

# Quarterly Activities Report

## 30 September 2019



- 2,398m RC drilling program at East Kimberly Copper-Gold Project commenced during quarter
- \$756,945 (before costs) raised via pro rata rights offer to shareholders
- Stage 2 Farmin Agreement executed for Eastman Project with right to earn an additional 25% (for aggregate 85% interest)

## PROJECTS

### East Kimberley Copper-Gold Project

Peako's primary focus is copper exploration in the East Kimberley Region of Western Australia with the Group having built a large ground-holding over a contiguous area where systematic exploration has lagged behind that of most of Australia's Proterozoic provinces. Historic exploration in the East Kimberley has been sparse and sporadic, primarily guided by surface gossans and geochemical anomalies. Past exploration in Peako's tenement areas has been inhibited by the combination of cover sequences, deep weathering and structural complexity. The historical application of geophysical methods across the district incorporating various suites of EM methods, has been ineffective at identifying mineralisation, including sites identified by geochemistry and drilling.

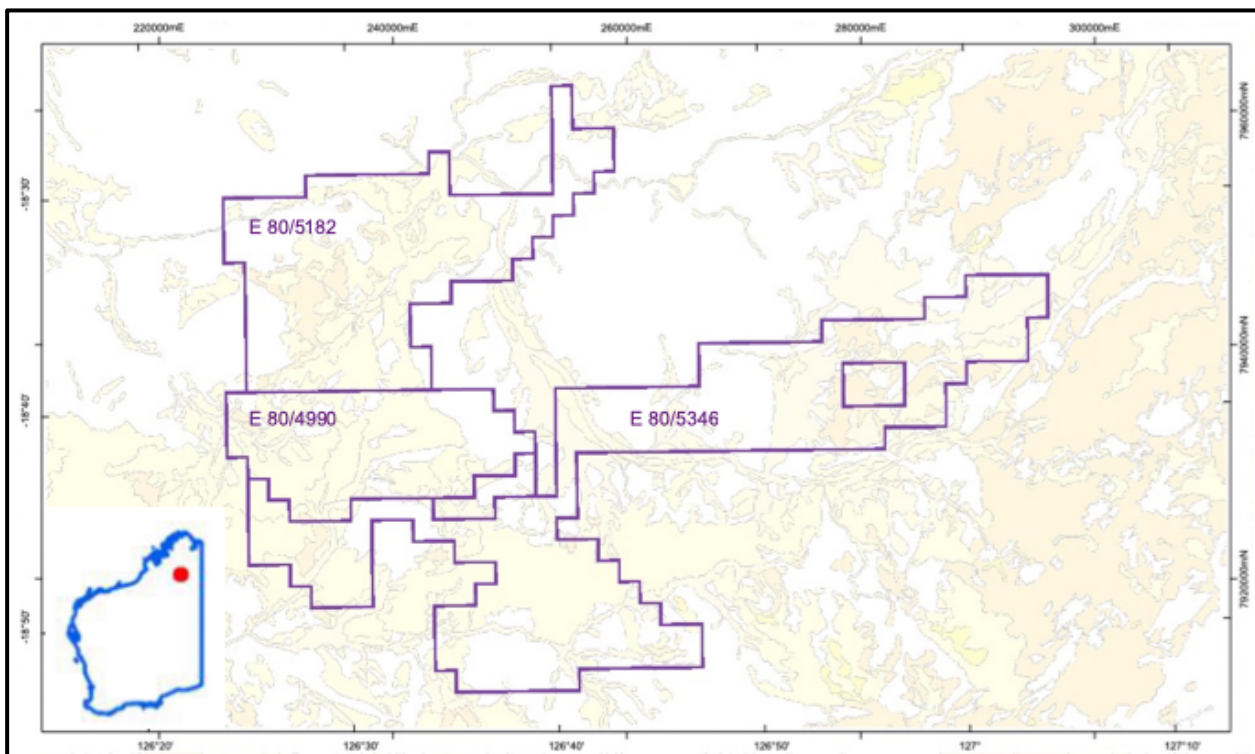


Figure 1 Peako's East Kimberley tenements

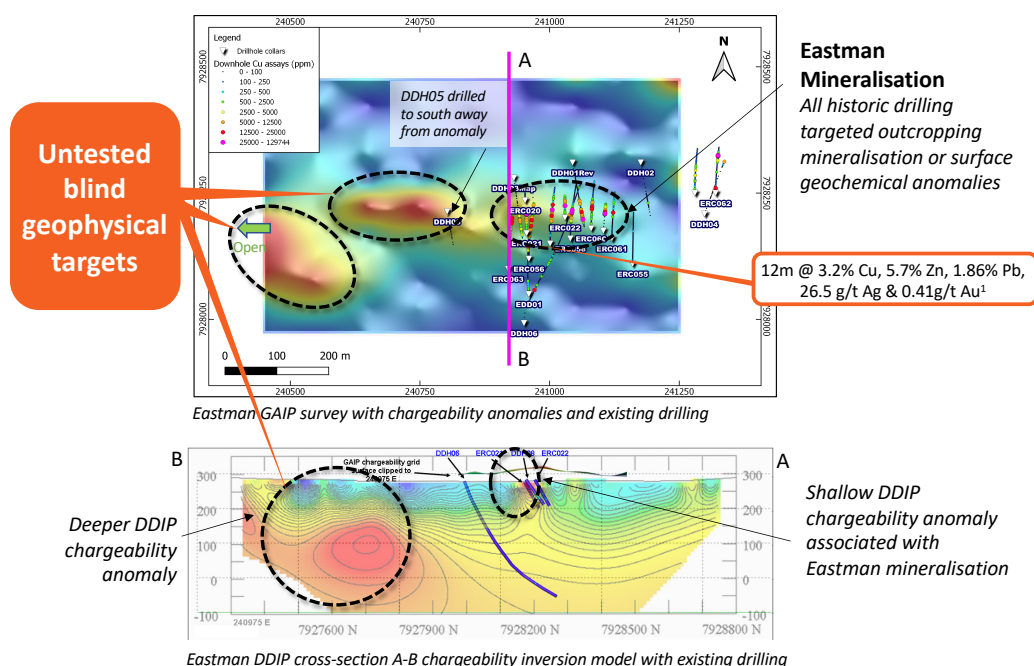
The Eastman project tenement (E80/4990) is the primary focus of Peako's East Kimberley holdings deploying a copper-gold exploration strategy. Since entering a Farm-in and Joint Venture agreement with Sandrib Pty Ltd in November 2017, Peako has successfully progressed exploration across the Eastman tenement, resulting in the definition of a suite of geophysical targets and the commencement of an RC drill testing program late in the quarter.

Having determined that modern geophysical methods offered new potential to assess historical prospects on the Eastman tenement, Peakco conducted an Induced Polarisation (IP) survey program in late 2018 consisting of both Gradient Array IP (GAIP) and Dipole-Dipole IP (DDIP). Geophysical surveys were completed at both Eastman and Landrigan VHMS prospects, which had been identified by prior explorers based on outcropping mineralisation:

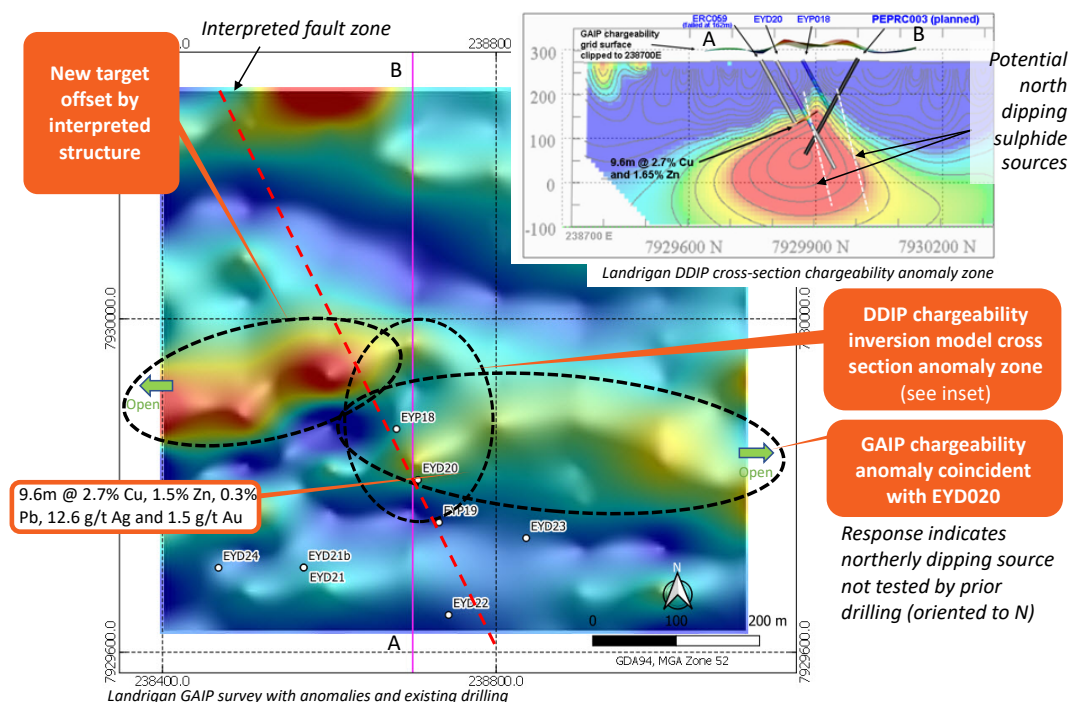
**Eastman:** 12m @ 3.2% Cu, 5.7% Zn, 1.86% Pb, 26.5 g/t Ag & 0.41g/t Au

**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 known mineralisation at each prospect, validating the IP method and, significantly, defining blind geophysical targets at each prospect along strike of known mineralisation (see Figure 2 and Figure 3).



**Figure 2 Eastman Prospect Geophysical Targets**



**Figure 3 Landrigan Prospect Geophysical Targets**

RC drilling commenced late in the quarter, supported by an Exploration Incentive Scheme drilling grant from the Western Australian government. On 30<sup>th</sup> September 2019 the company announced it had extended the RC drilling program based on encouraging results at its Landrigan prospect. The drilling program was completed in early October and comprised a total of 15 holes across both prospects for a total of 2,398m drilled.

Each drill hole was sampled along the entire hole length at 1-m intervals with a nominally 4m composite generated for assay. Based on visual geological logging, zones of interest are to be assayed at 1m intervals. All assay samples have been sent to ALS Laboratory in Perth for analysis and results are pending at time of writing.

A total of 12 RC holes have been either completely or partially cased with 50mm PVC in preparation for downhole EM survey.

## Stage 2 Farmin Option

During the quarter the company executed an Amended and Restated Farmin and Joint Venture Agreement with Sandrib Pty Ltd to effect a further (Stage 2) farm-in option by which it may earn an additional joint venture, interest, to potentially increase its total interest in the Eastman project tenement (E80/4990) to 85%.

As well as prospectivity for copper/gold mineralisation, sections of the Eastman tenement are interpreted to be attractive for targets for nickel, cobalt and PGEs. Substantial interest in nickel/copper exploration by major companies is currently underway to the west of the Eastman tenement. Peako's vision is that there is substantial scope for long-term exploration across its East Kimberley acreage, given highly encouraging historical results and multi commodity target potential of these ground holdings.

## Paterson Province Projects

Peako's Broadhurst (Sunday Creek) Project tenement is located in the Rudall River area of the highly prospective Paterson Province of Western Australia (Figure 4). Peako also has three long standing applications for exploration licences located close to its Broadhurst Project tenement. 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 Broadhurst tenement is under-explored and hosts an array of encouraging features that indicate the potential of the area for Nifty (Cu) or Maroochydore (Cu-Co) style mineralisation

No dedicated, consistent exploration evaluation of the tenement has occurred and the tenement has not been drill tested for base metal mineralisation targets within the Broadhurst Formation. Historic exploration has been minimal and fragmented, comprised of a 'revolving door' of explorers divided in commodity focus between Base Metals or Uranium. Only very limited, precursory drilling has been completed on the tenement (a total of 6 holes for 1,243m) all testing for Uranium along the eastern Broadhurst Formation – Coolbro Sandstone contact adjacent to NW-trending Sunday Creek Fault.

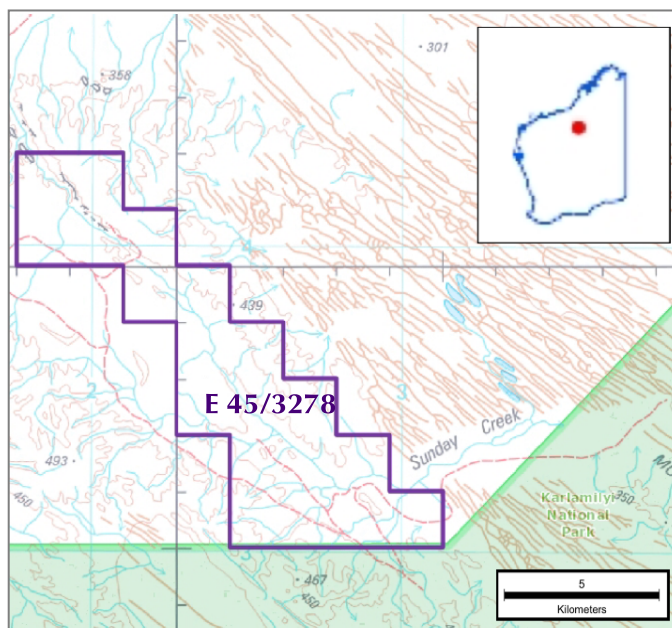


Figure 4 Broadhurst Project Tenement



Assessment of historical data has defined a series of features that indicate the potential of the tenement for a Cu-(Co) sediment-hosted, structurally controlled replacement deposit. Such features that include:

- Favourable NW to NE structures with adjacent subparallel fold systematics;
- Favourable stratigraphy carbonaceous shale to carbonate units in the central and upper Broadhurst Formation where historical testing has focussed at the base of the Broadhurst (shown in Figure 5);
- Potential for siliceous ferruginous to clay-altered rocks at surface that could indicate structural leakage;
- Magnetic response & radiometric signature of favourable units; and
- Demonstrated anomalism in Cu with geochemical signature defined by historical explorers on the tenement including stream sediment samples, soil and lag sampling and rock chip sampling.

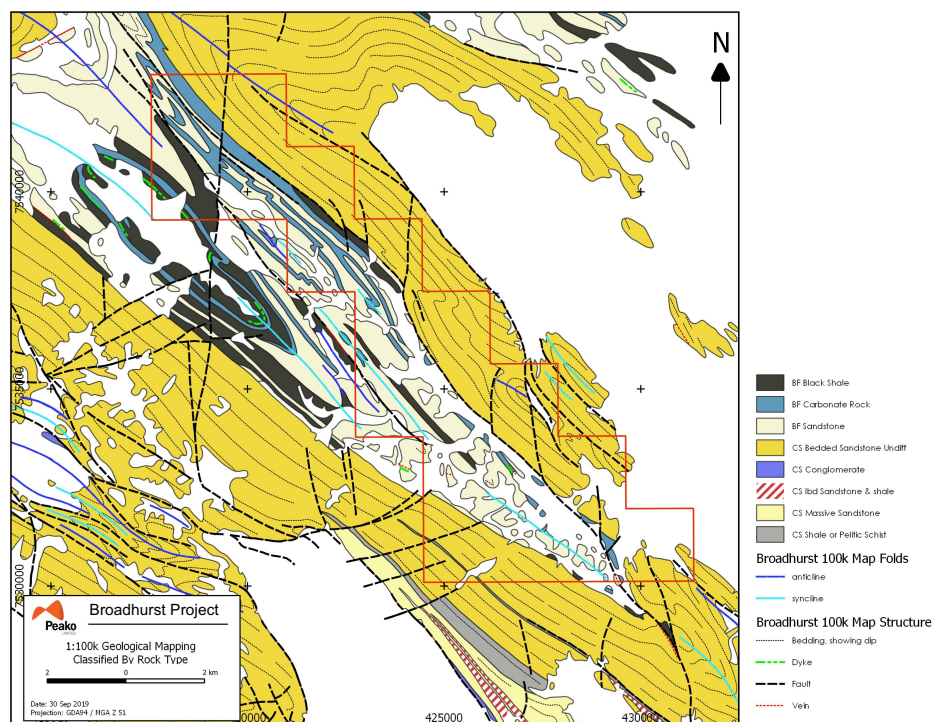


Figure 5 Broadhurst tenement structural zoom image

## CORPORATE

During the quarter the company made a non-renounceable rights offer to shareholders resulting in the issue of 38,489,359 new shares at \$0.02 each with attaching options with a short expiry date (exercisable at \$0.025 on or before 30 April 2020). A total of \$756,945 was raised (before costs) with funds directed towards our East Kimberley exploration activities including the recent drilling program.

## REFERENCES

The information in this report that relates to Exploration Results was previously reported in ASX announcements listed below. The Company is not aware of any new information or data that materially affects the information included in each relevant market announcement.

30 September 2019	<a href="#">Extension of East Kimberley Copper-Gold RC Drilling Program</a>
23 September 2019	<a href="#">RC Drilling Commences at East Kimberley Copper-Gold Project</a>
23 May 2019	<a href="#">Drilling Grant Awarded</a>
28 November 2018	<a href="#">Projects Update</a>
31 October 2018	<a href="#">Quarterly Activities Report</a>
15 August 2018	<a href="#">IP Geophysical Survey to Commence Shortly at Eastman</a>

*Rae Clark*

Rae Clark, Director  
31 October 2019

## Additional Information Required by Listing Rules 5.3.3 and 5.4.3

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

Tenement	Peako interest	Tenement status
<b>Western Australia (East Kimberley Region)</b>		
E 80/4990	60%*	Granted
E 80/5182	100%	Granted
E 80/5346	100%	Application
<b>Western Australia (Paterson Province)</b>		
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, with potential to increase to 85%

Tenements acquired during the quarter and their location

Nil.

Tenements disposed of during the quarter and their location

Nil.

**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 and may elect to earn a further 25%, to take it interest to 85%.

## 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")**

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(88)	(88)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(127)	(127)
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)		
<b>1.9 Net cash used in operating activities</b>	<b>(215)</b>	<b>(215)</b>

<b>2. Cash flows from investing activities</b>		
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 (3 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	758	758
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	(32)	(32)
3.5	Proceeds from borrowings	46	46
3.6	Repayment of borrowings	(311)	(311)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>461</b>	<b>461</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	30	30
4.2	Net cash used in operating activities (item 1.9 above)	(215)	(215)
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)	461	461
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>276</b>	<b>276</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	276	30
5.2    Call deposits		
5.3    Bank overdrafts		
5.4    Other (provide details)		
<b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>276</b>	<b>30</b>

**6.      Payments to directors of the entity and their associates**

<b>Current quarter \$A'000</b>
------------------------------------

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**

<b>Current quarter \$A'000</b>
------------------------------------

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



## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <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.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	300
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	50
9.6 Other – proceeds from exercise of options	(283)
9.7 <b>Total estimated net cash outflow</b>	<b>67</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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 October 2019

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.