



ASX RELEASE

25 July 2019

Drilling Contract Award — Eastman Project

Peako Limited (ASX: PKO) is pleased to advise that it has awarded a contract for drilling services at its Eastman Project to Strike Drilling Pty Ltd. The rig is currently working elsewhere in north Western Australia and is expected to be mobilised to the Eastman Project in August 2019.

Peako has designed a 1,800m RC drilling program to test compelling geophysical targets identified via induced polarisation (IP) survey at the Eastman and Landrigan VHMS prospects and is supported of a \$150,000 Environment Incentive Scheme drilling grant from the Western Australian government¹.

Peako's East Kimberley copper exploration strategy focusses on VHMS (volcanic hosted massive sulphide) deposits in order to leverage from an impending global copper supply shortfall. Globally, VHMS deposits present a powerful value proposition; median grades of 1.75% copper and median tonnages of 2.5 million Mt² copper underpin the potential for rapid discovery-development timelines and high returns offered by this deposit style.

In September 2018 Peako commissioned an Induced Polarisation (IP) survey program over its Eastman and Landrigan prospects where sparse and sporadic historic exploration, primarily guided by surface gossans and geochemical anomalies, has revealed known VHMS mineralisation, including:

Eastman: 12m @ 3.2% Cu, 5.7% Zn, 1.86% Pb, 26.5 g/t Ag & 0.41g/t Au³

Landrigan: 9.6m @ 2.7% Cu, 1.5% Zn, 0.3% Pb, 12.6 g/t Ag and 1.5 g/t Au¹

The IP surveys successfully detected the known mineralisation at each of Eastman and Landrigan, thus validating the geophysical method and, significantly, identified blind geophysical targets at each prospect along strike of known mineralisation.

Peako Chairman Mr Geoff Albers commented "We are delighted to have been able to secure a rig from Strike Drilling and excited to commence our maiden drilling program".

¹ Refer to Peako's ASX announcement 23 May 2019

² Mosier, D.L., Berger, V.I., and Singer, D.A., 2009, Volcanogenic massive sulfide deposits of the world; database and grade and tonnage models: U.S. Geological Survey Open-File Report 2009-1034 [<http://pubs.usgs.gov/of/2009/1034/>].

³ Refer to Peako's ASX Announcement 15 August 2018

Figure 1. Eastman and Landrigan Planned Drilling Program

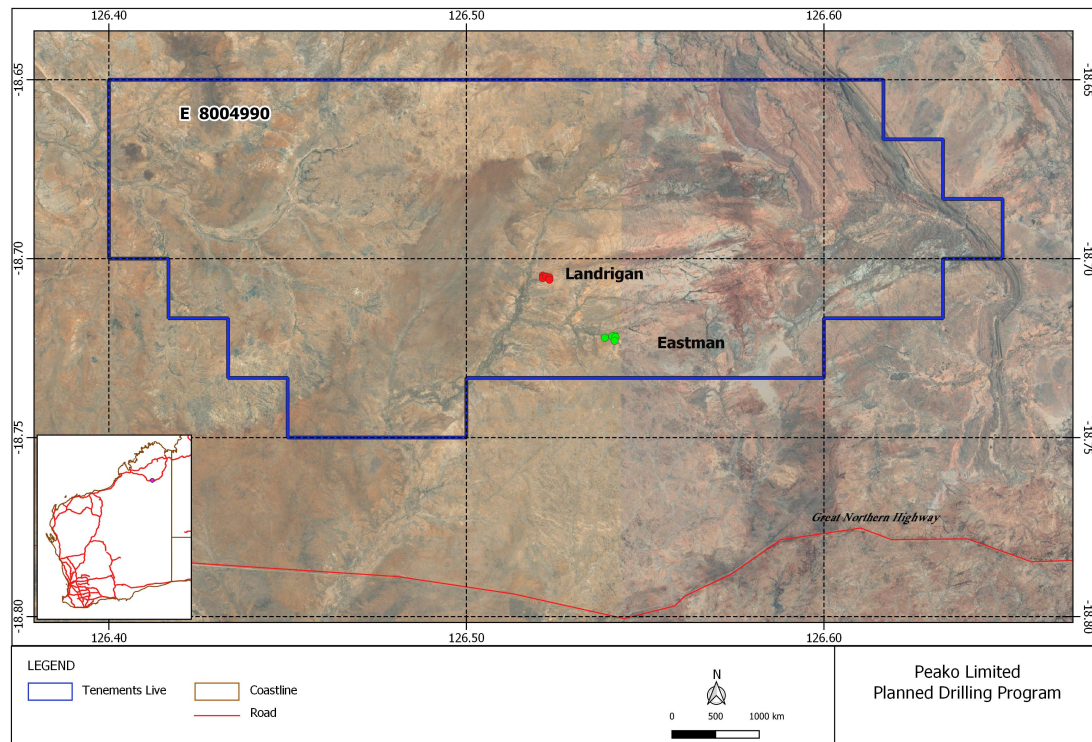


Figure 2. Eastman Prospect 3D view of IP chargeability results. *Image courtesy of Resource Potentials Pty Ltd.*

3D view looking down and towards the west at the Eastman GAIP chargeability image, DDIP chargeability cross section models and outlines of interpreted Cu and Zn mineralisation zones

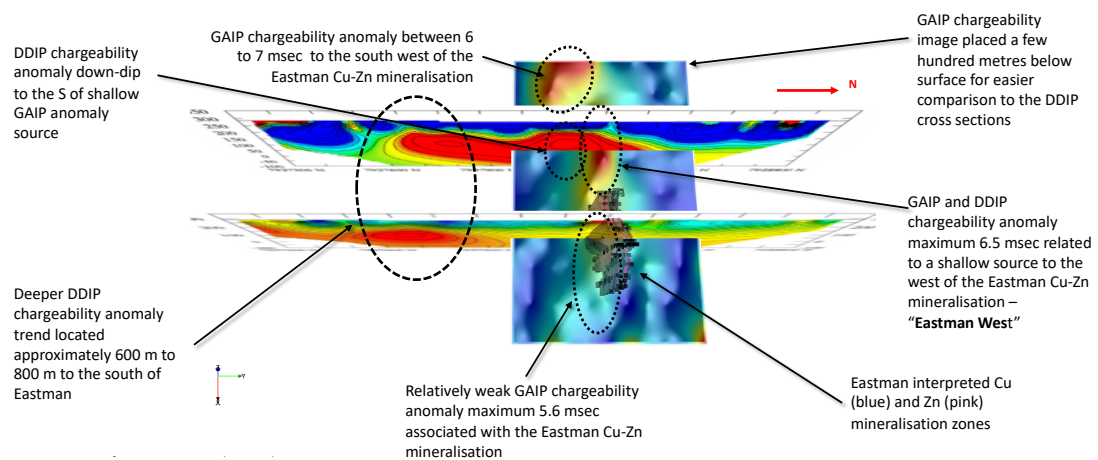


Figure 3. Landrigan Prospect 3D view of IP chargeability results. *Image courtesy of Resource Potentials Pty Ltd.*

3D view looking down and towards the W at the Landrigan GAIP chargeability image and the DDIP chargeability cross section model for line 238700 mE

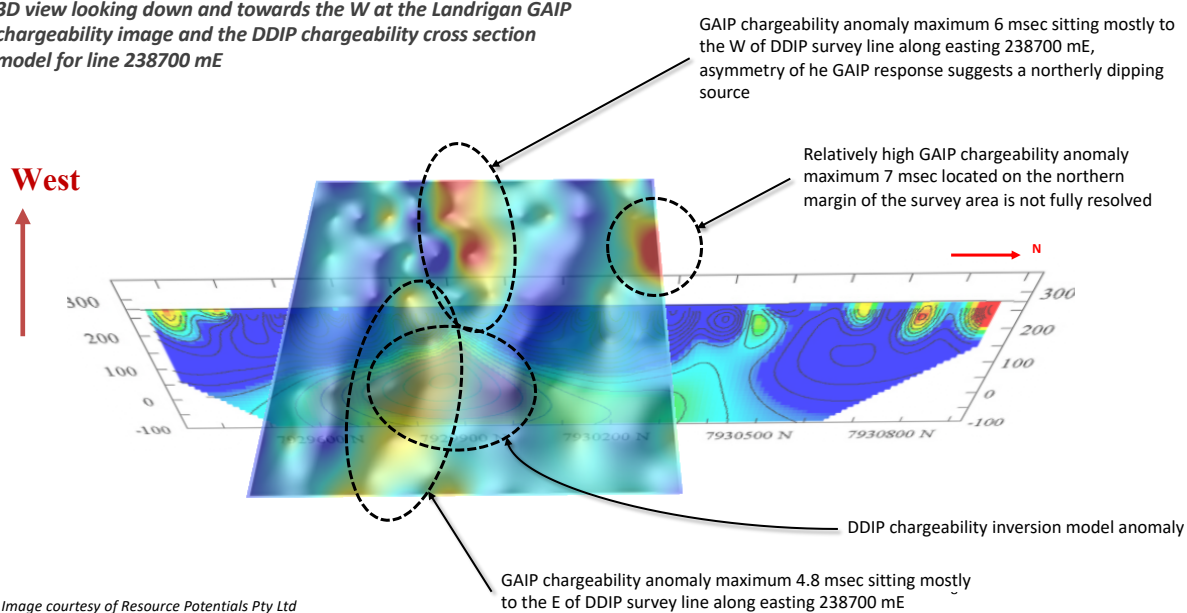


Image courtesy of Resource Potentials Pty Ltd