is used in a low strength, selective leach**
- **Lower operating costs due to reduced reagent consumption**
- **Early rejection of the majority of low value cerium and deleterious iron without consuming additional acid**
- **Cerium rejection reduces the size and operating cost of the downstream separation plant**
- **Focus on the extraction and recovery of the high value magnetic metals neodymium and praseodymium**
- **Minimises the extraction of deleterious elements thereby simplifying the purification stage**

BFS ENGINEERING

Detailed engineering studies for the Ngualla Rare Earth Project BFS are now well advanced and on track for completion late first quarter or early second quarter of 2017.

Appointed Lead Engineer AMEC Foster Wheeler is leading the studies, together with a group of other Tier One specialist international consultants. The engineering design follows the metallurgical flow sheet improvements and pilot plant work summarised in the Project Update of March 2016.

Field surveys and programs, including drilling for engineering purposes, water exploration and Mineral Resource infill were successfully completed in the first half of the year.

Knight Piésold Consulting have completed the geotechnical surveys and studies for the Ngualla site with no issues identified. The design of the tailings storage facility and water supply hydrogeology studies, also under the auspices of Knight Piésold, are nearing completion.

Open pit geotechnical and hydrogeological studies have been successfully completed by Golder and Associates.

AMEC Foster Wheeler are advancing the design of the processing plants with South African based subsidiary MDM Engineering, who are also leading the site infrastructure planning at Ngualla.

Tanzania based engineering company COWI Tanzania Ltd have completed route selection in association with Peak for the Ngualla site access road.

PROJECT PERMITTING

The project development area is free of any habitation, farming or grazing and there are no Reserves of any kind over the area. The Company is on track to complete the permitting for the Ngualla Rare Earth Project late first quarter or early second quarter of 2017.

An Environmental Certificate will allow the Company to complete the application for a mining licence for the Ngualla Project. Solid progress was made with the Environmental and Social Impact Assessment process, which is required for an Environmental Certificate. The project was registered with National Environment Management Council (NEMC), the Tanzanian regulatory authorities and the Scoping stage completed together with initial stakeholder meetings where strong support for the project was received.

The completion of the BFS and project permitting in late first quarter or early second quarter of 2017 will position Ngualla as one of the very few 'ready to go' rare earth projects able to meet the predicted surge in magnet metal demand from electric vehicles and green energy.

TEAM BUILD OUT

Now that the technical de-risking of the project is complete, the Company has positioned itself for the next stage of project implementation and operations by expanding the team in areas of rare earth operations and marketing.

The Company was pleased to welcome two high calibre and experienced rare earth senior executives.

Mr Rocky Smith, Chief Operating Officer – Development, has a unique set of skills and experience from his 6 years to August 2015 as Managing Director of Molycorp's Mountain Pass rare earth complex. He has over 35 year's operations and senior management experience in the mineral processing sector.

Responsible for operations at Molycorp's rare earth mining and processing site in California, USA, Rocky managed 500 employees and an annual operational budget in excess of US$150 million. He recruited, developed and led the team responsible for the implementation of the redesigned and expanded Mountain Pass operation. It is a vote of confidence in the Ngualla Project that an operator of this calibre has chosen to join the Peak team and relocate from the United States.

Executive General Manager - Sales, Marketing & Business Development, Mr. Michael Prassas also joined the Peak team from leading global chemical and rare earth company Solvay where he was previously Global Account Manager for Automotive Catalysis and Sales Manager - Rare Earth Systems.

With over 20 years' experience in sales and marketing as well as extensive experience in business development Michael's priority will be to secure strategic partnerships and offtake agreements with global rare earth users.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Peak places great importance on social and environmental responsibility and is committed to assisting communities in which it operates whilst maintaining best practise environmental and health and safety standards.

As well as being a high priority on moral principles, the Company sees a market advantage in being the ethically sustainable, long term supplier of choice to the global rare earth market.

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

The Ngwala community identified the priorities for new social programs during the year as additional teacher's houses at neighbouring sub villages, additions to the community clinic, and assistance with the water supply infrastructure including two water bores and pumps. The Company has completed these projects and handed them over to the community, and is continuing with the construction of additional teachers houses and other projects.

Figure 6: Chunya District Commissioner the Hon. Elias Tarimo pumps the first bucket of water from the Madodomia water bore.

Figure 7: First bucket of water from the Itiziro water bore and pump accepted by Itiziro villager.

Figure 8: Pair of teachers houses completed at Itiziro.

Figure 9: Ngwala village dispensary waiting area constructed by Peak.

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 2015 and 2016. The Ore Reserve holding has not changed from the previous year. A revised Mineral Resource estimate was completed in February 2016 by SRK Consultants after further drilling in 2015.

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

		Ore Reserve as at 30 June 2016			Ore Reserve as at 30 June 2015		
	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% 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 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. The Ore Reserve and the accompanying Ngualla Project Preliminary Feasibility Study, detailed in the ASX announcement titled 'Peak Resources Delivers Robust PFS for Ngualla' of 19 March 2014 were based on the 2013 Ngualla Weathered Bastnaesite Zone Mineral Resource, which is detailed in the ASX announcement titled 'Increased Resource Estimate to improve Ngualla Project economics' of 4 April 2013.

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

			Mineral Resource as at 30 June 2016			Mineral Resource as at 30 June 2015		
	Lower cut-off grade	JORC Resource Category	Ore Tonnes (millions)	REO (%)*	Contained REO tonnes	Ore Tonnes (millions)	REO (%)*	Contained REO tonnes
Ngualla Weathered Bastnaesite Zone	**1.0% REO**	Measured	86.1	2.61	2,250,000	81	2.66	2,100,000
		Indicated	112.6	1.81	2,040,000	94	2.02	1,900,000
		Inferred	15.7	2.15	340,000	20	1.83	380,000
		Total	**214.4**	**2.15**	**4,620,000**	**195**	**2.26**	**4,000,000**

* REO (%) includes all the lanthanide elements plus yttrium oxide. See Tables 5 and 6 for breakdown of individual REO's. Figures above may not sum due to rounding. The number of significant figures does not imply an added level of precision

The Mineral Resource estimate as at 30 June 2016 is detailed in the ASX announcement titled 'Higher grade Ngualla Mineral Resource contains nearly 1 million tonnes rare earth oxide' of 22 February 2016 and was reported according to the JORC 2012 Code and Guidelines. The Nguualla Mineral Resource estimate as at 30 June 2015 is detailed in the ASX announcement titled 'Increased Resource Estimate to improve Nguualla Project economics' of 4 April 2013 and was reported according to the JORC 2004 Code and Guidelines.

Table 3: Classification of Mineral Resources for the Weathered Bastnaesite Zone mineralisation at a 1.0% and 3.0% REO cut-off grades.

			Mineral Resource as at 30 June 2016			Mineral Resource as at 30 June 2015		
	Lower cut-off grade	JORC Resource Category	Ore Tonnes (millions)	REO (%)*	Contained REO tonnes	Ore Tonnes (millions)	REO (%)*	Contained REO tonnes
Nguualla Weathered Bastnaesite Zone	**1.0% REO**	Measured	18.9	4.75	900,000	21.8	4.20	900,000
		Indicated	1.9	4.85	90,000	4.1	3.85	150,000
		Inferred	0.5	4.43	20,000	0.2	3.56	6,000
		Total	**21.3**	**4.75**	**1,010,000**	**26.0**	**4.14**	**1,050,000**
	3.0% REO	Measured	17.9	4.88	870,000	19	4.53	840,000
		Indicated	1.7	5.14	90,000	2.9	4.62	140,000
		Inferred	0.4	4.84	20,000	0.11	4.10	4,000
		Total	**19.9**	**4.90**	**980,000**	**21.6**	**4.54**	**982,000**

* REO (%) includes all the lanthanide elements plus yttrium oxide. See Tables 5 and 6 for breakdown of individual REO's. The Weathered Bastnaesite Zone Mineral Resource is contained within an is a subset of the Total All Nguualla Project Mineral Resource at a 1% REO cut-off grade in Table 2 above. Figures above may not sum due to rounding. The number of significant figures does not imply an added level of precision.

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

Oxide		Nguualla Ore Reserve
Lanthanum	La_2O_3	27.6
Cerium	CeO_2	48.2
Praseodymium	Pr_6O_{11}	4.74
Neodymium	Nd_2O_3	16.6
Samarium	Sm_2O_3	1.60
Europium	Eu_2O_3	0.30
Gadolinium	Gd_2O_3	0.62
Terbium	Tb_4O_7	0.05
Dysprosium	Dy_2O_3	0.08
Holmium	Ho_2O_3	0.01
Erbium	Er_2O_3	0.03
Thulium	Tm_2O_3	0.00
Ytterbium	Yb_2O_3	0.1
Lutetium	Lu_2O_3	0.00
Yttrium	Y_2O_3	0.20
Total REO*		**100**

* Figures may not sum due to rounding to 0.01%.

Table 5: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the 2016 Total Ngualla +1% REO, Weathered Bastnaesite Zone +1% REO and Weathered Bastnaesite Zone +3% REO and Mineral Resources summarised in Tables 2 and 3.

Oxide		Ngualla 2016 Total Mineral Resource	Ngualla 2016 Weathered Bastnaesite Zone Resource	Ngualla 2016 Weathered Bastnaesite Zone Resource
		1% REO	1% REO	3% REO
Lanthanum	La_2O_3	27.25	27.58	27.63
Cerium	CeO_2	48.23	48.27	48.27
Praseodymium	Pr_6O_{11}	4.81	4.77	4.77
Neodymium	Nd_2O_3	16.2	16.5	16.5
Samarium	Sm_2O_3	1.66	1.6	1.60
Europium	Eu_2O_3	0.34	0.29	0.29
Gadolinium	Gd_2O_3	0.75	0.61	0.61
Terbium	Tb_4O_7	0.07	0.05	0.05
Dysprosium	Dy_2O_3	0.16	0.07	0.08
Holmium	Ho_2O_3	0.02	0.01	0.01
Erbium	Er_2O_3	0.06	0.03	0.03
Thulium	Tm_2O_3	0.00	0.00	0.00
Ytterbium	Yb_2O_3	0.04	0.01	0.01
Lutetium	Lu_2O_3	0.00	0.00	0.00
Yttrium	Y_2O_3	0.47	0.20	0.20
Total		**100**	**100**	**100**

* Figures may not sum due to rounding to 0.01%.

Table 6: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the 2015 Total Ngualla +1% REO, Weathered Bastnaesite Zone +1% REO and Weathered Bastnaesite Zone +3% REO and Mineral Resources summarised in Tables 2 and 3.

Oxide		Ngualla 2015 Total Mineral Resource	Ngualla 2015 Weathered Bastnaesite Zone Resource	Ngualla 2015 Weathered Bastnaesite Zone Resource
		1% REO	1% REO	3% REO
Lanthanum	La_2O_3	27.1	28.1	27.6
Cerium	CeO_2	48.2	46.0	48.2
Praseodymium	Pr_6O_{11}	4.81	5.83	4.73
Neodymium	Nd_2O_3	16.3	16.6	16.6
Samarium	Sm_2O_3	1.67	1.99	1.60
Europium	Eu_2O_3	0.35	0.35	0.30
Gadolinium	Gd_2O_3	0.76	0.71	0.61
Terbium	Tb_4O_7	0.07	0.06	0.05
Dysprosium	Dy_2O_3	0.16	0.09	0.08
Holmium	Ho_2O_3	0.02	0.01	0.01
Erbium	Er_2O_3	.006	0.05	0.03
Thulium	Tm_2O_3	0.00	0.00	0.00
Ytterbium	Yb_2O_3	0.02	0.01	0.01
Lutetium	Lu_2O_3	0.00	0.00	0.00
Yttrium	Y_2O_3	0.48	0.21	0.20
Total		**100**	**100**	**100**

* Figures may not sum due to rounding to 0.01%.

Ore Reserves

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.

Mineral Resource estimates

The information in this report that relates to Mineral Resources as reported in 2015 is based on information compiled by Robert Spiers, who is a member of The Australasian Institute of Geoscientists. Robert Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Robert Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robert Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this statement that relates to the Mineral Resource Estimates 2016 is based on work conducted by Rod Brown of SRK Consulting (Australasia) Pty Ltd, and the work conducted by Peak Resources, which SRK has reviewed. Rod Brown takes responsibility for the Mineral Resource Estimate. Rod Brown is a Member of The Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as Competent Person in terms of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition).Rod Brown consents to the inclusion of such information in this report in the form and context in which it appears.

Exploration and Geology

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.

Metallurgy

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 the General Manager Metallurgy of the Company and has 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.

Project Engineering and Cost Estimation

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 General Manager – Development 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. Lucas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The directors of Peak Resources Limited submit herewith the financial statements of the Company for the financial year ended 30 June 2016. 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 Peter Harold	Non-Executive Chairman (appointed 1 December 2015)
Mr Darren Townsend	Managing Director
Mr Dave Hammond	Technical Director
Mr Jonathan Murray	Non-Executive Director (Chairman from 1 April 2015 to 30 November 2015)
Mr Robin Mills	Non-Executive Director
Mr John Jetter	Non-Executive Director

INFORMATION ON DIRECTORS

Mr Peter Harold*– Non-Executive Chairman (Appointed Chairman 1 December 2015)*
B.AppSc (Chem), AFAICD

Mr. Harold trained as an industrial chemist and has almost 30 years operational and corporate experience in the minerals industry specialising in financing, marketing, operating and business development with a focus on building cash flow generative businesses. Peter was a founding director of Panoramic Resources Limited (formerly Sally Malay Mining) and has been responsible for managing the company through the development phase of the $65 million Savannah (formerly the Sally Malay) Nickel Project in the Kimberley region of WA and the acquisition of five other resource projects.

Peter is currently the Managing Director of Panoramic Resources. He is also the Chairman of Youth Focus, an independent not for profit charity that focusses on the prevention of youth suicide and depression. He has held previous senior roles with Spectrum Rare Earths, Alloy Resources, Shell Australia, Australian Consolidated Minerals, MPI Mines Limited and Normandy Mining Limited.). Peter has also served as a director of the following other listed companies:

- Panoramic Resources Limited – from 16 March 2001
- Pacifico MInerals Limited - from 19 August 2013
- Spectrum Rare Earths Limited - from 1 March 2007 to June 2014
- Alloy Resources Limited - from 15 September 2005 to June 2014

Mr Darren Townsend *– Managing Director (Appointed 3 February 2014)*
B.Eng (Mining-Hons) EMBA Managing Director

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 Tailson) 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 operations. 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 *– Technical Director (Appointed 25 October 2010)*
MSc in Mineral Exploration, DIC, BSc (Hons), MAusIMM

David has over 25 years technical and management experience in Africa, Australia and South America. He has been Technical Director with Peak and the Ngualla Project for almost six 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. Previous positions include 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 Jonathan Murray *– Non-Executive Director (Appointed 22 February 2011, Chairman from 1 April 2015 to 30 November 2015)*
Bachelor Laws and Commerce

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)
- Vietnam Industrial Investments Limited - from 19 January 2016

Mr Robin Mills *– Non-Executive Director (Appointed 1 April 2015)*
BSc.Eng.Rand.(Mining), FSAIMM., FIMMM.(UK), CEng.(UK)

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 *– Non-Executive Director (Appointed 1 April 2015)*
BLaw, BEcon, INSEAD

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 JPMorgan, 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

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)*
FCCA

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 11 years working in the resources sector in CFO and Company Secretarial roles for both ASX and TSX listed companies.

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 $15,892,428 (2015: loss $4,195,877).
The basic and diluted loss per share for the Group for the year was 3.95 cents (2015: 1.26 cents).

FINANCIAL POSITION

The net assets of the Group have decreased from $33,459,177 at 30 June 2015 to $26,891,541 at 30 June 2016.

The Group's working capital, being current assets less current liabilities, was $6,960,223 at 30 June 2016 (2015: net working capital deficiency ($6,418,152)). The Company announcement on 26 April 2016 - *Restructured funding package set to deliver Ngualla BFS* which addresses the Company's working capital requirements as follows:

- Restructured funding package underpins completion of the Bankable Feasibility Study (BFS) for the world-class Ngualla Rare Earth Project.
- Peak to increase ownership of Ngualla to 75% (from 62.5%)
- Appian Natural Resources Fund (Appian) remains strongly supportive and will participate in both the Placement and Rights Issue
- Appian to cover any shortfall in Rights Issue via a long term Loan of up to $6 million
- In addition to the A$7m raising, Appian's Stage 2 Ngualla project financing of an additional ~$A3.1 million expected to be received prior to end of June 2016 following regulatory approvals.

Since the above announcement, the Company completed a A$1,000,000 placement in May and raised a further A$1,004,824 in June under the announced Rights Issue (10 for 36 Entitlement Issue). Subsequent to the year end the Company is in the process of completing a placement of the Entitlement Issue shortfall to Appian and IFC for a further A$815,348 and has received ~A$4.1m on draw down of the long term loan facility provided by Appian.

In addition and following receipt of final regulatory approvals a total of ~A$3.1 was received in August and September 2016 by Peak's majority owned associated company Peak African Minerals from the Stage 2 Ngualla project financing noted above.

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. The review of the group's operations is included in pages 6 through 14 of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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.

Pursuant to the closing of stage 1 of the financing transaction with Appian and IFC on 24 July 2015, in which Appian and IFC acquired a direct 12.5% interest in Peak African Minerals (PAM), the company that held the interests in the Group's Ngualla project, it has been determined that Peak Resources no longer solely controls nor does it have joint control of PAM despite maintaining its majority ownership and beneficial interests in PAM. The company has determined that based on its involvement in the PAM Board (albeit it does not control the Board decisions) along with its ownership interest in the company, Peak Resources is deemed to have significant influence over PAM and accordingly is considered to be an associate under Australian Accounting Standards. In accordance with the requirements of Australian Accounting Standards, the PAM Group has been deconsolidated from the Peak Group effective July 2015 and the retained interest in PAM has been re-measured at its fair value, being the deemed cost on initial recognition of Peak's investment in the associate.

Capital raising equity issues were made during the year as follows:

- 24 July 2015 issue of 50,134,369 shares to Appian and IFC at $0.09 per share to raise A$4,512,094 (refer 1 above)
- 30 December 2015 issue of 26,696,558 shares to Appian on conversion of loan note at $0.103 per share (refer 4 above)
- 5 May 2016 placement issue of 20,000,000 shares at $0.05 per share to raise A$1,000,000
- 17 June 2016 issue of 20,096,476 shares at $0.05 per share to raise A$1,004,824 under the Company's 10 for 36 entitlement issue.

AFTER BALANCE DATE EVENTS

On the 15 August 2016 the closing of Stage 2 of the Bankable Feasibility (BFS) financing with Appian occurred and subsequent to that on 22 September 2016 the closing of Stage 2 with IFC. The Stage 2 closure involved a subscription of US$ 2,374,955 into Peak's majority owned associate PAM giving Appian and IFC an additional 10% and 2.5% interest respectively. Peak retains a 75% interest in PAM (Appian 20%, IFC 5%).

On the 20 September 2016 the Company received ~A$4.1m under a term loan facility provided by Appian.

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***
Peter Harold	8	8
Darren Townsend	12	12
David Hammond	12	10
Jonathan Murray	12	12
John Jetter	12	11
Robin Mills	12	12

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 HOLIDINGS OF DIRECTORS

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

	Equity shares	Equity options	Performance Rights
Peter Harold	-	-	-
Darren Townsend	600,000	6,000,000	5,000,000
David Hammond	1,590,198	4,000,000	2,500,000
Jonathan Murray	1,456,669	1,000,000	-
John Jetter*	-	666,666	-
Robin Mills*	-	666,666	-

*During the year an allocation of options was made to Messrs Jetter and Mills following approval by shareholders on 11 September 2015. Details of these issues are provided in the Remuneration Report.

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 $300,000 as approved by shareholders at the 26 November 2015 annual general meeting.

Performance based remuneration

The Company continues to review and consider the inclusion of performance based remuneration component built into director and executive remuneration packages.

The Company has previously, during the 30 June 2015 financial year, 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.

The employment agreements for the two additional executive appointments made during the year of Chief Operating Officer – Development and Executive General Manager Sales, Marketing and Business development provide for provision of discretionary performance bonuses.

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:

	2016 $	2015 $	2014 $	2013 $	2012 $
Other income	9,253	38,426	54,134	2,503,930	582,143
Net loss before tax	(15,892,428)	(4,195,877)	(3,148,903)	(2,867,384)	(5,297,738)
Net loss after tax	(15,892,428)	(4,195,877)	(3,148,903)	(2,867,384)	(5,297,738)
Closing share price at end of year	$0.048	$0.085	$0.06	$0.13	$0.22
Basic loss per share (cents)	3.95	1.13	1.05	1.15	3.01
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 2016 financial year were:

- Peter Harold – Non-Executive Chairman (Appointed 1 December 2015)
- Darren Townsend – Managing Director
- David Hammond – Technical Director
- Jonathan Murray – Non-Executive Director (Non-Executive Chairman 1 April 2015 to 30 November 2015)
- John Jetter- Non-Executive Director (Appointed 1 April 2015)
- Robin Mills- Non-Executive Director (Appointed 1 April 2015)
- Rocky Smith – Chief Operations Officer (Appointed 6 February 2016)
- Michael Prassas – Executive General Manager Sales, Market & Business Development (Appointed 18 February 2016)
- Graeme Scott– Chief financial Officer & Company Secretary (Appointed 3 November 2014)
- Alastair Hunter – Non-Executive Chairman (Resigned 1 April 2015)
- Jeffrey Dawkins – Chief financial Officer & Company Secretary (Resigned 3 November 2014)

Total remuneration for the year was:

	2016 $	2015 $
Salary and fees	1,257,002	951,530
Non-monetary benefits	11,835	-
Superannuation	80,416	63,838
Share based payments	298,421	472,726
	1,647,674	**1,488,094**

Remuneration of individual KMP's were:

	Short term benefits		Post-employment benefits	Share based payments*			Proportion related to:	
	Salary & fees	Non-monetary	Super-annuation	Performance Rights	Options	Total	Equity	Perfor-mance
30-Jun-16	$	$	$	$	$	$	%	%
Directors								
Peter Harold	40,000	-	3,800	-	-	43,800	0%	0%
Darren Townsend	351,354	-	29,750	119,348	42,757	543,209	8%	22%
David Hammond	281,667	-	26,758	59,674	28,505	396,604	7%	15%
Jonathan Murray	39,584	-	-	-	7126	46,710	15%	0%
John Jetter	39,584	-	-	-	6011	45,595	13%	0%
Robin Mills	39,584	-	-	-	6011	45,595	13%	0%
	791,773	**-**	**60,308**	**179,022**	**90,410**	**1,121,513**	**8%**	**16%**
Executives								
Rocky Smith	153,889	6,913	-	-	12,200	173,002	7%	0%
Michael Prassas	99,673	4,922	-	-	6,100	110,695	6%	0%
Graeme Scott	211,667	-	20,108	-	10,689	242,464	4%	0%
	465,229	**11,835**	**20,108**	**-**	**28,989**	**526,161**	**6%**	**0%**
Total remuneration	**1,257,002**	**11,835**	**80,416**	**179,022**	**119,399**	**1,647,674**	**7%**	**11%**

	Salary & fees	Non-monetary	Super-annuation	Performance Rights	Options	Total	Equity	Perfor-mance
30-Jun-15	$	$	$	$	$	$	%	%
Directors								
Alastair Hunter	56,534	-	5,371	77,967	27,167	167,039	63%	47%
Darren Townsend	319,445	-	10,103	59,964	81,500	471,012	30%	13%
David Hammond	300,000	-	28,500	137,837	54,333	520,670	37%	26%
Jonathan Murray	36,676	-	-	-	13,583	50,259	27%	0%
John Jetter	10,000	-	-	-	-	10,000	0%	0%
Robin Mills	10,000	-	-	-	-	10,000	0%	0%
	732,655	**-**	**43,974**	**275,768**	**176,583**	**1,228,980**	**37%**	**22%**
Executives								
Jeffrey Dawkins	65,041	-	5,250	-	12,104	82,395	15%	0%
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%**

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

<u>Options and performance rights granted during the year ended 30 June 2016</u>

Options granted during the year

30-Jun-16	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								
John Jetter	27-Oct-15	333,333	$ 0.013	4,249	5-Jan-16	$ 0.15	5-Jan-18	333,333
	27-Oct-15	333,333	$ 0.009	3,074	5-Jan-17	$ 0.20	5-Jan-18	-
Robin Mills	27-Oct-15	333,333	$ 0.013	4,249	27-Oct-15	$ 0.15	5-Jan-18	333,333
	27-Oct-15	333,333	$ 0.009	3,074	5-Jan-16	$ 0.20	5-Jan-18	-
		1,333,332		**14,646**				**666,666**

Executives								
Rocky Smith	17-June-16	2,000,000	$ 0.006	11,734	17-June-16	$ 0.15	5-Jan-18	2,000,000
	17-June-16	2,000,000	$ 0.004	7,270	5-Jan-17	$ 0.20	5-Jan-18	-
Michael Prassas	17-June-16	1,000,000	$ 0.006	5,867	17-June-16	$ 0.15	5-Jan-18	1,000,000
	17-June-16	1,000,000	$ 0.004	3,635	5-Jan-17	$ 0.20	5-Jan-18	-
		6,000,000		**28,506**				**3,000,000**
Total		**7,333,332**		**43,152**				**3,666,666**

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

Options granted during the year ended 30 June 2015

30-Jun-15	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								
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	-
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	-
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	-
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								
Jeffrey Dawkins	5-Jan-15	500,000	$ 0.024	12,104	5-Jan-15	$ 0.10	5-Jan-17	500,000
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**

No Performance Rights granted during the year ended 30 June 2016.

Performance Rights granted during the year ended 30 June 2015

30-Jun-15	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								
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	-
Darren Townsend	5-Jan-15	5,000,000	$ 0.072	360,000	**	$ -	5-Jan-18	-
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	-
Total		**10,500,000**		**756,000**				**2,500,000**

** Vest on achievement of performance milestones

Shareholdings of KMP's

30-Jun-16	Opening Balance	Granted as Remuneration	Exercise of Options/PRs	Cancelled	Market Transactions	Closing Balance
Directors						
Peter Harold	-	-	-	-	-	-
Darren Townsend	-	-	-	-	600,000	600,000
David Hammond	70,589	-	1,500,000	-	19,609*	1,590,198
Jonathan Murray	1,140,001	-	-	-	316,668*	1,456,669
Robin Mills	-	-	-	-	-	-
John Jetter	-	-	-	-	-	-
	1,210,590	**-**	**1,500,000**	**-**	**936,277**	**3,646,867**
Executives						
Rocky Smith	-	-	-	-	-	-
Michael Prassas	-	-	-	-	-	-
Graeme Scott	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**1,210,590**	**-**	**1,500,000**	**-**	**936,277**	**3,646,867**

*Participation in the Company's 10 for 36 entitlement issue.

The 1,500,000 shares issued on exercise of Performance Rights had a market value of $97,500 ($0.065 per share) on the date of issue.

Option Holdings of KMP's including performance rights

30-Jun-16	Opening Balance	Granted as Remuneration	Exercise of Options & PRs	Expired/ Cancelled	Market Transactions	Closing Balance	Vested at 30 June
Directors							
Peter Harold	-	-	-	-	-	-	-
Darren Townsend	11,000,000	-	-	-	-	11,000,000	4,000,000
David Hammond	8,000,000	-	(1,500,000)	-	-	6,500,000	2,666,667
Jonathan Murray	1,000,000	-	-	-	-	1,000,000	666,667
Robin Mills	-	666,666	-	-	-	666,666	333,333
John Jetter	-	666,666	-	-	-	666,666	333,333
	20,000,000	**1,333,332**	**(1,500,000)**	**-**	**-**	**19,833,332**	**8,000,000**
Executives							
Rocky Smith	-	4,000,000	-	-	-	4,000,000	2,000,000
Michael Prassas	-	2,000,000	-	-	-	2,000,000	1,000,000
Graeme Scott	1,000,000	-	-	-	-	1,000,000	500,000
	1,000,000	**6,000,000**	**-**	**-**	**-**	**7,000,000**	**3,500,000**
Total	**21,000,000**	**7,333,332**	**(1,500,000)**	**-**	**-**	**26,833,332**	**11,500,000**

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 $328,500 (previously $400,000) inclusive of superannuation effective 1 May 2016, 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 $250,000 (previously $300,000) effective 1 May 2016, 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.

Peter Harold – Non-Executive Chairman (appointed 1 December 2015)

Under Peter's agreement annual directors fees of $60,000 (previously $70,000) effective 1 June 2016, plus superannuation are 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 $35,000 (previously $40,000) per annum effective 1 June 2016. No retirement benefits are provided for.

Rocky Smith – Chief Operating Officer - Development (appointed 6 February 2016)

Rocky is employed under an ESA. The agreement provides for an annual salary of $377,775 inclusive of superannuation, plus private health and life cover, annual airfares, expenses, discretionary performance bonuses and options. The Executive is entitled to leave in accordance with the relevant legislation. Rocky's engagement has no fixed term but is subject to a three month notice period from either party.

Michael Prassas – Executive General Manager Sales, Marketing and Business Development (appointed 18 February 2016)

Michael is employed under an ESA. The agreement provides for an annual salary of $250,000, plus superannuation, plus private health, annual airfares, expenses, discretionary performance bonuses and options. The Executive is entitled to leave in accordance with the relevant legislation. Michael's engagement has no fixed term but is subject to a six 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 $220,000 (previously $200,000) effective 1 December 2015, 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 $202,883 (2015: $365,711) as fees for the provision of legal advice. Balance outstanding at 30 June 2016 and included in trade creditors $26,470 (30 June 2015: $4,276).

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
5 June 2017	$0.15	2,500,000

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	10,049,999
5 January 2018	$0.20	10,049,999*

*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 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.

2,500,000 ordinary shares were issued as a result of the exercise of Performance Rights by a director and former director during the financial year ended 30 June 2016.

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 2016 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 5 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,

Peter Harold
Non-executive Chairman
Perth, 28 September 2016

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436
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Auditor's Independence Declaration to the Directors of Peak Resources Limited

As lead auditor for the audit of Peak Resources Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Peak Resources Limited and the entities it controlled during the financial period.

Ernst & Young

D A Hall
Partner
Perth
28 September 2016

Building a better working world

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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 2016, 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, a copy of which is included in the directors’ report.

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 2016 and of its performance for the year ended on that date;

   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) of the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. These conditions indicate the existence of an uncertainty that may cast significant doubt about the company'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 2016. 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 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

D A Hall

D A Hall
Partner
Perth
28 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
Finance income	5	9,253	38,426
Total income		**9,253**	**38,426**
Employee benefits expenses		(1,088,331)	(964,718)
Share based payments expenses		(416,680)	(535,597)
Impairment of capitalised exploration costs		-	(1,915)
Depreciation expenses		(14,987)	(37,757)
Borrowing costs		(76,917)	(504,130)
Administrative and other costs		(823,953)	(2,190,186)
Technical feasibility costs	5	(4,420,592)	-
Share of loss of associate	4	(15,908,627)	-
Gain recognised on disposal of former subsidiary	3	6,848,406	-
Loss before income tax		**(15,892,428)**	**(4,195,877)**
Income tax expense	8	-	-
Loss after income tax		**(15,892,428)**	**(4,195,877)**
Other comprehensive /income/(loss), net of tax			
Items that could be transferred to profit or loss in future:			
Exchange differences on translation of foreign operations		(25,138)	942,416
Recycled to the profit and loss on disposal of former subsidiary		(1,273,526)	-
Group's share of associate's other comprehensive income		1,533,916	-
Total comprehensive loss for the year		**(15,657,176)**	**(3,253,461)**
Loss per share (in cents)			
Basic and Diluted loss per share	7	(3.95)	(1.26)

The statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	1,723,830	2,943,861
Trade and other receivables	10	125,002	993,819
Other Financial Assets	11	55,000	99,500
Other assets – due from associate		2,890,821	-
Prepayments		32,336	453,423
Assets held for sale – investment in associate	4	3,692,430	-
Total current assets		**8,519,419**	**4,490,603**
Non-current assets			
Property plant and equipment	12	27,594	85,143
Capitalised exploration and evaluation costs	13	-	39,784,186
Investment in associate	4	22,154,579	-
Investments	14	8,000	8,000
Total non-current assets		**22,190,173**	**39,877,329**
Total assets		**30,709,592**	**44,367,932**
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,372,578	1,896,829
Provisions	16	186,618	94,226
Short term loans	17	-	8,917,700
Total current liabilities		**1,559,196**	**10,908,755**
Non-current liabilities			
Other payables	15	45,256	
Loans and borrowings – due to associate	17	2,213,599	-
Total non-current liabilities		**2,258,855**	**-**
Total liabilities		**3,818,051**	**10,908,755**
Net assets		**26,891,541**	**33,459,177**
EQUITY			
Contributed equity	19	63,828,274	54,943,414
Reserves	18	3,315,921	2,875,989
Accumulated losses		(40,252,654)	(24,360,226)
Total equity		**26,891,541**	**33,459,177**

The statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2016

	Note	2016 $	2015 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,518,853)	(3,167,620)
Interest received		7,988	39,996
Finance costs paid		-	(18,012)
Borrowing costs paid		(153,175)	(37,692)
Cash used in operating activities	9	**(5,664,040)**	**(3,183,328)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(27,194)	(31,276)
Proceeds from disposal of former subsidiary		5,184,950	-
Payment for exploration and evaluation costs		-	(4,672,130)
Cash used in investing activities		**5,157,756**	**(4,703,406)**
FINANCING ACTIVITIES			
Proceeds from issue of equity shares		9,266,663	31,749
Reduction in performance bonds – restricted cash		44,500	4,500
Costs of issuing equity shares		(593,802)	-
(Repayment of) / Proceeds from borrowings		(8,917,700)	8,917,700
Borrowings from associate		1,134,166	-
Loans to associate		(1,769,119)	-
Cash generated from financing activities		**(835,292)**	**8,953,949**
Net decrease in cash and cash equivalents		(1,341,576)	1,067,215
Balance at the beginning of the year		2,943,861	1,889,474
Effect of foreign currency translation		121,545	(12,828)
Balance at the end of the year	9	**1,723,830**	**2,943,861**

The statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2016

	Contributed Equity $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
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 loss 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**
Loss for the year 2016	-	-	-	(15,892,428)	(15,892,428)
Other comprehensive income	-	-	(1,298,664)	-	(1,298,664)
Group's share of associate's other comprehensive income	-	-	1,533,916	-	1,533,916
Total comprehensive loss for the year	**-**	**-**	**235,252**	**(15,892,428)**	**(15,657,176)**
Equity issued	9,298,662	(32,000)	-	-	9,266,662
Performance Rights exercised	180,000	(180,000)	-	-	-
Equity based payments	-	416,680	-	-	416,680
Transaction costs	(593,802)	-	-	-	(593,802)
At 30 June 2016	**63,828,274**	**1,807,143**	**1,508,778**	**(40,252,654)**	**26,891,541**

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 2016 was authorised for issue in accordance with a resolution of the directors on 23 September 2016.

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 assets of $6,960,223 (2015: net current liabilities $6,418,152) and incurred an operating cash outflow after income tax of $5,664,040 (30 June 2015: $3,183,328) for the year ended 30 June 2016. The Group's ability to continue as a going concern and meet its debts as and when they fall due is dependent on the ability to raise additional capital.

As noted in the Directors Report in the After Balance Date Events section the following funding for the Company and development of the Ngualla project has been secured:

Subsequent to the year end the Company is in the process of completing a placement of the Entitlement Issue shortfall to Appian and IFC for A$815,348 and has received ~A$4.1m on draw down of the long term loan facility provided by Appian.

In addition and following receipt of final regulatory approvals a total of ~A$3.1 was received in August and September 2016 by Peak's majority owned associated company Peak African Minerals from the Stage 2 Ngualla project financing.

In the directors' opinion, there are reasonable grounds to believe that the Company has the ability to raise further funding as and when required. However, in the event additional funding is not forthcoming the Group 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 mandatory adoption of Australian Accounting Standards and Interpretations that have come into effect in the current financial reporting period have not had a material impact on the amounts reported in the Group.

Standards and Interpretations in issue not yet adopted
A number of new Standards, amendment of Standards and interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date. The potential effect of these Standards is yet to be fully determined. However, it is not expected that the new or amended Standards will significantly affect the Group's accounting policies, financial position or performance, except for the following:

Title	Summary	Application date for Group
AASB 9 – Financial Instruments	A finalised version of AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and de-recognition.	1 July 2018
AASB 2014-3 - Accounting for Acquisitions of Interests in Joint Operations (AASB1 & AASB11)	AASB 11 Joint Arrangements now provides guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The impact of this change to the Group is that such acquisitions will be accounted for as business combinations and not asset acquisitions.	1 July 2018
AASB 15 - Revenue from Contracts with Customers	AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.	1 July 2018
AASB16 – Leases	IFRS 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. IFRS 16 contains disclosure requirements for lessees.	1 July 2019

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 2016. 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.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. 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) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially measured at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the entity became an associate.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In Addition when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statement of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit and loss.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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 EPS is calculated as the net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and,
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) Trade and Other Payables

Trade payables and other payables are initially recognised at fair value, then carried at amortised cost. 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.

r) 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.

s) 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.

t) 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.

u) 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(p).

3. DE-CONSOLIDATION OF PEAK AFRICAN MINERALS AS A SUBSIDIARY AND RECOGNITION AS AN ASSOCIATE

Pursuant to the closing of stage 1 of the financing transaction with Appian and IFC on 24 July 2015, in which Appian and IFC acquired a direct 12.5% interest in Peak African Minerals (PAM), the company that held the interests in the Group's Ngualla project, it has been determined that Peak Resources no longer solely controls nor does it have joint control of PAM despite maintaining its majority ownership and beneficial interests in PAM. The company has determined that based on its involvement in the PAM Board (albeit it does not control the Board decisions) along with its ownership interest in the company, Peak Resources is deemed to have significant influence over PAM and accordingly is considered to be an associate under Australian Accounting Standards. In accordance with the requirements of Australian Accounting Standards, the PAM Group has been deconsolidated from the Peak Group effective July 2015 and the retained interest in PAM has been re-measured at its fair value, being the deemed cost on initial recognition of Peak's investment in the associate. Fair value has been determined with reference to the implied market value of the Appian and IFC payment which is an arms-length transaction therefore the Directors believe this represents fair value in an orderly transaction. The fair value is level 3 per the fair value hierarchy.

The Company has recorded a gain of $6,848,406 on the disposal of the interest in the PAM Group and the recognition of the investment in the associate at fair value. Set out below are the notional fair values of the PAM Group on the date it became an associate and Peak's share of the equity accounted investment.

	July 2015		
	$USD* Carrying amounts prior to de-consolidation	$USD* Fair values	$AUD* Fair values
Balance Sheet			
Current Assets			
Cash & Cash Equivalents	3,897,220	3,897,220	5,089,379
Trade and other receivables	329,624	329,624	430,456
Prepayments	94,877	94,877	123,900
Total Current Assets	**4,321,721**	**4,321,721**	**5,643,735**
Non-Current Assets			
Property, plant & equipment	55,420	55,420	72,373
Exploration & Evaluation	30,464,956	35,273,052	46,063,079
Total Non-Current Assets	**30,520,376**	**35,328,472**	**46,135,452**
Total Assets	**34,842,097**	**39,650,193**	**51,779,187**
Current Liabilities			
Trade Creditors & Accruals	(386,778)	(386,778)	(505,093)
Total Current Liabilities	**(386,778)**	**(386,778)**	**(505,093)**
Non-Current Liabilities			
Interest bearing loans and borrowings	(4,063,415)	(4,063,415)	(5,306,413)
Total Non-Current Liabilities	**(4,063,415)**	**(4,063,415)**	**(5,306,413)**
Total Liabilities	**(4,450,193)**	**(4,450,193)**	**(5,811,506)**
Net Assets	**30,391,904**	**35,200,000**	**45,967,681**
Peak Resources Limited 87.5% share of PAM investment			**40,221,720**

* PAM is considered to have a functional currency of US dollars and for the purposes of recognising its results in the Peak Resources Group the financial statements are translated to an Australian dollar presentational currency.

	$AUD
Fair value of Peak Resources investment in associate (87.5%)	40,221,720
Less net assets (AUD) of PAM Group de-consolidated from Peak Resources*	(34,646,840)
Recycle of FCTR on disposal of subsidiary	1,273,526
Gain on disposal of interest in controlled entity*	**6,848,406**

4. INVESTMENTS IN ASSOCIATES

As set out in Note 3, the Group has an 87.5% interest in Pan African Minerals (PAM), a company domiciled in Mauritius, that owns 100% of the shares in PR NG Minerals Limited ("PRNG"), the 100% owner of the Ngualla Project in Tanzania. The Group's interest in PAM is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in PAM:

	$AUD 30 June 2016	$AUD July 2015
Current assets	305,457	5,643,735
Non-current assets	41,246,479	46,135,452
Current liabilities	4,429,558	505,093
Non-current liabilities	7,582,939	5,306,413
Equity	29,539,439	45,967,681
Income	46,839	
Administrative costs	(468,689)	
Employee benefits	(101,977)	
Depreciation and amortisation expenses	(33,084)	
Other expenses(1)	(16,325,659)	
Finance costs	(1,298,718)	
Loss before income tax expense	**(18,181,288)**	
Income tax expense	-	
Loss for the period	**(18,181,288)**	
Other comprehensive income	**1,753,047**	
Total comprehensive loss for the period	**(16,428,241)**	
Group's share of loss for the period	**(15,908,627)**	
Group's share of movement of other comprehensive income for the period	**1,533,916**	
Peak Resources investment in associate:		
Opening balance (note 3)	40,221,720	
Less Group's share of loss in the associate for the period	(15,908,627)	
Add Group's share of movement in other comprehensive income in the associate for the period	1,533,916	
Investment in associate	**25,847,009**	
Classified in the statement of financial position as:		
Asset held for sale – investment in associate(2)	3,692,430	
Investment in associate	22,154,579	
Investment in associate	**25,847,009**	

(1) Included in this amount is an impairment expense of AUD$15,472,510, as sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset may not be recovered in full from successful development or by sale. The impairment charge is made with reference to the fair value of the project implied by the negotiated transaction between the shareholders of PAM, being Peak Resources Limited, Appian and IFC,

which is an arms-length transaction therefore the Directors believe this represents fair value in an orderly transaction relating to Stage 2 of the financing arrangement. The fair value is level 3 per the fair value hierarchy.

(2) Based on the transaction in (1) which settled on 15 August 2016 following receipt of regulatory approval, the portion of the associate subject to disposal has been re-classified as a current asset held for sale.

5. INCOME AND EXPENDITURE ITEMS

	2016 $	2015 $
Included in loss for the year are:		
Interest received	9,253	38,426
Gain on sale of non-current assets	-	-
Australian R&D rebate receivable	-	-
Total other income	-	-
Occupancy costs	(219,990)	(234,608)
Listing compliance costs	(72,043)	(63,644)
Travel & accommodation	(166,072)	(350,598)
Technical feasibility costs[(1)]	(4,420,592)	-

(1) Feasibility costs incurred by the Group are expensed as incurred. In the previous period these may have been capitalised to exploration and evaluation costs in the subsidiary disposed depending on the application of the Group's accounting policy.

Auditors' remuneration

	2016	2015
Amounts received or due and receivable by Ernst and Young for:		
Audit and review of financial statements	33,670	25,000
Taxation services	-	-
	33,670	**25,000**
Subsidiaries audit and review of financial statements	8,378	18,012
Subsidiaries taxation services	-	-
	8,378	**18,012**

6. 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 & Development (E&D) – Group's exploration and development activities for the Ngualla project 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 2016			30 June 2015		
	E&D	Unallocated	Total	E&D	Unallocated	Total
	$	$	$	$	$	$
Finance income	-	9,253	9,253	-	38,426	38,426
Other income	-	-	-	-	-	-
Total income	**-**	**9,253**	**9,253**	**-**	**38,426**	**38,426**
Depreciation and amortisation	(2,418)	(12,569)	(14,987)	(21,548)	(16,209)	(37,757)
Impairment of exploration and evaluation costs	-	-	-	(1,915)	-	(1,915)
Impairment of Investments	-	-	-	-	4,000	4,000
Share based payment expenses	-	(416,680)	(416,680)	-	(535,597)	(535,597)
Borrowing costs	-	(76,917)	(76,917)	-	(297,226)	(297,226)
Gain on disposal of former subsidiary	-	6,848,406	6,848,406	-	-	-
Share of loss of associate	(15,908,627)	-	(15,908,627)	-	-	-
Technical feasibility costs	(4,420,592)	-	(4,420,592)	-	-	-
Other expenses	-	(1,912,284)	(1,912,284)	1,255,951	(4,621,759)	(3,365,808)
Income Tax	-	-	-	-	-	-
Segment results	**(20,331,637)**	**4,439,209**	**(15,892,428)**	**1,232,488**	**(5,428,365)**	**(4,195,877)**
Segment assets	**25,847,009**	**4,862,583**	**30,709,592**	**40,949,243**	**3,418,689**	**44,367,932**
Segment liabilities	**-**	**(3,818,051)**	**(3,818,051)**	**(4,435,887)**	**(6,472,868)**	**(10,908,755)**
Additions to non-current assets:						
Plant and equipment	-	27,194	27,194	22,779	8,497	31,276
Investment in associate	22,154,579	-	22,154,579			
Capitalised exploration & evaluation costs	-	-	-	5,849,868	-	5,849,868
	22,154,579	**27,194**	**22,181,773**	**5,872,647**	**8,497**	**5,881,144**

7. LOSS PER SHARE

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

	2016	2015
	Cents	Cents
Basic and Diluted loss per share based on reported losses after tax as set out in the Statement of Comprehensive Income	(3.95)	(1.26)
	Nos.	Nos.
Weighted average number of ordinary shares used in calculating Basic & Diluted loss per share	402,377,186	334,230,002
Anti-dilutive options over ordinary shares and performance rights excluded from the weighted average number of shares	43,383,332	36,050,000

8. INCOME TAX

		2016 $	2015 $
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%)	(4,697,153)	(1,258,763)
	Add tax effect of:		
	- Assessable items	12,114	-
	- Revenue losses not recognised	672,306	524,342
	- Other non-allowable items	6,248,951	639,947
		2,236,218	94,474
	Less tax effect of:		
	- Other deferred tax balances not recognised	111,121	94,474
	- Australian R&D rebate	2,125,097	-
	Income tax expense reported in statement of comprehensive income	-	-
c.	**Deferred tax recognised:**		
	Deferred tax liabilities:		
	Investment in associate	(7,754,102)	-
	Accrued interest	(353)	(730)
	Other	(986)	(1,106)
	Deferred tax assets:		
	Carry forward revenue losses	5,067,533	1,836
	Provisions and accruals	2,687,908	-
	Net deferred tax	-	-
d.	**Unrecognised deferred tax assets:**		
	Carry forward revenue losses	-	4,777,845
	Carry forward capital losses	295,504	73,303
	Capital raising costs	291,678	405,880
	Provisions and accruals	4,133,969	115,073
	Other	-	3,922
		4,721,151	5,376,023

The unrecognised deferred tax assets derive from $985,013 of carried forward capital losses and deductible temporary differences totalling $14,752,157.

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 2016, 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.

9. CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalent	2016 $	2015 $
For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash at bank and in hand	1,679,330	1,443,861
Short term deposits	44,500	1,500,000
	1,723,830	**2,943,861**

Reconciliation of operating loss to operating cash flows		
Loss for the year	**(15,892,428)**	**(4,195,877)**
Adjustments for non-cash items:		
Gain on disposal of former subsidiary	(6,848,406)	-
Share of loss of associate	15,908,627	-
Share based payments expenses	416,680	535,597
Impairment of capitalised exploration costs	-	1,915
Depreciation expenses	14,987	37,757
Foreign exchange gain/loss	(121,545)	(222,495)
Other non-cash items	-	(4,000)
Movement in working capital items:		
(Increase) / decrease in trade and other receivables	868,817	(264,669)
(Increase) / decrease in prepayments	421,086	(308,419)
Increase / (decrease) in trade and other payables	(524,250)	1,230,699
Increase in provisions	92,392	6,164
	(5,664,040)	**(3,183,328)**

Material non-cash transactions:
2016: No material non-cash transactions occurred during the year.
2015: No material non-cash transactions occurred during the year.

10. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Current		
GST / Vat receivable	121,478	987,846
Other receivable	3,524	5,973
	125,002	**993,819**
Ageing of receivables		
Recoverable within 3 months	125,002	83,988
Beyond 3 months	-	909,831
	125,002	**993,819**

Receivables are non-interest bearing and unsecured

11. OTHER FINANCIAL ASSETS

	2016 $	2015 $
Bank Term Deposit	55,000	99,500
	55,000	**99,500**

A deposit of $55,000 (2015: $99,500) 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.

12. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Plant and equipment		
At cost	110,079	247,530
Accumulated depreciation	(82,485)	(162,387)
	27,594	**85,143**
Movement in net carrying amount		
Balance at the beginning of the year	85,143	91,624
Additions	27,194	31,276
Disposals / de-recognised on disposal of former subsidiary	(69,756)	-
Depreciation for the year	(14,987)	(37,757)
Balance at the end of the year	**27,594**	**85,143**

13. CAPITALISED EXPLORATION AND EVALUATION COSTS

	2016 $	2015 $
Movement in net carrying amount:		
Balance at the beginning of the year	39,784,186	33,936,233
Expenditure capitalised during the year	-	5,849,868
Impairment recognised during the year (a)	-	(1,915)
De-recognised on disposal of former subsidiary	(39,784,186)	-
Balance at the end of the year	**-**	**39,784,186**
Capitalised areas of interest:		
Ngualla Rare Earths Project, Tanzania	-	39,784,186
	-	**39,784,186**

(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.

14. AVAILABLE FOR SALE FINANCIAL ASSETS

	2016 $	2015 $
Investment in listed shares – at fair value (Level 1)	8,000	8,000
	8,000	**8,000**

15. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Current		
Trade and other payables	**1,372,578**	**1,896,829**
Non-current		
Other payables	**45,256**	**-**
Ageing of payables		
Payable within 3 months	1,372,578	1,896,829
Beyond 3 months	45,256	-
	1,417,834	**1,896,829**

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

16. PROVISIONS

	2016	2015
	$	$
Employee benefits - leave entitlements	186,618	94,226

17. LOANS AND BORROWINGS

	2016	2015
	$	$
Current:		
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**
Non-current:		
Working capital loan facility – Peak African Minerals	2,213,599	**-**
Balance at the end of the year	**2,213,599**	**-**

Current -All current shot-term loan facilities together with applicable interest were repaid to Appian on 26 July 2015.

Non-current – majority owned associate company Peak African Minerals has provided a working capital loan facility of up to US$4,209,317 of which US$1,881,718 remains available for drawdown at the end of the financial year. The facility is repayable the earlier of 29 March 2021 or on the commencement of commercial production from the Ngualla project. Interest accrues at 8% per annum until repayment.

18. RESERVES

	Share based payment reserve	Foreign currency translation reserve	Total
	$	$	$
At 30 June 2014	**1,066,866**	**331,110**	**1,397,976**
Share based payment made in 2015	535,597		535,597
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 made in 2016	416,680	-	416,680
Equity issued	(32,000)	-	(32,000)
Performance Rights exercised	(180,000)	-	(180,000)
Recycled to profit and loss on disposal of former subsidiary	-	(1,273,526)	(1,273,526)
Group's share of associates FCTR	-	1,533,916	1,533,916
Exchange difference on translation of foreign operations	-	(25,138)	(25,138)
At 30 June 2016	**1,807,143**	**1,508,778**	**3,315,921**

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.

19. CONTRIBUTED EQUITY

		Nos.	$
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
Equity issue costs			-
Balance at 30 June 2015		**334,546,631**	**54,943,414**
Issue of shares to Appian and IFC at $0.09 per share	24-Jul-15	50,134,369	4,512,094
Issue of shares on exercise of performance rights	28-Aug-15	2,500,000	180,000
Issue of shares to Kibuta Ongwamahuna	27-Oct-15	500,000	32,000
Issue of shares on conversion of loan notes at $0.103 per share	30-Dec-15	26,696,558	2,749,744
Issue of shares pursuant to a placement at $0.05 per share	4-May-2016 & 5-May-2016	20,000,000	1,000,000
Issue of shares pursuant to 10 for 36 entitlement issue at $0.05 per share	17-Jun-16	20,096,476	1,004,824
Equity issue costs			(593,802)
Balance at 30 June 2016		**454,474,034**	**63,828,274**

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 43,383,332 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 2015		36,050,000			
Exercised:					
Exercise of performance rights	28 August 2015	(2,500,000)			
Expired:		-			
		33,550,000	Vested and unvested	$0.00 - $0.55	20/02/2017 - 05/01/2018
Issued:					
Issue of $0.15 unlisted options	27 October 2015	2,500,000	Vested	$0.15	05/06/2017
Issue of $0.15 unlisted options	27 October 2015	666,666	Vested	$0.15	05/01/2018
Issue of $0.20 unlisted options	27 October 2015	666,666	Unvested	$0.20	05/01/2018
Issue of $0.15 unlisted options	27 October 2015	3,000,000	Vested	$0.15	05/01/2018
Issue of $0.20 unlisted options	27 October 2015	3,000,000	Unvested	$0.20	05/01/2018
Balance at 30 June 2016		**43,383,332**			

Other than the issue of 2,500,000 options on 27 October 2015 to an external service provider, Argonaut Capital Limited, the issues of the options during the year were made under the Company's Employee Option Plan. Included in these issues are issues to Directors as disclosed in the Remuneration Report which were made subsequent to the receipt of shareholder approval at a General Meeting held on 11 September 2015.

2,500,000 shares were issued during the year as a result of the exercise of performance rights.

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.

20. 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 2016 a total of 7,333,332 (2015: 19,150,000) options were issued under the EOP to directors, executives, employees and contractors. An additional 2,500,000 options were issued outside of the EOP to an external service provider following receipt of shareholder approval.

Options granted during and as at the year ended 30 June 2016:

	Number	WA Exercise Price	Value per option
Outstanding at 1 July 2015	**19,150,000**	$0.15	
Granted during the year:			
27-Oct-2015 - issue of $0.15 vested options expiring 5-Jun-2017	2,500,000	$0.15	$0.011
27-Oct-2015 - issue of $0.15 vested options expiring 5-Jan-2018	666,666	$0.15	$0.013
27-Oct-2015 - issue of $0.20 unvested options expiring 5-Jan-2018	666,666	$0.20	$0.009
17-Jun-2016 - issue of $0.15 vested options expiring 5-Jan-2018	3,000,000	$0.15	$0.006
17-Jun-2016 - issue of $0.20 unvested options expiring 5-Jan-2018	3,000,000	$0.20	$0.004
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at 30 June 2016	**28,933,332**	**$0.16**	
Exercisable at 30 June 2016	18,933,333	$0.13	

WA (weighted average)

The unvested $0.20 options vest on continuous service on 5 January 2017.

Options granted during and as at the year ended 30 June 2015:

	Number	WA Exercise Price	Value per option
Outstanding at 1 July 2014	-	-	
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.

The volume weighted exercise price of options issued during the year was $0.169 (2015: $0.15).

The weighted average remaining contractual life for share options outstanding at 30 June 2016 was 1.25 years (2015: 2.19 years).

The weighted average fair value of options issued during the year was $0.007 per option (2015: $0.022).

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.

No performance rights were granted during the year ended 30 June 2016.

Performance rights granted during and as at the year ended 30 June 2016:

	Number	Exercise Price	Value per performance right
Outstanding at 1 July 2015	**10,500,000**	**$0.00**	
Granted during the year:	-	-	
Exercised during the year	(2,500,000)	$0.00	
Expired during the year	-	-	
Outstanding at 30 June 2016	**8,000,000**	**$0.00**	
Exercisable at 30 June 2016	-	-	

Performance rights granted during and as at 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.

The volume weighted exercise price of rights issued during the year was $0.00 (2015: $0.00)
The weighted average remaining contractual life for rights options outstanding at 30 June 2016 was 1.52 years (2015: 2.52 years)
The weighted average fair value of rights issued during the year was $0.00 per right (2015: $0.072)

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

	2016	2015
WA Share price on date of grant	**$0.057**	$0.072
WA Risk-free interest rate	**1.85%**	2.50%
Dividend yield	**0%**	0%
Expected volatility	**77%**	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 $416,680 (2015: $535,597) is $32,000 (2015: $Nil) relating to the shares issued during the year, $193,723 (2015: $260,121) related to options granted during the year and prior year, and $190,957 (2015: $275,476) relating to performance rights granted in the prior year.

21. CONTINGENCIES AND COMMITMENTS

Lease commitments

The company has committed to a non-cancellable office lease of $97,200 per annum to 31 January 2017.

	2016	2015
	$	$
Up to 1 year	56,700	56,700
	56,700	**56,700**

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 2016 minimum annual expenditure commitments in respect of exploration assets amounted to US$127,340 (2015 $118,967). 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 2016, the Group has no capital commitments. (2015: Nil).

Contingencies

At 30 June 2016, the Group had no contingencies (2015: Nil).

Other Contingencies

Peak has provided a performance guarantee to a service provider for services to the Company's majority owned associate Peak African Minerals.

22. KEY MANAGEMENT PERSONNEL DISCLOSURE

	2016	2015
	$	$
Salary and fees – short term benefits	1,257,002	951,530
Non-monetary benefits	11,835	-
Superannuation	80,416	63,838
Share based payments	298,421	472,726
	1,647,674	**1,488,094**

Loans to KMP's

No loans were made to KMP's during the financial year (2015: 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 $202,883 (2015: $365,711) as fees for the provision of legal advice. Balance outstanding at 30 June 2016 and included in trade creditors $26,470 (30 June 2015: $4,276).

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.

23. 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 2016	2015
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%
Peak Resources Tanzania Limited	Tanzania	100%	100%
Peak African Minerals Limited	Mauritius	-	100%
Associated entities			
Peak African Minerals Limited	Mauritius	87.5%	-
PR Ng Minerals Limited (Formerly Zari Exploration Limited)	Tanzania	87.5%	-

24. 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

	2016 $	2015 $
Cash and cash equivalents	1,723,830	2,943,861
Trade and other receivables	125,002	993,819
Other financial assets	55,000	99,500
Due from associate	2,890,821	-
AFS Investment	8,000	8,000
Trade and other payables	(1,417,834)	(1,896,829)
Current – Loans and borrowings	-	(8,917,700)
Non-current – Loans and borrowings	(2,213,599)	-

The carrying amount of financial instruments closely approximate their fair value on account of short maturity cycle. The approximated fair values are classified as Level 1 in the fair value hierarchy.

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 $515,283 (2015: $993,819) at reporting dates.

As at 30 June 2016, 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.

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:

	2016			2015		
	Up to 3 months	> 3 months	Total	Up to 3 months	> 3 months	Total
	$	$	$	$	$	$
Financial liabilities					-	
Trade and other payables	(1,372,578)	(45,256)	(1,417,834)	(1,896,829)	-	(1,896,829)
Short term loans	-	-	-	-	(8,917,700)	(8,917,700)
Long term loans(1)	-	(3,099,039)	(3,099,039)	-	-	-
Total financial liabilities	**(1,372,578)**	**(3,144,295)**	**(4,516,873)**	**(1,896,829)**	**(8,917,700)**	**(10,814,529)**
Financial assets						
Cash and cash equivalents	1,723,830	-	1,723,830	2,943,861	-	2,943,861
Other financial assets	-	55,000	55,000	-	99,500	99,500
Due from associate	2,890,821	-	2,890,821	-	-	-
Investments	-	8,000	8,000	-	8,000	8,000
Trade and other receivables	125,002	-	125,002	83,988	909,831	993,819
Total financial assets	**4,739,653**	**63,000**	**4,802,653**	**3,027,849**	**1,017,331**	**4,045,180**

(1) Loan is repayable the earlier of 29 March 2021 or on the commencement of commercial production from the Ngualla project.

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:

	2016	2015
	$	$
Cash and cash equivalents	1,723,830	2,943,861
Impact on profit and equity: +1% movement	17,238	29,439
Impact on profit and equity: -1% movement	(17,238)	(29,439)

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.

25. SUBSEQUENT EVENTS

There were no subsequent events to 30 June 2016 that have a material impact on the financial statements at present other than as follows:
On the 15 August 2016 the closing of Stage 2 of the Bankable Feasibility (BFS) financing with Appian occurred and subsequent to that on 22 September 2016 the closing of Stage 2 with IFC. The Stage 2 closure involved a subscription of US$ 2,374,955 into Peak's majority owned associate PAM giving Appian and IFC an additional 10% and 2.5% interest respectively. Peak retains a 75% interest in PAM (Appian 20%, IFC 5%).

On the 20 September 2016 the Company received ~A$4.1m under a term loan facility provided by Appian.

26. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Resources Limited, at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2016 $	2015 $
Financial position		
Current assets	1,925,387	3,310,634
Non-current assets	23,291,888	44,132,461
Total assets	**25,217,275**	**47,443,095**
Current liabilities	1,541,547	6,385,665
Non-current liabilities	2,258,855	-
Total liabilities	**3,800,402**	**6,385,665**
Net assets	**21,416,873**	**41,057,430**
Equity		
Contributed equity	64,144,025	55,259,165
Share based payment reserve	1,870,627	1,665,948
Accumulated losses	(44,597,779)	(15,867,683)
Total equity	**21,416,873**	**41,057,430**
Financial performance		
Loss for the year	(28,730,096)	(2,087,678)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(28,730,096)**	**(2,087,678)**

Peak Resources Limited had no commitments to purchase property, plant and equipment or contingent liabilities, other than the performance guarantee as referred to in Note 21, 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 2016 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 2016 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

Peter Harold
Non-Executive Chairman
Perth, 28 September 2016

TENEMENT SCHEDULE

Project	Tenement	%	Status	Arrangement/Comment
Tanzanian Projects				
Ngualla	PL 6079/2009	75*	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd
Ngualla	PL 9157/2013	75*	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd

*On 26 July 2015, the Company announced the closing of stage 1 of the financing transaction with Appian and IFC. On 15 August 2016 the closing of stage 2 with Appian occurred and on 22 September 2016 with IFC. As a result, Peak holds a 75% beneficial interest in the above two licences with Appian and IFC holding a 20% and 5% interest respectively 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 27 September 2016 were as follows:

Number Held as at 27 September 2016	Class of Equity Securities Fully Paid Ordinary Shares
1-1,000	152
1,001 - 5,000	346
5,001 – 10,000	335
10,001 - 100,000	1,117
100,001 and over	432
Total	**2,382**

There were 576 holders with less than a marketable parcel of fully paid shares.

Substantial Security holders

Substantial shareholders listed in the Company's register as at 27 September 2016 were:

Holder	Number of shares	Percentage of issued capital
APPIAN PINNACLE HOLDCO LIMITED	75,804,053	16.68%

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 June 2017	2,500,000	1
$0.15 options expiring 5 January 2018	10,049,999	17
$0.20 options expiring 5 January 2018	10,049,999	17
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 2017	2,000,000	Darren Townsend
$0.10 options expiring 5 January 2017	1,333,334	David Hammond
$0.15 options expiring 5 June 2017	2,500,000	Argonaut Investments
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 2016, there were no restricted securities.

Twenty largest security holders

The names of the twenty largest ordinary fully paid shareholders as at 27 September 2016 are as follows:

Name	Number Held of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
CITICORP NOMINEES PTY LIMITED	81,702,430	17.98
J P MORGAN NOMINEES AUSTRALIA LIMITED	29,843,077	6.57
CRX INVESTMENTS PTY LIMITED	13,000,000	2.86
WISEVEST PTY LTD	11,100,000	2.44
INTERNATIONAL FINANCE CORPORATION	10,026,874	2.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,002,148	2.20
ASHABIA PTY LTD	9,107,252	2.00
HOTLAKE PTY LTD	7,635,000	1.68
ONE MANAGED INVESTMENT FUNDS LIMITED	7,000,000	1.54
PASAGEAN PTY LIMITED	7,000,000	1.54
YARANDI INVESTMENTS PTY LTD	5,530,114	1.22
MR MICHAEL BUSHELL	5,450,179	1.20
SAMBOLD PTY LTD	5,125,000	1.13
NATIONAL NOMINEES LIMITED	4,631,971	1.02
PINNACLE SUPERANNUATION PTY LIMITED	4,472,223	0.98
TOWNS CORPORATION PTY LTD	4,294,954	0.95
BNP PARIBAS NOMINEES PTY LTD	4,162,104	0.92
WAPIMALA PTY LIMITED	4,000,000	0.88
RENOM PTY LTD	4,000,000	0.88
BUELL PTY LTD	3,929,397	0.86
TOTAL	**232,012,723**	**51.05%**

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

Peter Harold	Non-Executive Chairman
Darren Townsend	Managing Director
David Hammond	Technical Director
Jonathan Murray	Non-Executive Director
John Jetter	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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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