

CODE OF BUSINESS CONDUCT – PEAK NGUALLA PROJECT

Peak Rare Earths Limited is based in Perth, Western Australia and is listed on the Australian Securities Exchange. Peak's goal is to generate stakeholder value through the development of the Ngualla Rare Earth Project in Tanzania into a long term, low cost producer of magnet metal and other rare earth raw materials.

Peak and its subsidiaries will develop and operate the Ngualla Rare Earth Project in a manner that will be technically, socially, environmentally and financially responsible, in accordance with the laws of the countries in which the Company works, and good international practice guidelines.

Peak is committed to conducting our activities in order to protect and preserve the health, safety, and security of employees, communities, and the environments where we work. We respect the written and customary laws and practices where we operate. We work together with countries and communities to promote ethical business practices, sustainable development, and equitable distribution of benefits.

Peak's activities are guided by the following corporate policies:

1. Anti-Corruption/Anti-Bribery Policy
2. Human Rights Policy
3. Environment Policy
4. Community Health and Safety Policy
5. Occupational Health and Safety Policy
6. Human Resources Policy (and Guidance Manual)

Peak is committed to adaptively manage the effectiveness of its policies through regular monitoring and reporting. Peak expects and requires that its employees, contractors, partners, and suppliers to comply with Peak's corporate policies and procedures.

Peak makes the above policies, as well as related procedures and guidance notes, publicly available on its website. Policies are posted in the workplace as applicable. The same are communicated to employees, partners and subcontractors during induction training, and hard copies are available at all Peak and subsidiary corporate and site offices. It is the responsibility of each manager or supervisor to adhere to these policies, and to ensure that each employee is made aware of these policies. It is the responsibility of each employee or contractor to become familiar with and adhere to these policies, as well as to direct questions or report violations to the appropriate supervisor.

1. ANTI-CORRUPTION & ANTI-BRIBERY POLICY

Peak is committed to compliance with Australian and Tanzanian law, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1999), good international industry practice¹, and the laws and regulations of all countries in which we work.

Bribery of any government official in any country is strictly against Peak corporate policy. Peak personnel are prohibited from offering or paying any bribe to any employee, official, or agent of any government, commercial entity, or individual in connection with Peak activities. At no time will any employment be given to any sitting government official.

A bribe is any money or other thing of value offered or given, directly or indirectly, with the intent to secure improper advantage for Peak. An act is improper if it involves someone performing a function illegally, unethically, in bad faith, without impartially, or in breach of trust.

Should personnel believe they are in danger for refusing a bribe to an official, the health and safety of the individual will be paramount. All transactions, including professional fees and suppliers, will be documented, and any action taken will be promptly reported in writing to the appropriate supervisor.

As a general guide, the giving or receiving of gifts and gratuities is prohibited. However gifts of modest value that are part of normal business practice, such as an occasional meal, are acceptable, subject to the express requirement that the gift was not accepted in return for making or recommending any loan, granting any extension of time for payment of monies to the company or committing the company to any financial obligation in favour of the party offering or receiving the gift.

Where gifts are offered above a nominal value, they should be discussed with the supervisor to gain approval in advance of offering the gift or courtesy.

¹As described in the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

2. HUMAN RIGHTS POLICY

Peak supports universal human rights as defined in the Universal Declaration of Human Rights and the Voluntary Principles on Security and Human Rights. Peak recognizes and respects the wellbeing and dignity of all employees, contractors, families, and communities, and promotes civil relations and conflict prevention in the places where we work.

Peak will seek to engage with affected stakeholders to identify the most salient challenges affecting its activities.

Peak seeks to respect and preserve the cultural knowledge and practices of Indigenous Peoples, to engage with Indigenous communities based on the principles of free, prior, and informed consent, and to promote appropriate and sustainable development in a culturally appropriate manner.

3. ENVIRONMENTAL POLICY

Peak is committed to minimizing its environmental footprint and conducting its activities in a manner that conserves and protects biodiversity, maintains the benefits derived from ecosystem services, and promotes the sustainable management of living natural resources. This is accomplished by ensuring that environmental protection and conservation requirements are integrated into all development and operational activities, by providing adequate resources to environment protection and by means of undertaking effective planning and innovative practices.

Peak aims to develop a culture of respect for the environment and cultivate personnel responsibility for sound environmental management.

Peak's key goal in terms of this Environmental Policy is the prevention or minimization of negative impacts and the enhancement of positive impacts to biodiversity and the environment. Where negative impacts cannot be avoided, the Company will implement mitigation and remediation measures in line with relevant legislation and best practice principles, in order to reduce impacts on the environment.

Peak will also prevent pollution, the limiting of project-related greenhouse gas emissions, and the reduction and proper disposal of waste. Peak will respond quickly and effectively to accidents or incidents resulting from its activities in compliance with applicable national and international laws, regulations, conventions, and standards.

Wherever practicable Peak promotes the sustainable use of natural resources in association with our activities. Peak will develop, implement, and adaptively manage pollution prevention and biodiversity management plans and procedures as appropriate to each activity and facility. Peak will communicate with regulators, other operators, and stakeholders on environmental matters in order to ensure compliance, share knowledge and improve industry performance.

4. COMMUNITY HEALTH AND SAFETY POLICY

Peak is committed to act in a manner that protects community health and safety, and benefits the communities where we work. Peak conducts its activities in a manner that will avoid or minimize risks to the health and safety of individuals, communities and the public. Peak safeguards people and property by anticipating and mitigating adverse health and safety impacts. Peak puts safety first and will not compromise safety of any person for the sake of production or its plant and equipment.

Peak promotes accident and injury prevention by conducting appropriate health and safety awareness training with affected persons and enlisting the active participation of every employee in safe work practices. Peak will provide training to all employees and contractors on safe conduct both in terms of job performance and off-work behavior.

Peak is committed to rapid, effective, appropriate and considerate response to accidents or emergencies resulting from its activities, in compliance with the applicable laws and regulations of the places where we work. Where laws and regulations are absent, Peak will act reasonably and responsibly.

5. OCCUPATIONAL HEALTH & SAFETY POLICY

The health and safety of all employees and contractors of Peak Rare Earths Limited ("**Peak**") is of paramount importance. Accordingly, Peak is committed to the elimination or control of hazards and the promotion and enforcement of safe working practices and behaviours

We will do this by the institution of appropriate policy, systems and management procedures with regard to the following specific areas of occupational health, hygiene and safety:

- The implementation of appropriate risk and hazard management processes in all of our activities;
- The provision of safe and appropriate equipment and conditions for all workplaces;
- The right for an employee to refuse to perform dangerous or unsafe work;
- Communication and consultation, inspection and reporting of health and safety issues and incidents;
- The provision of appropriate instruction, health and wellness training, first aid information and training for supervisory staff and other personnel;
- The provision of appropriate safety equipment and preventative measures with regard to the health and safety issues pertinent to the Company's operations;
- Compliance with all relevant legislative and statutory obligations;
- Emergency preparedness to minimise losses or injuries arising from an incident or unforeseen event;
- The incorporation of occupational health and safety requirements into all contract, construction, operations and purchase documentation;
- The utilisation from time to time of specialist occupational health, hygiene and safety services to advise management on appropriate health and safety policies and practices.

Our specific aims include, but are not limited to:

- The prevention, control and on-going management of occupational injury and illness;
- The prevention, control and on-going management of fire and explosion; and
- The prevention, control and on-going management of damage to tools, materials, equipment and buildings.

Peak employees and contractors at all levels are responsible for maintaining and striving to continually improve health and safety standards to reduce all forms of loss and/or injury to the lowest possible level. Supervisors have an additional responsibility to ensure that this policy is effectively implemented in their area of control.

6. HUMAN RESOURCES POLICY

Peak is committed to conducting its workplace activities in order to promote:

- Safe working conditions, as detailed in Peak's Occupational Health and Safety Policy;
- Worker health, safety and well-being, including fitness to work, access to care, wellness knowledge and training;
- Worker skills and knowledge transfer;
- Fair treatment, mutual respect, equal opportunity, and non-discrimination and non-harassment in the workplace;
- Protection of vulnerable groups including children, migrants, the elderly, women, and disabled persons;
- Avoidance of forced or child labor;
- Transparent communication and relationship between management and workers, including provision and maintenance of a workplace grievance mechanism; and
- Compliance with all applicable national and international labor and employment laws, corporate policies¹, and good international industry practice².

¹ Peak Rare Earths Limited Human Resources Policy & Procedure Manual, effective from October 2014.

² As defined by International Finance Corporation Performance Standards for Environmental and Social Sustainability (2012), in particular Performance Standard 2.