

31 January 2017

ASX Limited
Level 4
Rialto Tower North
525 Collins Street
MELBOURNE VIC 3000

ASX Code: PKO

QUARTERLY ACTIVITIES REPORT

31 December 2016

PROJECTS

Paterson Province Projects, Western Australia

Peako's Paterson Province Projects; the Sunday Creek and Mount Sears initiatives, comprise a ~403km² tenement package in the Rudall River area of the Paterson Province of Western Australia. The Paterson region is well known for its gold, base metals and uranium potential, hosting Australia's fifth largest uranium deposit at Kintyre. Uranium occurrences are known in both the Sunday Creek and Mount Sears prospects. Both prospects are considered polymetallic.

Peako's tenement package comprises four tenements (one of which is granted and three of which are pending) and was the cornerstone of Peako's portfolio of mineral assets when it first listed on ASX as Raisama Limited in 2009.

During the quarter, Peako was granted Exploration Licence E45/3278 by the Western Australian Department of Mines and Petroleum (DMP).

Exploration activities have commenced with the acquisition of past exploration data, the assessment of which will inform and shape our exploration work program for the Sunday Creek project.



Figure 1 Paterson Province Projects Location Map

Peako's Paterson Province tenement package is shown below.

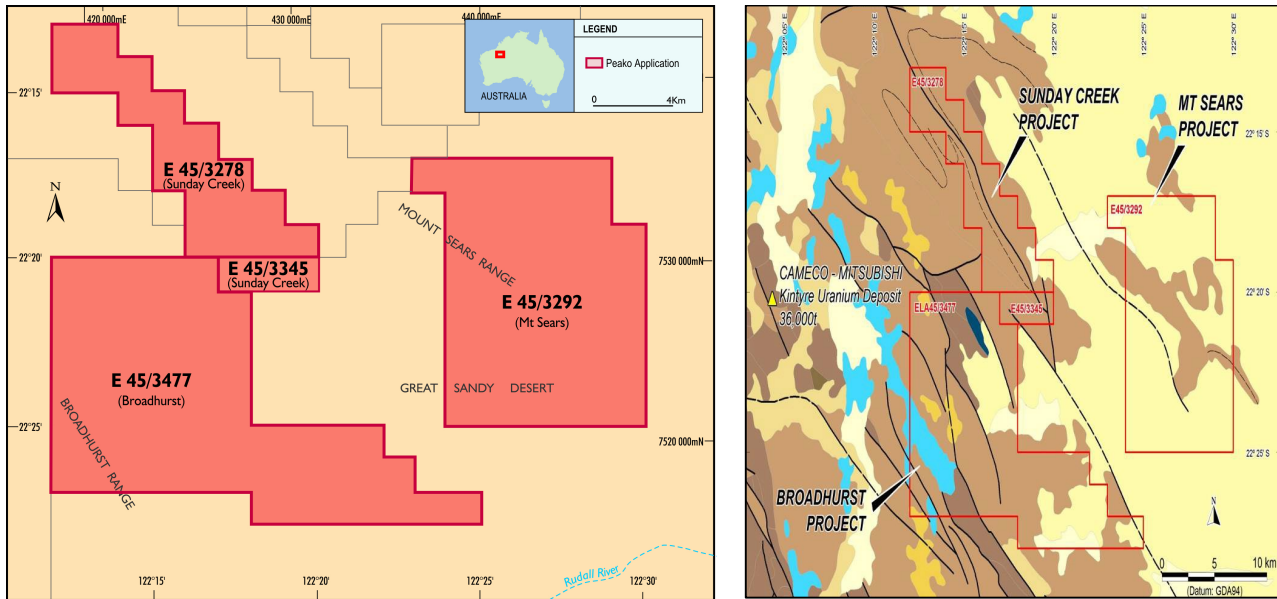


Figure 2 Paterson Province Tenement Package

Submissions have been made to DMP in relation to the other three application areas (E45/3292, E45/3345 and E45/3477) in relation to both the geological model and environmental management, with discussions ongoing.

The Sunday Creek area was first explored by others between 1978 and 1981. The lack of high resolution data available at that time resulted in extremely limited structural interpretation by previous explorers.

The Sunday Creek Prospect was initially identified as a radiometric anomaly without GPS or high resolution airborne data, with subsequent rock chip samples containing copper, uranium and lead. Radiometric anomalies were also followed up with soil geochemical surveys, which produced low assay responses, mainly due to sand cover. A four-hole reconnaissance drilling program was done at very wide spacing of 4km and a prospective contact of 20km strike length remains largely untested. The four drill holes were generally shallow and possibly positioned outside the main target zone.

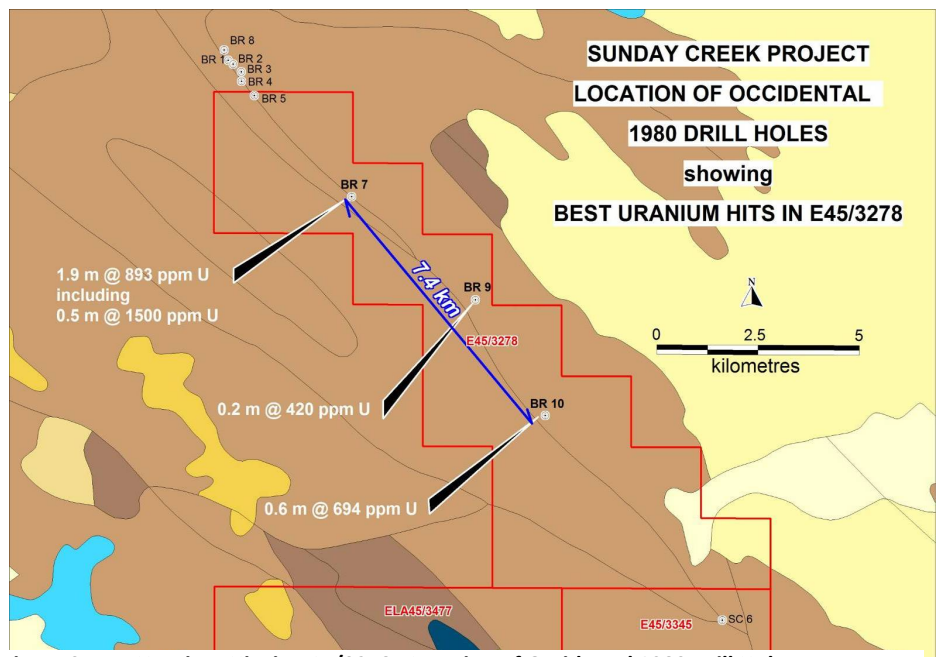


Figure 3 Best Uranium Hits in E45/3278 - Location of Occidental 1980 Drill Holes

The Mount Sears Prospect is located 25 kilometres east of the Sunday Creek Prospect covering an area of 150km². A known uranium occurrence in the Mount Sears Range was discovered by Occidental Minerals Corporation in 1978 and has an associated airborne radiometric uranium anomaly. An overview of the Mount Sears project geology and historic data indicates that the project area is prospective for copper and uranium.

After numerous years of low uranium prices, there are signals that uranium prices may recover. Uranium demand is forecast to increase in the coming years; more than 60 new nuclear reactors are under construction, 160 are planned and a further 300 are proposed¹. The low uranium prices of recent years have resulted in reduced uranium exploration activities, which, combined with pending increased demand for uranium, can be expected to result in a rising market for uranium.

SC6 (Cadlao) - Cadlao Oilfield Re-development Project, the Philippines

Peako holds a number of disputed interests in relation to the SC6 Cadlao Oilfield re-development project in the Philippines. In December 2016 the arbitration commenced by Peako against Cadlao Development Company Limited (Cadco) and Blade Petroleum Limited (Blade) in relation to the Cadco Buy-back Right was terminated by the Arbitrator at Peako's request. Cadco had failed to respond to any communication from Peako or the Arbitrator for more than two years and Peako recently learned that Blade Petroleum Limited is in liquidation. As such, the arbitration was considered to have little prospect of a meaningful outcome. Peako reserves its rights in relation to the Cadco Buy-back Right, but at this stage assesses there to be little likelihood of realizing value for that Right.

CORPORATE

During the quarter the share capital of the Company was consolidated on a one for twenty basis, making the company's share capital more workable and a more attractive investment vehicle. The number of shares on issue reduced from 1,020,380,247 to 51,019,137.



Rae Clark
Director and Company Secretary

¹ <http://www.world-nuclear.org/information-library/current-and-future-generation/plans-for-new-reactors-worldwide.aspx>

Additional Information Required by Listing Rules 5.3.3 and 5.4.3

Mining Tenements held at the end of the quarter and their location

Western Australia (Paterson Province)	
ELA45/3278	Granted
ELA45/3345	Application
ELA45/3477	Application
ELA45/3292	Application

Petroleum Tenements held at the end of the quarter and their location

The Philippines	
SC-6 Cadlao	Granted

Tenements acquired during the quarter and their location

Nil.

Tenements disposed of during the quarter and their location

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Farm-in / Other Agreements

Peako's interests in relation to the SC6 Cadlao Oilfield re-development project are held via its subsidiary Peak Oil & Gas (Australia) Pty Ltd (Peak). The interests are all disputed, as follows:

1. A 25% Cadlao joint venture interest (held in trust by Cadlao Development Company Limited (Cadco)) for Peak or, alternatively, an entitlement to receive \$6.7 million as consideration for the buyback of the 25% interest; and
2. A prospective indirect economic interest held by way of a 40% shareholding held by our subsidiary, Energy Best Limited (EBL), in VenturOil Philippines Inc (VenturOil) (itself a 20% interest holder in the Cadlao Joint Venture) and a 5% interest in the Service Contract SC6 Cadlao held by VenturOil in trust for EBL. The 40% shareholding and subsequent associated funding obligation was intended to provide EBL with 75% dividend rights in respect to its 40% shareholding.
3. An aggregate 80% interest in overriding royalty interests relating to 3.3% of production held by Peak Royalties Limited
4. A loan receivable from VenturOil for US\$736,188

Farm-out Agreements

Nil.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter:

Nil.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Peako Limited

ABN

79 131 843 868

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(5)	(5)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(44)	(102)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash used in operating activities	(48)	(105)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of: (a) property, plant and equipment (b) tenements (see item 10) (c) investments (d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities		

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	215	272
4.2 Net cash used in operating activities (item 1.9 above)	(48)	(105)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)		
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	167	167

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	45	44
5.2 Call deposits	122	171
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	167	215

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

--

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

23

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

--

9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation

10

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

30

9.6 Other (provide details if material)

9.7 Total estimated cash outflows**40**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		See Activity Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		See Activity Report		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 31 January 2017

Print name: Raewyn Clark

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.