

RC Drilling Commences at East Kimberley Copper-Gold Project

RC drilling of geophysical anomalies at Eastman and Landrigan is now underway

- 1,800m Reverse Circulation (“RC”) drilling program target anomalies identified by geophysical survey
- Drilling will test anomalies along strike of known copper and gold mineralisation
- Drilling is co-funded by WA Government with a drilling grant of up to \$150,000



Figure 1 RC rig drilling at Eastman Prospect, East Kimberley, Western Australia

Peako Limited (ASX: PKO) is pleased to advise that it has commenced drill testing a series of high-priority targets at its East Kimberley Copper-Gold Project in the Kimberley region of Western Australia.

The drilling program, comprising ~1,800m of RC drilling is being conducted by Profile Drilling Services Pty Ltd (Profile) and will test compelling geophysical targets identified last year via induced polarisation (IP) surveys at each of the Eastman and Landrigan VHMS (volcanic hosted massive sulphide) prospects and is supported by a \$150,000 Environment Incentive Scheme drilling grant from the Western Australian government. Peako is pleased to have secured the services of Profile to carry out the drilling program following the unavailability of the prior proposed drilling contractor.

Peako’s IP surveys indicate the presence of multiple targets along strike of known mineralisation that are completely untested by historic drilling. The IP method deployed by Peako was validated by its success at detecting known mineralisation at each prospect, where previous geophysical methods, including VTEM survey, have been ineffective.

Compelling Drilling Targets

The East Kimberley is a prospective and underexplored frontier with potential for discovery of substantial copper-gold resources. Chairman Geoff Albers said the Company is pleased to announce the start of drilling. "The program will test a number of IP anomalies which we believe represent compelling drilling targets." He said

"The success of our IP program at detecting the known mineralisation and identifying blind targets offers new potential for unlocking the prospectivity of this area where previously, lack of an effective geophysical method has curtailed historical exploration. We are now putting these targets to the ultimate test with drilling and are really looking forward to see what this project can deliver."

Figures 3 and 4 show the Eastman and Landrigan prospects with IP targets and historic drilling.

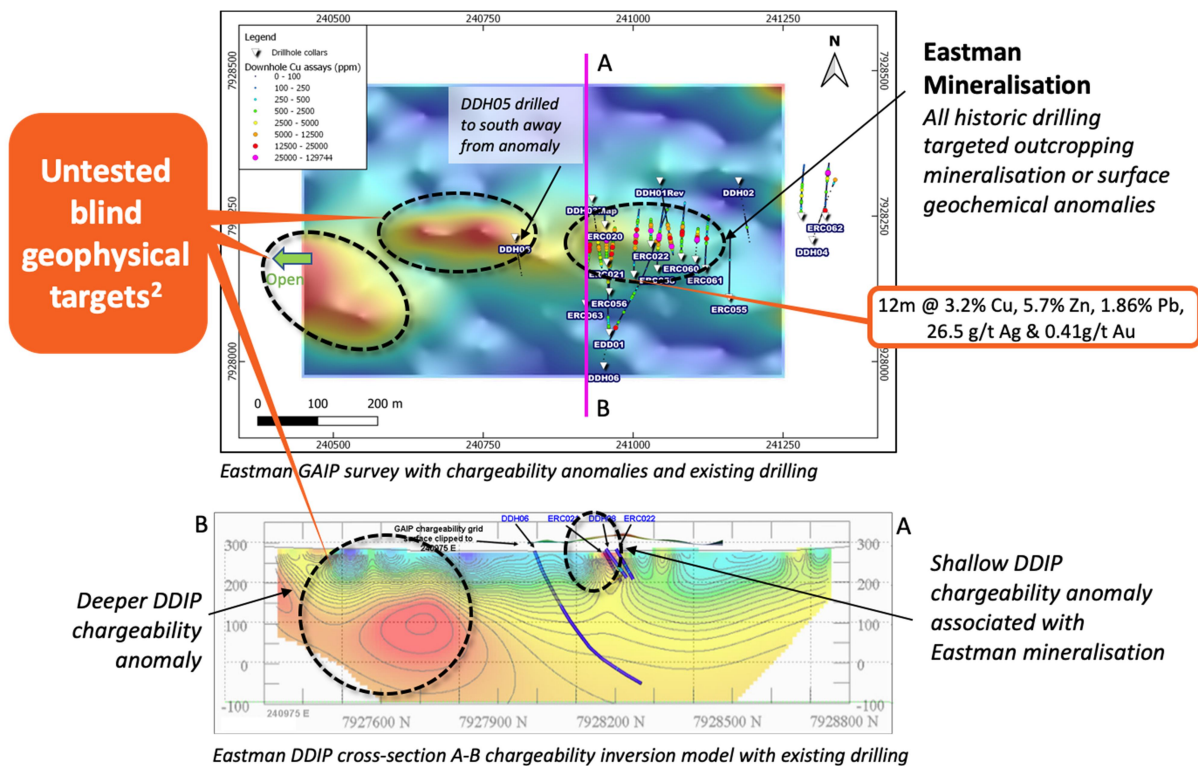


Figure 2 Eastman Prospect Geophysical Targets

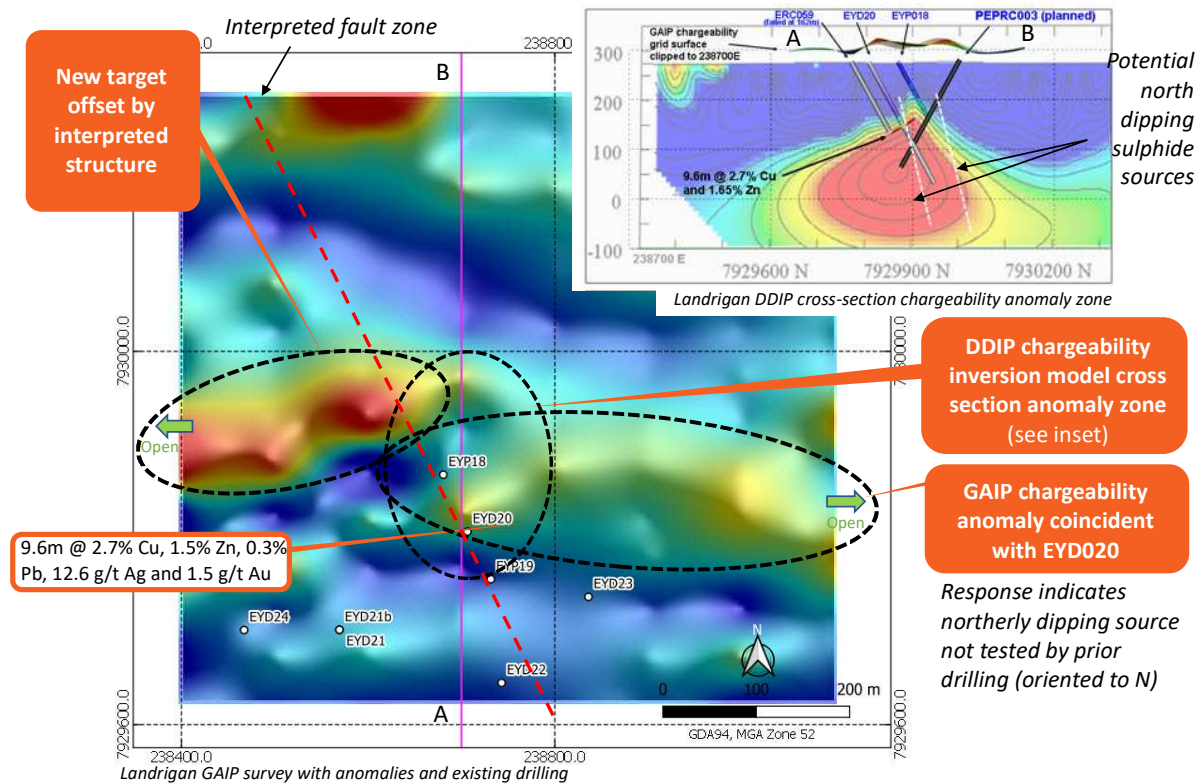


Figure 3 Landrigan Prospect Geophysical Targets

Background

The Eastman project tenement is the central focus of Peako's East Kimberley VHMS focussed copper-gold exploration strategy. Since entering a Farm-in and Joint Venture agreement with Sandrib Pty Ltd in November 2017, Peako has successfully progressed exploration in the Eastman tenement, resulting in the identification of geophysical targets to be drill tested via the current drilling program.

Historic exploration in the Eastman tenement was sparse and sporadic, primarily guided by surface gossans and geochemical anomalies. Prior use of geophysical methods including VTEM survey, were ineffective at identifying mineralisation, including even that identified by drilling.

Having determined that modern geophysical methods offered new potential, Peako conducted an 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. Some examples are:

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

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

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

Peako expects to complete earning its 60% equity in the project this year and has an option to elect to earn a further 25% interest to increase its total interest in the Eastman project tenement to 85%.

Peako's Tenement Package

Peako has built a large ground-holding in the East Kimberley where systematic exploration has lagged behind that of most of Australia's Proterozoic provinces. Peako's East Kimberley tenement package (see below) is prospective for VHMS deposits and is underexplored, comprising the immature Proterozoic exploration terrane of the Halls Creek Orogeny.

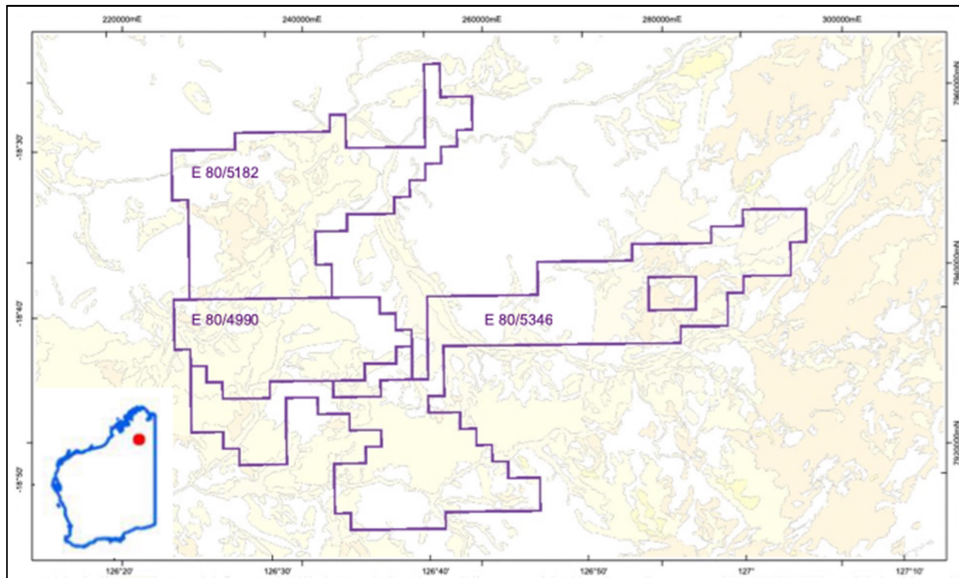


Figure 4 Peako's East Kimberley Tenement Package

Peako's East Kimberley exploration strategy focusses on VHMS (volcanic hosted massive sulphide) deposits in order to leverage from the potential for rapid discovery-development timelines and high returns offered by this deposit style.

Having established the effectiveness of modern IP techniques at detecting mineralisation in this geological setting, Peako plans to use IP methods to develop its VHMS exploration pipeline. Peako has compiled a dataset of historic exploration across its two existing East Kimberley tenements and identified numerous targets.

The information in this report that relates to Exploration Results was previously reported in ASX announcements dated 15 August 2018, 31 October 2018, 28 November 2018 and 23 May 2019. The Company is not aware of any new information or data that materially affects the information included in that relevant market announcement.

For more information

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