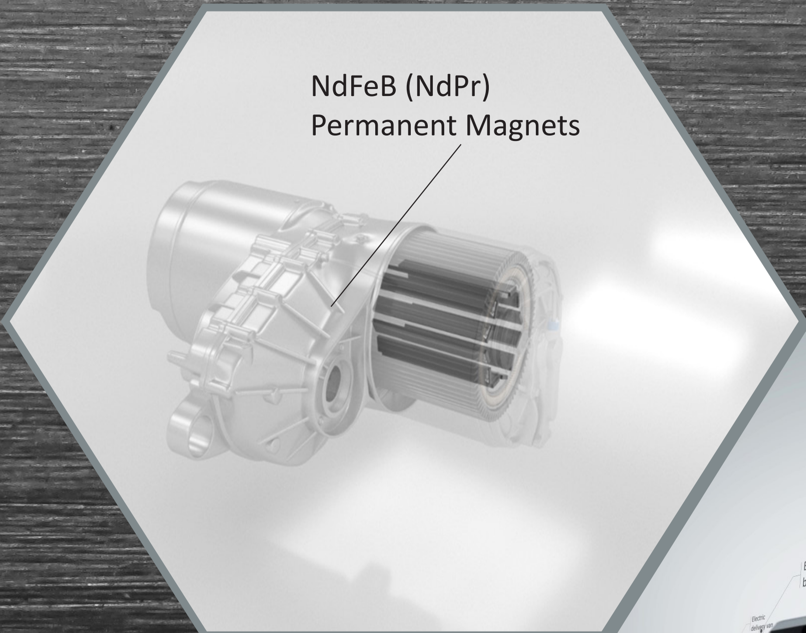
PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

ANNUAL REPORT 2019

Peak and NdPr at the Heart of the Electrification revolution



Nd
Neodymium

Pr
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PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

CORPORATE DIRECTORY

DIRECTORS

Non - Executive Chairman:
Peter Meurer
Non - Executive Director:
John Jetter
Jonathan Murray
Tony Pearson
Chief Executive Officer:
Rocky Smith
Chief Financial Officer/Company Secretary
Graeme Scott

REGISTERED OFFICE

Ground Floor, 5 Ord Street
West Perth, WA 6005

CONTACT DETAILS

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E-mail: info@peakresources.com.au
Website: www.peakresources.com.au
ACN: 112 546 700

AUSTRALIAN STOCK EXCHANGE

ASX: Australian Securities Exchange, Perth
Code: PEK

SHARE REGISTRY

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

AUDITORS

Ernst & Young
11 Mounts Bay Road, Perth, WA 6000

SOLICITORS

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

Tanzania:
Clyde & Co/Ako Law
Jubilee Towers
11th Floor, Ohio Street
Dar Es Salaam, Tanzania

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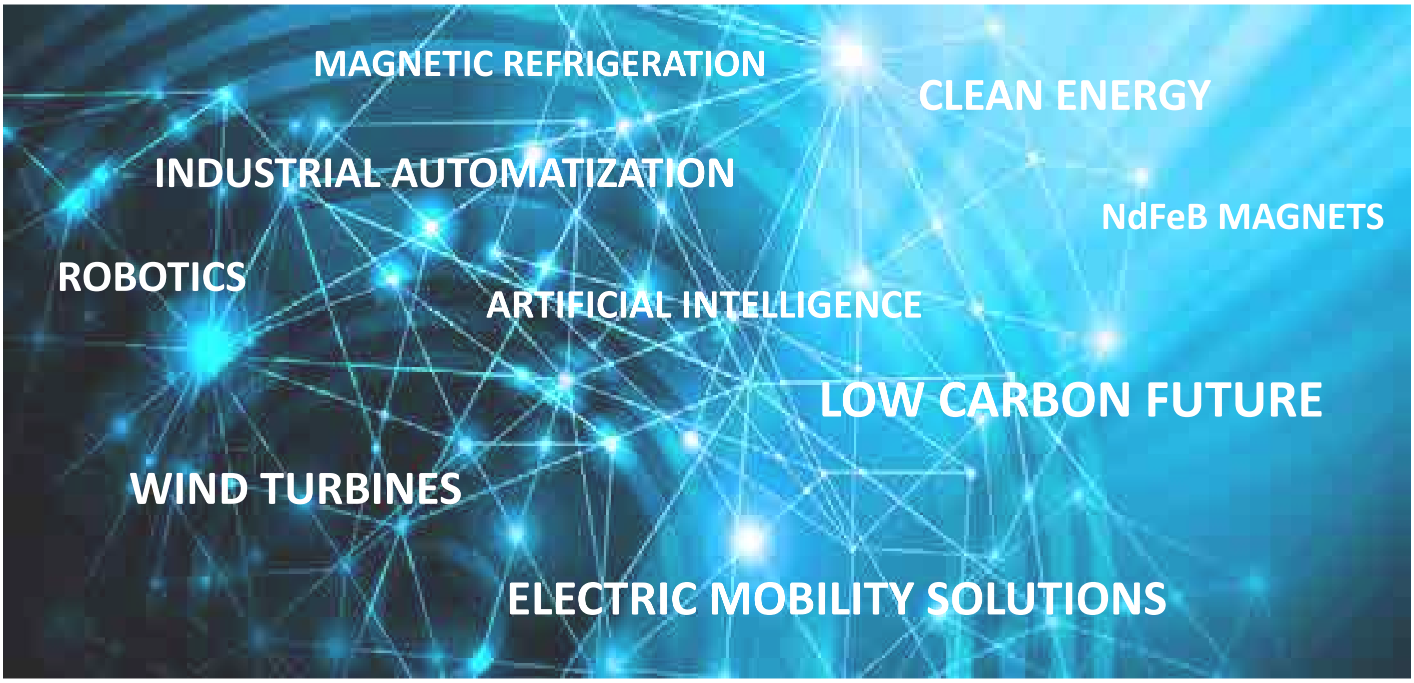
- Fully permitted UK refinery site a key differentiator and strategic asset
- SML Recommended for grant by the Mining Commission
- Offtake discussions well advanced and continuing
- Trade tensions bring rare earths into the spotlight

NdPr Enabling Low Carbon Technologies



Chairman's Letter

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

Peter Meurer
9 October 2019

Dear Shareholder,

I am pleased to be writing to you at a time when recent global macro developments provide me with much confidence that Peak has the right business strategy for a resource which is strategically important for global growth. The importance of rare earths to modern manufacturing businesses could not have been better highlighted than through the ongoing trade tensions between China and the USA. Additionally China's indication that it may consider restricting exports of rare earths should be seen against the background of a quickly emerging supply and demand imbalance. As is now widely understood rare earths are critical inputs for all number of manufacturing industries and applications, western governments have woken up to the fact that China controls over 80% of the rare earth supply and downstream value add processing. These governments are now playing catch-up to secure independence of supply for these critical metals and products to safeguard their businesses continuity. Peak's strategy to become a supplier of fully separated rare earth products with its entire processing capability outside of China fits ideally with these new governmental strategies for securing rare earth supply independent of China.

More recently there appears to be positive developments in Tanzania. There is no doubt that the 2017 legislation changes have caused significant delays and uncertainty to all mining companies with projects ready to be developed in that country. In mid-September, in what I believe has positive implications for the mining industry in Tanzania, the shareholders of Acacia Mining (Acacia) approved the full takeover of the company by its majority shareholder Barrick Gold (Barrick). Barrick has been negotiating with the Tanzanian government since 2017 over a new set of fiscal terms and operating conditions for the three gold mines that Acacia operates in country, the terms under negotiation see a 50:50 share of the economic benefits and adjustments to terms in the 2017 legislation that have been an impediment to attracting project finance for the development of new mining projects. This news provides me with much encouragement that we will see some real progress over coming months and the long awaited receipt of the Special Mining Licence for the Ngualla Project.

I will leave it to Rocky to comment on this years work programs, the progress made and our vision for your Company for the future, however I do want to comment on two events post year end that I believe assist to help set us up for the journey ahead:

Firstly I was extremely pleased that we have been able to agree the restructuring of the ownership of the Project which will see Peak move to a 100% ownership interest. This fully aligns Appian and IFC with all other shareholders and will enable us to present an exciting and clear path for the Projects development to prospective development partners and institutional investors.

Secondly the completion of a small capital raising in August 2019 validated the strategic direction that the Company is taking, including the roll up of Appian's and IFC's interest in PAM into Peak Resources Limited. As a result of this capital raising we were encouraged to see several institutional shareholders come onto the Company's share register. We look forward to the ongoing support of these new investor groups as we continue down the development path.

Finally I would like to thank Rocky and the small team we have at Peak for their dedicated efforts and perseverance to the task. And of course all our shareholders and stakeholders for their continued support and interest in the Company.

I am optimistic that there are bright times ahead for us all.

Yours sincerely,

Peter Meurer
Non-Executive Chairman

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

THE ASSET - THE MARKET - THE TEAM

CEO's Letter

Rocky Smith
9 October 2019

Dear Shareholder,

The past year's focus continued to be directed towards positioning your Company ready for development of the outstanding Ngualla NdPr deposit and Tees Valley rare earth refinery. The core activities included work on securing the final permitting, off-take negotiations and investigating financing avenues. We have kept you well updated with progress on these activities throughout the year.

Tanzania Ngualla

As we are all acutely aware the key is securing our Special Mining License (SML) from Tanzania. At this point we have received affirmation from both the Minister of Minerals and the Mining Commission that our SML application should be granted by the Cabinet in the near future. Tanzania has gone very slow on the SML process, we believe some of this was related to the on-going issues with Acacia Mining (Acacia), which should now be behind us following Barrick Gold's purchase of Acacia.

Prior to Barrick Gold's purchase of Acacia, their negotiations with the Tanzanian Government look to reset the framework for their mine development and operating agreements, effectively rolling back the most difficult parts of the 2017 mining law changes. Assuming this framework is ratified, Tanzania will be taking a big step toward being, once again, one of the best mining regions in Africa.

Tees Valley Refinery

In addition to Tanzania, we have been reviewing other resource opportunities, with a focus on rare earths, specifically concentrates that can be processed within the Tees Valley refinery. The refinery site in Tees Valley can become one of the most important rare earth separation complexes "Outside of China", having superior costs and access to UK, EU and US markets. We are investigating all opportunities to enhance this refinery, including looking at alternative feeds, magnet recycle circuit, and increased production capacity.

We will be actively looking to start Front End Engineering and Design (FEED) and Operations Readiness programs at the beginning of 2020, these activities will require additional support from investors or partners.

Market Conditions

The Electric Vehicle (EV) thematic continues to move forward and all indicators suggest that critical shortages for rare earths Nd/Pr will occur in the 2022-2025 time frame, exactly when our plant is scheduled to come on line. Additional rare earth supply capacity is difficult to put in place due to capital cost, technical challenges and acceptance within the market. Typical timing for a project exceeds five years. I believe rare earth pricing through this period and beyond will likely exceed $100/Kg for Nd/Pr oxide and we should see signs of this ahead of the actual shortage.

The drive to improve battery technology is happening as we speak, with Tesla recently announcing dramatic battery cost reductions and performance improvements. This is happening in every market around the world. Every major automotive manufacture has dedicated significant funding and technical resources towards replacing vehicles with internal combustion engines with permanent magnet (NdFeB) electric motors.

CEO's Letter

Peak is seeking binding off-take contracts with critical rare earth consumers around the world. We have already worked with numerous rare earth metal and permanent magnet consumers in Asia, Europe and United States. The contracts we secure, will likely result in identification of strategic partners for the Ngualla Project and Tees Valley Refinery.

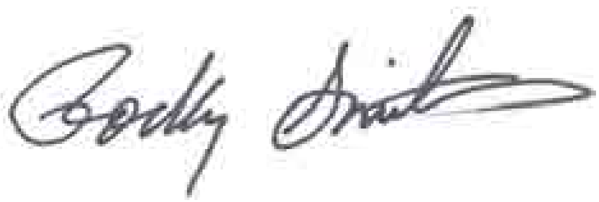
Finance Opportunities

Our financing efforts are supported by our recent restructuring of the Ngualla project to give Peak 100% ownership and control. This change in ownership encourages the involvement of both strategic partners and institutional cornerstone investors.

Trade tensions between US and China, rising metal pricing, and tightening supply, will encourage more earnest negotiation to lock in binding off take from Peak Resources as the alternative "Outside of China" supply.

We are also seeking involvement of multiple governments to support the debt financing through export credit agencies, with emphasis on United Kingdom and United States. These First World countries are also attempting to supply more capital support for African countries, to offset Chinese capital domination, we are discussing the possibility for receiving funding through these programs as well.

I want to personally thank my dedicated staff, the Peak Resources board of directors, our great shareholders and all the supporters of this Project. Thanks for your continued support and belief in the <u>Ngualla Project, the best undeveloped NdPr project in the world!</u>



Rocky Smith
Chief Executive Officer

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

Summary

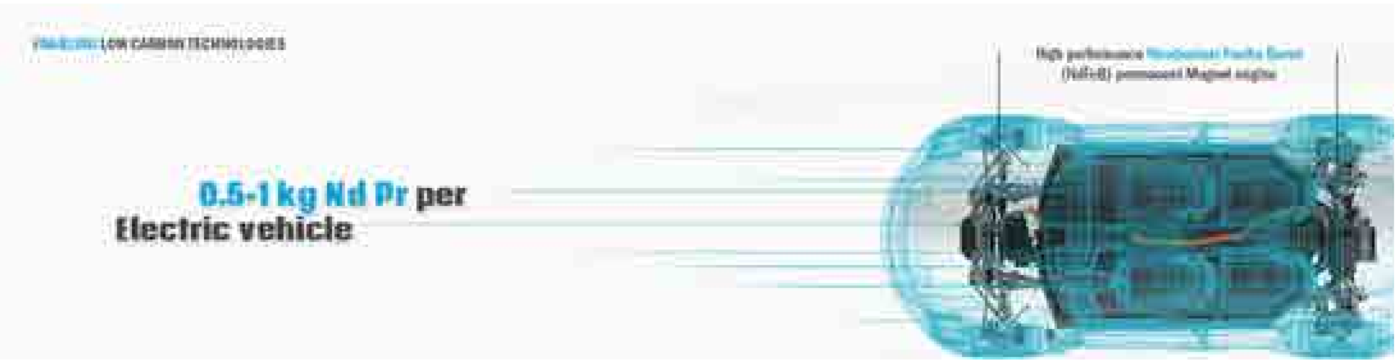
- **Peak set to move to 100% ownership of the Ngualla Project**
- **Fully permitted UK refinery site a key differentiator and strategic asset**
- **SML recommended for grant by the Mining Commission**
- **Offtake discussions well advanced and continuing**
- **Trade tensions bring rare earths into the spotlight**

The year saw the Company advance the development of its 75% owned Ngualla Rare Earth Project on a number of fronts culminating in the announcement, post year end, on 29 July 2019 that it had reached conditional agreement with Appian and IFC to move to 100% ownership in the Ngualla Project (Project). Completion of the restructuring transaction is conditional on the necessary shareholder and regulatory approvals expected to be received in the December 2019 quarter. The Company believes the simplified structure will assist in readying the Company to secure project development finance, including attracting additional institutional investors and development partners to the Project; this has already been demonstrated with a number of new institutional investors participating in the August 2019 capital raising.

In Tanzania the Company continued to have an active and open dialog with the Government on the granting of the Special Mining Licence (SML). The Mining Commission recommended the application for approval in October 2018 and the grant of the Licence is now pending government Cabinet sign-off. All other permitting including ESIA certificate having previously been granted.

In recent months, media coverage over the USA and China trade disputes, and the Lynas Corporation (ASX:LYC) operating licence renewal process, highlighted the vulnerability of industry to its over-reliance on China as a secure and reliable supply of rare earth products. These events underline the strategic value of Peak's UK rare earth refinery site and the potential opportunity for this to become a rare earth processing hub outside of, and independent of China. Peak has secured a 250 year lease option over the site with all construction and operating permits for a rare earth refinery also having been secured.

Against this backdrop discussions are well advanced and continue with quality potential offtake partners with a number of confidential Memorandums of Understanding and Term Sheets under negotiation. On receipt of the SML, Peak looks forward to progressing these discussions to binding agreements on terms which will underpin the Company's ability to secure project development financing. With 90% of Ngualla's future revenue to be derived from neodymium- praseodymium oxide (NdPr), the Project is one of a 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 (EVs).



Peak set to move to 100% ownership of the Ngualla Project

Following the year end close, Peak was pleased to announce that it has entered into conditional agreements to move to 100% ownership of the Ngualla Rare Earth Project. Peak has executed Binding Heads of Agreement (Appian BHoA and IFC BHoA) with Appian Pinnacle Hold Co Limited (Appian) and International Finance Corporation (IFC) to roll up their ownership interests in Mauritian registered company, Peak African Minerals (PAM) into Peak.

The Company believes the proposed simplification of the PAM ownership structure and streamlining of the governance procedures will ensure that the interests of all shareholders will be aligned towards the development of the Project. The proposed simplified structure is intended to facilitate the introduction of additional institutional investors in Peak and development partners to the Project.

Under the terms of the Appian BHoA and the IFC BHoA, Appian and IFC will receive the following:

- Appian to receive 327,490,452 new fully paid ordinary shares in Peak (Peak Shares) in exchange for its entire (20% ownership interests in PAM.
- IFC to receive up to 64,268,651 Peak Shares in exchange for its entire (post dilution 3.85%) ownership interests in PAM.

Completion of the Transaction will also be conditional upon (amongst other things):

- Peak obtaining all necessary shareholder and regulatory approvals required by the Corporations Act, Listing Rules and other applicable laws in relation to the Transaction;
- receipt of an independent expert's report prepared for the purpose of obtaining the approvals concluding that the Transaction is either fair and reasonable or not fair but reasonable to the non-associated shareholders of Peak.

The Project update reported in October 2017 demonstrates the exceptional fundamentals of the Project and excellent exposure to the NdPr price, with over 90% of its planned revenue to come from NdPr:

- Post Tax NPV8 US$ 612 million and IRR 22% at Project Update rare earth price assumptions.
- Total Life of Project Opex intensity US$ 32.24 / kg NdPr is the breakeven point for a positive cash flow, well below current prices.
- Total pre-production CAPEX of US$ 365 million for the Ngualla and Tees Valley refinery combined. This has the potential to be the lowest Capex among its peers for a fully integrated producer.
- Average consolidated annual EBITDA US$ 150 mpa over the 26 year life of the Project.

PRODUCTION ASSUMPTIONS	
Life of Mine	26 Years
Average Life of Mine REO Grade	4.80%
Life of Mine Strip Ratio (Waste: Ore)	1.78
Average Mill Throughput	711,000 tpa
Average REO Mineral Concentrate Production	32,700 tpa
Average NdPr Mixed Oxide 2N Production	2,810 tpa
Average La Oxide Equivalent Production (final product: 7,995 tpa Carbonate)	4,230 tpa
Average Ce Oxide Equivalent Production (final product: 3,475 tpa Carbonate)	1,920 tpa
Average SEG and Mixed Heavy Oxide Equivalent Production (final product: 625 tpa Carbonate)	330 tpa

OPERATING COSTS	
Average Operating Cost - Ngualla plus concentrate transport	US$ 51m p.a
Average Tees Valley Refinery Operating Cost to Final Product	US$ 40m p.a
Total Consolidated Operating Cost to Final Product	US$ 91m p.a
Total Consolidated Operating Cost/kg (NdPr Mixed Oxide 2N#)	US$ 32.24/kg

CAPITAL COSTS including growth and contingency	
Ngualla (Mine and Process)	US$ 52 million
Ngualla (Infrastructure)	US$ 138 million
Tees Valley Refinery	US$ 157 million
Owners Costs	US$ 18 million
Total Capital Pre-Production	US$ 365 million
Average Annual Consolidated Sustaining Capital	US$ 5 million

FINANCIAL METRICS	
Consolidated Total Revenue	US$ 6.27 billion
Consolidated Average Annual Revenue	US$ 241m p.a
Total Consolidated (Post Tax) Cash Generation	US$ 3.01 billion
Annual Average Consolidated (Post Tax) Cashflow	US$ 108 m p.a
Average Annual EBITDA	US$ 150 m p.a
NPV_8 - Pre Tax and Royalties	US$ 914 million
NPV_8 - Post Tax and Royalties	US$ 612 million
NPV_{10} - Pre Tax and Royalties	US$ 686 million
NPV_{10} - Post Tax and Royalties	US$ 444 million
IRR - Pre Tax and Royalties	26%
IRR - Post Tax and Royalties	22%
Operating Margin	62%
Payback Period (from Start of Operations)	5 Years

COMMODITY PRICE ASSUMPTIONS average LOM	
NdPr Mixed Oxide 2N Min 75% Nd_2O_3	US$ 77.50/kg
Lanthanum Rare Earth Oxide Equivalent	US$ 3.70/kg
Cerium Rare Earth Oxide Equivalent	US$ 2.20/kg
SEG Mixed Heavy Oxide Equivalent	US$ 8.00/kg

Ngualla Project production assumptions and projected economics

#Material assumptions are as per BFS and Ore Reserve ASX Announcements of 12 April 2017 except where indicated in this report.

The information is extracted from the report entitled “Lower price deck delivers similar BFS results for Ngualla” released on the 12 October 2017 and is available to view on the Company’s website www.peakresources.com.au/asx-announcements/. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Review of Operations

The information in this report pertaining to the Project financial and economic analysis has not been audited and contains non-IFRS measures; EBITDA is a non IFRS measure calculated as the earnings before tax, interest, depreciation and amortisation.

SML recommended for grant and pending Tanzanian Cabinet approval

Following notice in October 2018 that the Mining Commission had recommended the Special Mining Licence (SML) application for approval the Company has continued a very active engagement process with the Tanzanian Government Ministries and Mining Commission to expedite the issue of the SML.

Given the scale and importance of the SML projects pending approval, the Tanzanian government is taking a cautious approach to the implementation and application of the 2017 legislation. Whilst the Company has expressed its frustration in the length of time taken for this process, we appreciate the need for certainty in the SML process and the importance of delivering a secure and stable legislative environment in which to operate.

The Company continues to do all within its control to expedite the SML; with the Peak executive responsible for the application travelling regularly to Dodoma, the Tanzanian capital, and the Company's in-country manager also having relocated from Dar es Salaam to Dodoma, following the Government Ministry's move to the capital last year.

The Mining Licence is the final regulatory requirement for the Ngualla Project, with the associated Teesside Refinery already fully permitted and land secured under option. Once granted the Ngualla Project will be the only rare earth development project that has a JORC Compliant Ore Reserve, completed definitive feasibility study and fully piloted process from ore to separated oxides that is fully permitted and ready to construct.

Fully permitted UK Refinery Site a key differentiator and strategic asset

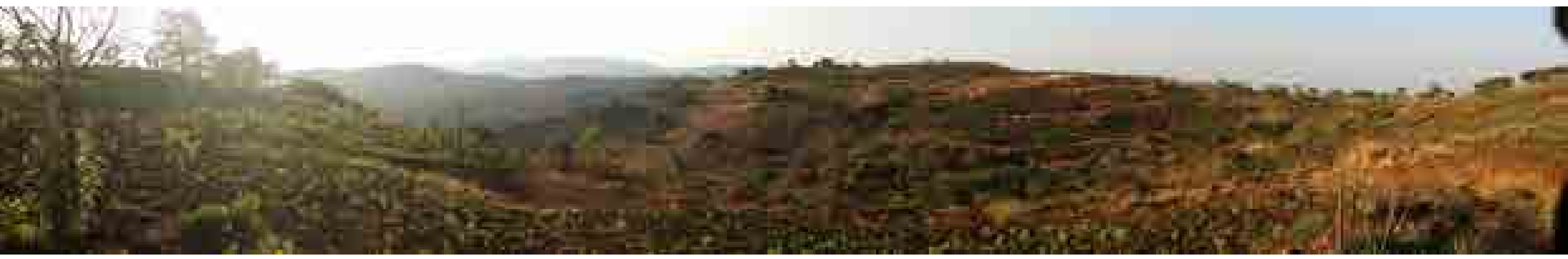
The recent media focus on rare earths highlighted them as potentially being weaponised by China in its trade dispute with the USA. These developments underline the strategic value and optionality that Peak represents to establish what would be only the second significant producer of rare earth oxide products independent of the Chinese supply chain.

In time, the UK Refinery will become a rare earth separation hub, with increased NdPr refining capacity. Other projected additions may include; accepting multiple feed sources to refinery, recycle circuit for used magnets, mid and heavy separation capacity, and the support of the establishment of a western supply chain for permanent magnets into the EV thematic.

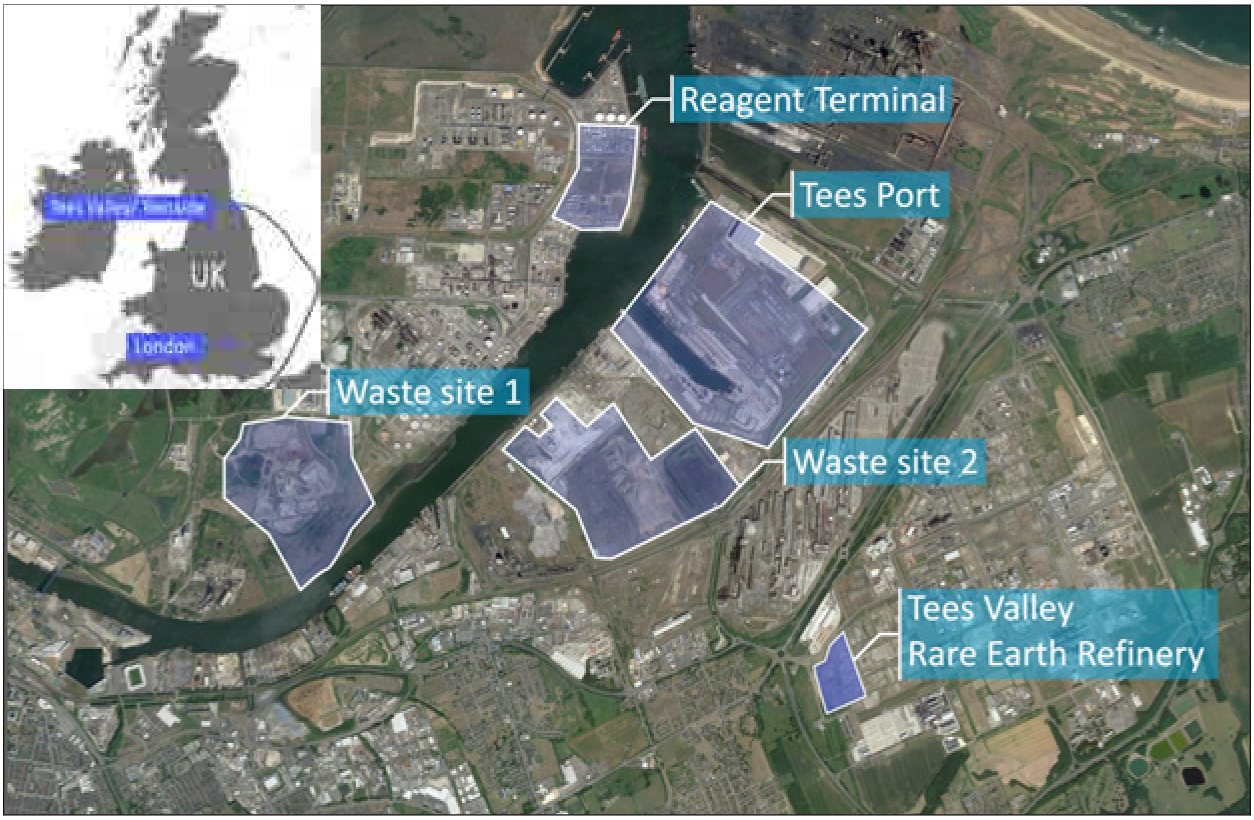
Planning permissions for the refinery and environmental licences for operation of the facility are all in place.

The Company has a further two years on its option, over a 19 hectare parcel of land located in the Wilton International Site. The option provides for a 250 year lease over the site which has a number of commercial advantages, including:

- Access to the existing industrial park with "plug and play" facilities
- Close to ports, bulk low cost reagent supplies and a highly skilled workforce
- Sustainable options for waste and effluent disposal
- UK Government and Local Authority support for the project
- Close to UK and European markets
- Size of parcel provides for potential for expansion



Ngualla Hill



Teesside refinery site and surrounding area and facilities

NdPr Market Developments

A number of developments during the year bode well for strong on-going demand growth for NdPr within the next few years:

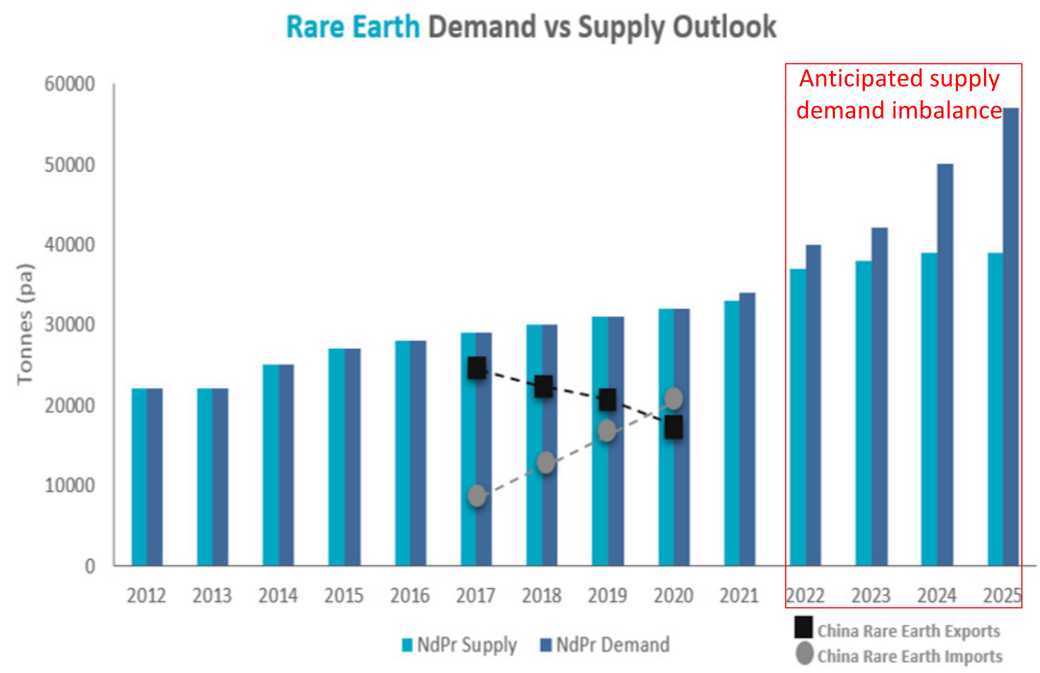
Emissions Legislation changes
New European Emission legislation represents indirectly an electric vehicle quota. The new European legislation (commencing 1 January 2020) requires that all but 5% of the EU's car fleet emit no more than 95 grams of carbon dioxide per kilometre driven.

Car Manufacturer fast tracking their electric vehicle plans
In June 2019, Toyota Motor Corporation announced it is to accelerate its Electric vehicle strategy. Toyota aims to get half of its global sales from electrified vehicles by 2025. This is five years ahead of its previous schedule.

The global automotive industry led by car manufacturers, have jointly committed to a ~ US $400 billion investment in Electric vehicles. Each internal combustion engine vehicle replaced by an electric vehicle represents an approximate 1kg of additional NdPr demand. By 2025, the number of different electric vehicle models available is expected to nearly quadruple.

China
The permanent increase of Chinese rare earth material imports underpinned by China's nearly doubling of its electric vehicle sales in 2018, compared to the prior year, confirms that the global demand for NdPr is increasing steadily. The Chinese Government is embracing the shift in the automotive Industry towards electric vehicles and E-mobility in a way no other country can match; electric vehicles have become one of the 10 core pillars of the "Made in China in 2025" agenda, this assures that Chinese policies are aligned to fully support the overarching governmental strategy to become a world leader in this technology and industry segment.

These developments and other supply factors support Peak's view that demand for NdPr is expected to outstrip supply during 2021.

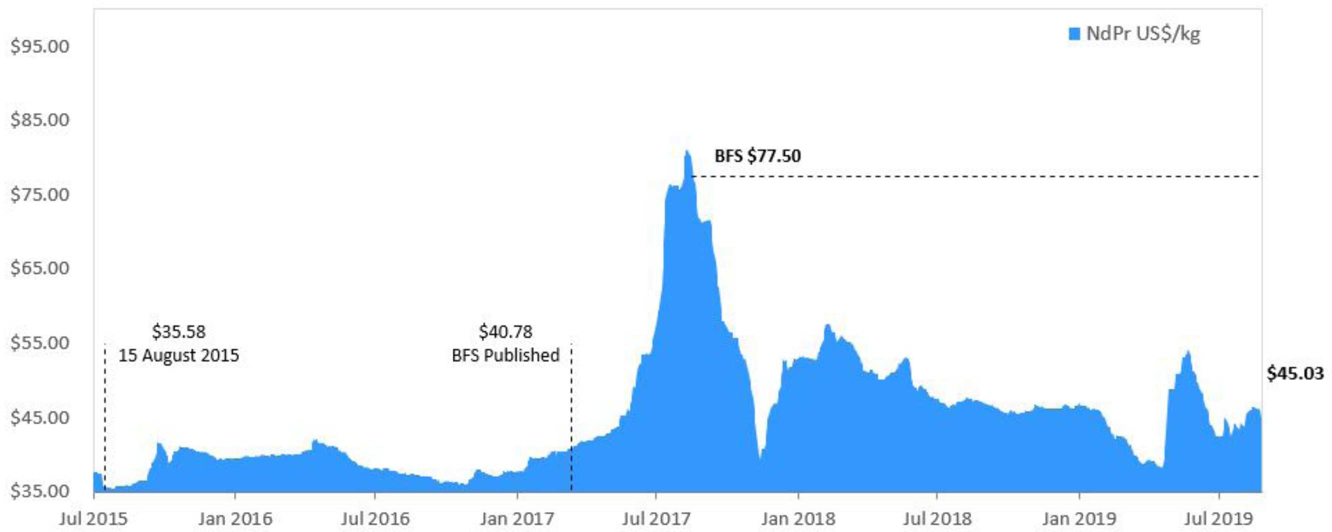


Source: Peak Resources and individual company and industry announcements

NdPr Market Pricing

The NdPr price experienced some volatility during the last 2 quarters of the year mainly driven by the ongoing US-China trade dispute. The supply and demand side currently remains in balance, although the Chinese supply chain reforms did have an immediate direct impact on the rare earth imports from Myanmar, this triggered steep price increases since May on the heavy rare earth side of the business, in particular for Terbium and dysprosium-oxide.

Softer than expected EV production results for the past quarter, have delayed expected supply pressures on NdPr, resulting in temporary softening for NdPr oxide and metal pricing.



Source: Peak Resources and Asian Metals

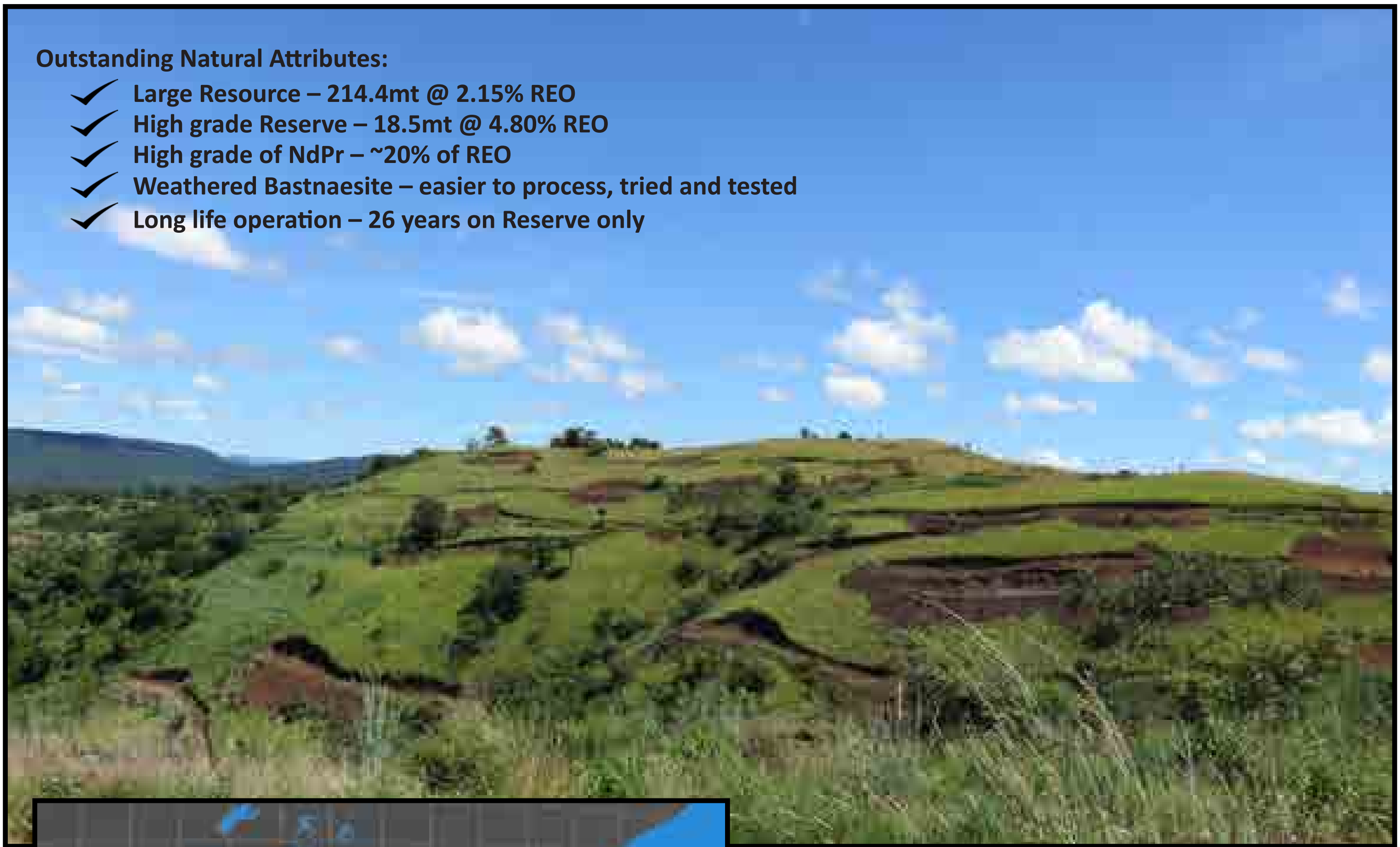
Social and Environmental Responsibility

Peak takes its community and social responsibilities very seriously and is proud of its record to date. The projects undertaken in the past and the manner in which the Company engages with the local community has resulted in widespread support for the Ngualla Project

The newly constructed classrooms donated by the company

The most recent programme; the construction of two classrooms and a teacher's office at a local school was completed towards the end of 2018. Due to the protracted application process for the SML the Company is not currently planning to undertake any major Community Programmes during the 2019/2020 financial year.

Ngualla - a quality NdPr Resource



Key Metrics:

- Comparatively low Capex – US$200m
- Employment – 200 direct jobs
- Indirect Employment – 1000 jobs
- Tanzanian economic activity - US$51m annual Opex

Teesside - a rare earth processing hub

Key Metrics:

- Comparatively low Capex – US$165m
- Employment – 120 direct jobs
- Indirect Employment – 500 jobs
- UK economic activity - US$40m annual Opex

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

Directors Report

The directors of Peak Resources Limited submit herewith the financial statements of the Company for the financial year ended 30 June 2019. 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 Meurer	Non-Executive Chairman
Mr Darren Townsend	Non-Executive Director (Resigned 28 February 2019)
Mr Jonathan Murray	Non-Executive Director
Mr John Jetter	Non-Executive Director
Mr Tony Pearson	Non- Executive Director (Appointed 21 August 2018)

INFORMATION ON DIRECTORS

***Mr Peter Meurer**– Non-Executive Chairman (Appointed 23 April 2018)*
MBA & Grad Dip. Biochemistry from RMIT, AICD

Peter has a distinguished career of over 40 years in the Corporate Finance sector and was most recently Non-Executive Chairman of Nomura Australia. He first joined Nomura Australia in 2009 and prior to this held the roles of Vice Chairman for Citigroup and Merrill Lynch. Peter has a strong strategic focus and has forged trusted advisor relationships through the many market related transactions in which he has been involved covering all aspect of corporate finance including equity raisings, debt financing, corporate advisory and M&A.

Peter is not currently a director of any other listed companies and held no public company directorships in the past three years.

***Mr Jonathan Murray** – Non-Executive Director (Appointed 22 February 2011, Chairman from 1 April 2015 to 30 November 2015 and 31 December 2017 until 22 April 2018)*
Bachelor of Law and Commerce

Jonathan is a partner at an 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 Law and Commerce (majoring in Accounting). He is also a member of FINSIA (formerly the Securities Institute of Australia). Jonathan serves as a director of the following other listed companies and held no other public company directorships in the past three years:

- 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 serves as a director of the following other listed companies and held no other public company directorships in the past three years:

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

Mr Tony Pearson *– Non-Executive Director (Appointed 21 August 2018)*
B.Comm, AICD

Tony is an experienced international natural resources executive and company director. He is currently a Commissioner at the Independent Planning Commission, and prior to this he was a group executive at TSX/HKEx listed SouthGobi Resources, based in Hong Kong, where he was responsible for the company's corporate and strategic initiatives. Tony also has over 15 year's commercial and investment banking experience, covering the Asia Pacific natural resources industry, most recently as a Managing Director at HSBC. During his career Tony has raised or invested in excess of $15bn across equities, hybrids, bonds, convertibles and project finance. Tony is currently Chair of White Ribbon and a trustee of the Royal Botanic Garden & Domain Trust. Tony serves as a director of the following listed company and held no other public company directorships in the past three years:

- Cellnet Group Ltd - from 5 October 2018

Mr Darren Townsend *–Non-Executive Director (Appointed 3 February 2014, Managing Director from 3 February 2014 to 3 November 2017, Resigned 28 February2019)*
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 is not currently a director of any other listed companies and held no public company directorships in the past three years.

COMPANY SECRETARY

The following person 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 15 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 anddevelopment.

OPERATING RESULTS

The loss of the Group after providing for income tax amounted to $4,596,053 (2018: loss $4,903,224).

The basic and diluted loss per share for the Group for the year was 0.58 cents (2018: 0.82 cents)

FINANCIAL POSITION

The net assets of the Group have decreased from $31,217,637 at 30 June 2018 to $27,947,140 at 30 June 2019.

The Group's working capital, being current assets less current liabilities, was $351,045 at 30 June 2019 (2018: $7,594,395).

Post year end the Company completed a share placement on 8 August 2019 which resulted in the Company raising approximately $4.795m before costs. A total of 119,888,380 new fully paid ordinary shares were issued at $0.04 per share.

As reported with $2.15m cash at bank at the end of the reporting period together with the above mentioned capital raising, Peak is well funded going into the 2019/2020 financial year to meet its share of the Ngualla Project costs, and its corporate and administration requirements.

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 above there were no significant changes in the state of affairs of the Company, during the financial year:

During the year the Company has made further contributions to Associate Company, Peak African Minerals (PAM) amounting to $2,100,117 for its share of the Ngualla Project costs. Peak maintains a 75% interest in PAM (Appian 20%, IFC 5%). During the year the Company repaid $560,031 (US$401,037) to Appian against the loan facility provided by Appian to the Company.

On 2 November 2018 103,858 fully paid ordinary shares were issued following the exercise of PEKOB listed $0.06 options. The balance of 81,111,930 PEKOB options expired unexercised on 1 November 2018.

AFTER BALANCE DATE EVENTS

On 29 July 2019, Peak announced a proposed transaction which would restructure the ownership of the PAM Group. PAM is the parent Company of Tanzanian Registered PR NG Minerals Limited which is the holder of the Ngulla Project Exploration Licences and Special Mining Licence application. Under the transaction, which is subject to completion of legal documentation, approval of Peak's shareholders and other regulatory approvals, PAM's other shareholders Appian and IFC would swap out their PAM shareholdings for shares in Peak. Appian to receive 327,490,452 and IFC to receive up to 64,268,651 new fully paid ordinary shares in Peak in return for their respective 20% and 3.85% (diluted) ownership interests in PAM. Following completion of the transaction, as contemplated, PAM would then become a 100% owned subsidiary of Peak.

On 8 August 2019 Peak completed a placement of 119,888,380 new fully paid ordinary shares in Peak at $0.04 per share to raise gross proceeds (before costs) of A$4.795m and has subsequently repaid the Appian loan facility in full.

Other than the matters referred to above there were no other events that have a material impact on the financial statements or operations of the Group and Company.

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 toattend	*Number attended*
Peter Meurer	7	7
Darren Townsend	4	4
Jonathan Murray	7	7
John Jetter	7	7
Tony Pearson	7	7

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 HOLDINGS OF DIRECTORS

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

	Equity shares	Equity options	Performance Rights
Peter Meurer	1,250,000	30,416,666	-
Jonathan Murray	2,638,753	10,333,334	-
John Jetter	-	10,000,000	-
Tony Pearson	-	-	-

Details of issues made to directors during the period 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.

During the year no performance based option packages were issued to its directors.

The Company received broad approval from Shareholders for an Employee Option Plan (EOP) and Performance Rights Plan (PRP) at the Annual General Meeting on 29 November 2017. Under the incentive scheme, eligible participants may have been entitled to three Tranches of future Options, with Tranche 1 vesting 30 June 2018, Tranche 2 vesting 16 January 2019 and Tranche 3 vesting 16 January 2020.

During the year, the Tranche 2 options have been offered and granted to employees, with a total of 5,750,000 Options issued with an exercise price of $0.035 and which expire on 17 January 2022. Tranche 3 was never offered to any eligible participants and was terminated when the Company discontinued the above scheme.

During the year the Board approved a new Long Term Incentive Scheme (LTIS) and Short Term Incentive Scheme (STIS) with issues to be made under the EOP and PRP respectively. On 5 March 2019 the Company issued eligible participants under the scheme, subject to meeting continuing service conditions, the following series of Options and Performance Rights:

- 43,000,000 Unlisted Options vesting after 1 years continuous service on 5 March 2020, exercisable at $0.03 expiring 5 March 2023.
- 10,000,000 Performance Rights to vest on achievement of performance criteria, as determined by the Company's Board, by 5 March 2020 or the Performance Rights will lapse.

Subsequent to cessation of service to the Company the following unlisted options issued under its EOP and to directors were cancelled:

- 1,700,000 unlisted options with an exercise price of $0.03
- 3,000,000 unlisted options with an exercise price of $0.10
- 5,000,000 unlisted options with an exercise price of $0.15

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:

	2019 $	2018 $	2017 $	2016 $	2015 $
Total income	98,795	618,718	1,861,274	9,253	38,426
Net loss before tax	(4,596,053)	(4,903,224)	(4,886,187)	(15,892,428)	(4,195,877)
Net loss after tax	(4,596,053)	(4,903,224)	(4,886,187)	(15,892,428)	(4,195,877)
Closing share price at end of year	$0.048	$0.036	$0.067	$0.048	$0.085
Basic loss per share (cents)	0.58	0.82	1.04	3.95	1.13
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 2019 financial year were:

- Peter Meurer – Non-Executive Chairman
- Darren Townsend – Non-Executive Director (Resigned 28 February2019)
- Jonathan Murray – Non-Executive Director
- John Jetter- Non-Executive Director
- Tony Pearson - Non-Executive Director (Appointed 21 August 2018)
- Rocky Smith – Chief Executive Officer
- Michael Prassas – Executive General Manager Sales, Market & Business Development
- Graeme Scott– Chief financial Officer & Company Secretary
- Lucas Stanfield – General Manager of Development

Total renumeration for the year was:

	2019 $	2018 $
Salary and fees	1,371,249	1,647,780
Non-monetary benefits	103,032	88,830
Superannuation	57,950	64,923
Share based payments	395,256	34,489
Total	**1,927,487**	**1,836,022**

Remuneration of individual KMP's were:

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

	Short term benefits		Post- employ-ment benefits	Share based payments			Proportion related to:	
	Salary & fees	Non-monetary	Super-annuation	Performance Rights	Options	Total	Equity#	Performance#
30-Jun-19	$	$	$	$	$	$	%	%
Directors								
Peter Meurer	50,000	-	-	-	54,367	104,367	52%	0%
Darren Townsend[1]	26,667	-	-	-	(613)	26,054	0%	0%
Jonathan Murray	40,000	-	-	-	22,452	62,452	36%	0%
John Jetter	40,000	-	-	-	22,452	62,452	36%	0%
Tony Pearson[2]	34,517	-	-	-	-	34,517	0%	0%
	191,184	**-**	**-**	**-**	**98,658**	**289,842**	**34%**	**0%**
Executives								
Rocky Smith[3]	389,091	85,573	-	20,714	83,170	578,548	14%	4%
Michael Prassas[4]	275,974	17,459	11,875	13,316	52,450	371,074	14%	4%
Graeme Scott[5]	280,000	-	23,750	13,316	52,450	369,516	14%	4%
Lucas Stanfield	235,000	-	22,325	11,837	49,345	318,507	15%	4%
	1,180,065	**103,032**	**57,950**	**59,183**	**237,415**	**1,637,645**	**14%**	**4%**
Total	**1,371,249**	**103,032**	**57,950**	**59,183**	**336,073**	**1,927,487**	**17%**	**3%**

The % excludes the value of the options which were written back during the year.
[1] Mr Townsend ceased employment with the company on 28 February 2019.
[2] Mr Pearson was appointed 21 August 2018.
[3] Mr Smith has a salary of $377,775 and also received an insurance allowance of $11,316 under his employment contract.
[4] Mr Prassas received his superannuation entitlement for the half year to 31 December 2018 as salary totalling $11,875. He also received a cash payment of $14,099 for his annual flight allowance under his employment contract.
[5] Mr Scott received a retention bonus of $30,000 included in his Salary and fees for the period.

	Salary & fees	Non-monetary	Super-annuation	Performance Rights*	Options	Total	Equity	Performance#
30-Jun-18	$	$	$	$	$	$	%	%
Directors								
Peter Meurer	9,444	-	-	-	160,785	170,229	94%	0%
Peter Harold[4]	30,000	-	2,850	-	-	32,850	0%	0%
Darren Townsend[1]	190,464	-	8,666	(298,043)	32,473	(66,440)	14%	0%
David Hammond[1]	185,031	-	8,282	(149,022)	-	44,291	0%	0%
Jonathan Murray	35,000	-	-	-	32,473	67,473	48%	0%
John Jetter	35,000	-	-	-	32,473	67,473	48%	0%
	484,939		**19,798**	**(447,065)**	**258,204**	**315,876**	**34%**	**0%**
Executives								
Rocky Smith[2]	414,091	61,658	-	-	89,340	565,089	15%	0%
Michael Prassas	273,750	27,172	-	-	44,670	345,592	12%	0%
Graeme Scott	240,000	-	22,800	-	44,670	307,470	14%	0%
Lucas Stanfield[3]	235,000	-	22,325	-	44,670	301,995	15%	0%
	1,162,841	**88,830**	**45,125**	**-**	**223,350**	**1,520,146**	**15%**	**9%**
Total	**1,647,780**	**88,830**	**64,923**	**(447,065)**	**481,554**	**1,836,022**	**21%**	**0%**

* The value of the performance rights expensed from date of issue to 30 June 2017 totalling $447,805 ($298,043 for Darren Townsend and $149,022 for David Hammond) were written back during the year on cancellation of the rights due to the vesting conditions not having beenmeet.
# The % excludes the value of the performance rights which were written back during the year.
[1] Darren Townsend and David Hammond ceased executive employment during the year. Included in their salary and fees is accrued leave entitlements paid out totalling $62,754 for Darren Townsend and $97,851 for David Hammond.
[2] Rocky Smith received a performance bonus relating to the completion of the BFS totalling $25,000 included in his Salary and fees for the period.
[3] Lucas Stanfield become a KMP on 2 October 2017. His remuneration for the full year has been included in this report.
[4] Peter Harold resigned on 31 December 2017

Options and performance rights granted / vested / cancelled during the year ended 30 June 2019

Options granted during the year

30-Jun-19	Date of issue	Number of options issued	Value per Option*	Total value of issue $	Vesting Date#	Exercise Price	Expiry Date	Number vested during the year
Directors								
Peter Meurer	-	-	-	-	-	-	-	-
Darren Townsend[1]	-	-	-	-	-	-	-	-
Jonathan Murray	-	-	-	-	-	-	-	-
John Jetter	-	-	-	-	-	-	-	-
Tony Pearson[2]	-	-	-	-	-	-	-	-
Executives								
Rocky Smith	17-Jan-19	1,500,000	$0.0099	14,878	17-Jan-19	$0.035	17-Jan-22	1,500,000
	5-Mar-19	11,000,000	$0.0126	138,470	5-Mar-20	$0.030	5-Mar-23	-
Michael Prassas	17-Jan-19	750,000	$0.0099	7,439	17-Jan-19	$0.035	17-Jan-22	750,000
	5-Mar-19	7,250,000	$0.0126	91,264	5-Mar-20	$0.030	5-Mar-23	-
Graeme Scott	17-Jan-19	750,000	$0.0099	7,439	17-Jan-19	$0.035	17-Jan-22	750,000
	5-Mar-19	7,250,000	$0.0126	91,264	5-Mar-20	$0.030	5-Mar-23	-
Lucas Stanfield	17-Jan-19	750,000	$0.0099	7,439	17-Jan-19	$0.035	17-Jan-22	750,000
	5-Mar-19	6,750,000	$0.0126	84,970	5-Mar-20	$0.030	5-Mar-23	-
		36,000,000		**443,165**				**3,750,000**
Total		**36,000,000**		**443,165**				**3,750,000**

* Options are valued using the Black-Scholes method on date of grant.
\# Unvested Options vest on achievement of length of service criteria.
[1] Mr Townsend resigned 28 February 2019.
[2] Subject to shareholder approval, the Company plans to issue Mr Pearson 2,000,000 options exercisable at $0.05, 3,000,000 options exercisable at $0.10 and 5,000,000 options exercisable at $0.15 otherwise on the same terms and conditions as those series on issue to the other Company directors.

Options granted during the year ended 30 June 2018

30-Jun-18	Date of issue	Number of options issued	Value per Option*	Total value of issue $	Vesting Date#	Exercise Price	Expiry Date	Number vested during the year
Directors								
Peter Meurer	21-Jun-18	10,000,000	$0.0159	159,300	21-Jun-18	$0.0500	21-Jun-21	10,000,000
	21-Jun-18	5,000,000	$0.0130	64,850		$0.1000	21-Jun-22	-
	21-Jun-18	15,000,000	$0.0127	190,350		$0.1500	21-Jun-23	-
Darren Townsend	21-Jun-18	2,000,000	$0.0159	31,860	21-Jun-18	$0.0500	21-Jun-21	2,000,000
	21-Jun-18	3,000,000	$0.0130	38,910		$0.1000	21-Jun-22	-
	21-Jun-18	5,000,000	$0.0127	63,450		$0.1500	21-Jun-23	-
Jonathan Murray	21-Jun-18	2,000,000	$0.0159	31,860	21-Jun-18	$0.0500	21-Jun-21	2,000,000
	21-Jun-18	3,000,000	$0.0130	38,910		$0.1000	21-Jun-22	-
	21-Jun-18	5,000,000	$0.0127	63,450		$0.1500	21-Jun-23	-
John Jetter	21-Jun-18	2,000,000	$0.0159	31,860	21-Jun-18	$0.0500	21-Jun-21	2,000,000
	21-Jun-18	3,000,000	$0.0130	38,910		$0.1000	21-Jun-22	-
	21-Jun-18	5,000,000	$0.0127	63,450		$0.1500	21-Jun-23	-
		60,000,000		**817,160**				**16,000,000**
Executives								-
Rocky Smith	16-Jan-18	3,000,000	$0.0298	89,340	30-Jun-18	$0.065	16-Jan-21	3,000,000
Michael Prassas	16-Jan-18	1,500,000	$0.0298	44,670	30-Jun-18	$0.065	16-Jan-21	1,500,000
Graeme Scott	16-Jan-18	1,500,000	$0.0298	44,670	30-Jun-18	$0.065	16-Jan-21	1,500,000
Lucas Stanfield	16-Jan-18	1,500,000	$0.0298	44,670	30-Jun-18	$0.065	16-Jan-21	1,500,000
		7,500,000		**223,350**				**7,500,000**
Total		**67,500,000**		**1,040,510**				**23,500,000**

* Options are valued using the Black-Scholes method on date of grant.
# Unvested Options vest on achievement of milestones and length of service criteria.

Performance Rights granted during the year

30-Jun-19	Date of issue	Number of performance rights issued	Value per performance right*	Total value of issue $	Vesting Date#	Exercise Price	Expiry Date	Number vested during the year
Directors								
Peter Meurer	-	-	-	-	-	-	-	-
Darren Townsend	-	-	-	-	-	-	-	-
Jonathan Murray	-	-	-	-	-	-	-	-
John Jetter	-	-	-	-	-	-	-	-
Tony Pearson	-	-	-	-	-	-	-	-
Executives								
Rocky Smith	5-Mar-19	3,500,000	$0.024	84,000	5-Mar-20	-	5-Mar-23	-
Michael Prassas	5-Mar-19	2,250,000	$0.024	54,000	5-Mar-20	-	5-Mar-23	-
Graeme Scott	5-Mar-19	2,250,000	$0.024	54,000	5-Mar-20	-	5-Mar-23	-
Lucas Stanfield	5-Mar-19	2,000,000	$0.024	48,000	5-Mar-20	-	5-Mar-23	-
		10,000,000		**240,000**				-
Total		**10,000,000**		**240,000**				-

* Performance Rights are valued using the Black-Scholes method on date of grant.
# The unvested Performance Rights to vest on achievement of performance criteria, as determined by the Company's Board, by 5 March 2020 or the Performance Rights will lapse.

No Performance Rights were granted during the year ended 30 June 2018.

Shareholdings of KMP's

30-Jun-19	Opening Balance	Granted as Remuneration	Exercise of Options/PRs	Other Movements	Closing Balance
Directors					
Peter Meurer	1,250,000	-	-	-	1,250,000
Darren Townsend*	675,000	-	-	(675,000)	-
Jonathan Murray	2,638,753	-	-	-	2,638,753
John Jetter	-	-	-	-	-
Tony Pearson	-	-	-	-	-
	4,563,753	**-**	**-**	**(675,000)**	**3,888,753**
Executives					
Rocky Smith	1,249,989	-	-	-	1,249,989
Michael Prassas	3,750,000	-	-	-	3,750,000
Graeme Scott	325,000	-	-	-	325,000
Lucas Stanfield	-	-	-	-	-
	5,324,989	**-**	**-**	**-**	**5,324,989**
Total	**9,888,742**	**-**	**-**	**(675,000)**	**9,213,742**

* Mr Townsend ceased to be KMP's during the period and his holdings are not reported at period end.

Option Holdings of KMP's including performance rights

30-Jun-19	Opening Balance	Granted as Remuneration	Exercise of Options & PRs	Expired/ Cancelled[1]	Other Movements	Closing Balance	Vested at 30 June
Directors							
Peter Meurer	30,416,666	-	-	-	-	30,416,666	10,416,666
Darren Townsend*	10,037,500	-	-	(8,037,500)	(2,000,000)	-	-
Jonathan Murray	10,424,376	-	-	(91,042)	-	10,333,334	2,333,334
John Jetter	10,000,000	-	-	-	-	10,000,000	2,000,000
Tony Pearson	-	-	-	-	-	-	-
	60,878,542	-	-	**(8,128,542)**	**(2,000,000)**	**50,750,000**	**14,750,000**
Executives							
Rocky Smith	3,520,827	16,000,000	-	(312,494)	-	19,208,333	3,208,333
Michael Prassas	2,958,333	10,250,000	-	(625,000)	-	12,583,333	2,333,333
Graeme Scott	1,641,666	10,250,000	-	(100,000)	-	11,791,666	1,541,666
Lucas Stanfield	1,500,000	9,500,000	-	-	-	11,000,000	1,500,000
	9,620,826	**46,000,000**	-	**(1,037,494)**	-	**54,583,332**	**8,583,332**
Total	**70,499,368**	**46,000,000**	-	**(9,166,036)**	**(2,000,000)**	**105,333,332**	**23,333,332**

* Mr Townsend ceased to be KMP's during the period and his holdings are not reported at period end.
[1] 8,000,000 options issued to Mr Townsend expired for failure to meet the vesting conditions. A further 1,166,036 PEKOB listed options (including 37,500 options for Townsend) issued to KMP's expired unexercised, these options were granted through participation in the Company's capital raisings and had an exercise price of $0.06 and expired on 1 November 2018.

Performance income as a proportion of total income

Mr Scott received a retention bonus totalling $30,000 which is included in his total reported Salary and fees of $280,000 for the period. No other bonuses have been paid to executives during the year.

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

Peter Meurer – Non-Executive Chairman (Appointed 23 April 2018)
Under Peter's agreement annual directors fees of $50,000 effective 23 April 2018 were payable. No retirement benefits are provided for.

Jonathan Murray / John Jetter / Tony Pearson / Darren Townsend (Resigned 28 February 2019) - Non-Executive Directors
Non-Executive Directors are appointed by letter agreement with no fixed term ceasing on resignation or removal as a director in accordance with the Corporations Act. Fees are currently set at $40,000 per annum effective 1 July 2018. No retirement benefits are provided for.

Rocky Smith – Chief Executive Officer - (Transitioned from COO to CEO 21 September 2017)
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 insurance, 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 six 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.

Lucas Stanfield – Development Manager (appointed executive 2 October 2017)
Lucas is employed under an ESA. The agreement provides for an annual salary of $235,000 effective 1 November 2016, plus superannuation, expenses, discretionary performance bonuses and eligibility for options. The Executive is entitled to leave in accordance with the relevant legislation. Lucas's engagement has no fixed term but is subject to a three month notice period from either party except six months' notice following a change of control termination.

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

Graeme is employed under an ESA. The agreement provides for an annual salary of $250,000 effective 1 November 2017, plus superannuation, expenses, discretionary performance bonuses 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 except six months' notice following a change of control termination.

Other transactions

During the year Steinepreis Paganin Lawyers and Consultants, a legal practice associated with Mr Jonathan Murray received $20,010 (2018: $191,327) as fees for the provision of legal advice. Balance outstanding at 30 June 2019 and included in trade creditors $10,946 (30 June 2018: $35,332).

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 Listed options on issue are:

CODE	Expiry Date	Exercise Price	Number under option
PEKOC	14 June 2020	$0.06	61,088,247

Unissued ordinary shares of the Company under option to service providers only are:

Expiry Date	Exercise Price	Number under option
27 February 2021	$0.06	4,000,000
14 June 2021	$0.065	9,000,000

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

Expiry Date	Exercise Price	Number under option
16 January 2021	$0.065	11,750,000
21 June 2021	$0.05	16,000,000
21 June 2022	$0.10	11,000,000*
21 June 2023	$0.15	25,000,000*
17 January 2022	$0.035	5,750,000
5 March 2023	$0.03	41,300,000*

* Vesting subject to length of service.

During the year 81,111,930 PEKOB listed Options with an exercise price of $0.06 expired unexercised.

During the year 9,700,000 Unlisted employee and director options with exercises prices ranging from $0.03 to $0.15 expired through the failure to achieve the vesting conditions.

Details of options issued during the year are detailed in the Remuneration Report.

At the date of this report Performance Rights on issue to directors and employees are:

Expiry Date	Exercise Price	Number of Performance Rights
5 March 2020	$Nil	10,000,000*

*The unvested Performance Rights to vest on achievement of performance criteria, as determined by the Company's Board, by 5 March 2020 or the Performance Rights will lapse.

Details of Performance Rights issued during the year are detailed in the Remuneration Report.

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.

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 office 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 2019 has been received anad can be found immediately following the Directors' report

No amounts have been paid or payable to the auditor for non-audit services, payments to the auditors 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 independance for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services did not compromise the external auditors 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 the 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,

Non-Executive Chairman
Perth 13th September 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Peak Resources Limited

As lead auditor for the audit of the financial report of Peak Resources Limited for the financial year ended 30 June 2019, 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 year.

Ernst & Young

Darryn Hall
Partner
Perth
13 September 2019

DH:DA:PEAK:003

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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 2019, 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 directors' declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) 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 describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern. Our opinion is not modified in respect of this matter.

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 each 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.

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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 report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Recoverability of the investment in associate

Why significant	How our audit addressed the key audit matter
As at 30 June 2019, the Group holds a 75% interest in Peak African Minerals ("PAM"). 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. The Group's investment in PAM is accounted for using the equity method. The carrying amount of the investment in PAM amounted to $33.4 million (2018: $31.1 million). Disclosure of the investment in PAM is included in Note 3 to the financial report including reference to the status of a Special Mining License in Tanzania over one of PRNG's 3 licenses. The Group considered the fair value of the Ngualla Project imputed by the acquisition of 25% of PAM in exchange for the issue of equity in Peak Resources Limited, as announced on 29 July 2019. It also considered, the results of its bankable feasibility study and follow up internal process optimisation studies for the Ngualla Project carried out in 2018 and 2019. The Group incorporated these into an overall assessment for the recoverability of the investment in associate. The Group has determined that the recoverable amount is higher than the carrying amount. Accordingly, they assessed that it is reasonable that no impairment was recognised as at 30 June 2019. This was considered a key audit matter because of the significant judgment and estimation involved in the determining the recoverable amount of the Ngualla Project, including assumptions relating to commodity prices, capital and operating costs and an appropriate discount rate to reflect the risk having regard to the current status of the Ngualla Project.	We assessed the reasonableness of the Group's impairment assessment process and the resultant recoverable value determined for the Ngualla Project. Our audit procedures included the following: ► Assessed the recoverability of the investment in associate with reference to project economic models and assumptions included in the recoverable amount determination such as commodity prices, capital and operating costs, foreign exchange rates and discount rates. ► Assessed the competence, capabilities and objectivity of the Group's internal experts involved on project economic models. ► Involved our valuation specialists to assist us in evaluating the methodology used in the impairment model and the reasonableness of the discount rate and commodity prices used in the computation. ► Performed market comparison of commodity prices and conducted a price sensitivity analysis to assess the impact of the changes in the commodity prices. ► Reviewed legal correspondence between the Group and its external legal counsel with respect to the status of PRNG's mining and prospecting license rights applications and the status of its tenure over the areas to which the project relates. ► Considered the imputed fair value of the project given the intention to acquire the minority interest of 20% and 5% from Appian and IFC, respectively, by way of the issue of equity as announced in the restructure set out in the August 2019 ASX announcement, and the requirement to make solely lead the progression of the project. ► We reviewed the adequacy of disclosures in the annual financial report.

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Adoption of AASB 9 *Financial Instruments*

Why significant	How our audit addressed the key audit matter
As at 30 June 2019, the Group adopted AASB 9 *Financial Instruments*, the Australian equivalent to IFRS 9, and the standard has been applied beginning 1 July 2018. Under AASB 9, loan receivables due *from* or *to* PAM and its wholly controlled entities are each classified at fair value through profit and loss. This resulted in an opening balance adjustment on adoption of AASB 9 as set out in Note 2(b) and ongoing revaluations through profit and loss. There are no changes to the classification and measurement for the Group's financial liabilities. Due to the complexity involved in the assessment of the transition effect applied to the loan receivables at 1 July 2018, this was considered a key audit matter.	We assessed the accuracy and appropriateness of the Group's accounting calculations determined for the loan receivables due from/(to) PAM and its wholly controlled entities. Our audit procedures included the following: ► Understood with reference to supporting documentation and discussion with management the key terms of the financial arrangements between the Group and PAM. ► Involved our internal specialists to assist us in assessing the reasonableness of key inputs in the Group's fair value calculation. ► Tested the mathematical accuracy of the Group's fair value calculations. ► Ensured the appropriate exchange rates are applied to the translation of foreign denominated currencies to Australian dollar at transition date. ► Reviewed the adequacy of disclosures in the annual financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

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 on the other information obtained prior to the date of this auditor's report, 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.

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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 relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to 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 the 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 the 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or 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 our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 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.

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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 Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 26 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Peak Resources Limited for the year ended 30 June 2019, 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

Darryn Hall
Partner
Perth
13 September 2019

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Interest income	4	98,245	39,635
R&D rebate received	4	-	561,907
Other income	4	550	17,176
Total income		**98,795**	**618,718**
Employee benefits expenses		(902,217)	(732,455)
Share based payments expenses		(471,005)	(459,792)
Depreciation expenses		(5,886)	(11,232)
Borrowing costs		(1,163,204)	(1,499,506)
Administrative and other costs		(1,096,476)	(763,939)
Technical feasibility costs	4	(132,000)	(27,260)
Share of loss of associate	3	(924,060)	(2,027,758)
Loss before income tax		**(4,596,053)**	**(4,903,224)**
Income tax expense	7	-	-
Loss after income tax		**(4,596,053)**	**(4,903,224)**
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		(156,378)	(48,576)
Group's share of associate's other comprehensive income		1,683,792	1,068,269
Total comprehensive loss for the year		**(3,068,639)**	**(3,883,531)**
Loss per share (in cents)			
Basic and Diluted loss per share	6	(0.58)	(0.82)

The statement should be read in conjunction with the accompanying notes

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	8	2,147,324	6,468,748
Trade and other receivables	9	17,275	63,487
Other financial assets	10	30,000	30,000
Loans – due from associates measured at amortised cost	11	-	1,526,145
Loans – due from associates measured at fair value through profit or loss (FVPTL)	11	446,532	-
Prepayments		6,929	12,275
Total current assets		**2,648,060**	**8,100,655**
Non-current assets			
Loans – due from associates measured at FVPTL	11	416,961	-
Property plant and equipment	12	6,196	6,731
Investment in associate	3	33,509,484	31,114,813
Investments	13	8,000	8,000
Other assets	14	127,254	127,254
Total non-current assets		**34,067,895**	**31,256,798**
Total assets		**36,715,955**	**39,357,453**
LIABILITIES			
Current liabilities			
Trade and other payables	15	276,252	345,809
Provisions	16	196,668	160,451
Loans and borrowings – due to other parties	17	1,824,095	-
Total current liabilities		**2,297,015**	**506,260**
Non-current liabilities			
Other payables	15	1,430,011	870,170
Loans and borrowings – due to associate	17	5,041,789	6,763,386
Total non-current liabilities		**6,471,800**	**7,633,556**
Total liabilities		**8,768,815**	**8,139,816**
Net assets		**27,947,140**	**31,217,637**
EQUITY			
Contributed equity	19	77,223,630	77,217,398
Reserves	18	6,017,400	4,042,304
Accumulated losses		(55,293,890)	(50,042,065)
Total equity		**27,947,140**	**31,217,637**

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 2019

	Note	2019 $	2018 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,513,664)	(1,583,327)
Interest received		110,309	25,406
R&D rebate received		-	578,241
Borrowing costs paid		(315,823)	(969,000)
Cash used in operating activities	8	**(1,719,178)**	**(1,948,680)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(5,350)	(3,207)
Proceeds from sale of non-current assets		-	1,743
Payment for Site 2 Land Purchase Option		-	(127,253)
Contributions to associates	3	(2,100,117)	(2,592,080)
Cash used in investing activities		**(2,105,467)**	**(2,720,797)**
FINANCING ACTIVITIES			
Proceeds from issue of equity shares		6,232	12,867,878
Reduction in performance bonds – restricted cash		-	25,000
Costs of issuing equity shares		-	(901,699)
Repayment of borrowings		(560,031)	(3,147,729)
Proceeds from borrowings		272,306	559,282
(Loan to) Borrowings from associate and other parties		(140,008)	(298,618)
Cash generated from financing activities		**(421,501)**	**9,104,114**
Net decrease in cash and cash equivalents		(4,246,146)	4,434,637
Balance at the beginning of the year		6,468,748	2,125,680
Effect of foreign currency translation		(75,278)	(91,569)
Balance at the end of the year	8	**2,147,324**	**6,468,748**

The statement should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2019

	Contributed Equity $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
At 1 July 2017	**65,251,219**	**2,037,316**	**525,503**	**(45,138,841)**	**22,675,197**
Loss for the year 2018	-	-	-	(4,903,224)	(4,903,224)
Other comprehensive income	-	-	(48,576)	-	(48,576)
Group's share of associate's other comprehensive income	-	-	1,068,269	-	1,068,269
Total comprehensive loss for the year	**-**	**-**	**1,019,693**	**(4,903,224)**	**(3,883,531)**
Equity issued	12,867,878	-	-	-	12,867,878
Performance rights exercised	-	-	-	-	-
Equity based payments	-	459,792	-	-	459,792
Transaction costs	(901,699)	-	-	-	(901,699)
At 30 June 2018	**77,217,398**	**2,497,108**	**1,545,196**	**(50,042,065)**	**31,217,637**
At 1 July 2018	**77,217,398**	**2,497,108**	**1,545,196**	**(50,042,065)**	**31,217,637**
Effect of adoption of AASB 9	-	-	(23,323)	(655,772)	**(679,095)**
At 1 July 2018 Restated	**77,217,398**	**2,497,108**	**1,521,873**	**(50,697,837)**	**30,538,542**
Loss for the year 2019	-	-	-	(4,596,053)	(4,596,053)
Other comprehensive income	-	-	(156,378)	-	(156,378)
Group's share of associate's other comprehensive income	-	-	1,683,792	-	1,683,792
Total comprehensive loss for the year	**-**	**-**	**1,527,414**	**(4,596,053)**	**(3,068,639)**
Equity issued	6,232	-	-	-	6,232
Performance rights exercised	-	-	-	-	-
Equity based payments	-	471,005	-	-	471,005
Transaction costs	-	-	-	-	-
At 30 June 2019	**77,223,630**	**2,968,113**	**3,049,287**	**(55,293,890)**	**27,947,140**

The statement should be read in conjunction with the accompanying notes

Notes to Financial Statement

1. CORPORATE INFORMATION

The financial report of Peak Resources Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 12 September 2019.

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 other assets and non-current assets which are measured at fair value through profit or loss. 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, Australian 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 $351,045 (2018: net current assets $7,594,395) and incurred an operating and investing cash outflow of $3,824,645 (30 June 2018: $4,669,477) for the year ended 30 June 2019. The Group's ability to continue as a going concern and meet its debts as and when they fall due is dependent on the ability to raise additional capital.

As reported, with $2.15m cash at bank at the end of the reporting period Peak is well funded in the short term to meet its share of the Ngualla Project costs, and its corporate and administration requirements. The Company also recently completed new share placement in August 2019 which resulted in the Company raising approximately $4.795m before costs. A total of 119,888,380 new fully paid ordinary shares were issued at $0.04 per share. In order to progress the project further, on a time-frame planned by management, the Group's cashflow forecasts also suggest there will be a need in the future to obtain further funding.

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 that additional funding is not forthcoming, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. 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__

The accounting policies adopted in the preparation of the annual financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards and interpretations effective as of 1 July 2018. The impact of the adoption of the significant new accounting standards on the Group's consolidated financial statements are detailed below.

Impact of new standards applied for the first time
AASB 15 Revenue from contracts with customers (AASB 15)
AASB 15, the Australian equivalent of IFRS 15 Revenues from contracts with customers, supersedes AASB 111 Construction Contracts (IAS 11), AASB 118 Revenue (IAS 18) and related Interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted AASB 15 using the modified retrospective method of adoption. There was no impact on the Group in adopting AASB 15. Based on the nature and status of the investments in projects, the Group does not have any direct contracts with customers and accordingly has no revenue impacted by the Standard. The Group has considered the adoption of the Standard on the accounting policies applied by its investment in the associate company (Peak African Minerals) in earning its revenues and accordingly the share of profit or loss of the investment in associate recognised by the Company. In undertaking that assessment, it was noted that the Standard had no impact on the recognition or measurement of revenue earned in the current or comparative periods. The Group has set out below its accounting policy with respect to the sale of rare earth products by the associate company under AASB15.

Revenue accounting policy
Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled. Revenue from the sale of products is recognised as and when control of the asset is transferred to the customer, which is typically on delivery of the product.

AASB 9 Financial Instruments (as revised in 2014) (AASB 9)
AASB 9, the Australian equivalent to IFRS 9 replaces AASB 139 Financial Instruments: Recognition and Measurement (IAS 39) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

AASB 9 and the related amendments to other accounting standards introduced three significant areas of change from AASB 139 Financial Instruments: Classification and Measurement:
• a new model for classification and measurement of financial assets andliabilities;
• a new expected loss impairment model for determining impairment allowances;and
• a redesigned approach to hedge accounting.

The standard has been applied as at 1 July 2018 without adjusting comparatives. The impace on elements of the statement of financial position (increase/decrease) as at 1 July 2018:

	Consolidated	
	1 July 2018 $ RESTATED	30 June 2018 $
ASSETS		
Current assets		
Loans - due from associates measured at amortised cost[1]	-	1,526,145
Loans - due from associates measured at fair value through profit or loss[1]	1,312,228	-
Total current assets	**7,886,738**	**8,100,655**
Non-current assets		
Investment in associate[2]	30,649,635	31,114,813
Total non-current assets	**30,791,619**	**31,256,798**
Total assets	**38,678,358**	**39,357,453**
Net assets	**30,538,542**	**31,217,637**
EQUITY		
Reserves	4,018,981	4,042,304
Accumulated losses	(50,697,837)	(50,042,065)
Total equity	**30,538,542**	**31,217,637**

Classification and measurement

Under AASB 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: The Group's business model for managing the assets (whether to hold the financial assets in order to collect contractual cash flows); and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion')

The assesment of the Group's business models was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assesment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made on the facts and circumstances as at the intial recognition of the assets.

The classification and measurement requirements of AASB 9 resulted in the following changes:

[1] The loan receivables due from associate companies PRNG Minerals Limited and Peak African Minerals is now classified at fair value through profit and loss. Accordinly, the statement of financial position as at 1 July 2018 was restated, resulting in:

- decrease to the value of the loan receivables from associates of $213,917 and reclassifying these loans as being measured at fair value through profit and loss;

[2] The Group's 75% interest in PAM is accounted for using the equity method in the consolidated financial statements and this restatement results in the Group's investment in associate decreasing by AUD465,179 (USD343,814) representing the 75% of the transition effect in PAM with a corresponding increase in the Group's share of loss in PAM, being reflected in the Group's accumulated losses.

The loan receivables due to the Group's associate company, Peak African Minerals (PAM) is now also classified at fair value through profit and loss. Accordingly, the statement of financial position of PAM as at 1 July 2018 was restated, resulting in the following transition effect in PAM:

- A decrease to the value of the loan receivable from associates of $589,140 (USD$435,434) and reclassifying it as being measured at fair value through profit and loss.
- an increase in accumulated losses amounting to $589,140 (USD$435,434).

The cumulative impacts on equity are:

- increase in accumulated losses amounting to $655,772;
- decrease in reserves amounting to $23,323;
- overall decrease to equity totalling $679,095.

Impairment
The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of AASB 9, the Group did not recognise additional impairment on its financial assets as below:

- For trade receivables, the Group applies a simplified approach in calculating ECLs. As at the date of transition, the ECL has been assessed as insignificant.
- For other financial assets, the ECL is insignificant as this is held with highly-rated financial institutions

There are no changes to the classification and measurement for the Group's financial liabilities

Standards issued but not yet effective
Significant Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new standards and interpretations, if applicable, when they become effective.

AASB 16 *Leases*
AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. AASB 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under AASB117.

Transition to AASB 16

The Group plans to adopt AASB 16 retrospectively to each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying AASB 117 and AASB Interpretation 4. The Group has only one lease which expires on 31 December 2020. Based on initial assessment, the Group believes the impact of AASB 16 is not material.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatmentsseparately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

c) <u>Basis of consolidation</u>

The consolidated financial statements of Peak Resources Limited comprise the financial statements of the Group and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure 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. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. These steps must 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 on the financial asset carried at amortised cost.

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 by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amountoutstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and loans to an associate.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, further disclosure relating to impairment is provided in part (n) below.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The financial instruments of the Group are (i) cash and cash equivalents; (ii) trade and other receivables; (iii) trade and other payables, iv) investments carried at fair value through profit or loss; (v) loans due from associates measured at fair value through profit or loss; (vi) other financial assets, including bank deposits.

m) Cash and Cash Equivalents

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

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

n) *Trade and Other Receivables*

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently at amortised cost, less provisions for expected credit losses. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

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:

Plant and equipment: 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 investment in associate

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount. The recoverable amount is referenced to project economic models and assumptions included in the recoverable amount determination such as commodity prices, capital and operating costs, foreign exchange rates and discount rates. To the extent that investment in associate is determined not to be recoverable, the Group recognises the loss within 'Share of loss of associate' in the consolidated statement of comprehensive income.

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. INVESTMENTS IN ASSOCIATES

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.

During the 2017 financial year there was a further dilution of 12.5% ownership interest related to stage 2 of the financing transaction with Appian and IFC reducing the Group's remaining interest in the PAM Group to 75%. There were no changes in the interest held in the PAM Group in the current period.

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 2019	$AUD 30 June 2018
Current assets	109,053	78,330
Non-current assets	52,177,063	49,329,168
Current liabilities	36,821	164,454
Non-current liabilities	8,541,679	8,530,849
Equity	43,707,616	40,712,195
Finance Income	850,305	531,112

	$AUD 30 June 2019	$AUD 30 June 2018
Other Income	429,127	-
Administrative costs	(133,193)	(105,959)
Employee benefits	(39,194)	(143,038)
Depreciation and amortisation expenses	(21,018)	(35,710)
Other expenses	(507,977)	(305,758)
Project costs	(1,803,899)	(2,639,012)
Finance costs	(6,231)	(5,312)
Loss before income tax expense	**(1,232,080)**	**(2,703,677)**
Income tax expense	-	-
Loss for the period	**(1,232,080)**	**(2,703,677)**
Other comprehensive income/(loss)	2,245,056	1,424,359
Total comprehensive income/(loss) for the period	**1,012,976**	**(1,279,318)**
Group's share of loss for the period	**(924,060)**	**(2,027,758)**
Group's share of movement of other comprehensive income for the period	**1,683,792**	**1,068,269**
Peak Resources investment in associate:		
Opening balance	31,114,813	29,482,222
Retained Earnings adjustment on adoption of IFRS 9	(465,178)	-
Opening balance (Restated)	**30,649,635**	**29,482,222**
Less Group's share of loss in the associate for the period	(924,060)	(2,027,758)
Add Group's share of movement in other comprehensive income in the associate for the period	1,683,792	1,068,269
Peaks additional equity investment in PAM during the period	2,100,117	2,592,080
Investment in associate	**33,509,484**	**31,114,813**
Classified in the statement of financial position as:		
Investment in associate	**33,509,484**	**31,114,813**

Tenure over Ngualla Project

The Ngualla Project tenure is held over three licence areas held by PRNG; the area containing the Mineral Resource is subject to a Special Mining Licence (SML) application lodged in August 2017 for which grant is still pending following enactment of the changes to the Mining legislation announced by the Tanzanian Government in July 2017. The Prospecting Licence (PL) which PRNG held over this area, at the time of lodgment of the SML application, expired in September 2017. The Tanzanian Mining Act provides that the PL will remain valid until grant or refusal to grant an application for a licence is made. The Company expects the SML to be granted in due course. The other two licence areas are also held by PRNG under granted PLs.

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

4. INCOME AND EXPENDITURE ITEMS

	2019	2018
	$	$
Included in loss for the year are:		
Interest received[1]	98,245	39,635
Gain on sale of non-current assets	-	841
Australian R&D rebate	-	561,907
Other income	550	16,335
Total other income	98,795	618,718
Corporate and compliance costs	(81,966)	(76,019)
Occupancy costs	(63,184)	(122,364)
Travel costs	(55,570)	(81,638)
Technical feasibility costs	(132,000)	(27,260)
Auditors' remuneration		
Amounts received or due and receivable by Ernst and Young for: Audit and review of financial statements	74,963	65,038
Taxation services	-	-
	74,963	**65,038**
Subsidiaries audit and review of financial statements	7,201	5,548
Subsidiaries taxation services	-	-
	7,201	**5,548**

[1] This is interest received from instruments held at amortised cost calculated using effective interest method.

5. 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 2019			30 June 2018		
	E&D	Unallocated	Total	E&D	Unallocated	Total
	$	$	$	$	$	$
Interest income	-	98,245	98,245	-	39,635	39,635
Other income	-	550	550	-	579,083	579,083
Total income	**-**	**98,795**	**98,795**	**-**	**618,718**	**618,718**
Depreciation and amortisation	-	(5,886)	(5,886)	-	(11,232)	(11,232)
Impairment of exploration and evaluation costs	-	-	-	-	-	-
Impairment of Investments	-	-	-	-	-	-
Share based payment expenses	-	(471,005)	(471,005)	-	(459,792)	(459,792)
Borrowing costs	-	(1,163,204)	(1,163,204)	-	(1,499,506)	(1,499,506)
Gain on disposal of former subsidiary	-	-	-	-	-	-
Share of loss of associate	(924,060)	-	(924,060)	(2,027,758)	-	(2,027,758)
Technical feasibility costs	(132,000)	-	(132,000)	(27,260)	-	(27,260)
Other expenses	-	(1,998,693)	(1,998,693)	-	(1,496,394)	(1,496,394)
Income Tax	-	-	-	-	-	-
Segment results	**(1,056,060)**	**(3,539,993)**	**(4,596,053)**	**(2,055,018)**	**(2,848,206)**	**(4,903,224)**
Segment assets	**33,509,484**	**3,206,471**	**36,715,955**	**31,114,813**	**8,242,640**	**39,357,453**
Segment liabilities	**-**	**(8,768,815)**	**(8,768,815)**	**-**	**(8,139,816)**	**(8,139,816)**
Additions to non-current assets during the year:						
Plant and equipment		5,350	5,350		3,207	3,207
Investment in associate	2,100,117	-	2,100,117	2,592,080	-	2,592,080
	2,100,117	**5,350**	**2,105,467**	**2,592,080**	**3,207**	**2,595,287**

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

6. LOSS PER SHARE

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

	2019 Cents	2018 Cents
Basic and Diluted loss per share based on reported losses after tax as set out in the Statement of Comprehensive Income	(0.58)	(0.82)
	Nos.	**Nos.**
Weighted average number of ordinary shares used in calculating Basic & Diluted loss per share	799,220,870	594,373,862
Anti-dilutive options over ordinary shares and performance rights excluded from the weighted average number of shares	105,888,247	183,054,035

7. INCOME TAX

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
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:		
Loss before income tax	4,596,053	4,903,224
Prima facie tax benefit on loss from ordinary activities before income tax at 30.0% (2018:27.5%)	(1,378,816)	(1,348,386)
Add tax effect of:		
- Revenue losses not recognised	643,673	509,097
- Other non-allowable items	804,265	849,119
- Other deferred tax balances not recognised	300,036	163,669
	369,158	173,499
Less tax effect of:		
- Non-assessable items	369,158	173,499
Income tax expense reported in statement of comprehensive income	-	-

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
c. Deferred tax recognised at 30.0% (2018:27.5%):		
Deferred tax liabilities:		
Investment in associate	(5,053,678)	(4,527,414)
Accrued interest	(1,051)	(4,281)
Other	(4,106)	(3,266)
Deferred tax assets:		
Carry forward revenue losses	5,058,835	4,534,961
Net deferred tax	-	-

d. Unrecognised deferred tax assets at 30.0% (2018:27.5%) (Note 1):

Carry forward revenue losses	1,766,535	1,142,411
Carry forward capital losses	295,504	270,879
Unrealised FX	583,737	395,210
Capital raising costs	112,121	186,081
Provisions and accruals	628,940	343,867
Other	1,292	7,392
	3,388,129	2,345,840

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 2022 providing certain turnover thresholds 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.

8. CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalent	2019 $	2018 $
For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash at bank and in hand	547,324	318,748
Short term deposits	1,600,000	6,150,000
	2,147,324	**6,468,748**

Reconciliation of operating loss to operating cash flows		
Loss for the year	**(4,596,053)**	**(4,903,224)**
Adjustments for non-cash items:		
Fair value adjustments	16,603	-
Share of loss of associate	924,060	2,027,758
Share based payments expenses	471,005	459,792
Depreciation expenses	5,886	11,232
Foreign exchange gain/loss	270,461	212,908
Movement in working capital items:		
(Increase)/Decrease in trade and other receivables	46,211	(34,049)
(Increase)/Decrease in prepayments	5,347	(7,568)
Increase/(Decrease) in trade and other payables	1,101,084	324,261
Increase/(Decrease) in provisions	36,218	(39,790)
	(1,719,178)	**(1,948,680)**

9.TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
GST receivable	13,772	45,993
Other receivable	3,503	17,494
	17,275	**63,487**
Ageing of receivables		
Recoverable within 3 months	17,275	63,487
Beyond 3 months	-	-
	17,275	**63,487**

Receivables are non-interest bearing and unsecured

10. OTHER FINANCIAL ASSETS

	2019 $	2018 $
Bank Term Deposit	30,000	30,000
	30,000	**30,000**

A deposit of $30,000 (2018: $30,000) has been secured against a guarantee issued by the bank as a rental deposit for the office lease. This cash balance is not available for withdrawal until the guarantee is withdrawn.

11. LOANS - DUE FROM ASSOCIATE

	2019 $	2018 $
Current		
Loans – due from associates measured at amortised cost	-	1,526,145
Loans – due from associates measured at FVPTL	446,532	-
Noncurrent		
Loans – due from associates measured at FVPTL	416,961	-
	863,493	**1,526,145**

The Associate-company loan receivables are non-recourse, interest free loans and repayable on demand.

Notes to Financial Statements

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

12. PROPERTY, PLANT & EQUIPMENT

	2019 $	2018 $
Plant and equipment		
At cost	103,052	97,701
Accumulated depreciation	(96,856)	(90,970)
	6,196	**6,731**
Movement in net carrying amount		
Balance at the beginning of the year	6,731	16,500
Additions	5,351	3,207
Disposals	-	(1,744)
Depreciation for the year	(5,886)	(11,232)
Balance at the end of the year	**6,196**	**6,731**

13. INVESTMENTS

	2019 $	2018 $
Investment in listed shares – at fair value through profit or loss (Level 1)	8,000	8,000
	8,000	**8,000**

14. OTHER ASSETS

	2019 $	2018 $
Site 2 option payment	127,254	127,254
	127,254	**127,254**

The Company has signed a 24 month option on 18 June 2018 for a 250 year lease on a 19 hectare parcel of land in Teesside for a rare earth refinery and separation plant. The agreement also includes the ability to extend the option for a further 12 months if required. The option term commenced on 18 June 2018.

15. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current		
Trade and other payables	**276,252**	**345,809**
Non-current		
Other payables	**1,430,011**	**870,170**
Ageing of payables		
Payable within 3 months	276,252	345,809
Beyond 12 months	1,430,011	870,170
	1,706,263	**1,215,979**

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

16. PROVISIONS

	2019 $	2018 $
Employee benefits - leave entitlements	196,668	160,451

	2019 $	2018 $
Annual leave and long service leave		
Balance at 1 July	**160,451**	**200,241**
Arising during the year	129,837	188,748
Utilised during the year	(93,620)	(228,538)
Balance at 30 June	**196,668**	**160,451**

17. LOANS AND BORROWINGS

	2019 $	2018 $
Current:		
Appian loan facility	1,824,095	-
Total Current loans & borrowings	**1,824,095**	**-**
Non-current:		
Working capital loan facility – Peak African Minerals	5,041,789	4,756,887
Appian loan facility	-	2,006,499
Total Non-Current loans & borrowings	**5,041,789**	**6,763,386**

Current – Appian loan facility – On 20 September 2016 Appian advanced A$4,179,828 (US$3,145,739) under a full draw down 3 year loan facility. The loan is denominated in US$ 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. During the year repayments of principal and interest totalling $560,031 (US$401,037) were made. At 30 June 2019 the USD principal and capitalised interest balance was US$1,279,657 (2018: US$1,487,012).

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 drawn down at the end of the financial year. The facility is repayable the earlier of 29 March 2021 or on the commencement of commercial production from the Ngualla project. Interest accrues at 8% per annum until repayment.

18. RESERVES

	Share based payment reserve $	Foreign currency translation reserve $	Total $
At 30 June 2017	**2,037,316**	**525,503**	**2,562,819**
Share based payment made in 2018	459,792	-	459,792
Group's share of associates FCTR	-	1,068,269	1,068,269
Exchange difference on translation of foreign operations	-	(48,576)	(48,576)
At 30 June 2018	**2,497,108**	**1,545,196**	**4,042,304**
1 July 2018 FCTR adjustment on IFRS 9 adoption	-	(23,323)	(23,323)
At 1 July 2018 (Restated)	**2,497,108**	**1,521,873**	**4,018,981**
Share based payment made in 2019	471,005	-	471,005
Group's share of associates FCTR	-	1,683,792	1,683,792
Exchange difference on translation of foreign operations	-	(156,378)	(156,378)
At 30 June 2019	**2,968,113**	**3,049,287**	**6,017,400**

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

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

19. CONTRIBUTED EQUITY

		Nos.	$
Balance at 30 June 2017		**477,455,131**	**65,251,219**
PEK placement @ 4c per share	15-Sep-17	30,625,000	1,225,000
PEK placement @ 4c per share	25-Sep-17	39,375,000	1,575,000
PEK 1:8 Entitlement Issue @ 4c per share	27-Oct-17	50,056,627	2,002,265
PEK 1:8 Entitlement Issue @ 4c per share	2-Nov-17	18,375,264	735,011
PEKOB 6c Option Conversions	27-Feb-18	100	6
PEK placement @ 4c per share	3-May-18	86,000,000	3,440,000
PEK placement @ 4c per share	21-Jun-18	97,264,889	3,890,596
Equity issue costs			(901,699)
Balance at 30 June 2018		**799,152,011**	**77,217,398**
PEKOB 6c Option Conversions	1-Nov-18	103,858	6,232
Equity issue costs		-	-
Balance at 30 June 2019		**799,255,869**	**77,223,630**

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 194,888,247 options (including performance rights) 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 2018		227,054,035			
Expired:					
PEKOB Listed options with an exercise price of $0.06	1-Nov-18	(81,111,930)			
Unlisted options with an exercise price of $0.10	3-May-19	(3,000,000)			
Unlisted options with an exercise price of $0.15	3-May-19	(5,000,000)			
Unlisted options with an exercise price of $0.03	3-May-19	(1,700,000)			
		(90,811,930)			
Issued:					
Unlisted Options, exercisable at $0.035 expiring 17 Jan 2022	17-Jan-19	5,750,000	Vested	0.035	17/01/2022
Unlisted Options vesting after 1 years continuous service on 5 March 2020, exercisable at $0.03 expiring 5 March 2023	5-Mar-19	43,000,000	Unvested	0.03	5/03/2023
Performance Rights to vest on achievement of performance criteria, as determined by the Company's Board, by 5 March 2020 or the Performance Rights will lapse	5-Mar-19	10,000,000	Unvested	-	5/03/2020
Exercised:					
PEKOB listed options exercisable at $0.06	1-Nov-18	(103,858)			
Balance at 30 June 2019		**194,888,247**	Vested & unvested	$0.00 -$0.035	5/03/2020 - 21/06/2023

During the year 48,750,000 options and 10,000,000 performance rights were issued to employees under the EOP and PRP approved at the Annual General Meeting held on 29 November 2017. During the period a total of 90,811,930 options expired unexercised and 103,858 PEKOB options were exercised.

Capital Management Policy

The group's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The group manages its contributed equity and reserves as part of its capital. The group is not subject to any externally imposed capital requirements.

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

20. SHARE BASED PAYMENTS

Employee share option plan

The group has an Employee Option Plan (**EOP**) for the granting of options to eligible participants which was approved by Shareholders at a General Meeting of the Company on 29 November 2017. During the financial year ended 30 June 2019 a total of 48,750,000 Options were issued under the EOP to executives and employees.

Options granted during and as at the year ended 30 June 2019:

	Number	*WA Exercise Price	Value per option
Outstanding at 1 July 2018	**96,750,000**	**$0.093**	
Granted / Vested during the year:			
17-Jan-19 - issue of $0.035 vested options expiring 17-Jan-2022	5,750,000	$0.035	$0.0099
5-Mar-2019 - issue of $0.03 options, vesting after 1 years continuous service, expiring 05-Mar-2023	43,000,000	$0.03	$0.0126
Exercised during the year	-	-	
Expired during the year	(21,700,000)	-	
Outstanding at 30 June 2019	**123,800,000**	**$0.0701**	
Exercisable at 30 June 2019	46,500,000	$0.0557	

**WA (weighted average)*

Options granted during and as at the year ended 30 June 2018:

	Number	WA Exercise Price	Value per option
Outstanding at 1 July 2017	**20,466,666**	**$0.18**	
Granted during the year:			
02-Nov-17 - issue of $0.06 vested options expiring 1-Nov-2018	10,000,000	$0.06	$0.0086
11-Dec-17 - issue of $0.06 vested options expiring 1-Nov-2018	2,000,000	$0.06	$0.0140
16-Jan-18 - issue of $0.0625 vested options expiring 16-Jan-2021	11,750,000	$0.065	$0.0298
21-Jun-2018 - issue of $0.05 options, vesting subject to performance criteria, expiring 21-Jun-2021	16,000,000	$0.05	$0.0159
21-Jun-2018 - issue of $0.10 options, vesting subject to performance criteria, expiring 21-Jun-2022[1]	14,000,000	$0.10	$0.0130
21-Jun-2018 - issue of $0.15 options, vesting subject to performance criteria, expiring 21-Jun-2023[2]	30,000,000	$0.15	$0.0127
27-Feb-2018 - issue of $0.06 vested options expiring 27-Feb-2021	4,000,000	$0.06	$0.01885
21-Jun-18 - issue of $0.065 vested options expiring 14-Jun-2021	9,000,000	$0.065	$0.01546
Exercised during the year	-	-	
Expired during the year	(20,466,666)	-	
Outstanding at 30 June 2018	**96,750,000**	**$0.093**	
Exercisable at 30 June 2018	52,750,000	$0.058	

[1] The Unlisted Options exercisable at $0.10, expiring 21 June 2022 issued to Directors, vesting subject to continuous service and the Company either (a) entering into an agreement with a strategic partner for the development of its Ngualla Project; or (b) attracting $20 million worth of funding for FEED (Front End Engineering and Design) for the development of the Ngualla Project.

[2] The Unlisted Options exercisable at $0.15, expiring 21 June 2023 issued to Directors, vesting subject to continuous service and the Company settling a funding package for the development and construction of the Ngualla Project.

The volume weighted exercise price of options issued during the year was $0.031 (2018: $0.104).

The weighted average remaining contractual life for share options outstanding at 30 June 2019 was 3.01 years (2018: 3.94 years).

The weighted average fair value of options issued during the year was $0.0123 per option (2018: $0.0163).

Performance Rights Plan

The group has a Performance Rights Plan (**PRP**) for the granting of performance rights to eligible participants which was last approved by Shareholders at a General Meeting of the Company on 29 November 2017.

During the year ended 30 June 2019, 10,000,000 performance rights were issued under the PRP.

Performance rights granted during and as at the year ended 30 June 2019:

	Number	Exercise Price	Value per performance right
Outstanding at 1 July 2018	-	-	
Granted during the year:	10,000,000	$0.00	$0.024
Exercised during the year*	-	-	
Expired during the year	-	-	
Outstanding at 30 June 2019	**10,000,000**	**$0.00**	
Exercisable at 30 June 2019	-	-	

*Vest subject to achievement of performance criteria as determined by the Company's Board.

Performance rights granted during and as at the year ended 30 June 2018:

	Number	Exercise Price	Value per performance right
Outstanding at 1 July 2017	**8,000,000**	**$0.00**	
Granted during the year:	-	-	
Exercised during the year	-	-	
Expired during the year	(8,000,000)	-	
Outstanding at 30 June 2018	-	**$0.00**	
Exercisable at 30 June 2018	-		

The volume weighted exercise price of rights issued during the year was $0.00 (2018: $0.00)

The weighted average remaining contractual life for rights options outstanding at 30 June 2019 was 0.68 years (2018: 0 years)

The weighted average fair value of rights issued during the year was $0.024 per right (2018: $0.00)

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

Options and performance rights granted during and as at the year ended 30 June 2019:

16-Jan-19 - issue of $0.035 vested options expiring 17-Jan-2022	
WA Share price on date of grant	**$0.024**
WA Risk-free interest rate	**1.50%**
Dividend yield	**0%**
Expected volatility	**77%**
Value per Option	**$0.0099**
5-Mar-2019 - issue of $0.03 options, vesting after 1 years continuous service, expiring 05-Mar-2023	
WA Share price on date of grant	**$0.024**
WA Risk-free interest rate	**1.50%**
Dividend yield	**0%**
Expected volatility	**77%**
Value per Option	**$0.0126**
5-Mar-2019 - unvested Performance Rights to vest on achievement of performance criteria by 5 March 2020 or the Performance Rights will lapse	
WA Share price on date of grant	**$0.024**
WA Risk-free interest rate	**1.50%**
Dividend yield	**0%**
Expected volatility	**77%**
Value per performance right	**$0.024**

Options and performance rights granted during and as at the year ended 30 June 2018:

WA Share price on date of grant	**$0.042**
WA Risk-free interest rate	**1.50%**
Dividend yield	**0%**
Expected volatility	**77%**

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

The value of options and performance rights granted are expensed over the vesting period. Included in share based payments expense of $471,005 (2018: $459,792) is $Nil (2018: $Nil) relating to the shares issued during the year, $411,822* (2018: $939,661) related to options granted during the year and prior year, and $59,183 (2018:- $479,869*) relating to performance rights granted in the prior year.

*Write back of non-market based Options and Performance Rights expired unvested during the year.

21. CONTINGENCIES AND COMMITMENTS

Lease commitments

The company has committed to an office lease of $33,000 per annum for 3 years to 31 December 2020. The lease provides a break clause during each year of the lease.

	2019	2018
	$	$
Up to 1 year	16,500	16,500
1 to 5 Years	-	-
	16,500	**16,500**

Capital Commitments

At 30 June 2019, the Group has no capital commitments. (2018: Nil).

Contingencies

At 30 June 2019, the Group had no contingencies (2018: Nil).

22. KEY MANAGEMENT PERSONNEL DISCLOSURE

	2019	2018
	$	$
Salary and fees – short term benefits	1,371,249	1,647,780
Non-monetary benefits	103,032	88,830
Superannuation	57,950	64,923
Share based payments	395,256	34,489
	1,927,487	**1,836,022**

Loans to KMP's

No loans were made to KMP's during the financial year (2018: 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 $20,010 (2018: $191,327) as fees for the provision of legal advice. Balance outstanding at 30 June 2019 and included in trade creditors $10,946 (30 June 2018:$35,332).

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

23. GROUP STRUCTURE

Parent and subsdiaries

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

The components of the Group are:

	Incorporation	Ownership interest 2019	2018
Parent			
Peak Resources Limited	Australia	100%	100%
Controlled entities			
PRL Pty Ltd	Australia	100%	100%
Peak Hill Gold Mines Pty Ltd	Australia	100%	100%
Redpalm Pty Ltd	Australia	100%	100%
Pan African Exploration Limited	Australia	100%	100%
Peak Resources Tanzania Limited	Tanzania	100%	100%
Peak Technology Metals Limited	U.K	100%	-
Associated entities			
Peak African Minerals Limited (Directly)	Mauritius	75%	75%
PR Ng Minerals Limited (Indirectly)	Tanzania	75%	75%

24. FINANCIAL INSTRUMENTS

The financial instruments of the Group are (i) cash and cash equivalents; (ii) trade and other receivables; (iii) trade and other payables, iv) investments carried at fair value through profit or loss; (v) loans due from associates measured at fair value through profit or loss; (vi) other financial assets, including bank deposits.

The Group's principal financial instruments are cash and short term deposits. The main purpose of these financial instruments is to finance the Group's operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

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

Fair value of financial instruments

	2019 $	2018 $
Cash and cash equivalents	2,147,324	6,468,748
Trade and other receivables	17,275	63,487
Other financial assets	30,000	30,000
Loans due from associate carried at FVPTL	863,493	912,895
Investments	8,000	8,000
Trade and other payables	(1,706,263)	(1,215,979)
Current loans and borrowings	(1,824,095)	-
Non-Current loans and borrowings	(5,041,789)	(6,763,386)

The carrying amount of financial instruments closely approximate their fair value on account of the short maturity cycle except Due from Associate and Non-current – Loans and Borrowings.

For Due from Associate and Non-current, their fair value is determined by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities (Level 2).

For the Non-current – Loans and borrowings their carrying amounts approximate their fair values as it is subject to commercial lending rates (Level 2).

Credit Risk
The group's credit risks arise from potential default of trade and other receivables, cash and cash equivalents, other financial assets and amount due from associates. The maximum credit exposure is limited to the carrying amount of trade and other receivables and amount due from associates $1,735,578 (2018: $1,589,631) at reporting dates.

As at 30 June 2019, 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:

	2019			2018		
	Up to 3 months	> 3 months	Total	Up to 3 months	> 3 months	Total
	$	$	$	$	$	$
Financial liabilities						
Trade and other payables	(276,252)	(1,430,011)	(1,706,263)	(345,809)	(870,170)	(1,215,979)
Short term loans[(1)]	(1,824,095)	-	(1,824,095)	-	-	-
Long term loans[(2)]	-	(6,826,811)	(6,826,811)	-	(6,945,792)	(6,945,792)
Total financial liabilities	**(2,100,347)**	**(8,256,822)**	**(10,357,169)**	**(345,809)**	**(7,815,962)**	**(8,161,771)**
Financial assets						
Cash and cash equivalents	2,147,324	-	2,147,324	6,468,748	-	6,468,748
Other financial assets	-	30,000	30,000	-	30,000	30,000
Loans due from associate	446,532	416,961	863,493	306,524	1,219,621	1,526,145
Investments	-	8,000	8,000	-	8,000	8,000
Trade and other receivables	17,275	-	17,275	63,487	-	63,487
Total financial assets	**2,611,131**	**454,961**	**3,066,092**	**6,838,759**	**1,257,621**	**8,096,380**

(1) 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

(2) PAM working capital facility is repayable the earlier of 29 March 2021 or on the commencement of commercial production from the Ngualla project.

Interest rate risk

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

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

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

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

	2019 $	2018 $
Cash and cash equivalents	2,147,324	6,468,748
Impact on profit and equity: +1% movement	21,473	64,687
Impact on profit and equity: -1% movement	(21,473)	(64,687)

Foreign currency risk

The Group's exposure to foreign currency price risk is limited to the USD denominated loan balances. At 30 June 2019 the Group had an outstanding balance of USD $6,236,664 (2018: $5,657,210). 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.

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax and equity is due to changes in the fair value of the USD denominated loan balances.

	2019 $	2018 $
USD$ denominated loan balances in AU$	8,295,894	7,633,556
Impact on profit and equity: +5% movement in USD exchange rate	414,795	381,678
Impact on profit and equity: -5% movement in USD exchange rate	(414,795)	(381,678)

Commodity price risk

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

Changes in liabilities arising from financing activities during the year ended 30 June 2019:

	2019				
	1-Jul-18 $	Cash flows $	Foreign exchange movement $	Other Movement $	30-Jun-19 $
Financial liabilities					
Current and Non-current interest bearing loans and borrowings	(6,763,386)	287,725	(373,620)	(16,603)	(6,865,884)
Total liabilities from financing activities	**(6,763,386)**	**287,725**	**(373,620)**	**(16,603)**	**(6,865,884)**

Changes in liabilities arising from financing activities during the year ended 30 June 2018:

	2018				
	1-Jul-17	Cash flows	Foreign exchange movement	Other Movement	30-Jun-18
	$	$	$	$	$
Financial liabilities					
Current and Non-current interest bearing loans and borrowings	(9,181,918)	2,588,447	(169,915)	-	(6,763,386)
Total liabilities from financing activities	**(9,181,918)**	**2,588,447**	**(169,915)**	**-**	**(6,763,386)**

25. SUBSEQUENT EVENTS

On 29 July 2019, Peak announced a proposed transaction which would restructure the ownership of PAM Group. PAM is the parent Company of Tanzanian Registered PR NG Minerals Limited which is the holder of the Ngulla Project Exploration Licences and Special Mining Licence application. Under the transaction, which is subject to completion of legal documentation, approval of Peak's shareholders and other regulatory approvals, PAM's other shareholders Appian and IFC would swap out their PAM shareholdings for shares in Peak. Appian to receive 327,490,452 and IFC to receive up to 64,268,651 new fully paid ordinary shares in Peak in return for their respective 20% and 3.85% (diluted) ownership interests in PAM. Following completion of the transaction, as contemplated, PAM would then become a 100% owned subsidiary of Peak.

On 8 August 2019 Peak completed a placement of 119,888,380 new fully paid ordinary shares in Peak at $0.04 per share to raise gross proceeds (before costs) of A$4.795m and has subsequently repaid the Appian loan facility in full.

Other than the matters referred to above there were no other events that have a material impact on the financial statements or operations of the Group and Company.

26. PARENT ENTITY DISCLOSURE

The following details information related to the parent entity, Peak Resources Limited, at 30 June 2019. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2019 $	2018 $
Financial position		
Current assets	2,201,439	6,565,840
Non-current assets	22,071,069	31,287,441
Total assets	**24,272,508**	**37,853,281**
Current liabilities	2,287,914	499,125
Non-current liabilities	6,006,554	7,633,556
Total liabilities	**8,294,468**	**8,132,681**
Net assets	**15,978,040**	**29,720,600**
Equity		
Contributed equity	77,539,381	77,533,149
Share based payment reserve	3,031,596	2,560,592
Accumulated losses	(64,592,937)	(50,373,141)
Total equity	**15,978,040**	**29,720,600**
Financial performance		
Loss for the year	(2,747,320)	(2,940,704)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(2,747,320)**	**(2,940,704)**

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 22, at year end.

DIRECTORS’ DECLARATION

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

(a) 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 2019 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 2019 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 Meurer
Non-Executive Chairman
Perth, 13 September 2019

Tenement Schedule and Reserves and Resources

TENEMENT SCHEDULE

Project	Tenement	%	Status	Arrangement/Comment
Tanzanian Projects				
Mikuwo	PL 9157/2013	75*	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd
Mlingi	PL 10897/2016	75*	Granted	Held by 100% Tanzanian associate company PR NG Minerals Ltd
Ngualla	SML 00601/2017	75*	Application	Held by 100% Tanzanian associate company PR NG Minerals Ltd

*Peak holds a 75% beneficial interest in the above three licences with Appian and IFC holding a 20% and 5% interest respectively through their equity interest in Peak African Minerals.

ORE RESERVES AND MINERAL RESOURCES

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. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

THERE HAS BEEN NO CHANGE TO ORE RESERVES AND MINERAL RESOURCES WITH PREVIOUS YEAR

Ore Reserve estimates

The Ore Reserve estimate was completed by Orelogy Consulting Pty Ltd and released to the ASX on 12 April 2017 titled "Ngualla Rare Earth Project - Updated Ore Reserve". The release includes a detailed summary of the supporting project assumptions and data.

Table 1: Classification of Ore Reserve estimates for the Weathered Bastnaesite Zone at Ngualla.

	ORE RESERVE AS AT 30 JUNE 2019		
JORC CATEGORY	Ore Tonnes (millions)	REO %	Contained REO Tonnes
Proved	17.0	4.78	813,000
Probable	1.5	5.10	74,000
Total	**18.5**	**4.80**	**887,000**

See Table 2 for the breakdown of individual REO's. Reported according to the JORC 2012 Code and Guidelines.

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

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.

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.

Mineral Resource estimates

The Mineral Resource as at 30 June 2019 is detailed in the ASX announcement titled 'Mineral Resource estimate re-stated to include barite' of 2 March 2017. The estimates were reported according to the JORC 2012 Code and Guidelines and were completed by Rod Brown of SRK Consulting (Australasia) Pty Ltd.

Table 3: 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 2019			
	Lower Cut-off Grade	JORC Category	Ore Tonnes (millions)	REO %	Contained REO Tonnes	$BaSO_4$ %
Ngualla All Mineral Resources	1.0% REO	Measured	86.1	2.61	2,250,000	20.2
		Indicated	112.6	1.81	2,040,000	13.8
		Inferred	15.7	2.15	340,000	17.6
		Total	**214.4**	**2.15**	**4,620,000**	**16.6**

** REO (%) includes all the lanthanide elements plus yttrium oxide. See Tables 5 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.*

The Weathered Bastnaesite Zone Mineral Resource estimate summarised below is a subset and contained within the All Mineral Resources reported in Table 3 above and is detailed in the same ASX announcements as stated above.

Table 4: 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 2019			
	Lower Cut-off Grade	JORC Category	Ore Tonnes (millions)	REO %	Contained REO Tonnes	$BaSO_4$ %
Ngualla Weathered Bastnaesite Zone	1.0% REO	Measured	18.9	4.75	900,000	37.8
		Indicated	1.9	4.85	90,000	38.3
		Inferred	0.5	4.43	20,000	31.5
		Total	**21.3**	**4.75**	**1,010,000**	**37.7**
	3.0% REO	Measured	17.9	4.88	870,000	38.6
		Indicated	1.7	5.14	90,000	39.3
		Inferred	0.4	4.84	20,000	35.4
		Total	**19.9**	**4.90**	**980,000**	**38.6**

** REO (%) includes all the lanthanide elements plus yttrium oxide. See Table 5 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 3 above. Figures above may not sum due to rounding. The number of significant figures does not impy an added level of precision.*

PEAK RESOURCES
ENABLING LOW CARBON TECHNOLOGIES

Table 5: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for 2018 Total Ngualla +1% REO, Weathered Bastnaesite Zone +1% REO and Weathered Bastnaesite Zone +3% REO and Mineral Resources summarised in Tables 3 and 4.

OXIDE		NGUALLA 2019 TOTAL MINERAL RESOURCE		NGUALLA 2019 WEATHERED BASTNAESITE ZONE RESOURCE		NGUALLA 2019 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.*

ADDITIONAL SHAREHOLDER INFORMATION

Quoted security distribution

The distribution of members and their holdings of quoted equity securities in the company as at 7 October 2019 were as follows:

Number Held as at 7 October 2019	Class of Equity Securities Fully Paid Ordinary Shares
1-1,000	168
1,001 - 5,000	288
5,001 – 10,000	298
10,001 - 100,000	1,282
100,001 and over	805
Total	**2,841**

There were 925 holders with less than a marketable parcel of fully paid shares.

Number Held as at 7 October 2019	Class of Equity Securities PEKOC $0.06 Options (Expire 14 June 2020)
1-1,000	-
1,001 - 5,000	-
5,001 – 10,000	-
10,001 - 100,000	25
100,001 and over	90
Total	**115**

Substantial Security holders

Substantial shareholders listed in the Company's register as at 7 October 2019 were:

Holder	Number of shares	Percentage of issued capital
APPIAN PINNACLE HOLDCO LIMITED	112,351,377	12.22%

Unquoted securities

Class of Equity Security	Number	Number of Security Holders
Unvested $0.00 performance rights expiring 5 March 2020	10,000,000	4
Unvested $0.03 options expiring 5 March 2023	41,300,000	10
$0.035 options expiring 17 January 2022	5,750,000	11
$0.05 options expiring 21 June 2021	16,000,000	4
$0.06 options expiring 27 February 2021	4,000,000	2
$0.065 options expiring 16 January 2021	11,750,000	11
$0.065 options expiring 14 June 2021	9,000,000	3
Unvested $0.10 options expiring 21 June 2022	11,000,000	3
Unvested $0.15 options expiring 21 June 2023	25,000,000	3

Additional Shareholder Information

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

Class of Equity Security	Number	Holder
Unvested $0.00 performance rights expiring 5 March 2020	3,500,000	Rocky Smith
Unvested $0.00 performance rights expiring 5 March 2020	2,250,000	Michael Prassas
Unvested $0.00 performance rights expiring 5 March 2020	2,250,000	Graeme Scott
Unvested $0.03 options expiring 5 March 2023	11,000,000	Rocky Smith
$0.035 options expiring 17 January 2022	1,500,000	Rocky Smith
$0.05 options expiring 21 June 2021	10,000,000	Meurer Investments Pty Ltd
$0.06 options expiring 21 February 2021	2,500,000	ACN 161 604 315 Pty Ltd
$0.06 options expiring 21 February 2021	1,500,000	Tyche Investments Pty ltd
$0.0625 options expiring 16 January 2021	3,000,000	Rocky Smith
$0.065 options expiring 14 June 2021	4,500,000	Melshare Nominees Pty Ltd
$0.065 options expiring 14 June 2021	3,000,000	ACN 161 604 315 PTY LTD
Unvested $0.10 options expiring 21 June 2022	5,000,000	Meurer Investments Pty Ltd
Unvested $0.15 options expiring 21 June 2023	15,000,000	Meurer Investments Pty Ltd

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 2019, there were no restricted securities.

Twenty largest security holders

The names of the twenty largest holdings of quoted equity securities as at 7 October 2019 are as follows:

Name	Number Held of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
CITICORP NOMINEES PTY LIMITED	118,000,766	12.84
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	51,189,561	5.57
INTERNATIONAL FINANCE CORPORATION	31,846,257	3.46
SAMBOLD PTY LTD	16,325,000	1.78
CRX SECURITIES PTY LIMITED	14,500,000	1.58
BUSHELL NOMINEES PTY LTD	12,947,401	1.41
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	12,500,000	1.36
JBBM PTY LTD	12,500,000	1.36
ERP STRATEGIC MINERALS LLC	12,500,000	1.36
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,766,894	1.28
PINNACLE SUPERANNUATION PTY LIMITED	10,000,000	1.09
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	9,645,457	1.05
BEPPE SUPER PTY LIMITED	8,656,250	0.94
CS FOURTH NOMINEES PTY LIMITED	8,425,423	0.92
ASHABIA PTY LTD	8,300,000	0.90
BUELL PTY LTD	8,008,790	0.87
ONE MANAGED INVESTMENT FUNDS LIMITED	7,875,000	0.86
DIRDOT PTY LIMITED	7,149,882	0.78
HOTLAKE PTY LTD	7,146,366	0.78
ACN 161 604 315 PTY LTD	6,250,000	0.68
TOTAL TOP 20	**375,533,047**	**40.86%**
TOTAL	**919,144,249**	**100.00%**

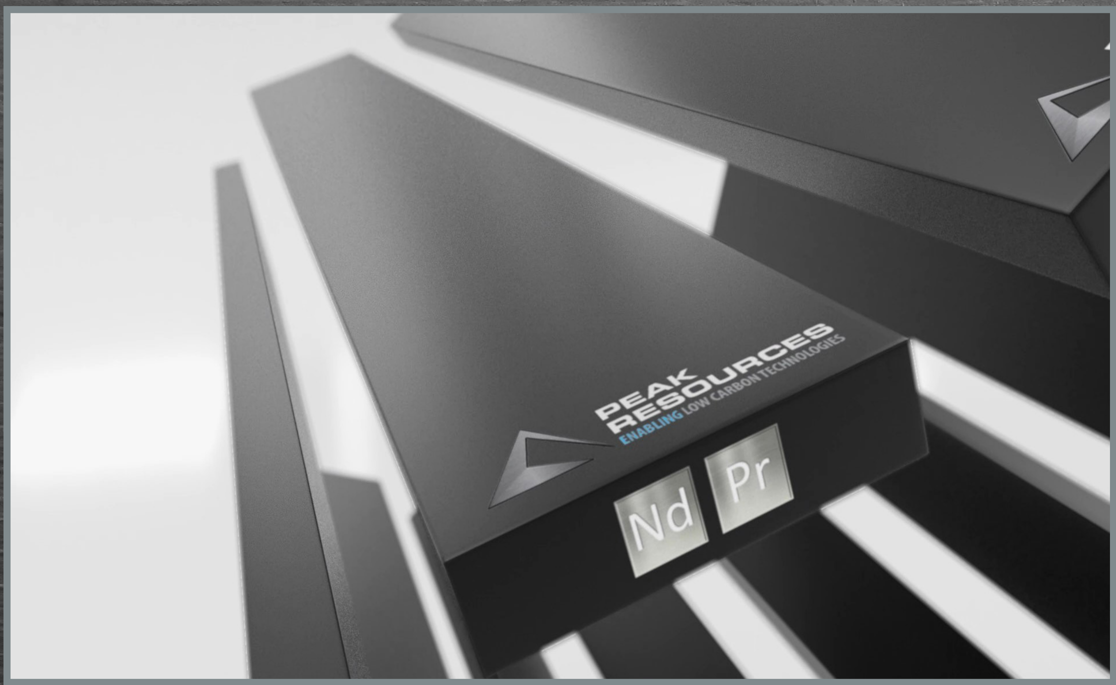
Additional Shareholder Information

Name	Number Held of PEKOCB$0.06 Options Shares (Expire 14June 2020)	% Held of Issued PEKOC Options
CITICORP NOMINEES PTY LIMITED	8,588,296	14.06
MORGAN STANLEY AUSTRALIA SECURITIES PTY LIMITED	4,166,666	6.82
MN JEFFERY PTY LIMITED	3,407,536	5.58
723 PTY LIMITED	2,943,950	4.82
FFKM PTY LTD	2,293,163	3.75
ACN 161 604 315 PTY LTD	2,083,333	3.41
CS FOURTH NOMINEES PTY LIMITED	2,083,333	3.41
JB ADVISORY PTY LIMITED	2,050,000	3.36
WISEVEST PTY LTD	1,866,666	3.06
NERO RESOURCE FUND PTY LTD	1,250,000	2.05
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,250,000	2.05
BEPPE SUPER PTY LIMITED	1,033,333	1.69
MILA INVESTMENT CO PTY LTD	1,000,000	1.64
SPRING STREET HOLDINGS PTY LTD	833,333	1.36
JBBM PTY LTD	833,333	1.36
CRX INVESTMENTS PTY LIMITED	833,333	1.36
MR MICHAEL DIMITRIOS PRASSAS	833,333	1.36
MR KEVIN GERARD DOYLE	824,999	1.35
CHELSEA SECURITIES LIMITED	800,000	1.31
THINKDO PTY LTD	583,333	0.95
TOTAL TOP 20	**39,557,940**	**64.76%**
TOTAL	**61,088,247**	**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.

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/**



ENABLING LOW CARBON TECHNOLOGIES

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