Quarterly Activities Report 30 June 2019

- **Programme of Work approval for drill program to test IP anomaly targets detected along strike of known base metal sulphide Cu-Zn-Ag-Au mineralisation at the Eastman and Landrigan prospects:**
  - **Eastman West where IP anomalies provide an immediate "walk-up" drilling opportunity**
  - **Landrigan where new IP targets located to the east and west of existing drillholes coincide with anomalous end of hole geochemistry from historical shallow drilling**
- **Award of $150,000 WA Government Exploration Incentive Scheme grant to co-fund drilling program**
- **New application increasing Peako's East Kimberley tenement package to ~1,200km^2**

PROJECTS

East Kimberley Copper Projects

Peako's East Kimberley copper exploration strategy focusses on VHMS (volcanic hosted massive sulphide) deposits in order to leverage from the impending global copper supply shortfall. Globally, VHMS deposits present a powerful value proposition; median grades of 1.75% Cu and median tonnages of 2.5 million Mt[1] underpin the potential for rapid discovery-development timelines and high returns offered by this deposit type.

During the quarter Peako made application for additional ground adjacent to its existing tenements in the underexplored belt-scale East Kimberley copper province. Peako's East Kimberley tenements are largely located on Louisa Downs Station, 120 km to the southwest of Halls Creek. Access to the tenements is via the Great Northern Highway and station tracks.

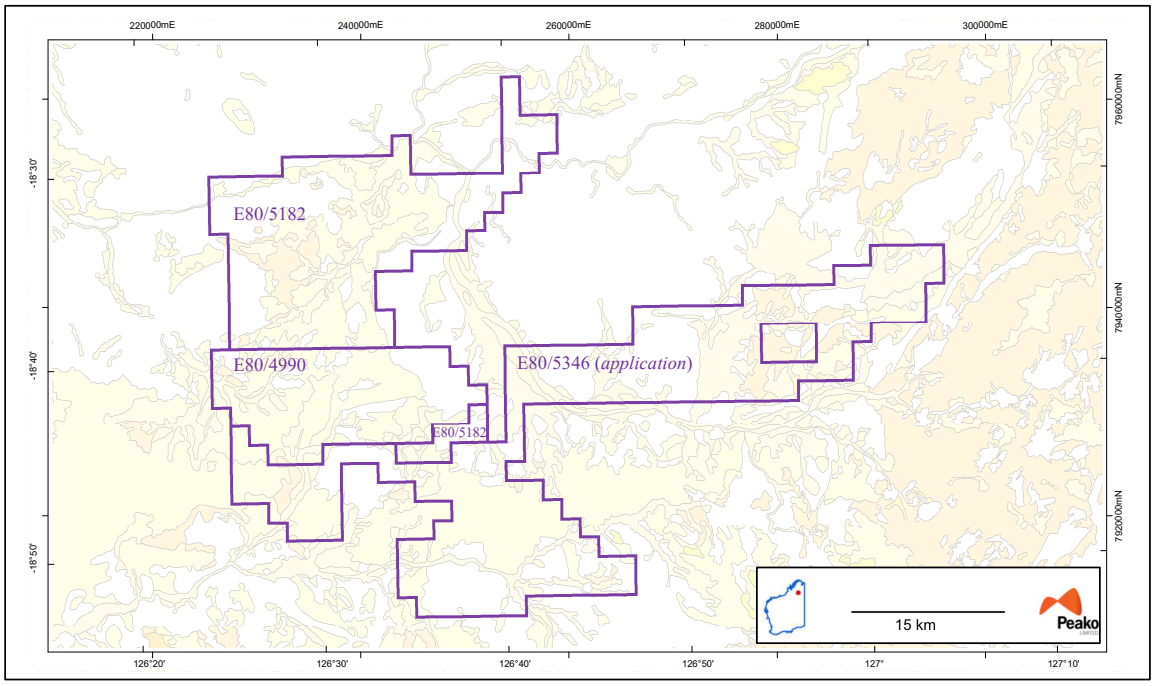

Figure 1 Peako's East Kimberley Tenement Package

[1] 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/].

Peako's East Kimberley tenements have historically been sparsely and sporadically explored for a wide range of mineralisation styles and commodities over a large area. Historical exploration was primarily guided by surface gossans and geochemical anomalies, with only the more significant geochemical anomalies tested by limited shallow drilling. Prior use of geophysical methods including VTEM survey, were ineffective at identifying mineralisation, including that identified by drilling.

Peako's initial focus is on its advanced Eastman and Landrigan VHMS prospects, identified by prior explorers based on outcropping mineralisation:

Eastman: 12m @ 3.2% Cu, 5.7% Zn, 1.86% Pb, 26.5 g/t Ag & 0.41g/t Au[2]

Landrigan: 9.6m @ 2.7% Cu, 1.5% Zn, 0.3% Pb, 12.6 g/t Ag and 1.5 g/t Au[1]

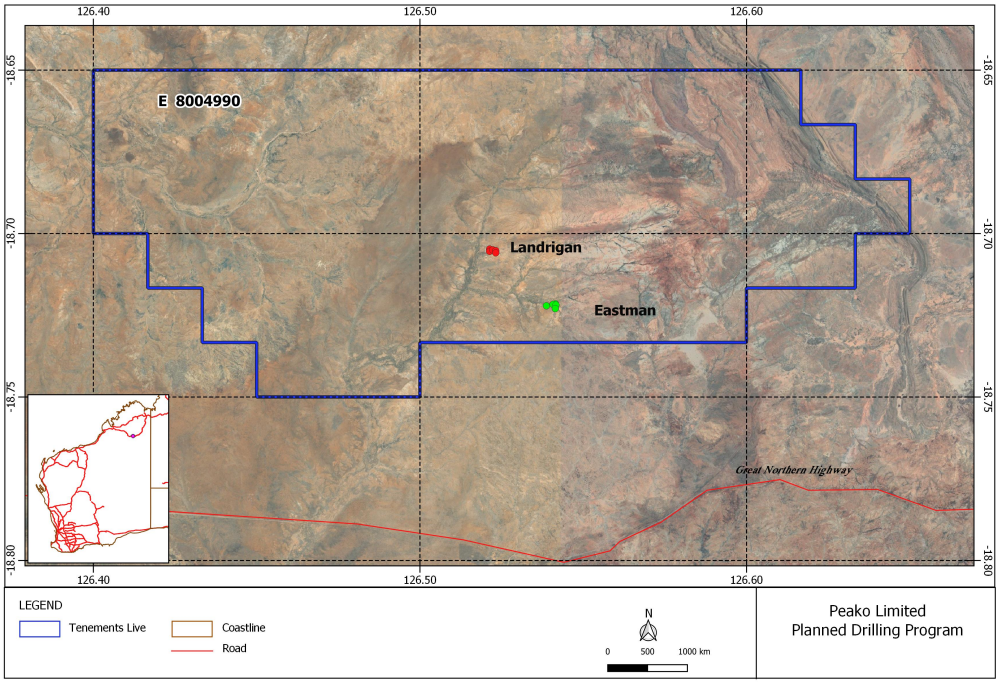

Figure 2 Eastman and Landrigan Planned Drilling Program

Having determined that modern geophysical methods offered new potential, Peako conducted an Induced Polarisation (IP) survey program consisting of both Gradient Array IP (GAIP) and Dipole-Dipole IP (DDIP) at the Eastman and Landrigan prospects in late 2018. The IP surveys successfully detected the known mineralisation at each prospect, thus validating the induced polarisation (IP) method[3], and significantly, identified blind geophysical targets at each prospect along strike of known mineralisation (see figures 3 and 4).

Drillholes have been designed to test these targets at both prospect areas. Programme of Work approval for the planned drillholes was been obtained from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) during the quarter.

In May 2019 Peako was awarded a $150,000 Western Australian Government Exploration Incentive Scheme ("EIS") grant to co-fund drilling of these geophysical targets, structured as a contribution towards 50% of direct drilling costs.

Peako plans to test the geophysical targets identified at both the Eastman and Landrigan VHMS prospects via its maiden drilling program, consisting of 1,800m of RC drilling, during August 2019.

[2] Refer to Peako's ASX Announcement 15 August 2018

[3] Refer to Peako's ASX announcements 31 October 2018, 28 November 2018

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

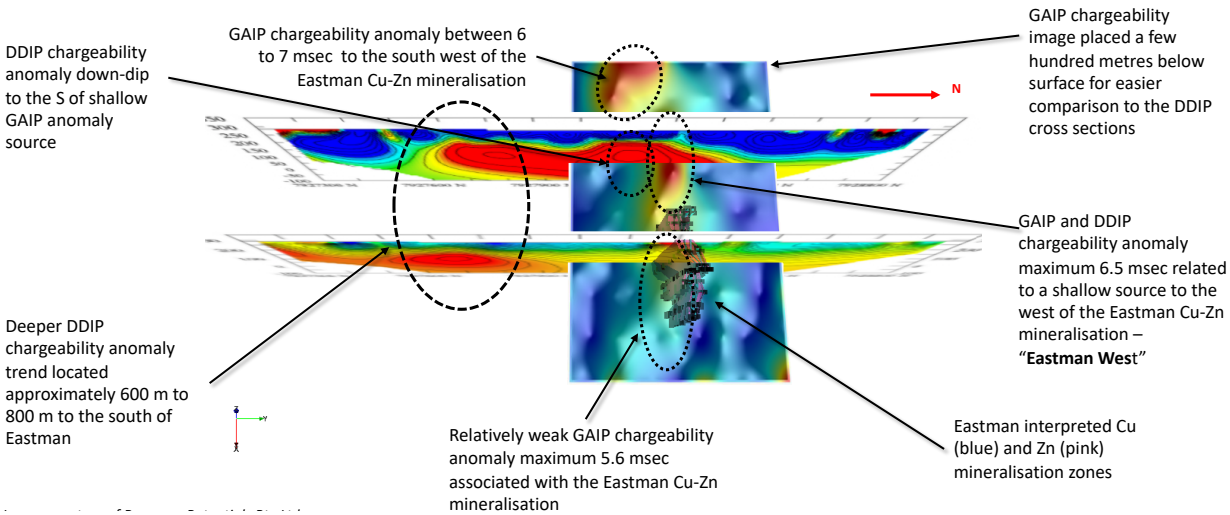

Figure 3 Eastman Prospect 3D view of IP chargeability results. Image courtesy of Resource Potentials Pty Ltd.

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

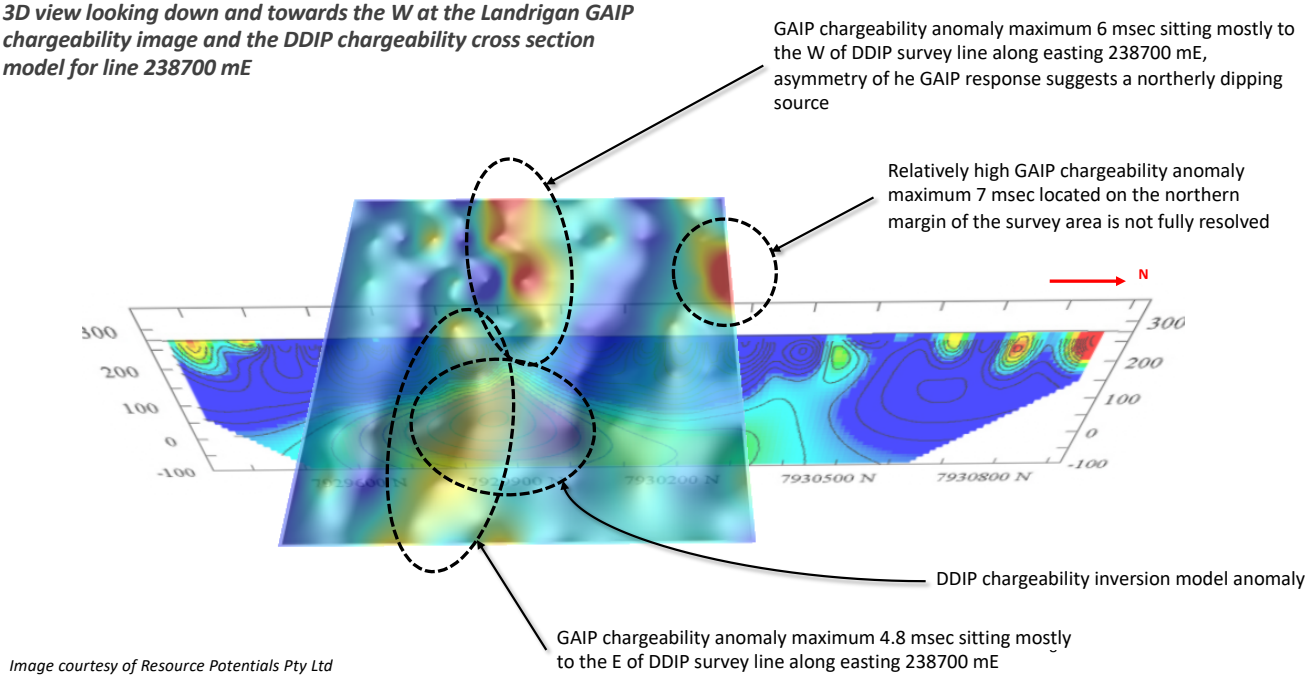

Image courtesy of Resource Potentials Pty Ltd

Figure 4 Landrigan Prospect 3D view of IP chargeability results. Image courtesy of Resource Potentials Pty Ltd.

Paterson Province Projects

Peako's Broadhurst Project tenement is located in the Rudall River area of the Paterson Province of Western Australia, known for its gold, base metals and uranium potential (Figure 5).

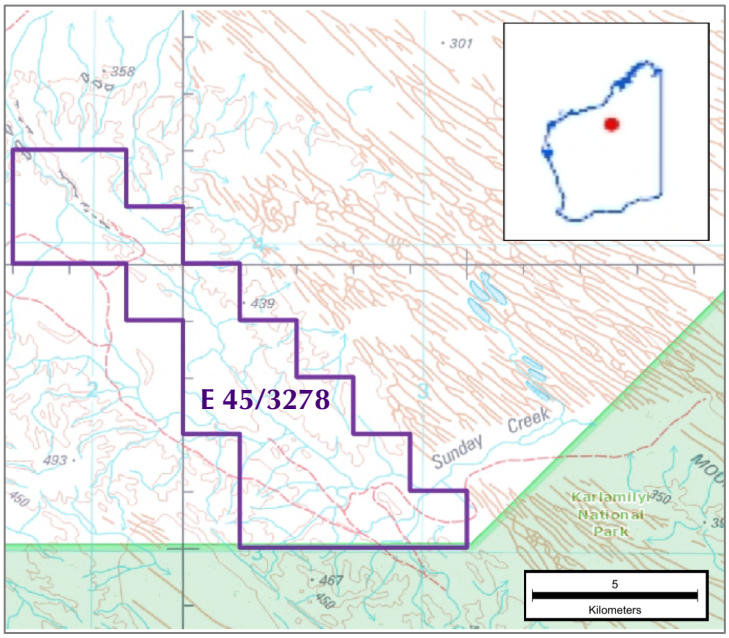

Figure 5. Broadhurst Project tenement location

Historically, the Broadhurst Project has mainly been explored for uranium mineralisation in the eastern part of the project area, with little exploration carried out for base metal mineralisation.

According to historical geological mapping, the bedrock geology of the project area is entirely made up of carbonaceous shales and siltstones of the Broadhurst Formation, and quartz sandstones and siltstones of the underlying Coolbro Sandstone Formation.

The location of Broadhurst Formation shales are shown in regional GSWA bedrock geology maps to extend along strike to the north west of Sunday Creek, where the shale units host the Metals X Nifty Cu deposit, as well as several Cu and other base metal prospects (mainly Pb-Zn) held by Encounter Resources and others (Figure 6).

Peako is using geological, geochemical and geophysical methods to identify base metal target zones for investigation. Previously acquired open-file airborne EM survey data acquired along 1km spaced east-west flight lines has been re-processed to assist with highlighting broad scale conductivity patterns, estimating thickness of regolith and Permian Paterson Formation sedimentary cover, and estimating depth to top of conductive Broadhurst Formation shale units.

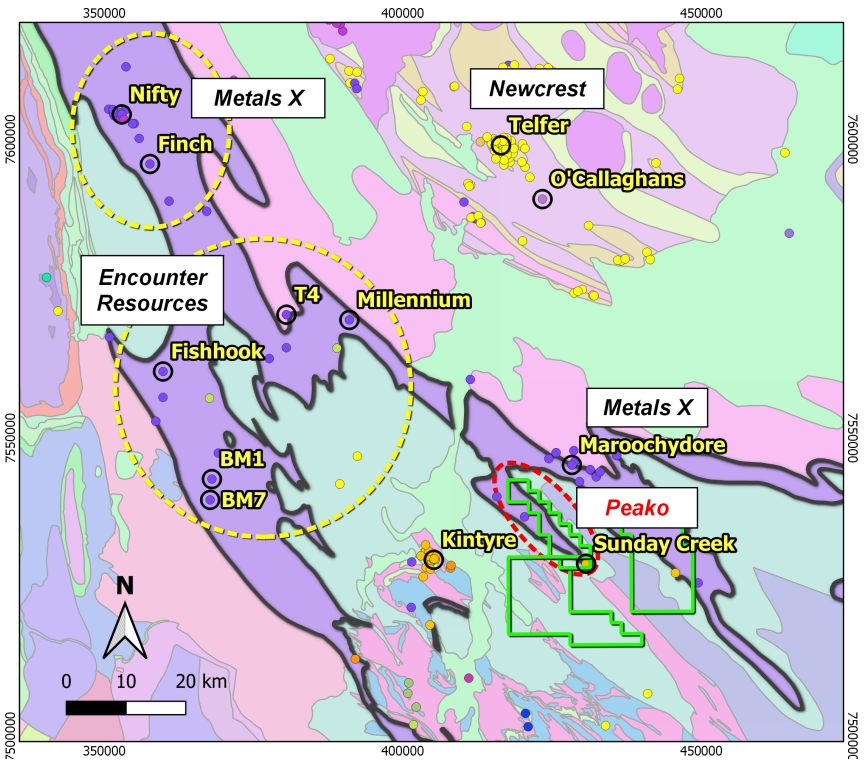

Figure 6 Broadhurst Formation (blue) with tenement outlines (green) and key mineral prospects and mines

3D inversion modelling has been carried out on a high-resolution airborne magnetic survey data set acquired by Peako in 2008. As well as potentially identifying relatively shallow pyrrhotite rich beds within the Broadhurst Formation sitting below regolith cover, the resulting magnetic inversion models can be used to assist with mapping and targetting of prospective fold and fault structures within the Broadhurst Formation for hosting sedimentary replacement style base metal mineralisation.

Peako also has three long standing applications for exploration licences located close to its Broadhurst Project tenement.

Runton Project and Durack Ranges Project

Following a strategic review of the company's exploration projects, the company elected to withdraw from its arrangements in relation to the Runton Project (E45/3736) and the Durack Ranges Project (E80/5080) in order to focus on copper exploration, with a particular focus on VHMS style deposits in Kimberley.

CORPORATE

30 June 2019 options

During the quarter a total of 1,207,867 options exerciseable at $0.025 and expiring 30 June 2019 were exercised. On 30 June 2019, 19,793,674 options exerciseable at $0.025 and expiring 30 June 2019 that had not been exercised lapsed.

Non-renounceable pro rata rights issue

Following the end of the quarter, on 2 July 2019, the company announced a non-renounceable pro rata rights issue on the basis that for every two Shares held as at the Record Date, Eligible Shareholders may subscribe for one new Share at an issue price of $0.02 (2 cents) per new Share. Each subscriber will also be entitled to receive 1 New Option (exercisable at $0.025 on or before 30 April 2020) for every Share subscribed for and received under this Prospectus, for no additional consideration.

The Rights Issue seeks to raise up to $769,785 (before costs) to provide working capital for Peako and to fund drill-testing of IP anomalies detected at Peako's Eastman and Landrigan prospects in the East Kimberley. If fully subscribed, a total of approximately 38,489,273 new Shares will be issued under the Rights Issue.

Rae Clark
Director
31 July 2019

Additional Information Required by Listing Rules 5.3.3 and 5.4.3

Mining Tenements held/applied for at the end of the quarter and their location

Tenement	Peako interest	Tenement status
Western Australia (East Kimberley Region)		
E 80/4990	60%*	Granted
E 80/5182	100%	Granted
E 80/5346	100%	Application
Western Australia (Paterson Province)		
E 45/3278	100%	Granted
E 45/3345	100%	Application
E 45/3477	100%	Application
E 45/3292	100%	Application

*Earning pursuant to farm-in agreements

Tenements acquired during the quarter and their location

Tenement	Peako interest	Tenement status
Western Australia (East Kimberley Region)		
E 80/5346	100%	Application

Tenements disposed of during the quarter and their location

Tenement	Peako interest	Tenement status
Western Australia (East Kimberley Region)		
E 80/5080	60%*	Granted
Western Australia (Plbara)		
E 45/3736	25%	Granted

*Earning pursuant to farm-in agreements

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

E 80/4990 - Peako is earning a 60% interest in the tenement.

+Rule 5.5

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	**Quarter ended ("current quarter")**
79 131 843 868	30 June 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(93)	(331)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(10)	(125)
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**	**(103)**	**(456)**

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 (12 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	30	30
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	95	265
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**	**125**	**295**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8	191
4.2	Net cash used in operating activities (item 1.9 above)	(103)	(456)
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)	125	295
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**30**	30

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	30	8
5.2	Call deposits		
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)**	**30**	**8**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
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

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	7
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

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	250	250
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.

Line of credit facility from Australis Finance Pty Ltd, secured by floating charge, interest rate of 7%.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	120
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	30
9.6	Other – proceeds from rights issue	(550)
9.7	**Total estimated net cash inflow**	**(400)**

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: ..... Date: 31 July 2019
(Company Secretary)

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.