

ASX RELEASE

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Peak Resources Limited

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Stock Exchange
Australian Stock Exchange
Symbol: **PEK**

Issued Capital
43.95 Million Shares

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Gold Projects:

Peak Hill
Doolgunna
Menzies

Nickel Projects:

Yellowdine
Lake Ballard

Uranium Projects:

Cosmo
Lake Darlot
Cogla Downs
Gabyon

Base Metal Project:

Ashburton

DECEMBER QUARTER ACTIVITIES REPORT

Highlights

- Completion of \$3.5 million Capital Raising and Listing
- Initial drilling programmes at Menzies Project deliver high grade gold intersections 4m @ 32.64 g/t Au and 8m @ 6.16 g/t Au EOH (including 4m @ 11.29 g/t Au).
- Identification of high grade gold mineralisation within laminated quartz structure at Jenny Venn.
- Elevated uranium reading reported during initial filed work. at Lake Darlot.
- Aggressive exploration programme established with drilling commencing January 2007.

Corporate

Peak Resources Limited (PEK) listed on ASX on 28th November 2006 after closing out its IPO share issue having raised \$3.5 million. Subsequent to listing the Company established its administrative headquarters at Mt Pleasant in Perth, Western Australia.

Since listing the Company has undertaken and released results from two Reverse Circulation drilling programmes at the Company's Menzies Project as well as conducting initial field reviews of the Company's Lake Darlot Prospect (Uranium) and the Peak Hill West and Doolgunna (Gold) Projects. PEK has also acquired further data over a number the Company's project areas and instituted work programmes.

To assist the Company in the evaluation of the Company's four uranium prospects PEK has appointed a uranium consultant. This process of evaluation of the uranium assets is scheduled to commence in late February 2007.

Cash on hand at 31 December was \$3.4 million.

Menzies Project

PEK's Menzies Project is located approximately 5 km north-east of the town on Menzies and 135km north of Kalgoorlie in Western Australia's Eastern Goldfield.

The Menzies Project objective, as outlined in the Company's prospectus, is to identify an economic resource within a 12 month period with the objective of commencing mining within 12 to 18 months of the Company listing on the ASX.

To achieve this objective the Company's Menzies exploration programme will initially focus upon Project areas ("Prospects") within proximity to the Granny Venn Pit including CSR Zone, Jenny Venn and within the pits themselves. Through a focused drilling programme, PEK will look to build a JORC category gold

PEAK RESOURCES PROJECT LOCATION MAP



*High Grade
Laminated Quartz
Tourmaline Vein
intersected at Jenny
Venn returning:*

4m @ 32.64 g/t Au

8m @ 6.16 g/t Au

*Follow-Up RC &
Diamond Drilling to
Commence in January*

resource to support mine development at Menzies. At this time the Company would look to truck material for toll processing however all parameters will be reviewed following completion of the drilling programmes.

Granny Venn and Auntie Nellie Pits were mined in 1999 during a low gold price environment (US \$240z). This has provided the Company with an opportunity to re-examine the potential for development of remaining mineralisation underneath the current open pits as well as pursue other prospective mineralised areas (CSR, Jenny Venn) within the mining lease.

Initial Results Provide Confidence

An initial RC drilling programme at the Menzies Project was undertaken in late October. The results of this programme which included high grade intercepts at the CSR Zone and most importantly the identification of a high grade laminated quartz vein at the Jenny Venn Prospect. Initial 4m composites from RC Drilling at CSR & Jenny Venn have returned best results of:

- 4m @ 31.92 g/t Au (CSR Zone)
- 4m @ 3.52 g/t Au (CSR Zone)
- 4m @ 32.64 g/t Au (Jenny Venn)
- 8m @ 6.16 g/t Au EOH (Jenny Venn)

The returned results were consistent with coarse gold (nuggety) vein systems, that are of a high grade nature, with the discovery providing further scope for the Menzies Project with Jenny Venn & CSR Zone to be the focus of RC and Diamond Drilling programmes scheduled to commence in mid to late January 2007.

Jenny Venn Prospect

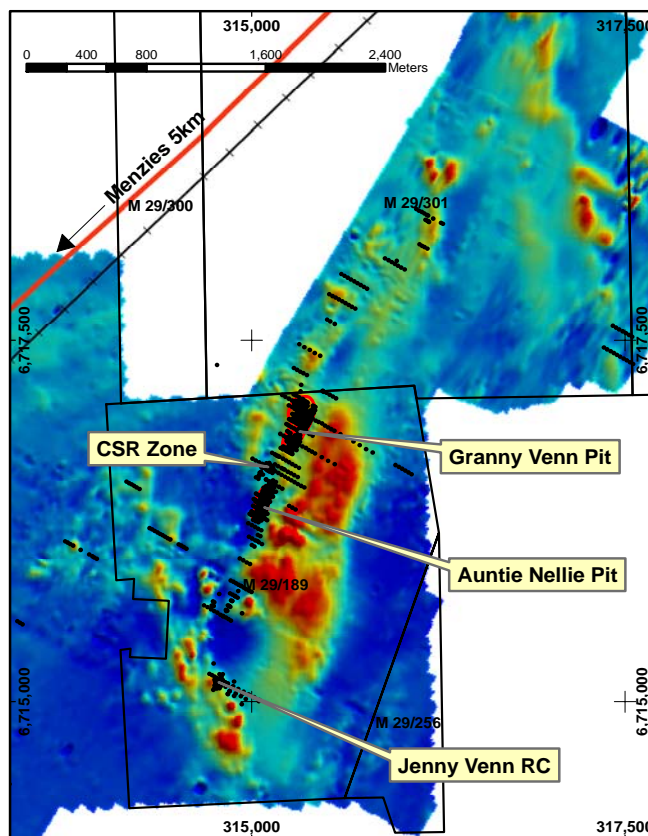
High Grade Quartz-Tourmaline Vein intersected at Jenny Venn. Follow-up drilling planned.

Jenny Venn is located approximately 2 kilometres south of the Granny Venn Pit, within a granted mining lease. Jenny Venn consists of a substantial gold in soil anomaly over an area underlain by felsic schists hosting an array of laminated quartz tourmaline reefs. Previous drilling has been drilled sub-parallel to the mineralised structure and is considered to have been largely ineffective. After a geological review of the prospect was conducted, PEK completed eight RC holes at Jenny Venn in October to follow up previous high grade intersections from RAB and RC Drilling.

Drilling during the quarter confirmed the potential for Jenny Venn to host a high-grade laminated quartz vein system with a strike length in excess of 70m and open in all directions. Initial composite results are consistent with coarse gold (nuggety) vein systems, which are of a high grade nature.

PEK is awaiting the return of screen fire assays being conducted on selected single metre samples at Jenny Venn. The Company is undertaking screen fire analysis within mineralised zones at Jenny Venn in order to provide a more accurate gold estimate than that traditionally obtained from 50 gram (or less) fire assay charges.

MENZIES PROSPECT LOCATIONS



*Drilling Confirms
presence of Shallow
High Grade shoot at
CSR, returning*

4m @ 31.92 g/t Au

4m @ 3.52 g/t Au

SIGNIFICANT RC RESULTS — JENNY VENN

Hole	North	East	Depth	Dip/Azi	From	To	Interval	Grade (Au ppm)	Comments
MN0025R	6715100	314810	60	-60/270	24	28	4	1.21	
MN0027R	6715140	314780	40	-60/270	32	40	8	6.16	
Including:					36	40	4	11.29	EOH
MN0028R	6715140	314800	80	-60/270	52	56	4	32.64	
MN0029R	6715140	314820	110	-60/270	108	110	2	2.06	

The Company initially planned to recommence RC drilling at Jenny Venn in December, this was postponed to early February as diamond drilling is planned to confirm the style and nature of the mineralisation and provide further structural information that will enable more effective targeting of the RC programme.

The diamond drill rig is scheduled to arrive on site on the 29th January, with RC pre-collars to be drilled prior to the arrival of the diamond rig.

AUNTIE NELLIE PIT & CSR ZONE

CSR Zone

RC Drilling Confirms Presence of High Grade Zone at CSR.

During October PEK completed twenty three RC holes at its CSR Zone. Drilling was designed to confirm and evaluate previous mineralisation intersected at CSR.

CSR Zone, is located between the Granny Venn and Auntie Nellie Pits and was originally drilled by Colonial Sugar Refineries (CSR Limited) in the 1980s.



The Granny Venn and Auntie Nellie Pits were mined (Feb – Aug 1999) as part a joint venture between Money Mining and the Paddington Gold Mine. At the completion of mining an estimated 532,000t @ 3.52g/t Au was mined for approximately 60,000 troy ounces of gold. Mining was undertaken at a time of low gold price (US\$240 Oz) and subsequently the pits were designed to mine only near surface mineralisation.

Results from the programme were released on 29th of November 2006.

Drilling confirmed the presence of lower-grade near surface material as well as a high-grade mineralized shoot over 80 metres in strike, assays from composite sampling returned best results of:

- 4m at 31.92 g/t Au from 24 m
- 4m @ 3.52 g/t Au from 20 m

Further diamond drilling is planned to investigate the style and structural nature of the mineralization and to assess its economic potential.

SIGNIFICANT RC RESULTS — CSR ZONE

Hole	North	East	Depth	Dip/Azi	From	To	Interval	Grade (Au ppm)	Comments
MN0001R	12940	9860	48	-60/270	24	28	4	31.92	
MN0005R	12960	9860	50	-60/270	20	24	4	3.52	
MN0007R	12900	9811	31	-60/270	0	4	4	1.40	
MN0021R	12925	9850	50	-60/270	0	4	4	1.13	

*Field Activities to
Commence at Peak
Hill West &
Doolgunna in March*

Granny Venn

There exists over 200 meters of mineralised strike underneath the shallow Granny Venn pit that could provide a source of potential material in a future mining campaign at Menzies. During December the Company undertook a brief four hole RC drilling programme to test depth potential beyond the area of known mineralisation to the north of the Granny Venn pit.

The programme was initiated to allow PEK to evaluate the need to fast track the Mining Lease Application to the north of the granted lease area.

Results from the programme did not provide encouragement to a level that would suggest PEK should seek the immediate grant of the mining lease. Accordingly, PEK will look to revert the Mining Lease Applications on the northern border of ML 29/189 to Prospecting Licences prior to February. A further review of the potential mineralisation to the north of ML 29/189 will now be carried out as part of the regional exploration programme over the Menzies Project.

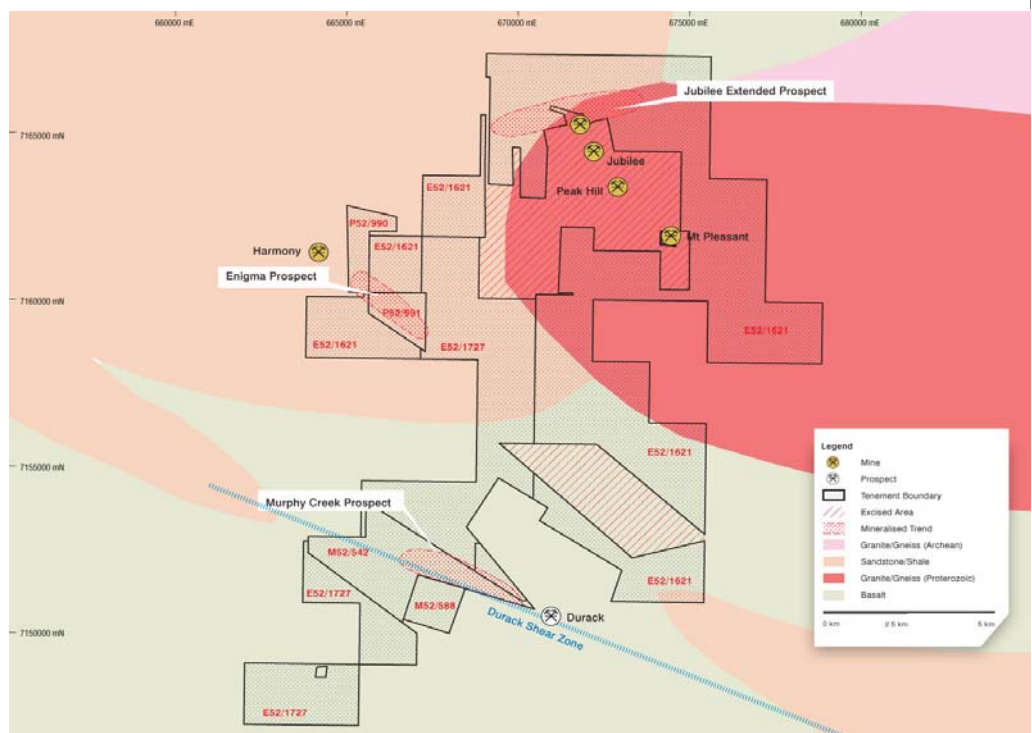
Peak Hill East & West Projects

PEK commissioned during the quarter an aeromagnetic survey to be flown at Peak Hill East (Doolgunna) during the quarter. The aeromagnetic survey has been designed to infill gaps from recently obtained highly detailed aeromagnetic surveys previously flown by Barrick Gold, Rio Tinto Exploration & Sipa Resources and to allow the Company to plan initial RAB drilling programmes targeting extensions to mineralisation as identified by Sandfire Resources & Gleneagle Gold to the South-East.

An initial field visit was also made to the project area during late November. The purpose of the visit was to quantify the level of logistical support required for drilling and surface geochemical activities planned to commence in March.

The Peak Hill work programme comprises a four-week surface geochemical sampling programme, followed by a 7,000 metre RAB and 3,000 metre RC drilling programme. Drilling will focus on the extensions of mineralisation at Doolgunna as well as initial RC drilling at Jubilee Extended and Enigma (Peak Hill West).

PROSPECT LOCATIONS (PEAK HILL WEST)



***Aggressive
Exploration
Programme planned
for March & June
Quarters 2007.***

Goldfields Uranium Project

During the quarter the Department of Industry & Resources granted PEK's exploration licence applications located at Lake Darlot (E37/832) & Cosmo (E37/1882). Subsequently PEK commenced initial work at its Lake Darlot Project.

PEK also secured the services of Mr Brenton Newell, to work with the Company developing its field programmes and complete a field and data review of the uranium projects. Mr Newell will lead the initial field programme to commence in late February 2007.

Mr Newell's is a qualified Geologist with over 20 years experience in a range of commodities including uranium, diamonds, base & precious metals. Mr Newell worked for Stockdale Prospecting, CRA Exploration, Western Mining, Billiton Australia & Placer Dome. More recently, Mr Newell has been actively consulting to Flinders Diamonds & Marathon Resources. Mr Newell has approximately 9 years experience in uranium exploration & resource drilling including Uranium in phosphates, uranium in granite, uranium in altered granite & uranium in conglomerates

Work undertaken at Lake Darlot included the acquisition and processing of government radiometric data, initial field checks and surface sampling using a portable scintillometer.

The field programme was substantially reduced due to inclement conditions restricting access to the project at the margins of Lake Darlot. From limited sampling (12 samples in total), anomalous scintillometer readings have been returned (in excess of 3x background). The programme will recommence in late February as part of the Company's review of its Uranium Projects.

Ashburton Base Metals Project

The Company commenced initial sourcing of geophysical contractors to conduct a ground gravity survey at it Mt Vernon Prospect within the Ashburton Region of Western Australia. The gravity survey is to be conducted over an area of anomalous zinc and lead surface geochemistry to better define drill targets.

Upcoming Exploration Programme

Peak Resources is scheduled to embark upon an aggressive phase of exploration over the March and June quarters of 2007. The objective of these programmes are to:

- Build a resources base at the Menzies Project.
- Advance the status of the Uranium Projects.
- Undertake first phase drilling & geochemical sampling at the Peak Hill East Project with a focus on the Company's Doolgunna tenements.
- Commence the Company's first work at Peak Hill West including an initial RAB and RC drilling programme.

The field programmes will commence in late January with a diamond drilling programme at the Jenny Venn & CSR Prospects (Menzies). This will be followed up in early to mid February by a further RC drill programme as the Company moves towards advancing the prospect's resource status to JORC compliant. The focus will then shift to the Goldfields Uranium Projects in late February/early March with a field review of the prospect areas as a precursor to development of a work programme. In late March, PEK will commence an extensive works programme at the Peak Hill Projects with a focus on the Doolgunna tenements. This will involve an extensive soil sampling programme together with RAB, Aircore and RC drilling activity. The Company anticipates this programme will operate through to late May 2007.

The information in this report is based on information compiled by Mr. Kell Nielsen, a Member of the Australian Institute of Mining and Metallurgy. Mr. Nielsen is a full-time employee of Peak Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nielsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.