PEAK RESOURCES LIMITED

Nd
Neodymium

Pr
Praseodymium

ENABLING LOW CARBON TECHNOLOGIES

Annual Report 2017

Corporate Directory

Directors

Non-Executive Chairman:

Peter Harold

Managing Director:

Darren Townsend

Technical Director:

David Hammond

Non-Executive Directors:

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Company Secretary/Chief Financial Officer:

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2017 Highlights

PEAK RESOURCES LIMITED

The sustained rise in prices for neodymium-praseodymium oxide ("NdPr") experienced in 2017 is perfect timing for Peak's Ngualla Project. Prices continue to climb amid predictions of a strong increase in demand for this critical raw material due to the increasing shift towards hybrid and electric vehicles by manufacturers.

The completion of the Bankable Feasibility Study and the progress made in project permitting are some of the highlights for 2017 that are great strides accomplished towards the Company's strategy to position Ngualla as one of the lowest cost rare earth operations ready to help meet the surge in demand for NdPr.

Bankable Feasibility and Process Optimisation Studies	✓	The detailed study by Tier One engineers defines a technically robust, long life and uniquely low cost project with products strongly aligned to the permanent magnet, electric vehicle and green energy markets.
NdPr Prices	✓	Have increased sharply, improving by 111% since their lows in November 2016 and reversing 6 years of decline.
Electric Vehicles to drive demand	✓	Over 90% of EV models in the design pipeline use NdPr electric motors, each of which require about 1.7kg of NdPr.
Ngualla Ore Reserve Estimate	✓	A revised Ore Reserve estimate confirms Ngualla as one of the largest, highest quality and highest grade NdPr deposits in the world.
Pilot Plants completed	✓	The final of three pilot plants was successfully concluded, completing the comprehensive verification of the process developed for Ngualla's unique ore.
Rare Earth refinery selected	✓	Tees Valley in the UK is an existing industrial park close to ports and bulk low cost reagent supplies that also offers established utilities.
Environmental Certificate recieved	✓	The environmental permitting of the Ngualla Project was successfully completed with the issue of the Environmental Impact Assessment Certificate in March 2017.
Mining Licence lodged	✓	The application for a Special Mining Licence for the Ngualla Project in Tanzania was made post year end in August 2017.
New fluorspar and rare earth discoveries	✓	Extensive zones of high grade fluorspar were identified during 2017 and are being evaluated as a potential value add second commodity to rare earths. Additional new zones of rare earths have also been discovered and remain at an early stage of evaluation.

Peter Harold, B.AppSc (Chem)

23 October 2017

Dear Shareholder

The past year has seen your Company achieve the major milestone of delivering the Bankable Feasibility Study (BFS) on the Ngualla Rare Earth Project in Tanzanian which confirms that the project can be one of the world's lowest cost rare earth producers of any comparable rare earth developer.

The BFS and subsequent optimisation improvements delivered in August 2017 demonstrates the outstanding quality of Ngualla Project with some of the key metrics being:

Project life	26 years
Annual production	2,810tpa NdPr mixed oxide 4,230tpa La oxide equivalent 1,920tpa Ce oxide equivalent
Unit operating cost	US $32.24/kg NdPr

Capital cost	US $365 million
Operating margin	66%
NPV$_8$	US $776 million
IRR	24%
Payback period	4 years

The Ngualla Project development now looks to be well timed with the permanent magnet rare earths, neodymium and praseodymium, having experienced sustained price rises in China throughout 2017. The mixed neodymium praseodymium oxide (NdPr) price was around US $41/kg when Peak announced the results of the BFS for Ngualla in April 2017, while the BFS assumed a long-term price of US $85/kg. The NdPr price has increased over 100% since November 2016 and in mid-October 2017 was around US $71/kg. The strong rise in the NdPr price is particularly important for Peak given that NdPr is Ngualla's main value driver, representing 90% of the project's estimated future revenue.

NdPr is used in the manufacture of super strong permanent magnets as is essential in the preferred motors of electric vehicles (EVs). The strong price increases for NdPr have occurred earlier than analysts predicted, driven by industry consolidation and the enforcement of production quotas and environmental guidelines in China. While the uptake of EV technology is gathering momentum, the forecast significant increase in physical demand for NdPr from EVs is still some years away indicating we could be in for a sustained period of higher prices. This is indeed excellent news for our Ngualla Project, which is one of the few NdPr projects that could be brought into production in time to help meet this forecast increase in demand.

While the delivery of the BFS and the rally in the NdPr price have been very positive news for Peak there were some changes made to Tanzanian mining legislation in July 2017 which created some uncertainty and had a negative impact on our share price. The Company sought advice from an in-country international legal firm and concluded that, while the new legislation will result in some significant changes to the regulatory framework in Tanzania governing natural resources, it appeared to be focused on precious and base metal producers with Mining Development Agreements containing historic concessions. Importantly, Peak does not hold any such agreements and therefore is not affected by those particular changes.

The legislative changes that appear to apply to Ngualla are a 16% minimum Free Carried Interest in the Project and a 1% clearing fee. While these changes will impact the returns to existing shareholders in the Project, the Company believes the impacts will be manageable.

Importantly, the Government of Tanzania has always been supportive of Peak and its development plan for Ngualla. The local community and regional authorities are also strongly supportive. The Company will continue to monitor the implementation of these legislative changes and will engage with the Tanzanian government during the mining licence application process to ensure a mutually beneficial outcome can be achieved for the successful development of the Ngualla Project.

The priority now is to progress Ngualla through the next stages of development being project permitting, product marketing and project financing, so we can move to the construction phase and then into production to take advantage of the expected growth in demand for NdPr. In order to fund the next phase of development we recently raised new equity via a $2.8 million placement and a pro rata renounceable entitlement issue to raise a further $2.74 million. The entitlement offer was well supported by existing shareholders and we thank them and the new shareholders, who have come aboard through the placement, for their support of the Company.

There have been some changes to the executive team recently with both Darren Townsend and Dave Hammond resigning from the Company to continue their respective careers with different resource companies. Darren and Dave have been instrumental in progressing the Ngualla Project through to the delivery of the Bankable Feasibility Study and on behalf of the board and shareholders I thank them for their efforts and wish them well in their new roles. Darren will transition to a non-executive director of the Company during November which will ensure continuity and retention of his knowledge base within the Company.

We are fortunate to have a talented and experienced executive team at Peak which has allowed us to replace Darren and Dave with internal candidates. Rocky Smith, who was Peak's Chief Operating Officer and has over 35 years' experience in the minerals processing and chemical engineering sectors, has become Interim CEO. Rocky has been with the Company since early 2016 and is an experienced resources executive who ran the Mountain Pass rare earth operation in the USA prior to joining Peak. Lucas Stanfield, Peak's General Manager of Development will take over Dave's responsibilities in Tanzania. Lucas has extensive experience in rare earths and during his time with Peak has spent a considerable amount of time in Tanzania representing the Company.

On behalf of the Board and shareholders I acknowledge the hard work and dedication of my fellow board members, the executive team and all the staff of Peak. The Company is moving into the development phase of Ngualla at a time of improved rare earth prices and expected strong demand growth for our primary rare earth product which bodes well for the future of the Company.

Yours sincerely,

Peter Harold
Non-Executive Chairman

CEO's Letter

Rocky Smith, B.SC (Chem)

23 October 2017

It goes without saying we have had a few changes this year, starting with me recently stepping up into the CEO's role. In every business there is likely to be a transition, in our case it is taking a development project into a startup.

I want to give a big thank you to all the team members that helped get Peak and the Ngualla Project to such a favorable spot. Peak is the unique proposition where world class rare earth experience meets with a world class deposit and a perfect alignment to the market for its planned products.

The past year saw many significant advances in the development of the Ngualla Rare Earth Project. Most importantly the Bankable Feasibility Study ("BFS") that was completed during the year showed a major improvement in the estimated operating costs. Operating costs improved from US $126 million a year in the PFS to US $81 million for the BFS. Cost per kilogram of produced NdPr was projected at US $34/kg, one of the lowest cost projections for either current or projected rare earth facilities. Capital costs were relatively similar in the two studies, however there was significant improvement technically in the BFS, resulting in a much more saleable product mix, resulting in a much higher degree of confidence in the estimated costs, improved plant operability and a corresponding improvement in product quality projections.

Technical Process Optimization work that followed the BFS by six months further reduced the cost per kilogram of NdPr produced to US $32/kg. The Company will continue to investigate opportunities for further improvement over coming months.

Commercial demand for NdPr is just now starting to build momentum, mostly we are seeing significant increase in capital spending for battery facilities, lithium and cobalt production for the approaching increased Electric Vehicle (EV) demand. Automotive Industry are spending US$ billions in capital for the manufacturing facilities for the 120 plus EV models that are projected to be introduced between now and 2020, and by 2025 the EV production will effectively double NdPr demand and consumption worldwide. Tesla recently made the decision to move from the induction motor to rare earth permanent magnet motors for its Model 3 production. This now means that over 95% of drive motors in electrical cars will use NdPr magnets. Soon the world will wake up to the fact that it takes an NdPr drive motor to move battery energy in the EV to the ground.

Coinciding with these positive indicators, there was however some uncertainty in Tanzania, with a change to the mining laws. The precise effect on Ngualla of some of these changes is not completely understood yet, because not all the regulations have been written and the new Mining Commission has not yet been appointed. Regardless of the changes occurring we continue to maintain good relations with the Tanzanian government. Our goal has always been to find the middle ground that allows maximum value for our shareholders and our partners in Tanzania, because the most sustainable business is the one that is profitable for the next 30 years and beyond and which benefits all stakeholders.

CEO's Letter
(continued)

The Honourable Angellah Kairuki as the new Minister of Minerals in Tanzania stated that her top priority was to improve relations with investors with a view to ensuring that the mining sector as a whole contributes to its full capacity to Tanzania's economic growth. The Minister also took the opportunity to reassure that the prevailing investment climate in Tanzania is truly investor-friendly and that the Tanzania government remains ready to receive prospective investors with an open mind.   We already have a team in Tanzania ready to start our negotiations by making sure all groups are well briefed about the complexity and cost, of starting and operating this rare earth business. We also expect to meet with the Minister in the very near future to discuss our pending Special Mining License application.

As always, we wish to thank the community in and around the Ngwala village and the wider Songwe region 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 completing our permitting process in 2018.

We also wish to thank our shareholders for their continued support as we focus on completing the acquisition of the Special mining License, concluding our discussions on offtake and strategic investment for construction.

Rocky Smith
Chief Executive Officer

THE ASSET - THE MARKET - THE TEAM

PEAK RESOURCES - MORE THAN THE SUM OF ITS PARTS AND THE FIRST CHOICE FOR INVESTMENT IN THE RARE EARTH SPACE.

Review of Operations

Summary

The year saw the successful completion of a number of technical programs that have positioned the Company's 75% owned Ngualla Rare Earth Project in Tanzania as one of the leading magnet rare earth development projects.

With 90% of Ngualla's future revenue (Figure 1) to be derived from NdPr, the project is one of very few capable of helping to meet the predicted surge in demand for this vital raw material for the high performance permanent magnets used in the preferred motors of electric vehicles ("EV"s).

NdPr prices increased significantly during the year, providing the impetus for the Company to progress the permitting of the project with authorities in Tanzania after the completion of the engineering studies and the receipt of an Environmental Certificate for the project in early 2017.

Bankable Feasibility Study and Process Optimisation Studies

Chief amongst the milestones achieved during the reporting year is the BFS, announced simultaneously with an updated Ore Reserve estimate on 12 April 2017. The Study was completed under the auspices of Lead Engineers AMEC Foster Wheeler with the input of real world rare earth production and marketing expertise from Peak's in-house team. The Study components consist of a mine and multi-stage processing plant on-site at Ngualla in Tanzania and a proposed refinery in Tees Valley in the UK.

After year end on 28 August 2017, the company was pleased to release a Project Update to the BFS which provided a further boost to Ngualla's compelling project economics through the optimisation of process throughputs.

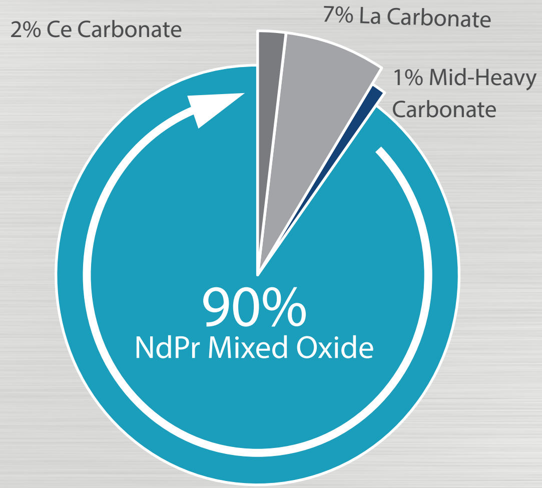
Together, the BFS and subsequent process optimisation define Ngualla as the leading technically robust and long life NdPr development project that has the potential to become one of the lowest cost worldwide. Ngualla's planned products are well aligned to market demand and support the strong financial metrics summarised in Table 1 which include:

- Annual operating margin of US $174m per annum over 26 year life
- Low unit costs of US $32.24/kg NdPr
- Post Tax and Royalties NPV$_{10}$ of US $579 million
- Post Tax and Royalties IRR 24%

Final products from the project planned to be produced annually are:

- 2,810 tonnes of neodymium and praseodymium oxide (2N min 75% Nd_2O_3)
- 8,040 tonnes lanthanum carbonate (equivalent to 4,230tpa oxide)
- 3,475 tonnes cerium carbonate (equivalent to 1,920tpa oxide)
- 625 tonnes of mixed SEG and Heavy rare earth carbonate (equivalent to 330tpa oxide)

Relative value contributors



Relative value contributors by product type and constituent REO's.*

**Relative value of contained REO equivalent product mix based on prices assumed in the BFS for individual rare earth oxide*

Figure 1: Ngualla's final products are strongly aligned to the permanent magnet and electric vehicle markets

Table 1: Post BFS Process Optimisation Assumptions and Financial Analysis

PRODUCTION ASSUMPTIONS	
Life of Operation	26 Years
AVERAGE ANNUAL PRODUCTION (TONNES)	
Ore Mill Feed	711,000
Processed Mineral Concentrate	32,700
NdPr mixed oxide 2N	2,810
La oxide equivalent (final product: La carbonate)	4,230
Ce oxide equivalent (final prduct Ce carbonate)	1,920
SEG and Mixed Heavy oxide equivalent (final product mixed carbonate)	330
CAPITAL COSTS	
Total Capital cost*	US$ 365m
Average Annual Consolidated Sustaining Capital	US$ 5m
OPERATING COSTS	
Average Annual Operating Cost#	US$ 91m p.a
Unit operating cost$^{>}$ (/kg NdPr)	**US$ 32.24**
FINANCIAL METRICS	
Consolidated Average Annual Revenue	US$ 265m p.a
Average Annual Operating margin (EBITDA)	US$ 174m
Annual Average Consolidated (Post Tax) Cashflow	US$ 126m p.a
NPV_8 - Post Tax and Royalties	US$ 776m
NPV_{10} - Post Tax and Royalties	US$ 579m
IRR - Post Tax and Royalties	24%
Operating Margin	66%
Payback Period (from Start of Operations)	4 Years
COMMODITY PRICE ASSUMPTIONS AVERAGE LOM	
NdPr Mixed Oxide 2N Min 75% Nd_2O_3	US$ 85.00/kg
Lanthanum Oxide Equivalent	US$ 4.41/kg
Cerium Oxide Equivalent	US$ 2.25/kg
SEG Mixed Heavy Oxide Equivalent	US$ 8.00/kg

Project details above are the latest process optimisation project update to BFS. Production assumptions are post ramp-up. Total pre-production Capex and post ramp up Opex are for Ngualla mine and Multi-stage Processing Facility and Tees Valley refinery combined. Material assumptions are as per BFS and Ore Reserve ASX Announcements of 12 April 2017 except where indicated in the process optimisation announcement of 28 August 2017 and summarised in the above Table 1.

PEAK RESOURCES:
NUMBER 1 AMONG ITS PEERS

Review of Operations
(continued)

Ngualla's low operating costs and favourable project economics are driven by a unique combination of qualities including the high NdPr grade and advantageous mineralogy of the rare earth deposit itself, together with the development of an extraction and purification process that targets the higher value rare earths whilst rejecting impurities and the majority of lower value cerium. The location of the refinery in proximity to sources of lower cost bulk reagents and existing utilities is also a key driver of lower Opex (Figure 2).

Ngualla Ore Body

- High grade- 4.80% REO
- Large deposit
- Bastnaesite mineralogy
- Mineralisation from surface
- Very low U and Th (14 and 55 ppm)
- Thick blanket morpology
- Low in reagent consuming minerals

\+

Ngualla Mine and Process Plant

- Soft, free dig Ore
- Simple, small open mine pit
- Low waste: Ore Strip ratio (1.77)
- Zero offsite discharge + water recycle
- High grade (45% REO), low mass concentrate
- Proven piloted process

\+

Tees Valley Refinery

- Selective leach process
- Low strength acids- no acid roast
- Modular plastic tanks
- Small SX separation plant
- Bulk, low-cost reagents available
- Pre-existing utilities
- Existing waste management facilities

Right sized project
Low production cost
Long life- 26 years
Ethically sustainable
High value, separated products
NdPr drives 90% of revenue
Aligned to permanent magnet and EV markets

Figure 2: A unique combination of project physicals drive the favourable economics of Ngualla's BFS and subsequent Project Update

Compliance Information

See ASX Announcement "BFS positions Ngualla one of world's lowest cost RE Projects" of 12 April 2017 for the mining, processing, economic and price assumptions, which remain unchanged except for as summarised in the Project Update ASX announcement "Process optimisation study boosts Ngualla's operating margin" of 28 August 2017, and for the application of a new 1% clearing fee for product export from Tanzania as per the Finance Act, 2017. BFS price assumptions include US $85/kg for NdPr, which is estimated to contribute 90% of Ngualla's future product value.

The increased production rate is based on the Ngualla Ore Reserve (ASX Announcement "Ngualla Rare Earth Project – Updated Ore Reserve" of 12 April 2017), which together with the BFS summarises the Material Assumptions underpinning this Project Update, which continue to apply and have not materially changed except for the compressed BFS mine schedule. A revised mine plan was not generated for the Project Update. The increased production rate is based on a compressed BFS mine schedule, which would reduce the operational life to 26 years, from 31 years at BFS.

Peak will require new funding for its 75% share in the Ngualla Rare Earth Project in order to achieve the stated financial outcomes, which will result in some dilution of existing shares, the quantum of which will depend on the final debt to equity ratio of the financing package that is yet to be arranged.

NdPr Prices Improve

The reporting year saw a significant turnaround in NdPr prices after 5 years of declines ended in November 2016 (US $35.99/kg NdPr*), steadily climbing 37% from their lows to US $49.18/kg by year end on 30 June 2017 (Figure 3).

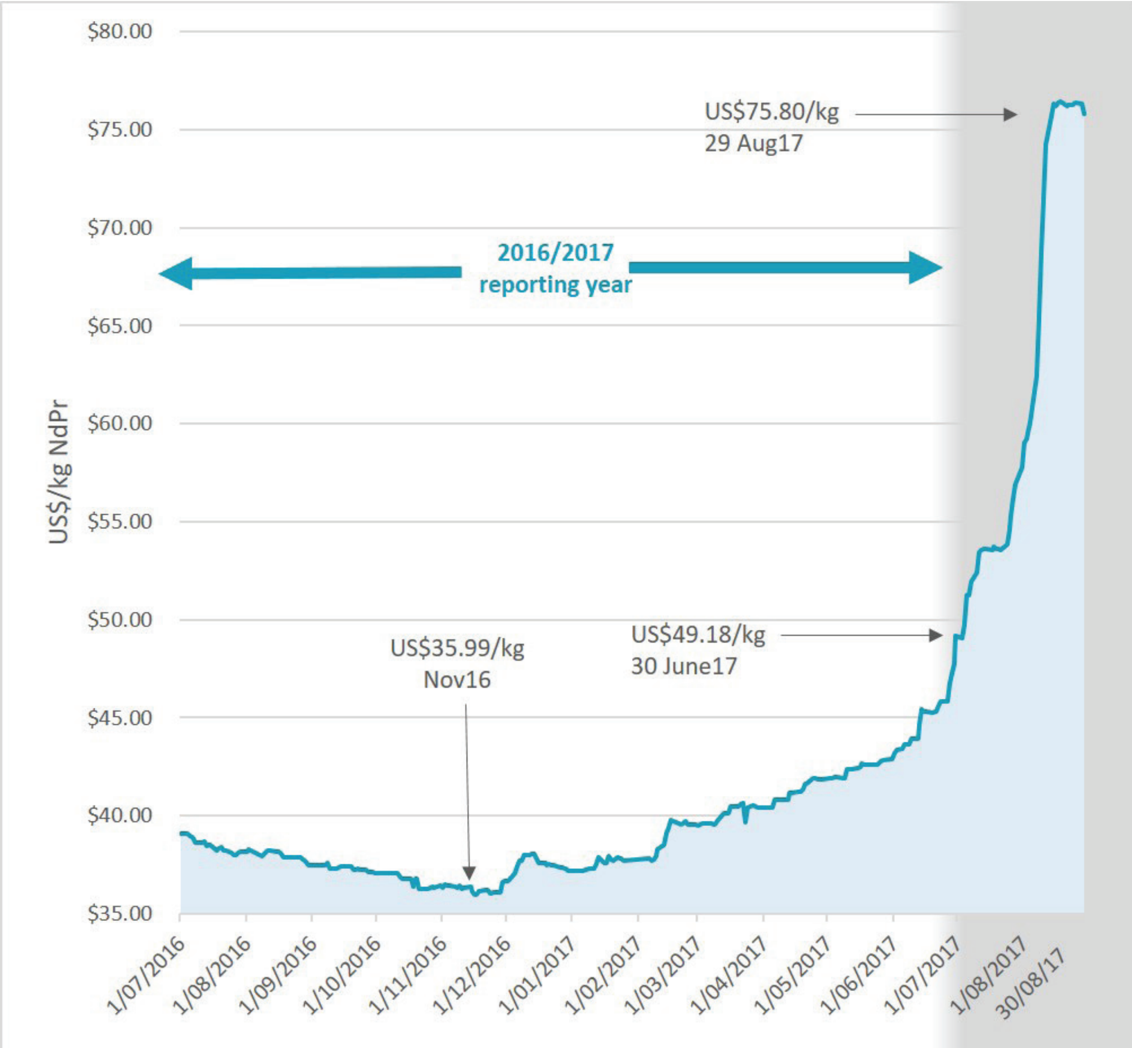


Figure 3: NdPr prices during the financial year. Prices recovered from 5 year lows in November 2016 and have since continued to strengthen further.

**Asian Metal China domestic NdPr prices*

Post year end, by the end of August 2017, prices continued to rise sharply to US $75.80/kg NdPr, or an increase of 111% from the lows of November 2016.

Electric Vehicles to Drive NdPr Demand

The Company's business strategy is to position Ngualla Rare Earth Project as one of the very few that is ready for implementation in time to meet the widely predicted surge in demand for the magnet materials NdPr from electric and hybrid vehicles ("EVs").

NdPr is used in the powerful magnets in the electric motor that is preferred by the majority of EV manufacturers. Over 90% of EV models in the development pipeline use NdPr electric motors, each of which require about a kilogram of NdPr.

The BFS estimates that 90% of Ngualla's future revenue will be from NdPr, strongly aligning the Ngualla Project to this sector.

A Bloomberg report (The Electric-Car Boom, April 2017) indicates that all the major car manufacturers are developing EV product lines and that there will be 120 models in development by 2020. The wave of EV releases is already in progress, with the Automotive Industry alone investing over US $25 billion to develop dozens of EV lines over the next five years (UBS report, Tearing down the most disruptive car category since the Model T). Even Tesla with its Model 3 has decided to use for its first high volume model (annual sales forecast 500,000 units) a NdPr Permanent Magnet Motor technology.

The UBS report also suggests that total cost of ownership parity (and therefore widespread market acceptance of EV's) between EV and petrol cars will be achieved 2 to 3 years earlier than previously thought, by 2023 in Europe.

The earlier prediction is due to the predicted reduction in battery costs which UBS say will raise EV sales penetration into the mainstream. UBS concludes that NdPr in particular could face demand shocks in case of a rapidly evolving EV market

Ngualla Ore Reserve

The Ore Reserve announced simultaneously with the BFS in April 2017 confirms Ngualla as not only one of the world's largest but also highest quality at an average grade of 4.80% REO and over 91% in the highest JORC Proved category (Table 2).

Table 2: Ngualla Project Ore Reserve estimate

CATEGORY	ORE TONNES (MT)	REO %	CONTAINED REO (TONNES)
Proved	17.0	4.78	813,000
Provable	1.5	5.10	74,000
Total	**18.5**	**4.80**	**887,000**

A multi element cut off is applied. See Table 3 for breakdown of individual REO's. See ASX Announcement "Ngualla Rare Earth Project – Updated Ore Reserve" of 12 April 2017 for further details.

Pilot Plants Completed

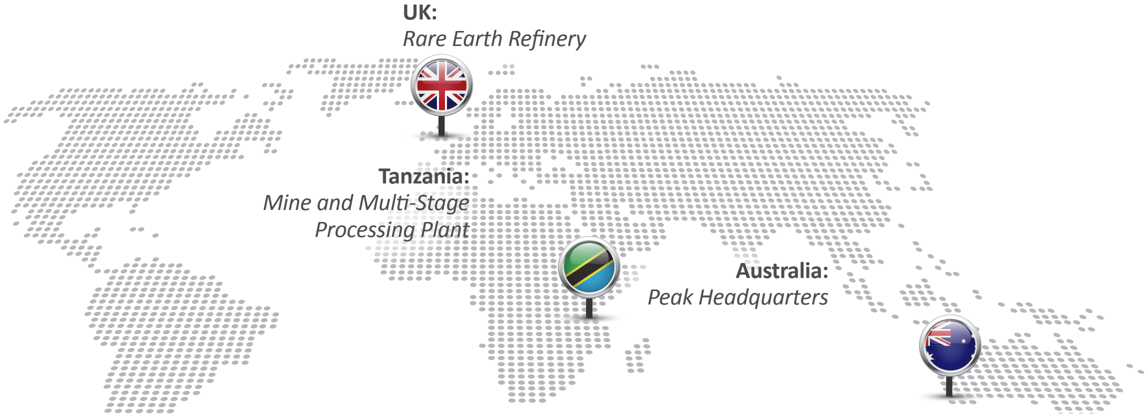
The final of three Pilot Plants, the leach recovery pilot plant, was successfully operated in October 2016 at ANSTO's dedicated piloting facility near Sydney, completing the comprehensive verification of the three stage metallurgical process (Figure 4) developed by Peak for Ngualla's unique ore.

The pilot plant demonstrated the selective leach recovery stage flowsheet to be robust, delivering high recoveries (>90%) of the target rare earths neodymium and praseodymium along with low dissolution of cerium and gangue elements. The selective leach process is a key factor in Ngualla's low operating and capital costs and aligns the final products to the high demand NdPr market.

Figure 4: The successful demonstration of the leach recovery and purification pilot plant in October 2016 completed the piloting of the three stage process developed by Peak for Ngualla's rare earth mineralisation.

Rare Earth Refinery Site Selected

Following an extensive global search, Peak selected the Tees Valley in the UK as the location for its rare earth refinery. Tees Valley is an existing industrial park close to ports and bulk low cost reagent supplies that also offers established utilities including power, steam, water, natural gas and environmentally sustainable options for effluent disposal.



Environmental Certificate Recieved and SML Application Lodged

The Environmental and Social Impact Assessment ("ESIA") process, a two year study under the auspices of Tanzanian regulators National Environment Management Council, was successfully completed during the year. An Environmental Certificate was granted by the Minister of State for the Ngualla mine, multistage processing plant and access road in March 2017.

Strong support for the development of the Ngualla Rare Earth Project was received at local village, District, Regional and National levels during the stakeholder meetings held as part of the ESIA process. The grant of the Environmental Certificate, together with the completion of the BFS, were the major requisites that paved the way for an application for a Special Mining Licence ("SML") after the year end in late August 2017.

Tanzania Legislative Changes

Subsequent to the end of the annual reporting period, on 3 and 4 July 2017, new legislation governing the natural resources sector was passed by the Tanzanian parliament (ASX Announcement "Tanzanian Legislative Changes" of 24 July 2017).

As well as several administrative changes, the new legislation includes a defined minimum of 16% government free carried interest for mining projects and an additional 1% clearing fee for exported product. At this stage the Company believes that other impacts, although significantly negative for some mining companies in Tanzania with pre-existing mining agreements, are manageable in respect of Ngualla if rare earth prices continue to rise. Regulations to accompany these new Acts have not yet been released and the practical application of the new laws is presently unknown.

The Government of Tanzania has always been supportive of Peak and its development plan for the Ngualla Project, a development that would position the country as an important supplier of these strategic commodities. The local community and Regional authorities are also strongly supportive. The Company will continue to monitor the implementation of these legislative changes and looks forward to engaging with the Tanzanian government during the Special Mining Licence process to ensure a mutually beneficial outcome can be achieved for the successful development of the Ngualla Project.

High Grade Fluorspar and New Rare Earth Zone Discovered at Ngualla

In February 2017 the Company was pleased to announce the discovery of continuous and wide zones of high grade fluorspar mineralisation from trenches within the alteration zone that surrounds the Ngualla Carbonatite. Assay results returned up to **78m at 37% CaF_2** and subsequent sampling has demonstrated a strike length of 570 metres, which remains open along strike in both directions, in one of two areas evaluated to date. The results reinforce the multi-commodity endowment of Ngualla and the potential for additional value adding products once a rare earth operation is established.

The trenching programs along a 3.8km long zone of brecciation within the hills forming the outer rim of the carbonatite complex also identified a new area of rare earth mineralisation with widths of up to 53 metres grading an average of 2.37% rare earth oxide returned.

Follow-up trenching programs are in progress.

Above: Trench works continue in the alteration zone that surrounds the Ngualla Carbonatite

Above: PR Ng Geologist, Erasto Kafyulilo holding a sample od fluorspar mineralisation discovered at Ngualla

Social and Environmental Responsibility

Peak places great importance on social and environmental responsibility and is committed to assisting the communities in which it operates whilst maintaining best practise environmental and health and safety standards. The Company maintains standards in these areas in line with investor partner IFC's guidelines and sees a market advantage in being the ethically sustainable supplier of choice to the global rare earth market.

Above: Women's tug of war event won by the PR Ng Minerals team during Nane Nane Day community celebrations

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

Above: Peak Technical Director, Dave Hammond and staff meet with the Hon. Chiku Galawa Regional Commissioner of Songwe Region

The Ngwala community identified the priorities for new social programs during the year as teacher's houses at Magareza and Ngwala villages, assistance with the community water supply and clinic infrastructure and construction of new school classrooms at Itiziro village. The former projects were handed over in November 2016 and work on the classrooms is in progress.

Above: A completed teachers' house in Itziro built by Peak

Above: Members of the PR Ng Minerals project team standing in front of a teachers' house in Ngwala village built by Peak during 2016

Appendices

Table 3: Relative components of individual rare earth oxides (including yttrium) as a percentage of total REO for the Ngualla Project Ore Reserve estimate (refer to Table 2)

RARE EARTH OXIDES	REO GRADE (%)			% OF TOTAL REO		
	Proved	**Probable**	**All**	**Proved**	**Probable**	**All**
Lanthanum	1.318	1.418	1.326	27.59	27.80	27.61
Cerium	2.305	2.456	2.317	48.25	48.15	48.24
Praseodymium	0.228	0.243	0.229	4.77	4.77	4.77
Neodymium	0.788	0.838	0.792	16.49	16.43	16.49
Samarium	0.077	0.082	0.077	1.61	1.61	1.61
Europium	0.014	0.015	0.014	0.30	0.28	0.30
Gadolinium	0.029	0.031	0.030	0.62	0.60	0.62
Terbium	0.002	0.002	0.002	0.05	0.05	0.05
Dysprosium	0.004	0.004	0.004	0.07	0.07	0.07
Holmium	0.000	0.000	0.000	0.01	0.01	0.01
Erbium	0.001	0.002	0.002	0.03	0.03	0.03
Thulium	0.000	0.000	0.000	0.00	0.00	0.00
Ytterbium	0.001	0.001	0.001	0.01	0.01	0.01
Lutetium	0.000	0.000	0.000	0.00	0.00	0.00
Yttrium	0.010	0.010	0.010	0.20	0.19	0.20
Total REO	**4.78**	**5.10**	**4.80**	**100.00**	**100.00**	**100.00**

Values may not balance due to rounding to 0.01%

Ore Reserves

The information in the announcement that relates to Ore Reserve estimates and estimated mine operating costs is 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 mineralisation 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 statement that relates to the Mineral Resource estimates 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 Australasian 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 was 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 Australasian 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.

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 annual review date is 30 June.

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

Ore Reserve estimates

The tables below compare the Ore Reserve and Mineral Resource statements for 2016 and 2017. A revised Ore Reserve estimate was completed during the reporting period by Orelogy Consulting Pty Ltd and released simultaneously with the Bankable Feasibility Study on 12 April 2017.

Table 4: Classification of Ore Reserve estimates for the Weathered Bastnaesite Zone at Ngualla.

	ORE RESERVE AS AT 30 JUNE 2017			ORE RESERVE AS AT 30 JUNE 2016		
JORC CATEGORY	Ore Tonnes (millions)	REO %	Contained REO Tonnes	Ore Tonnes (millions)	REO %	Contained REO Tonnes
Proved	17.0	4.78	813,000	18.0	4.53	817,000
Probable	1.5	5.10	74,000	2.7	4.62	124,000
Total	**18.5**	**4.80**	**887,000**	**20.7**	**4.54**	**941,000**

See Table 7 for the breakdown of individual REO's. Reported according to the JORC 2012 Code and Guidelines.

The Ngualla Ore Reserve 2017 is detailed in the ASX announcement titled 'Ngualla Rare Earth Project – Updated Ore Reserve' of 12 April 2017, which also includes a detailed summary of the supporting project assumptions and data. The Ore Reserve and the accompanying Ngualla Project Bankable Feasibility Study, detailed in the ASX announcement titled 'BFS positions Ngualla as one of the world's lowest cost rare earth projects' of 12 April 2017 were based on the 2016 +1% REO Ngualla Weathered Bastnaesite Zone Mineral Resource, which is detailed in the ASX announcement titled 'Higher grade Resource for Ngualla nearly 1M tonnes REO' of 22 February 2016.

The Ngualla Ore Reserve 2016 was detailed in the ASX announcement titled 'Ngualla Rare Earth Project Maiden Ore Reserve' of 19 March 2014, released simultaneously with the Preliminary Feasibility Study.

Mineral Resource estimates

The Mineral Resource as at 30 June 2017 is detailed in the ASX announcement titled 'Mineral Resource estimate re-stated to include barite' of 2 March 2017 to include a further commodity – barite. The REO component of the Mineral Resource remains unchanged from the 22 February 2016 estimate. The Ngualla Mineral Resource 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. Both estimates were reported according to the JORC 2012 Code and Guidelines and were completed by Rod Brown of SRK Consulting (Australasia) Pty Ltd.

Table 5: *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 2017				MINERAL RESOURCE AS AT 30 JUNE 2016		
	Lower Cut-off Grade	JORC Category	Ore Tonnes (millions)	REO %	Contained REO Tonnes	$BaSO_4$ %	Ore Tonnes (millions)	REO %	Contained REO Tonnes
Ngualla All Mineral Resources	1.0% REO	Measured	86.1	2.61	2,250,000	20.2	86.1	2.61	2,250,000
		Indicated	112.6	1.81	2,040,000	13.8	112.6	1.81	2,040,000
		Inferred	15.7	2.15	340,000	17.6	15.7	2.15	340,000
		Total	**214.4**	**2.15**	**4,620,000**	**16.6**	**214.4**	**2.15**	**4,620,000**

** REO (%) includes all the lanthanide elements plus yttrium oxide. See Tables 8 for breakdown of individual REO's. Figures above may not sum due to rounding. The number of significant figures does not impy an added level of precision. Barite ($BaSO_4$) was not reported in the 2016 Mineral Resource estimates.*

The Weathered Bastnaesite Zone Mineral Resource estimate summarised below is a subset and contained within the All Mineral Resources reported in Table 5 above and is detailed in the same ASX announcements as stated above.

Table 6: *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 2017				MINERAL RESOURCE AS AT 30 JUNE 2016		
	Lower Cut-off Grade	JORC Category	Ore Tonnes (millions)	REO %	Contained REO Tonnes	$BaSO_4$ %	Ore Tonnes (millions)	REO %	Contained REO Tonnes
Ngualla Weathered Bastnaesite Zone	1.0% REO	Measured	18.9	4.75	900,000	37.8	18.9	4.75	900,000
		Indicated	1.9	4.85	90,000	38.3	1.9	4.85	90,000
		Inferred	0.5	4.43	20,000	31.5	0.5	4.43	20,000
		Total	**21.3**	**4.75**	**1,010,000**	**37.7**	**21.3**	**4.75**	**1,010,000**
	3.0% REO	Measured	17.9	4.88	870,000	38.6	17.9	4.88	870,000
		Indicated	1.7	5.14	90,000	39.3	1.7	5.14	90,000
		Inferred	0.4	4.84	20,000	35.4	0.4	4.84	20,000
		Total	**19.9**	**4.90**	**980,000**	**38.6**	**19.9**	**4.90**	**980,000**

** REO (%) includes all the lanthanide elements plus yttrium oxide. See Table 8 for breakdown of individual REO's. The Weathered Bastnaesite Zone Mineral Resource is contained within an is a subset of the Total All Ngualla Project Mineral Resource at a 1% REO cut-off grade in Table 5 above. Figures above may not sum due to rounding. The number of significant figures does not impy an added level of precision. Barite ($BaSO_4$) was not reported in the 2016 Mineral Resource estimates.*

Table 7: *Relative components of individual rare earth oxides (including yttrium) as a percentage of total REO for the Ngualla Project Ore Reserves summarised in Table 4.*

OXIDE		ORE RESERVE AS AT 30 JUNE 2017		ORE RESERVE AS AT 30 JUNE 2016	
		REO Grade %	% of Total REO	REO Grade %	% of Total REO
Lanthanum	La_2O_3	1.326	27.61	1.254	27.62
Cerium	CeO_2	2.317	48.24	2.188	48.19
Praseodymium	Pr_6O_{11}	0.229	4.77	0.215	4.73
Neodymium	Nd_2O_3	0.792	16.49	0.752	16.56
Samarium	Sm_2O_3	0.077	1.61	0.073	1.60
Europium	Eu_2O_3	0.014	0.30	0.013	0.30
Gadolinium	Gd_2O_3	0.030	0.62	0.028	0.62
Terbium	Tb_4O_7	0.002	0.05	0.002	0.05
Dysprosium	Dy_2O_3	0.004	0.07	0.003	0.08
Holmium	Ho_2O_3	0.000	0.01	0.000	0.01
Erbium	Er_2O_3	0.002	0.03	0.001	0.03
Thulium	Tm_2O_3	0.000	0.00	0.000	0.00
Ytterbium	Yb_2O_3	0.001	0.01	0.001	0.01
Lutetium	Lu_2O_3	0.000	0.00	0.000	0.00
Yttrium	Y_2O_3	0.010	0.20	0.009	0.20
Total		**4.80**	**100**	**4.54**	**100**

** Figures may not sum due to rounding*

Table 8: *Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the 2017 and 2016Total Ngualla +1% REO, Weathered Bastnaesite Zone +1% REO and Weathered Bastnaesite Zone +3% REO and Mineral Resources summarised in Tables 5 and 6.*

OXIDE		NGUALLA 2017 TOTAL MINERAL RESOURCE		NGUALLA 2017 WEATHERED BASTNAESITE ZONE RESOURCE		NGUALLA 2017 WEATHERED BASTNAESITE ZONE RESOURCE	
		1% REO		1% REO		3% REO	
		REO grade (%)	% of total REO	REO grade (%)	% of total REO	REO grade (%)	% of total REO
Lanthanum	La_2O_3	0.587	27.25	1.310	27.58	1.353	27.63
Cerium	CeO_2	1.039	48.23	2.293	48.27	2.364	48.27
Praseodymium	Pr_6O_{11}	0.104	4.81	0.227	4.77	0.234	4.77
Neodymium	Nd_2O_3	0.348	16.2	0.784	16.5	0.806	16.5
Samarium	Sm_2O_3	0.036	1.66	0.076	1.60	0.078	1.60
Europium	Eu_2O_3	0.007	0.34	0.014	0.29	0.014	0.29
Gadolinium	Gd_2O_3	0.016	0.75	0.029	0.61	0.030	0.61
Terbium	Tb_4O_7	0.001	0.07	0.002	0.05	0.002	0.05
Dysprosium	Dy_2O_3	0.003	0.16	0.004	0.07	0.004	0.08
Holmium	Ho_2O_3	0.000	0.02	0.000	0.01	0.000	0.01
Erbium	Er_2O_3	0.001	0.06	0.002	0.03	0.002	0.03
Thulium	Tm_2O_3	0.000	0.00	0.000	0.00	0.000	0.00
Ytterbium	Yb_2O_3	0.001	0.04	0.001	0.01	0.001	0.01
Lutetium	Lu_2O_3	0.000	0.00	0.000	0.00	0.000	0.00
Yttrium	Y_2O_3	0.010	0.47	0.010	0.20	0.010	0.20
Total		**2.15**	**100**	**4.75**	**100**	**4.90**	**100**

** Figures may not sum due to rounding. Rare earth distributions and grades remain constant between 2016 and 2017 Mineral Resource estimates since the 2017 estimate added barite as an additional commodity and rare earths estimates were unchanged.*

DIRECTORS' REPORT

The directors of Peak Resources Limited submit herewith the financial statements of the Company for the financial year ended 30 June 2017. 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
Mr Darren Townsend	Managing Director
Mr Dave Hammond	Technical Director
Mr Jonathan Murray	Non-Executive Director
Mr John Jetter	Non-Executive Director
Mr Robin Mills	Non-Executive Director (resigned 3 October 2016)

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
- Horizon Gold Limited – from 10 August 2016

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 seven 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 Limited Ltd – from 22 January 2010
- Vietnam Industrial Investments Limited - from 19 January 2016

***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

***Mr Robin Mills** – Non-Executive Director (Appointed 1 April 2015, Resigned 3 October 2016)*
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 operating 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

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 12 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 $4,886,187 (2016: loss $15,892,428).

The basic and diluted loss per share for the Group for the year was 1.04 cents (2016: 3.95 cents).

FINANCIAL POSITION

The net assets of the Group have decreased from $26,891,541 at 30 June 2016 to $22,675,197 at 30 June 2017.

The Group's working capital, being current assets less current liabilities, was $2,653,847 at 30 June 2017 (2016: $6,960,223).

The Company announced on 19 September 2017 a two tranche placement. Tranche 1 for the issue of 30,625,000 fully paid ordinary shares at $0.04 per share settled on 15 September 2017 for gross funds raised of A$1,225,000 and tranche 2 for the issue of a further 39,375,000 fully paid ordinary shares at $0.04 per share is scheduled to settle on or around the 20 September 2017 to raise further gross proceeds of A$1,575,000.

In addition and as announced at the time of the placement the Company intends to undertake a 1 for 8 Rights issue (1 for 8 Entitlements Issue) on the same terms as the tranche 1 and 2 placement which will see up to a further 68,431,891 fully paid ordinary shares issued to raise up to a further A$2,737,276 before costs.

Any shares issued pursuant to the placement and rights issue will also be accompanied, subject to the Company obtaining shareholder approval where required, by a 1 for 2 share option exercisable at $0.06 per share. The options, once issued, will be exercisable for 12 months from the date shareholder approval is obtained.

Appian has provided a waiver from the mandatory repayment provisions of the term loan facility for the first A$1.5m raised pursuant to the placement referred to above. For amounts raised over and above the A$1.5m, funds are to be applied as follows to the Appian loan facility debt repayment:

a) 25% of any funds raised pursuant to a capital raising of up to $3 million towards repayment of the Appian loan; and
b) 50% of any funds raised pursuant to a capital raising of over $3 million towards repayment of the Appian loan.

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.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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.

Capital raising equity issues were made during the year as follows:
- 14 October 2016 issue of 16,306,957 shares to Appian and IFC at $0.05 per share to raise A$815,348
- 11 November 2016 issue of 6,674,140 shares to IFC on conversion of loan note at $0.103 per share to raise A$687,436

AFTER BALANCE DATE EVENTS

The Company announced on 19 September 2017 a two tranche placement. Tranche 1 for the issue of 30,625,000 fully paid ordinary shares at $0.04 per share settled on 15 September 2017 for gross funds raised of A$1,225,000 and tranche 2 for the issue of a further 39,375,000 fully paid ordinary shares at $0.04 per share is scheduled to settle on or around the 20 September 2017 to raise further gross proceeds of A$1,575,000.

In addition and as announced at the time of the placement the Company intends to undertake a 1 for 8 Rights issue (1 for 8 Entitlements Issue) on the same terms as the tranche 1 and 2 placement which will see up to a further 68,431,891 fully paid ordinary shares issued to raise up to a further A$2,737,276 before costs.

Any shares issued pursuant to the placement and rights issue will also be accompanied, subject to the Company obtaining shareholder approval where required, by a 1 for 2 share option exercisable at $0.06 per share. The options, once issued, will be exercisable for 12 months from the date shareholder approval is obtained.

Appian has provided a waiver from the mandatory repayment provisions of the term loan facility for the first A$1.5m raised pursuant to the placement referred to above. For amounts raised over and above the A$1.5m, funds are to be applied as follows to the Appian loan facility debt repayment:

a. 25% of any funds raised pursuant to a capital raising of up to $3 million towards repayment of the Appian loan; and
b. 50% of any funds raised pursuant to a capital raising of over $3 million towards repayment of the Appian loan.

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	11	11
Darren Townsend	11	11
David Hammond	11	10
Jonathan Murray	11	11
John Jetter	11	9
Robin Mills	2	2

Note – no Audit Committee Meetings or Remuneration Committee Meetings were held during the year as the function of these committees was dealt with by the full Board.

EQUITY 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*	-	1,000,000	-
Darren Townsend	600,000	4,000,000	5,000,000
David Hammond	1,590,198	2,666,666	2,500,000
Jonathan Murray	1,456,669	666,666	-
John Jetter	-	666,666	-

**During the year an allocation of options was made to Mr Harold following approval by shareholders at the AGM held on 16 November 2016. 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 performance rights expire on 5 January 2018 if the performance milestones are not met.

The Board consider that the achievement of these milestones will deliver increased shareholder wealth.
The employment agreements for the two additional executive appointed during the prior 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:

	2017 $	2016 $	2015 $	2014 $	2013 $
Total income	1,861,274	9,253	38,426	54,134	2,503,930
Net loss before tax	(4,886,187)	(15,892,428)	(4,195,877)	(3,148,903)	(2,867,384)
Net loss after tax	(4,886,187)	(15,892,428)	(4,195,877)	(3,148,903)	(2,867,384)
Closing share price at end of year	$0.067	$0.048	$0.085	$0.06	$0.13
Basic loss per share (cents)	1.04	3.95	1.13	1.05	1.15
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 2017 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
- John Jetter- Non-Executive Director
- Robin Mills- Non-Executive Director (Resigned 3 October 2016)
- 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

Total remuneration for the year was:

	2017 $	2016 $
Salary and fees	1,571,607	1,257,002
Non-monetary benefits	59,011	11,835
Superannuation	78,850	80,416
Share based payments	215,130	298,421
Total	**1,924,598**	**1,647,674**

Remuneration of individual KMP's were:

	Short term benefits		Post-employment benefits	Share based payments		Total	Proportion related to:	
	Salary & fees	Non-monetary	Super-annuation	Performance Rights*	Options		Equity	Performance
30-Jun-17	$	$	$	$	$	$	%	%
Directors								
Peter Harold	60,000	-	5,700	-	5,449	71,149	8%	0%
Darren Townsend	300,000	-	28,500	119,022	9,596	457,118	2%	26%
David Hammond	250,000	-	23,750	59,511	6,398	339,659	2%	18%
Jonathan Murray	35,011	-	-	-	1,599	36,610	4%	0%
John Jetter	35,004	-	-	-	1,271	36,275	4%	0%
Robin Mills	8,751	-	-	-	-	8,751	0%	0%
	688,766	**-**	**57,950**	**178,533**	**24,313**	**949,562**	**2%**	**19%**
Executives								
Rocky Smith	389,091	30,204	-	-	6,590	425,885	2%	0%
Michael Prassas	273,750	28,807	-	-	3,295	305,852	1%	0%
Graeme Scott	220,000	-	20,900	-	2,399	243,299	1%	0%
	882,841	**59,011**	**20,900**	**-**	**12,284**	**975,036**	**1%**	**0%**
Total remuneration	**1,571,607**	**59,011**	**78,850**	**178,533**	**36,597**	**1,924,598**	**3%**	**9%**

	Salary & fees	Non-monetary	Super-annuation	Performance Rights*	Options#	Total	Equity	Performance
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	-	-	-	7,126	46,710	15%	0%
John Jetter	39,584	-	-	-	6,011	45,595	13%	0%
Robin Mills	39,584	-	-	-	6,011	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%**

* *The performance rights are subject to achievement of performance milestone vesting criteria.*

Options will vest subject to length of service criteria.

Options and performance rights granted during the year ended 30 June 2017

Options granted during the year

30-Jun-17	Date of issue	Number of options issued	Value per Option[1]	Total value of issue $	Vesting Date	Exercise Price	Expiry Date	Number vested during the year
Directors								
Peter Harold	16-Nov-16	500,000	$ 0.007	3,500	16-Nov-16	$ 0.15	5-Jan-18	500,000
	16-Nov-16	500,000	$ 0.004	2,000	5-Jan-17	$ 0.20	5-Jan-18	500,000
		1,000,000		**5,500**				**1,000,000**
Executives		-		-				-
Total		**1,000,000**		**5,500**				**1,000,000**

1. Options are valued using the Black-Scholes method on date of grant

Options granted during the year ended 30 June 2016

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**

No Performance Rights were granted during the year ended 30 June 2017 or 30 June 2016.

Shareholdings of KMP's

30-Jun-17	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	1,590,198	-	-	-	-	1,590,198
Jonathan Murray	1,456,669	-	-	-	-	1,456,669
Robin Mills	-	-	-	-	-	-
John Jetter	-	-	-	-	-	-
	3,646,867	**-**	**-**	**-**	**-**	**3,646,867**
Executives						
Rocky Smith	-	-	-	-	-	-
Michael Prassas	-	-	-	-	-	-
Graeme Scott	-	-	-	-	-	-
	-	-	-	-	-	-
Total	**3,646,867**	-	-	-	-	**3,646,867**

Option Holdings of KMP's including performance rights

30-Jun-17	Opening Balance	Granted as Remuneration	Exercise of Options & PRs	Expired#/ Cancelled	Market Transactions	Closing Balance	Vested at 30 June
Directors							
Peter Harold	-	1,000,000	-	-	-	1,000,000	1,000,000
Darren Townsend	11,000,000	-	-	(2,000,000)	-	9,000,000	4,000,000
David Hammond	6,500,000	-	-	(1,333,334)	-	5,166,666	2,666,666
Jonathan Murray	1,000,000	-	-	(333,334)	-	666,666	666,666
Robin Mills*	666,666	-	-	(333,333)	-	333,333	333,333
John Jetter	666,666	-	-	-	-	666,666	666,666
	19,833,332	**1,000,000**	-	**(4,000,001)**	-	**16,833,331**	**9,333,331**
Executives							
Rocky Smith	4,000,000	-	-	-	-	4,000,000	4,000,000
Michael Prassas	2,000,000	-	-	-	-	2,000,000	2,000,000
Graeme Scott	1,000,000	-	-	-	-	1,000,000	1,000,000
	7,000,000	-	-	-	-	**7,000,000**	**7,000,000**
Total	**26,833,332**	**1,000,000**	-	**(4,000,001)**	-	**23,833,331**	**16,333,331**

**Mr Mills ceased to be a KMP on cessation as a director on 3 October 2016.*

 # Other than the options on issue to Mr Mills cancelled on his resignation the remaining 3,666,668 options expired unexercised. These options were granted in the year ended 30 June 2015 and had an exercise price of $0.10 per share and expired on 5 January 2017.

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 the Company or three months from the executive.

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 - 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 $79,990 (2016: $202,883) as fees for the provision of legal advice. Balance outstanding at 30 June 2017 and included in trade creditors $24,468 (30 June 2016: $26,470).

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
3 March 2018	$0.55	150,000

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

Expiry Date	Exercise Price	Number under option
5 January 2018	$0.15	10,549,999
5 January 2018	$0.20	9,916,667

**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.

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 2017 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, 27 September 2017

Ernst & Young
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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 2017, 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

Ernst & Young

D A Hall
Partner
Perth
27 September 2017

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Independent auditor's report to the members of Peak Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Peak Resources Limited (the 'Company') and its subsidiaries (collectively the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2017, 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 to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates that the Group incurred a net loss of $4.8m during the year ended 30 June 2017 and, as of that date, the Group has net current assets of $2.6m and incurred an operating cash outflow after income tax of $3.3m. 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. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Accounting for the investment in associate

Why significant	How our audit addressed the key audit matter
Peak African Minerals ("PAM") is a Mauritian company that currently owns 100% of the shares in PR NG Minerals Limited ("PRNG"), the 100% owner of the Ngualla Project. As stated in note 3 to the financial report, upon completion of Stage 1 of the financing arrangement between the shareholders of PAM, PAM was re-classified from being an entity under control of the Group, to an associate accounted for using the equity method. During the financial year ended 30 June 2017, Stage 2 of the Ngualla project financing was finalised which gave rise to the Group's interest diluting to 75%, with the other shareholders in PAM increasing their collective interest by 12.5% in PAM. This dilution gave rise to a prima facie loss of $500k on a deemed disposal of a partial interest in PAM in the Group's consolidated statement of comprehensive income. Upon conclusion of a bankable feasibility study of the Ngualla project, the Group also incorporated this study into an overall assessment for the recoverability of investment value in the associate.	We assessed the equity accounting treatment of the Group's interest in PAM to evaluate whether the interest has been accounted for in accordance with Australian Accounting Standards. We obtained the Group's calculations with regard to the deemed disposal of the interest in PAM through the dilution of ownership interest in the company and performed the following procedures: ▶ Examined the subscription agreement documenting the nature and terms of the finance transaction; ▶ Tested conformity with Australian Accounting Standard - AASB 128 *Investments in Associates and Joint Ventures;* ▶ Tested capital contributions by the Group to the investee; ▶ Tested the Group's equity accounting calculations; and ▶ Assessed the assumptions including the foreign exchange rates. We assessed the recoverability of the investment in the associate with reference to implied project values, as well as project economic models and assumptions included in the Fair Value Less Costs to Dispose valuation such as commodity prices, capital and operating costs, foreign exchange rates and discount rates.

DH:JH:PEK:026

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Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ► Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Peak Resources Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

D A Hall
Partner
Perth
27 September 2017

DH:JH:PEK:026

Consolidated Statement of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Interest income	5	21,746	9,253
R&D rebate received	5	1,813,602	-
Other income	5	25,926	-
Total income		**1,861,274**	**9,253**
Employee benefits expenses		(905,730)	(1,088,331)
Share based payments expenses		(230,173)	(416,680)
Depreciation expenses		(15,871)	(14,987)
Borrowing costs		(983,721)	(76,917)
Administrative and other costs		(692,504)	(823,953)
Technical feasibility costs	5	(1,985,476)	(4,420,592)
Share of loss of associate	4	(1,433,955)	(15,908,627)
Gain/(loss) recognised on disposal of former subsidiary	3	(500,031)	6,848,406
Loss before income tax		**(4,886,187)**	**(15,892,428)**
Income tax expense	8	-	-
Loss after income tax		**(4,886,187)**	**(15,892,428)**
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		41,064	(25,138)
Recycled to the profit and loss on disposal of former subsidiary		(172,425)	(1,273,526)
Group's share of associate's other comprehensive income		(851,914)	1,533,916
Total comprehensive loss for the year		**(5,869,462)**	**(15,657,176)**
Loss per share (in cents)			
Basic and Diluted loss per share	7	(1.04)	(3.95)

The statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	9	2,125,680	1,723,830
Trade and other receivables	10	29,437	125,002
Other financial assets	11	55,000	55,000
Other assets – due from associate		1,227,526	2,890,821
Prepayments		4,709	32,336
Assets held for sale – investment in associate	4	-	3,692,430
Total current assets		**3,442,352**	**8,519,419**
Non-current assets			
Property plant and equipment	12	16,500	27,594
Investment in associate	4	29,482,222	22,154,579
Investments	13	8,000	8,000
Total non-current assets		**29,506,722**	**22,190,173**
Total assets		**32,949,074**	**30,709,592**
LIABILITIES			
Current liabilities			
Trade and other payables	14	588,264	1,372,578
Provisions	15	200,241	186,618
Total current liabilities		**788,505**	**1,559,196**
Non-current liabilities			
Other payables	14	303,454	45,256
Loans and borrowings – due to associate and other parties	16	9,181,918	2,213,599
Total non-current liabilities		**9,485,372**	**2,258,855**
Total liabilities		**10,273,877**	**3,818,051**
Net assets		**22,675,197**	**26,891,541**
EQUITY			
Contributed equity	18	65,251,219	63,828,274
Reserves	17	2,562,819	3,315,921
Accumulated losses		(45,138,841)	(40,252,654)
Total equity		**22,675,197**	**26,891,541**

The statement should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(4,407,854)	(5,518,853)
Interest received		21,585	7,988
R&D rebate received		1,813,602	-
Borrowing costs paid		(725,523)	(153,175)
Cash used in operating activities	9	**(3,298,190)**	**(5,664,040)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(4,778)	(27,194)
Proceeds from disposal of former subsidiary		-	5,184,950
Contributions to associates	4	(6,593,537)	-
Cash used in investing activities		**(6,598,315)**	**5,157,756**
FINANCING ACTIVITIES			
Proceeds from issue of equity shares		1,502,784	9,266,663
Reduction in performance bonds – restricted cash		-	44,500
Costs of issuing equity shares		(79,840)	(593,802)
(Repayment of) / Proceeds from borrowings		1,663,294	(8,917,700)
Borrowings from associate and other parties		6,968,319	1,134,166
Loans to associate		-	(1,769,119)
Cash generated from financing activities		**10,054,557**	**(835,292)**
Net decrease in cash and cash equivalents		158,053	(1,341,576)
Balance at the beginning of the year		1,723,830	2,943,861
Effect of foreign currency translation		243,797	121,545
Balance at the end of the year	9	**2,125,680**	**1,723,830**

The statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2017

	Contributed Equity	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	$	$	$	$	$
At 1 July 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**
Loss for the year 2017	-	-	-	(4,886,187)	(4,886,187)
Other comprehensive income	-	-	(131,361)	-	(131,361)
Group's share of associate's other comprehensive income	-	-	(851,914)	-	(851,914)
Total comprehensive loss for the year	**-**	**-**	**(983,275)**	**(4,886,187)**	**(5,869,462)**
Equity issued	1,502,784	-	-	-	1,502,784
Performance rights exercised	-	-	-	-	-
Equity based payments	-	230,173	-	-	230,173
Transaction costs	(79,839)	-	-	-	(79,839)
At 30 June 2017	**65,251,219**	**2,037,316**	**525,503**	**(45,138,841)**	**22,675,197**

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 2017 was authorised for issue in accordance with a resolution of the directors on 26 September 2017.

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 $2,653,847 (2016: net current assets $6,960,223) and incurred an operating cash outflow after income tax of $3,298,190 (30 June 2016: $5,664,040) for the year ended 30 June 2017. 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.

The Company announced on 19 September 2017 a two tranche placement. Tranche 1 for the issue of 30,625,000 fully paid ordinary shares at $0.04 per share settled on 15 September 2017 for gross funds raised of A$1,225,000 and tranche 2 for the issue of a further 39,375,000 fully paid ordinary shares at $0.04 per share is scheduled to settle on or around the 20 September 2017 to raise further gross proceeds of A$1,575,000.

In addition and as announced at the time of the placement the Company intends to undertake a 1 for 8 Rights issue (1 for 8 Entitlements Issue) on the same terms as the tranche 1 and 2 placement which will see up to a further 68,431,891 fully paid ordinary shares issued to raise up to a further A$2,737,276 before costs.

Any shares issued pursuant to the placement and rights issue will also be accompanied, subject to the Company obtaining shareholder approval where required, by a 1 for 2 share option exercisable at $0.06 per share. The options, once issued, will be exercisable for 12 months from the date shareholder approval is obtained.

Appian has provided a waiver from the mandatory repayment provisions of the term loan facility for the first A$1.5m raised pursuant to the placement referred to above. For amounts raised over and above the A$1.5m, funds are to be applied as follows to the Appian loan facility debt repayment:

a. 25% of any funds raised pursuant to a capital raising of up to $3 million towards repayment of the Appian loan; and
b. 50% of any funds raised pursuant to a capital raising of over $3 million towards repayment of the Appian loan.

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, as noted below have not had a material impact on the amounts reported in the Group.

Title	Summary	Application date for Group
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

Standards and Interpretations in issue not yet adopted

A number of new Standards, amendment of Standards and interpretations have 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 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
AASB 2016 – 2: Amendments to Australian accounting Standards – Disclosure Initiative: Amendments to AASB 107	The amendments to AASB 107 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in entity's debt. The amendments require entities to provide disclosures about changes in the liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses)	1 January 2017
AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interest in the associate or joint venture. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual periods beginning on or after 1 January 2018 instead of 1 January 2016.	1 January 2018
AASB Interpretation 22 – Foreign Currency Transactions and Advance Consideration	The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 January 2018
AASB Interpretation 23 – Uncertainty over Income Tax Treatments	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ➢ Whether an entity considers uncertain tax treatments separately ➢ The assumptions and entity makes about the examination of tax treatments by taxation authorities ➢ How an entity determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ➢ How an entity considers changes in facts and circumstances	

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 2017. 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 relevent 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 consistency 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.

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; (vi) long term loans and borrowings; and (vii) 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

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.

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. LOSS ON PARTIAL DISPOSAL OF 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 was determined that Peak Resources no longer solely controlled nor did it have joint control of PAM despite maintaining its majority ownership and beneficial interests in PAM. The company 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 was deconsolidated from the Peak Group effective July 2015 and the retained interest in PAM re-measured at its fair value at that time, being the deemed cost on initial recognition of Peak's investment in the associate. Fair value was determined with reference to the implied market value of the Appian and IFC payment which is an arms-length transaction therefore the Directors believed represented fair value in an orderly transaction. The fair value is level 3 per the fair value hierarchy. The Company recorded a $6,848,406 gain (including the re-cycle of associated foreign currency translation reserve on reclassification from a subsidiary to an associate) related to this disposal in the half-year 31 December 2015 period.

At the end of the prior period, a portion of the investment in associate was classified as held for sale at 30 June 2016 in accordance with the dilution of a further 12.5% interest related to stage 2 of the financing transaction with Appian and IFC. On completion of stage 2 of the financing transaction by Appian and IFC in August 2016 and September 2016 respectively, they invested a combined US$2,874,955 into PAM for respectively an additional 10% and 2.5% interest with the Group's remaining interest in the PAM Group diluted to 75%. Pursuant to the additional contributions of capital, by Appian and IFC for the stage 2 referred to above, in the associate between 30 June 2016 and the dates of deemed disposal, the Company has recorded a loss of $500,031 on the disposal of this 12.5% interest in the PAM Group during the period.

4. INVESTMENTS IN ASSOCIATES

As set out in Note 3, the Group has an 75% 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 2017	$AUD 30 June 2016
Current assets	194,277	305,457
Non-current assets	47,059,107	41,246,479
Current liabilities	564,292	4,429,558
Non-current liabilities	7,980,879	7,582,939
Equity	38,708,212	29,539,439
Income	264,788	46,839
Administrative costs	(316,425)	(468,689)
Employee benefits	(45,628)	(101,977)
Depreciation and amortisation expenses	(35,032)	(33,084)
Other expenses(1)	(1,628,373)	(16,325,659)
Finance costs	(11,465)	(1,298,718)
Loss before income tax expense	**(1,772,135)**	**(18,181,288)**
Income tax expense	-	-
Loss for the period	**(1,772,135)**	**(18,181,288)**
Other comprehensive income/(loss)	(1,073,609)	1,753,047
Total comprehensive loss for the period	**(2,845,744)**	**(16,428,241)**
Group's share of loss for the period	**(1,433,955)**	**(15,908,627)**
Group's share of movement of other comprehensive income for the period	**(851,914)**	**1,533,916**
Peak Resources investment in associate:		
Opening balance	25,847,009	40,221,720
Less Group's share of loss in the associate for the period	(1,433,955)	(15,908,627)
Loss on partial disposal	(500,031)	-
Recycle of FCTR on partial disposal	(172,424)	-
Add Group's share of movement in other comprehensive income in the associate for the period	(851,914)	1,533,916
Peaks additional equity investment in PAM during the period(3)	6,593,537	-
Investment in associate	**29,482,222**	**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	29,482,222	22,154,579
Investment in associate	**29,482,222**	**25,847,009**

(1) Included in the 2016 period 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) the portion of the associate subject to disposal has been re-classified as a current asset held for sale.

(3) Additional equity subscription contributions were made to the associate in February 2017 for A$4,587,750 and in February 2017 for a further A$2,005,787.

5. INCOME AND EXPENDITURE ITEMS

	2017 $	2016 $
Included in loss for the year are:		
Interest received	21,746	9,253
Australian R&D rebate receivable	1,813,602	-
Other income	25,926	-
Total other income	1,839,528	-
Occupancy costs	(209,069)	(219,990)
Listing compliance costs	(55,489)	(72,043)
Travel & accommodation	(106,007)	(166,072)
Technical feasibility costs	(1,985,476)	(4,420,592)
	Auditors' remuneration	
Amounts received or due and receivable by Ernst and Young for: Audit and review of financial statements	82,814	33,670
Taxation services	-	-
	82,814	**33,670**
Subsidiaries audit and review of financial statements	5,886	8,378
Subsidiaries taxation services	-	-
	5,886	**8,378**

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 2017			30 June 2016		
	E&D	Unallocated	Total	E&D	Unallocated	Total
	$	$	$	$	$	$
Finance income	-	21,746	21,746	-	9,253	9,253
Other income	-	1,839,528	1,839,528	-	-	-
Total income	**-**	**1,861,274**	**1,861,274**	**-**	**9,253**	**9,253**
Depreciation and amortisation	(195)	(15,676)	(15,871)	(2,418)	(12,569)	(14,987)
Impairment of exploration and evaluation costs	-	-		-	-	-
Impairment of Investments	-	-		-	-	-
Share based payment expenses	-	(230,173)	(230,173)	-	(416,680)	(416,680)
Borrowing costs	-	(983,721)	(983,721)	-	(76,917)	(76,917)
Gain on disposal of former subsidiary	-	(500,031)	(500,031)	-	6,848,406	6,848,406
Share of loss of associate	(1,433,955)	-	(1,433,955)	(15,908,627)	-	(15,908,627)
Technical feasibility costs	(1,985,476)	-	(1,985,476)	(4,420,592)	-	(4,420,592)
Other expenses	-	(1,598,235)	(1,598,235)	-	(1,912,284)	(1,912,284)
Income Tax	-	-	-	-	-	-
Segment results	**(3,419,626)**	**(1,466,562)**	**(4,886,188)**	**(20,331,637)**	**4,439,209**	**(15,892,428)**
Segment assets	**29,482,222**	**3,466,853**	**32,949,075**	**25,847,009**	**4,862,583**	**30,709,592**
Segment liabilities	**-**	**(10,273,877)**	**(10,273,877)**	**-**	**(3,818,051)**	**(3,818,051)**
Additions to non-current assets:						
Plant and equipment		4,778	4,778	-	27,194	27,194
Investment in associate	6,593,537		6,593,537	22,154,579	-	22,154,579
	6,593,537	**4,778**	**6,598,315**	**22,154,579**	**27,194**	**22,181,773**

7. LOSS PER SHARE

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

	2017	2016
	Cents	**Cents**
Basic and Diluted loss per share based on reported losses after tax as set out in the Statement of Comprehensive Income	(1.04)	(3.95)
	Nos.	**Nos.**
Weighted average number of ordinary shares used in calculating Basic & Diluted loss per share	470,332,142	402,377,186
Anti-dilutive options over ordinary shares and performance rights excluded from the weighted average number of shares	28,616,666	43,383,332

8. INCOME TAX

		2017 $	2016 $
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 27.5% (2016: 30%)	(1,343,702)	(4,697,153)
	Add tax effect of:		
	- Assessable items	-	12,114
	- Revenue losses not recognised	706,555	672,306
	- Other non-allowable items	7,497,098	6,248,951
		6,859,951	2,236,218
	Less tax effect of:		
	- Other deferred tax balances not recognised	6,361,210	111,121
	- Australian R&D rebate	498,741	2,125,097
	Income tax expense reported in statement of comprehensive income	-	-
c.	**Deferred tax recognised at 27.5% (2016:30%)** (Note 1):		
	Deferred tax liabilities:		
	Investment in associate	(4,791,325)	(7,754,102)
	Accrued interest	(369)	(353)
	Other	(2,185)	(986)
	Deferred tax assets:		
	Carry forward revenue losses	4,793,879	5,067,533
	Provisions and accruals	-	2,687,908
	Net deferred tax	-	-
d.	**Unrecognised deferred tax assets at 27.5% (2016:30%)** (Note 1):		
	Carry forward revenue losses	403,882	-
	Carry forward capital losses	270,879	295,504
	Unrealised FX	144,513	-
	Capital raising costs	197,674	291,678
	Provisions and accruals	128,626	4,133,969
	Other	15,311	-
		1,160,885	**4,721,151**

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.

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresh olds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.
Note 2 - Tax Consolidation
For the purpose of income taxation, the Company and its 100% Australian controlled entities have formed a tax consolidated group effective from 1 July 2012.

9. CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalent	2017 $	2016 $
For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash at bank and in hand	1,581,180	1,679,330
Short term deposits	544,500	44,500
	2,125,680	**1,723,830**

Reconciliation of operating loss to operating cash flows		
Loss for the year	**(4,886,187)**	**(15,892,428)**
Adjustments for non-cash items:		
Loss / (Gain) on disposal of former subsidiary	500,031	(6,848,406)
Share of loss of associate	1,433,955	15,908,627
Share based payments expenses	230,173	416,680
Depreciation expenses	15,871	14,987
Foreign exchange gain/loss	(202,731)	(121,545)
Movement in working capital items:		
Decrease in trade and other receivables	95,564	868,817
Decrease in prepayments	27,627	421,086
(Decrease) in trade and other payables	(526,116)	(524,250)
Increase in provisions	13,623	92,392
	(3,298,190)	**(5,664,040)**

Material non-cash transactions:
In 2017 and 2016 no material non-cash transactions occurred during the year.

10. TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Current		
GST receivable	25,510	121,478
Other receivable	3,927	3,524
	29,437	**125,002**

Ageing of receivables		
Recoverable within 3 months	29,437	125,002
Beyond 3 months	-	-
	29,437	**125,002**

Receivables are non-interest bearing and unsecured

11. OTHER FINANCIAL ASSETS

	2017 $	2016 $
Bank Term Deposit	55,000	55,000
	55,000	**55,000**

A deposit of $55,000 (2016: $55,000) has been secured against two guarantees issued by the bank as rental deposits for office leases. This cash balance is not available for withdrawal until the guarantee is withdrawn.

12. PROPERTY, PLANT AND EQUIPMENT

	2017 $	2016 $
Plant and equipment		
At cost	103,002	110,079
Accumulated depreciation	(86,502)	(82,485)
	16,500	**27,594**
Movement in net carrying amount		
Balance at the beginning of the year	27,593	85,143
Additions	4,778	27,194
Disposals / de-recognised on disposal of former subsidiary	-	(69,756)
Depreciation for the year	(15,871)	(14,987)
Balance at the end of the year	**16,500**	**27,594**

13. AVAILABLE FOR SALE FINANCIAL ASSETS

	2017 $	2016 $
Investment in listed shares – at fair value (Level 1)	8,000	8,000
	8,000	**8,000**

14. TRADE AND OTHER PAYABLES

	2017 $	2016 $
Current		
Trade and other payables	**588,264**	**1,372,578**
Non-current		
Other payables	**303,454**	**45,256**
Ageing of payables		
Payable within 3 months	588,264	1,372,578
Beyond 12 months	303,454	45,256
	891,718	**1,417,834**

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

15. PROVISIONS

	2017 $	2016 $
Employee benefits - leave entitlements	200,241	186,618

16. LOANS AND BORROWINGS

	2017 $	2016 $
Non-current:		
Working capital loan facility – Peak African Minerals	4,586,972	2,213,599
Bridging Loan – Appian Pinnacle Holdings	4,594,946	-
Balance at the end of the year	**9,181,918**	**2,213,599**

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 the facility is deemed fully drawndown 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.

Non-current – Appian loan facility – On 20 September 2016 Appian advanced A$4,179,828 (US$3,145,739) under a full draw down of a 3 year loan facility. The loan is denominated in US$ with interest of 15% per annum calculated daily and capitalised at the end of each calendar quarter, payable at the time of the loan repayment. Provisions of the facility provide for partial mandatory repayment from subsequent capital raisings undertaken by the Company.

17. RESERVES

	Share based payment reserve $	Foreign currency translation reserve $	Total $
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 made in 2017	230,173	-	230,173
Equity issued	-	-	-
Performance Rights exercised	-	-	-
Recycled to profit and loss on disposal of former subsidiary	-	(172,425)	(172,425)
Group's share of associates FCTR	-	(851,914)	(851,914)
Exchange difference on translation of foreign operations	-	41,064	41,064
At 30 June 2017	**2,037,316**	**525,503**	**2,562,819**

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.

18. CONTRIBUTED EQUITY

		Nos.	$
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**
Issue of Placement Shares to IFC and Appian	14-Oct-16	16,306,957	815,348
Issue of Shares on conversion of loan note at $0.103 per share	11-Nov-16	6,674,140	687,436
Equity issue costs			(79,839)
Balance at 30 June 2017		**477,455,131**	**65,251,219**

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 28,616,666 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 2016		43,383,332			
Exercised:		-			
Expired:					
Expiry of unlisted $0.10 options	5 January 2017	(6,383,334)			
Cancellation of unlisted $0.20 options	5 January 2017	(633,332)			
Expiry of unlisted $0.15 options	2 June 2017	(2,500,000)			
Expiry of unlisted $0.55 options	20 February 2017	(6,250,000)			
		15,766,666	Vested and unvested	$0.00 -$0.55	5/01/2018 - 3/03/2018
Issued:					
Unlisted options	16 Nov 2016	500,000	Vested	$0.15	5/01/2018
Unlisted options	16 Nov 2016	500,000	Vested	$0.20	5/01/2018
Balance at 30 June 2017		**28,616,666**			

Pursuant to shareholder approval obtained at the Annual General Meeting held on 16 November 2016, 500,000 $0.15 options and 500,000 $0.20 options were issued to the Chairman otherwise on the same terms as those already on issue to other directors. At the end of the reporting period, there were 28,616,666 unlisted Options and Performance Rights over unissued shares on issue.

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.

19. 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 2017 a total of 1,000,000 (2016: 7,333,332) options were issued under the EOP to directors, executives, employees and contractors.

Options granted during and as at the year ended 30 June 2017:

	Number	WA Exercise Price	Value per option
Outstanding at 1 July 2016	**28,983,332**	**$0.16**	
Granted during the year:			
16-Nov-16 - issue of $0.15 vested options expiring 5-Jun-2018	500,000	$0.15	$0.007
16-Nov-16 - issue of $0.20 options vested on 5-Jan-2017 expiring 5-Jan-2018	500,000	$0.20	$0.004
Exercised during the year	-	-	
Expired during the year	(9,516,666)	-	
Outstanding at 30 June 2017	**20,466,666**	**$0.18**	
Exercisable at 30 June 2017	20,466,666	$0.18	

WA (weighted average)

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	**28,983,332**	**$0.16**	
Exercisable at 30 June 2016	18,983,333	$0.13	

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 $0.175 (2016: $0.169).

The weighted average remaining contractual life for share options outstanding at 30 June 2017 was 0.52 years (2016: 1.25 years).

The weighted average fair value of options issued during the year was $0.006 per option (2016: $0.007).

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.

No performance rights were granted during the year ended 30 June 2017.

Performance rights granted during and as at the year ended 30 June 2017:

	Number	Exercise Price	Value per performance right
Outstanding at 1 July 2016	**8,000,000**	**$0.00**	
Granted during the year:	-	-	
Exercised during the year	-	-	
Expired during the year	-	-	
Outstanding at 30 June 2017	**8,000,000**	**$0.00**	
Exercisable at 30 June 2017	-	-	

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	-	-	

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 (2016: $0.00)
The weighted average remaining contractual life for rights options outstanding at 30 June 2017 was 0.52 years (2016: 1.52 years)
The weighted average fair value of rights issued during the year was $0.00 per right (2016: $0.00)
The options and performance rights have been valued using the Black-Scholes methodology with the following inputs:

	2017	2016
WA Share price on date of grant	**$0.067**	**$0.057**
WA Risk-free interest rate	**1.50%**	**1.85%**
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 $230,173 (2016: $416,680) is $Nil (2016: $32,000) relating to the shares issued during the year, $39,738 (2016: $193,723) related to options granted during the year and prior year, and $190,435 (2016: $190,957) relating to performance rights granted in the prior year.

20. CONTINGENCIES AND COMMITMENTS

Lease commitments

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

	2017 $	2016 $
Up to 1 year	8,100	56,700
	8,100	**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 2017 minimum annual expenditure commitments in respect of exploration assets amounted to US$145,558 (2016 $127,430). 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 2017, the Group has no capital commitments. (2016: Nil).

Contingencies

At 30 June 2017, the Group had no contingencies (2016: 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.

21. KEY MANAGEMENT PERSONNEL DISCLOSURE

	2017 $	2016 $
Salary and fees – short term benefits	1,571,607	1,257,002
Non-monetary benefits	59,011	11,835
Superannuation	78,850	80,416
Share based payments	215,130	298,421
	1,924,598	**1,647,674**

Loans to KMP's

No loans were made to KMP's during the financial year (2016: 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 $79,990 (2016: $202,883) as fees for the provision of legal advice. Balance outstanding at 30 June 2017 and included in trade creditors $24,468 (30 June 2016: $26,470).

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.

22. 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:

		Ownership interest	
Parent	**Incorporation**	**2017**	**2016**
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%
Peak Resources Tanzania Limited	Tanzania	100%	100%
Associated entities			
Peak African Minerals Limited	Mauritius	75%	87.5%
PR Ng Minerals Limited	Tanzania	75%	87.5%

23. 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; (vi) long term loans and borrowings; and (vii) 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

	2017	**2016**
	$	**$**
Cash and cash equivalents	2,125,680	1,723,830
Trade and other receivables	29,437	125,002
Other financial assets	55,000	55,000
Due from associate	1,227,526	2,890,821
AFS Investment	8,000	8,000
Trade and other payables	(891,718)	(1,417,834)
Current – Loans and borrowings	-	-
Non-current – Loans and borrowings	(9,181,918)	(2,213,599)

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

Credit Risk

The group's credit risks arise from potential default of trade and other receivables, cash and cash equivalents and other financial assets. The maximum credit exposure is limited to the carrying amount of trade and other receivables $29,437 (2016: $125,002) at reporting dates.

As at 30 June 2017, the receivable balances consist primarily of GST credits. Management does not consider the GST 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:

	2017			2016		
	Up to 3 months	> 3 months	Total	Up to 3 months	> 3 months	Total
	$	$	$	$	$	$
Financial liabilities					-	
Trade and other payables	(588,264)	(1,678,792)	(2,267,056)	(1,372,578)	(45,256)	(1,417,834)
Short term loans	-	-	-	-	-	-
Long term loans[(1)(2)]	-	(10,810,908)	(10,810,908)	-	(3,099,039)	(3,099,039)
Total financial liabilities	**(588,264)**	**(12,489,700)**	**(13,077,964)**	**(1,372,578)**	**(3,144,295)**	**(4,516,873)**
Financial assets						
Cash and cash equivalents	2,125,680	-	2,125,680	1,723,830	-	1,723,830
Other financial assets	-	55,000	55,000	-	55,000	55,000
Due from associate	1,227,526	-	1,227,526	2,890,821	-	2,890,821
Investments	-	8,000	8,000	-	8,000	8,000
Trade and other receivables	29,437	-	29,437	125,002	-	125,002
Total financial assets	**3,382,643**	**63,000**	**3,445,643**	**4,739,653**	**63,000**	**4,802,653**

1) *PAM working capital facility is repayable the earlier of 29 March 2021 or on the commencement of commercial production from the Ngualla project.*
2) *Appian Bridging loan advanced on 20 September 2016 with a 3 year loan facility. Provisions of the facility provide for partial mandatory repayment from subsequent capital raisings undertaken by the Company*

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:

	2017 $	2016 $
Cash and cash equivalents	2,125,680	1,723,830
Impact on profit and equity: +1% movement	21,257	17,238
Impact on profit and equity: -1% movement	(21,257)	(17,238)

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.

24. 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:

The Company announced on 19 September 2017 a two tranche placement. Tranche 1 for the issue of 30,625,000 fully paid ordinary shares at $0.04 per share settled on 15 September 2017 for gross funds raised of A$1,225,000 and tranche 2 for the issue of a further 39,375,000 fully paid ordinary shares at $0.04 per share is scheduled to settle on or around the 20 September 2017 to raise further gross proceeds of A$1,575,000.

In addition and as announced at the time of the placement the Company intends to undertake a 1 for 8 Rights issue (1 for 8 Entitlements Issue) on the same terms as the tranche 1 and 2 placement which will see up to a further 68,431,891 fully paid ordinary shares issued to raise up to a further A$2,737,276 before costs.

Any shares issued pursuant to the placement and rights issue will also be accompanied, subject to the Company obtaining shareholder approval where required, by a 1 for 2 share option exercisable at $0.06 per share. The options, once issued, will be exercisable for 12 months from the date shareholder approval is obtained.

Appian has provided a waiver from the mandatory repayment provisions of the term loan facility for the first A$1.5m raised pursuant to the placement referred to above. For amounts raised over and above the A$1.5m, funds are to be applied as follows to the Appian loan facility debt repayment:

a) 25% of any funds raised pursuant to a capital raising of up to $3 million towards repayment of the Appian loan; and
b) 50% of any funds raised pursuant to a capital raising of over $3 million towards repayment of the Appian loan.

25. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Resources Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2017 $	2016 $
Financial position		
Current assets	2,205,611	1,925,387
Non-current assets	28,292,944	23,291,888
Total assets	**30,498,555**	**25,217,275**
Current liabilities	777,851	1,541,547
Non-current liabilities	9,485,371	2,258,855
Total liabilities	**10,263,222**	**3,800,402**
Net assets	**20,235,333**	**21,416,873**
Equity		
Contributed equity	65,566,970	64,144,025
Share based payment reserve	2,100,800	1,870,627
Accumulated losses	(47,432,437)	(44,597,779)
Total equity	**20,235,333**	**21,416,873**
Financial performance		
Loss for the year	(2,834,658)	(28,730,096)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(2,834,658)**	**(28,730,096)**

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 20, at year end.

PEAK RESOURCES LIMITED

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

a) Subject to the matters set out in Note 2 to the Financial Statements 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 2017 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 2017 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, 27 September 2017

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/corporate-governance

Tenement Schedule and Additional Shareholder Information

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
Ngualla	PL 10897/2016	75*	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd

*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 20 October 2017 were as follows:

	Class of Equity Securities
Number Held as at 20 October 2017	**Fully Paid Ordinary Shares**
1-1,000	152
1,001 - 5,000	328
5,001 – 10,000	308
10,001 - 100,000	1,097
100,001 and over	539
Total	**2,424**

There were 815 holders with less than a marketable parcel of fully paid shares.

SUBSTANTIAL SECURITY HOLDERS

Substantial shareholders listed in the Company's register as at 20 October 2017 were:

Holder	Number of shares	Percentage of issued capital
APPIAN PINNACLE HOLDCO LIMITED	76,965,767	14.06%
INTERNATIONAL FINANCE CORPORATION	31,846,257	5.82%

UNQUOTED SECURITIES

Class of Equity Security	Number	Number of Security Holders
$0.55 options expiring 3 March 2018	150,000	1
$0.15 options expiring 5 January 2018	10,549,999	18
$0.20 options expiring 5 January 2018	9,916,667	15
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 3 March 2018	150,000	Mzhci LLC
$0.20 options expiring 5 January 2018	2,000,000	Darren Townsend
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 2017, there were no restricted securities.

Twenty largest security holders

The names of the twenty largest ordinary fully paid shareholders as at 20 October 2017 are as follows:

Name	Number Held of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
CITICORP NOMINEES PTY LIMITED	83,148,172	15.19
INTERNATIONAL FINANCE CORPORATION	31,846,257	5.82
J P MORGAN NOMINEES AUSTRALIA LIMITED	24,472,888	4.47
SAMBOLD PTY LTD	13,199,144	2.41
ERP STRATEGIC MINERALS, LLC	12,500,000	2.28
CRX INVESTMENTS PTY LIMITED	12,475,000	2.28
BUSHELL NOMINEES PTY LTD	11,072,401	2.02
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,878,692	1.99
WISEVEST PTY LTD	9,500,000	1.74
ASHABIA PTY LTD	9,000,000	1.64
ONE MANAGED INVESTMENT FUNDS LIMITED	7,000,000	1.28
HOTLAKE PTY LTD	6,352,325	1.16
BNP PARIBAS NOMINEES PTY LTD	5,326,826	0.97
PINNACLE SUPERANNUATION PTY LIMITED	5,000,000	0.91
MR JAMES SUTTON HARRISON	5,000,000	0.91
RASK PTY LTD	4,664,000	0.84
WAPIMALA PTY LIMITED	4,600,000	0.73
JBBM PTY LTD	4,550,000	0.83
MRS JENNY LEE BUSHELL	4,044,889	0.74
RENOM PTY LTD	4,000,000	0.73
TOTAL TOP 20	**268,630,594**	**49.07%**
TOTAL	**547,455,131**	**100.00%**

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.

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