



ASX RELEASE

1 August 2019

Eastman Project Stage 2 Farmin

- **Stage 2 Farmin Agreement executed for Eastman Project**
- **Peako may earn an additional 25% (for aggregate 85% interest)**

Peako Limited (ASX: PKO) is pleased to advise that it has executed an Amended and Restated Farmin and Joint Venture Agreement with Sandrib Pty Ltd to effect a Stage 2 farm-in option by which it may earn an additional joint venture interest to increase its total interest in the Eastman project tenement (E80/4990) to 85%.

Peako is earning a 60% joint venture interest in the Eastman project tenement pursuant to an existing Farmin and Joint Venture Agreement¹. The tenement is located on Louisa Downs Station, 120km southwest of Halls Creek, Western Australia and accessed via the Great Northern Highway from either Broome or Kununurra which passes 5km to the south of the tenement.

The Eastman project tenement is the central focus of Peako's East Kimberley VHMS (volcanic hosted massive sulphide) focussed copper exploration strategy and hosts compelling geophysical targets Peako is planning to drill test in August 2019, supported by a \$150,000 Environment Incentive Scheme drilling grant from the Western Australian government².

Prior exploration in the tenements 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.

Having determined that modern geophysical methods offered new potential, Peako conducted an Induced Polarisation (IP) survey program in 2018 consisting of both Gradient Array IP (GAIP) and Dipole-Dipole IP (DDIP) at the 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 Au³

Landrigan: 9.6m @ 2.7% Cu, 1.5% Zn, 0.3% Pb, 12.6 g/t Ag and 1.5 g/t Au³

¹ Refer to Peako's ASX announcement 22 November 2017

² Refer to Peako's ASX announcement 23 May 2019

³ Refer to Peako's ASX Announcement 15 August 2018

The IP surveys successfully detected the known mineralisation at each prospect, thus validating the induced polarisation (IP) method⁴, and significantly, identified blind geophysical targets at each prospect along strike of known mineralisation, which Peako plans to test via a 1,800m RC drilling program.

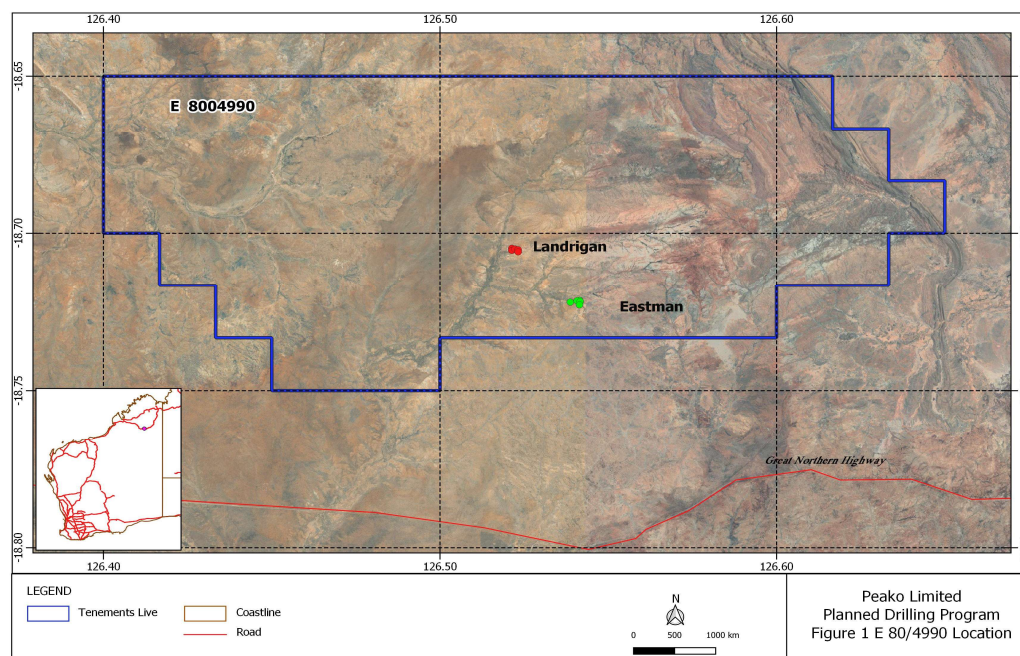
Key Terms of Stage 2 Farm-in

- Peako may elect to earn an additional 25% interest:
 - within 30 days of having earned its 60% interest by spending \$668,000 before 21 September 2021;
 - by undertaking to fund a further \$475,000 of exploration expenditure in the tenement before 21 September 2022; and
 - making payment of consideration to Sandrib Pty Ltd to the value of \$60,000

Chairman Comments

Peako Chairman Mr Geoff Albers commented “We are excited about drill testing the geophysical targets at Eastman and Landrigan and delighted to have been able to secure an option to increase our interest in the Eastman project tenement”.

Figure 1. Eastman and Landrigan Planned Drilling Program



⁴ Refer to Peako’s ASX announcements 31 October 2018, 28 November 2018

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

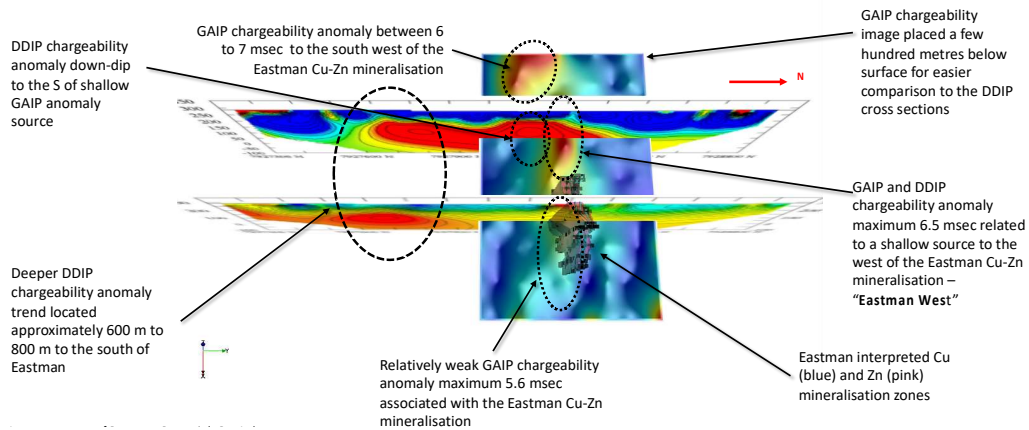


Figure 3. Landrigan Prospect 3D view of IP chargeability results. *Image courtesy of Resource Potentials Pty Ltd.*

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

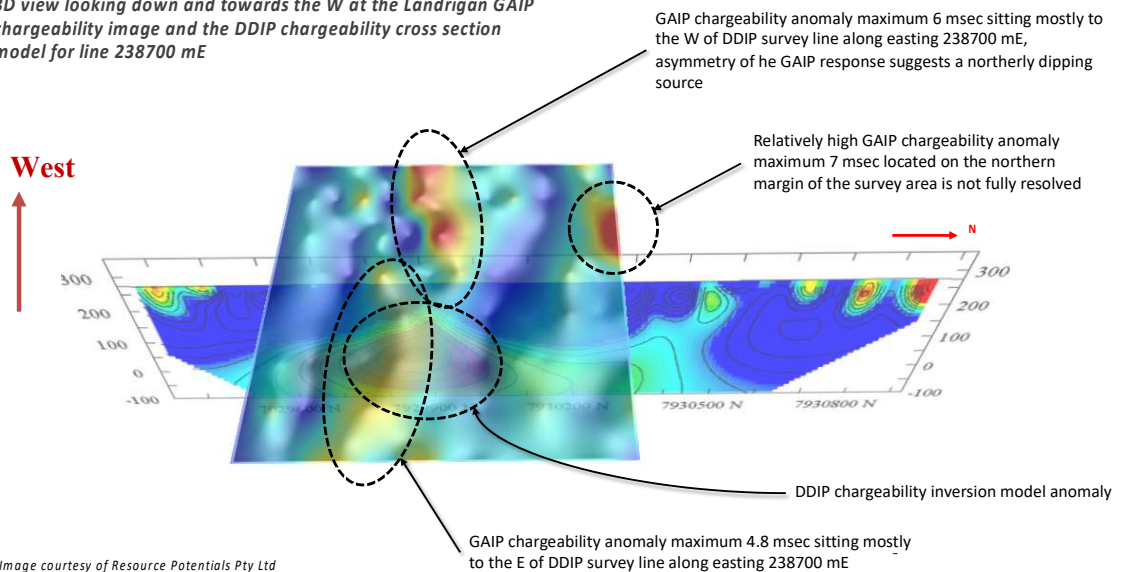


Image courtesy of Resource Potentials Pty Ltd