

31 January 2018

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

ASX Code: PKO

QUARTERLY ACTIVITIES REPORT

31 December 2017

PROJECTS

Eastman Project Farmin

During the quarter Peako executed an agreement with Sandrib Pty Ltd under which it has the right to earn a 60% interest in the Eastman Project Tenement. Peako will be the sole manager of the Eastman Project Tenement and can earn 60% of the Tenement by satisfying staged farmin milestones with specific exploration expenditure commitments. Upon Peako earning 60% ownership, a contributing joint venture will be established, with each party contributing in proportion to its joint venture interest.

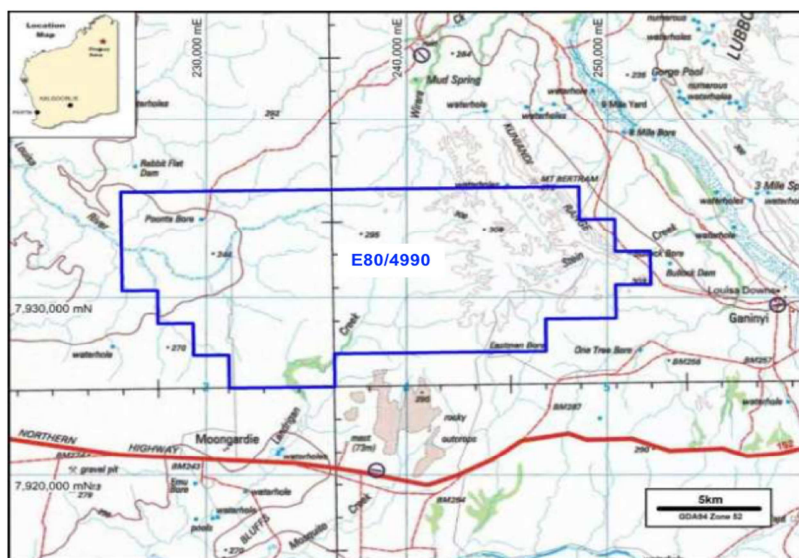


Figure 1 Eastman Project Tenement Location

The Eastman Project Tenement (Exploration Lease E80/4990) covers an area of 221.2 km² and is currently held 100% by Sandrib Pty Ltd. The Eastman Project Tenement is located on Louisa Downs Station, 120 km southwest of Halls Creek, Western Australia. Access to the tenement area is via the Great Northern Highway from either Broome or from Kununurra and via station tracks. The Great Northern Highway is 5km south of the tenement (refer Figure 1).

The Eastman Project Tenement contains a number of previously identified prospects. Peako considers that using modern geophysical methods there are substantial remaining exploration opportunities for the discovery of economic resources in a range of mineralisation styles within the tenement, including:

- Copper-Zinc-Lead-Silver-Gold mineralisation of the Volcanogenic Massive Sulphide (VMS) type associated with the Koongie Park Formation (Eastman and Landrigan Prospects); and
- Nickel-Copper-Platinum Group Metals mineralization associated with the mafic-ultramafic intrusions of the Lamboo Ultramafics and the Sally Downs Gabbroic Intrusions (Eastman Bore Intrusion - Eastern and Western Zones)

The first reported exploration in the Eastman project area was in 1967 with prospecting of gossanous outcrops for base metals. Since then various mining companies have explored the area for a range of mineral styles mainly targeting VMS Cu-Pb-Zn-Ag-Au and magmatic Ni-Cu-PGE massive sulphide deposits.

Most of the previous exploration targeted the southeast quadrant of the tenement. Previous activities consisted of:

- Geological and geochemical surveys,
- Geophysical survey Versatile Time Electromagnetic (VTEM); and
- Reverse Circulation (RC) and diamond drilling.

The geophysical surveys defined a number of anomalies which resulted, in subsequent drilling campaigns and the discovery of strong base metals and PGE mineralisation.

Exploration program

Peako intends to undertake an IP Survey over two previously identified prospects, the Eastman and Landrigan Prospects, in order to delineate initial drill targets.

The Farmin and Joint Venture will provide Peako with access to a project with significant exploration drill results to date and potential for further exploration success.

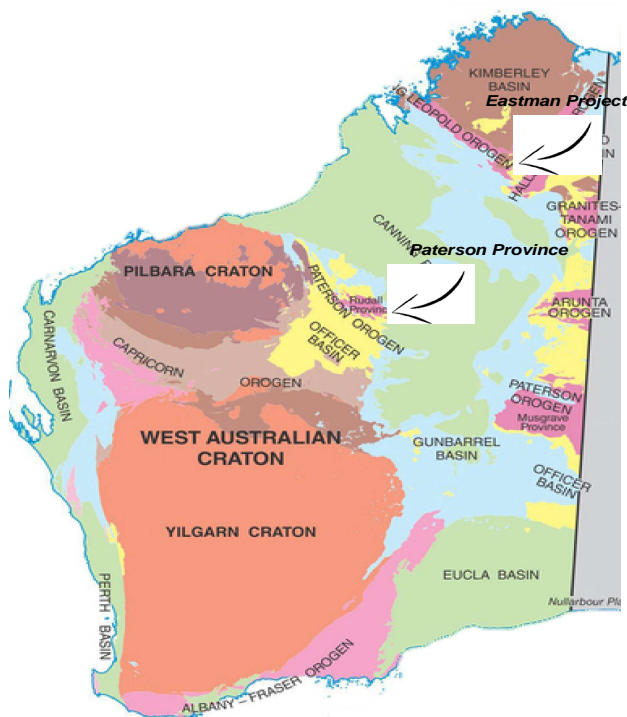


Figure 2 Eastman Project and Paterson Province Projects Location Map

Paterson Province Mineral Projects, Western Australia

Peako's Paterson Province Mineral Projects; the Sunday Creek and Mount Sears initiatives, comprise a ~403km² tenement group in the Rudall River area of the Paterson Province of Western Australia (shown in Figure 3 below). 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 the granted Exploration Licence E45/3278, and three at the applications stage. They were the cornerstone of Peako's portfolio of mineral assets when it first listed on ASX as Raisama Limited in 2009.

Exploration activities have commenced with the acquisition of samples and data previously acquired by a third party, the assessment of which will inform and shape our exploration work program for the Sunday Creek project.

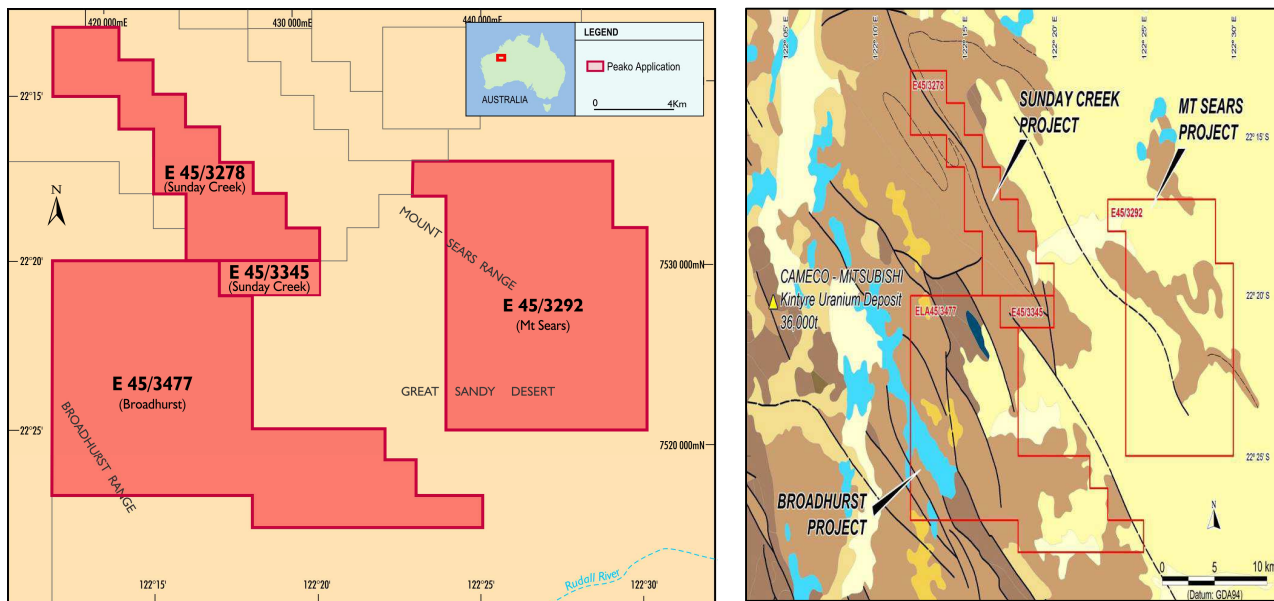


Figure 3 Paterson Province Tenement Package

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 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 conducted at spacing of 4km and a prospective contact of 20km strike length is considered to remain largely untested.

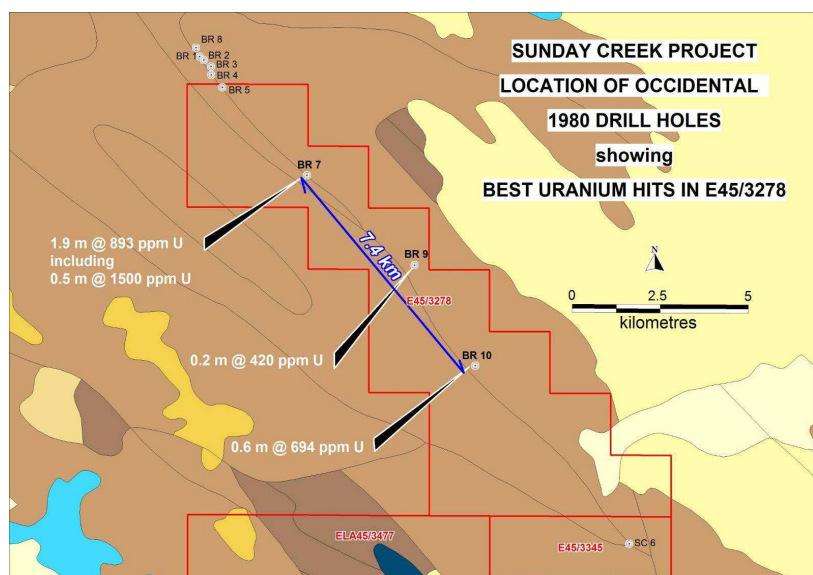


Figure 4 Best Uranium Hits in E45/3278 - Location of Occidental 1980 Drill Holes

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.

In June 2017, the government of Western Australia implemented a ban on uranium mining on all future granted mining leases in Western Australia. Peakco is reviewing its strategy and exploration work program as a consequence of this ban.

Other Opportunities

Peakco is seeking to expand its mineral interests and continued to review and assess a number of opportunities.

CORPORATE

During the quarter, the Company raised \$315,023 before costs, via a non-renounceable rights issue. 21,001,541 shares were issued and 21,001,541 options (exercisable at \$0.025 (2.5 cents) on or before 30 June 2019) were granted as a result of the rights issue.



Rae Clark
Director

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 2017

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)	(23)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(43)	(81)
1.3 Dividends received (see note 3)		
1.4 Interest received		
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)	(104)

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	315	315
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	(8)	(8)
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	307	307

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	57	113
4.2 Net cash used in operating activities (item 1.9 above)	(48)	(104)
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)	307	307
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	316	316

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	302	43
5.2 Call deposits	14	14
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)	316	57

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**

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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**

18

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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.		

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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:
(Company Secretary)

Date: 31 January 2018

Print name: R.J. WRIGHT

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.