

Quarterly Activities Report

31 December 2019



HIGHLIGHTS

- 2,398 meter RC drilling program completed at East Kimberly Copper-Gold Project during the quarter
- Assay results confirm the intersection of Cu-Ag-Au mineralisation at Landrigan defined over a 200m strike that is open in strike and down dip with intercepts including:
 - o 6m at 6.52% Cu, 27.27g/t Ag and 1.16g/t Au from 93m [PLRC004]; and
 - o 15m at 1.04% Cu, 8.88g/t Ag & 0.38 g/t Au from 184m (including 2m at 1.13% Cu, 10.45g/t Ag and 0.18 g/t Au, and 6m at 1.61% Cu, 7.23g/t Ag and 0.62g/t Au) [PLRC011]
- Overlap between IP anomalism and Landrigan Cu-Ag-Au mineralisation validates IP method
- Analysis of drilling results including multi-element geochemistry underpins a developing stratigraphic and structural framework of alteration and mineralisation to define high-priority drill targets
- \$131,000 award under WA Government's Round 21 Co-funded Drilling Exploration Incentive Scheme
- Team capabilities strengthened with Dr Pablo Farais joining the team to head up our exploration efforts, supported by Scott Bishop and Dr Robina Sharpe.

PROJECTS

East Kimberley Copper-Gold Project

Peako's primary focus is its large ground-holding over a contiguous area in the East Kimberley Region of Western Australia where systematic exploration has lagged behind that of most of Australia's Proterozoic provinces (refer Figure 1). 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. Despite favourable intersecting host rocks and structures and known mineralisation, a poorly constrained geological framework for defining target mineralisation defocused historical exploration.

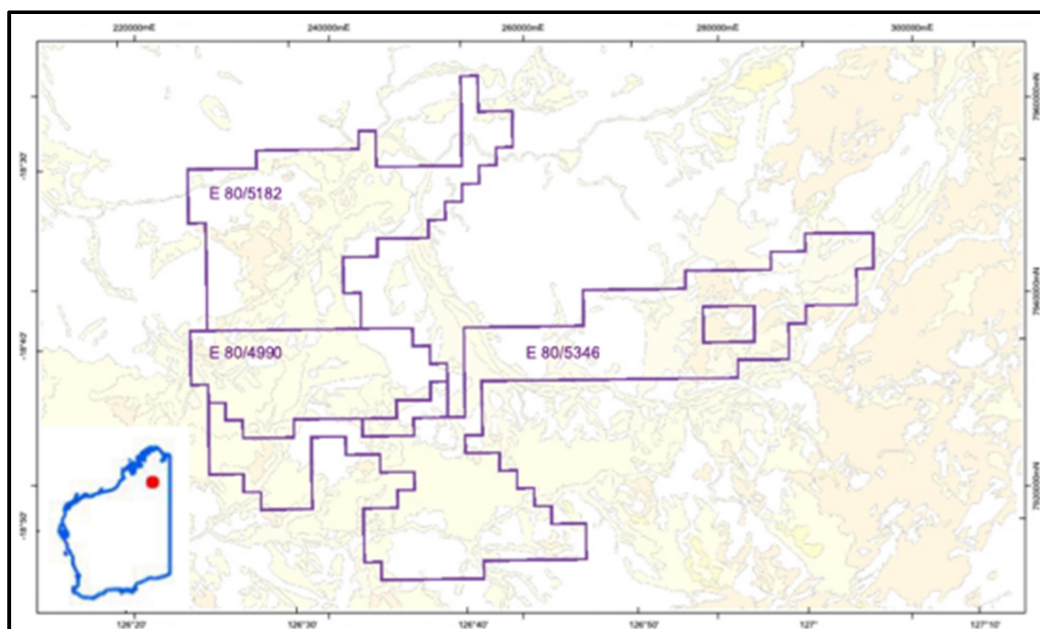


Figure 1 Peako's East Kimberley tenements

Peako's focussed exploration strategy is underpinned by the application of data-driven science and the efficient and economic execution of field tests.

Peako's maiden RC drilling program was completed during the quarter to test Induced Polarisation (IP) targets, as well as anomalous geochemistry and gossanous ironstone outcrops considered to be coincident to potential strike extensions. Drilling results have been announced previously and are discussed in subsequent sections.

Geological interpretation of drill results identifies that the IP anomaly response at both Landrigan and Eastman reflect a collective response of host rock structure, alteration and mineralisation and presents a useful targeting tool when used in conjunction with a strong geological framework for target mineralisation sought. Untested IP targets remain at both Landrigan and Eastman; current work is focussing on a constraining geological framework so as to develop these target areas.

A robust set of parameters to underpin a targeting matrix is the immediate objective to prioritise the next phases of field campaigns. Development of target parameters incorporates analysis and interrogation of recent RC drilling results and comprehensive, but disparate, historic data sets. Analysis of multi-element geochemistry data from the RC drilling is being used to characterise host rock lithology, alteration and mineralisation systematics including assessment of pathfinder element patterns.

Multi-element geochemistry and relogging of RC chips from recent drilling has been fundamental to develop a simplified consistent stratigraphic framework. Reclassification of historical geological logging by different explorers over more than three decades to a single framework has been completed for the Landrigan prospect and is in progress for the Eastman prospect with planned extrapolation to the wider tenement package. This framework enables favourable prospective horizons in the stratigraphy, that may host mineralisation, to be targeted.

Interpretations are also ongoing towards an improved structural framework for the prospects that will provide further definition for targeting.

Upcoming field activities following conclusion of the current wet season will be determined by the outcomes of feature-driven ranking of targets generated by the current analysis.

During the quarter, the company was awarded a further \$131,000 Western Australian Government (round 21) Exploration Incentive Scheme ("EIS") drilling grant to co-fund exploration drilling at its Copper-Gold Project in the East Kimberley. Peako's Round 21 EIS grant is for \$131,931, structured as a contribution towards 50% of direct drilling costs and follows an earlier (round 19) EIS grant of \$150,000 announced on 23 May 2019, which supported its recent RC drilling program.

2019 Drilling program

Peako's maiden RC drilling program was supported by a Round 19 Exploration Incentive Scheme co-funded drilling grant from the Western Australian government. 15 holes were drilled across Landrigan and Eastman prospects for a total of 2,398m. Each drill hole was sampled along the entire hole length at 1-m intervals with a nominal 4m composite generated for first pass analysis. Assays were widely completed on 4-m composite and selected zones of interest based on visual geological logging were assayed using 1-m RC sample splits. Following initial of assay results, additional infill 1-m splits were selectively analysed to confirm and validate reported 4-m composite intercepts. All assay samples were conducted by the ALS Perth laboratory and included multi-element sweep for 33 elements analysis using ICP-AES.

Landrigan Drilling

11 RC drillholes totalling 1,868 metres were completed at Landrigan targeting a mix of anomalous IP, anomalous geochemistry and gossanous ironstone outcrops considered coincident to potential strike extensions historical drill hole, EYD20

Assay results confirm historical drill results and extend the known strike continuity of mineralisation in the order of 200m. Mineralised zones remain open in strike to the east and the west, as well as at depth. The best assay intercepts returned were from PLRC004 with 6m at 6.52% Cu 27.27g/t Ag and 1.16g/t Au and PLRC011 with 15m at 1.04% Cu, 8.88g/t Ag and 0.38 g/t Au including 6m at 1.61% Cu, 7.23g/t Ag and 0.62g/t Au.

Preliminary geological interpretation of RC drilling and historical datasets for Landrigan is illustrated in Figure 2 with geological cross sections across the prospect at Figure 3.

The geology at Landrigan has a consistent volcanic stratigraphy characterised by:

- A felsic volcaniclastic hangingwall, commonly quartz-bearing and typically sericite-altered;
- A central 'Mixed Sequence' representing a bimodal volcanic to volcaniclastic sequence of variable rock facies including mafic and felsic volcaniclastics, dacitic to andesitic volcanics, carbonate facies, layered ironstone and chert horizons; and
- A mafic volcaniclastic footwall sequence that is commonly chlorite-altered.

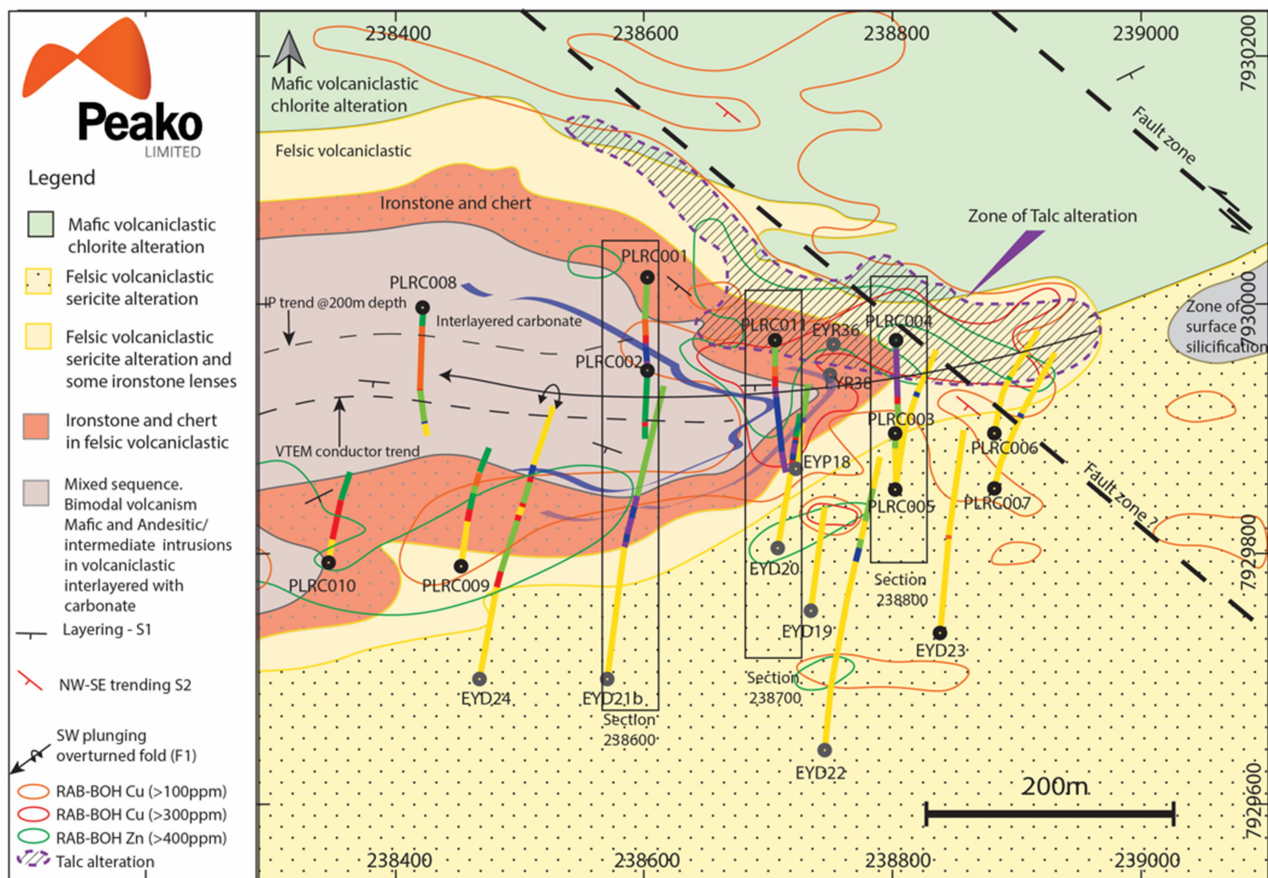


Figure 2 Landrigan Interpreted Geology incorporating recent drilling and historical data



Figure 3 Landrigan geological cross sections

Cu-Au-Ag \pm Zn, \pm Pb mineralisation at Landrigan is widely associated with talc altered felsic volcaniclastic or carbonate rocks. Multi-element geochemistry assays from the mineralised zones have a pathfinder element pattern incorporating W, Co, Bi, Cd, Mo and Sb.

The volcanic stratigraphy at Landrigan is folded and faulted. The key structures are an WSW plunging synform and a NW trending fault. Localisation of Cu-Ag-Au (\pm Zn, \pm Pb) mineralisation and alteration is controlled by intersection of key stratigraphic horizons with NW faults. These results define a high-priority target for drill testing in upcoming campaigns.

Drilling at Landrigan tested four connected IP chargeability anomaly areas including some coincident with anomalous geochemistry and/or gossanous ironstone outcrops. Overlap between IP anomalism and Cu-Ag-Au mineralisation validates the effectiveness of the IP method. Discussion of drillholes, grouped by target, is provided below.

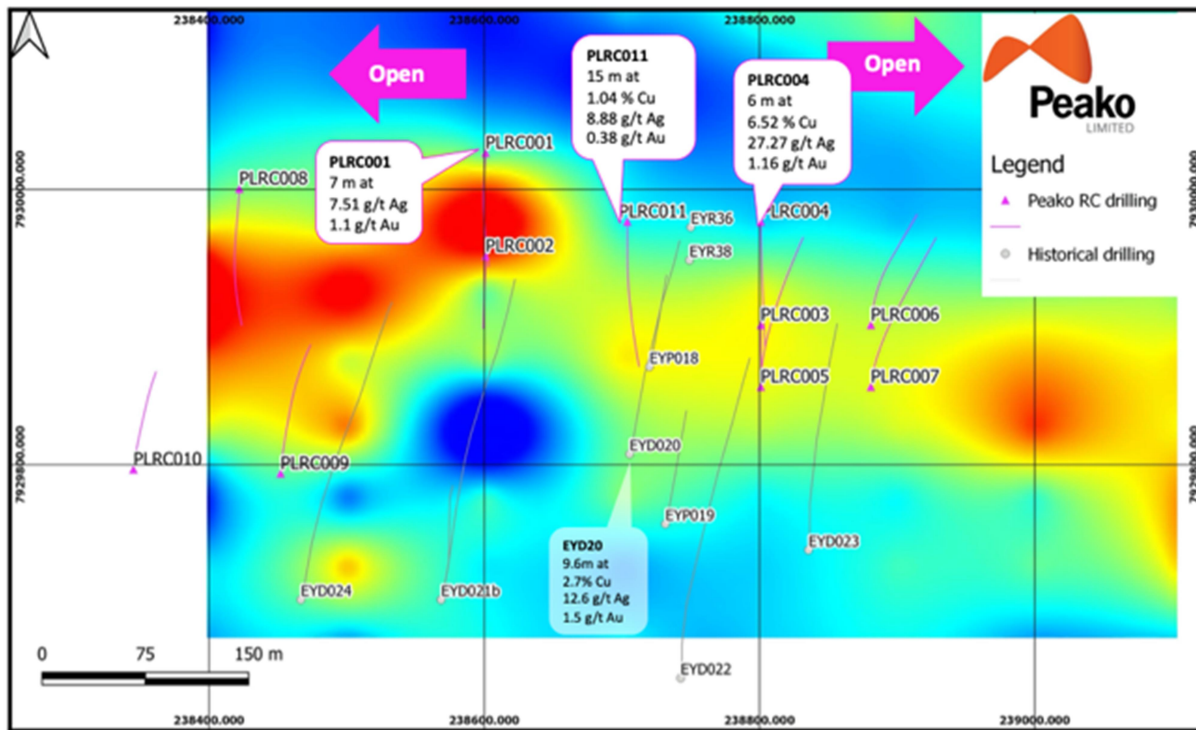


Figure 4 Landrigan drillhole locations over a GAIP Chargeability 150m RX Dipole Image

- PLRC001, PLRC002, PLRC008 tested a north dipping GAIP chargeability anomaly. Intercepted sulphide minerals, talc-alteration and carbonate host rock facies are considered the likely source of the IP chargeability response.
- PLRC003, PLRC004, PLRC005, PLRC006 and PLRC007 tested a weak GAIP chargeability anomaly coincident with anomalous Cu-Zn RAB geochemistry. PLRC004 extended mineralisation to the east and the other holes identified broad zones of alteration and minor sulphide, likely reflecting a distal alteration style or peripheral alteration halo.
- PLRC009 and PLRC010 tested down dip extents of steep south dipping hematite ironstone coincident with Zn RAB anomalies, and coincident to a deep 200m GAIP chargeability response. These holes did not test the deep GAIP target zone. Follow up work in this area is required.
- PLRC011 overlaps with GAIP and DDIP anomalism and extends known mineralisation in BHP's EYD20.

Eastman Drilling

A total of four RC drill holes (PERC001 to PERC004) for a total of 530m was completed to test two GAIP anomaly areas west of the Eastman Cu-Zn prospect. Drill results did not intercept any significant sulphide and assay results did not contain significant assay intercepts. Lack of encouraging features during the drilling campaign refocused activities to Landrigan.

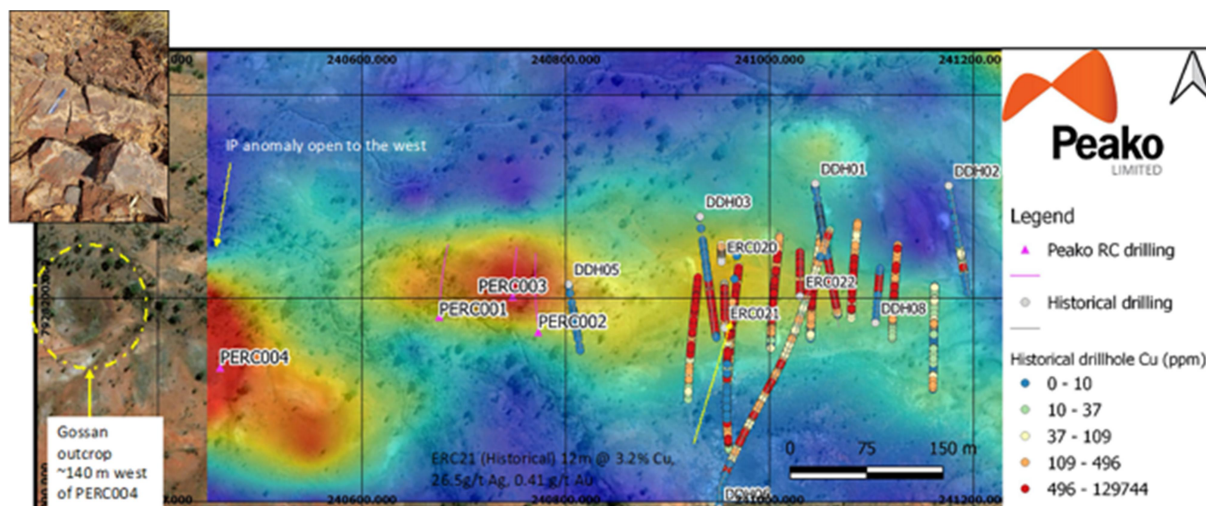


Figure 5 Drillhole locations at Eastman and Eastman West over GAIP Chargeability 100m RX

PERC001,002 & 003

Shallow drill testing of an interpreted GAIP chargeability anomaly 150 metres to the west of the main Eastman Cu-Zn prospect was undertaken by three holes totalling 382 metres.

Detailed re-logging of RC chip samples has defined that the geology in the area west of the Eastman prospect incorporates a sequence of pelagic pyritic mudstone with interbedded intervals of fine-grained silty to sandy volcanoclastic. Mudstone and volcanoclastic sequences are intruded by dolerite with hornfels intervals in mudstone and volcanoclastics adjacent to dolerite contact zones.

Mudstone units at west of Eastman are weakly to moderately pyritic and typically strongly foliated to form pyritic black shales.

It is considered likely that the near surface GAIP targets tested by drill holes PERC001-002-003 are the result of pyritic mudstone and shales

PERC004

PERC004, a standalone vertical drillhole 250m west of PERC001,002 and 003, was designed as a first-pass test of a large high amplitude (6.5 ms) GAIP chargeability anomaly on the western margin of the GAIP survey grid. The drill hole encountered a sequence of black mudstone and interbedded silty to sandy mafic volcanoclastics and did not intercept significant sulphide or contain significant assay intercepts

Foliated pyritic black mudstone may contribute as a source to the broad and deep GAIP anomaly, however this extensive GAIP target has not been fully tested by this single drill hole.

The far western GAIP anomaly remains an open target, especially to the west where gossanous outcrops are present. A gossanous outcrop 140m west of PLRC004 is comprised of ~ 40x50m brecciated Ca-Fe rich weathered rock, which is associated with favourable host rocks at Eastman and Landrigan. This brecciated gossan is near an inferred NW trending structure, interpreted to play an important role in focusing mineralization in the area.

Untested DDIP target

The deeper DDIP chargeability anomaly west of Eastman was not tested by the recent RC drilling.

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.

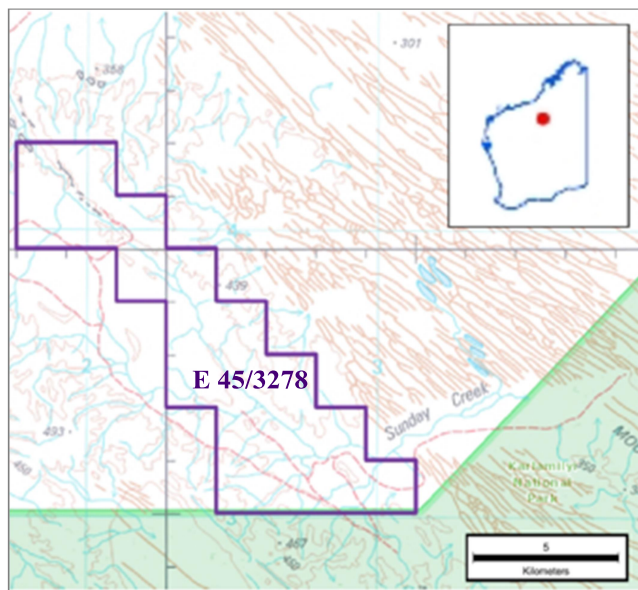


Figure 6 Broadhurst (Sunday Creek) Project Tenement

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.

CORPORATE

11,300,000 options were exercised during the quarter, providing the company with further working capital of \$282,500. Also a line of credit facility was arranged on arms length terms with Peako's chairman Mr. E.G. Albers to provide working capital for the Company's activities

During the quarter, Peako strengthened its technical capabilities with Dr Pablo Farais joining the team to head up our exploration efforts, supported by Scott Bishop and Dr Robina Sharpe.

Dr Pablo Farais has 10 years experience as an economic geologist in South America and Australia. Pablo's expertise includes structural geology, geochronology, geochemistry and geophysical interpretation His industry experience includes a world-class mine in Argentina, greenfield exploration of in the Patagonia and brownfield and greenfield exploration in Australia.

Scott Bishop is an exploration geologist with over 30 years of experience in multiple commodities including gold, copper, zinc, lead, nickel, uranium, iron ore, manganese, aluminium, coal, diamonds,

platinum-palladium, mineral sands and phosphate. Throughout his career Scott has worked for Rio Tinto Exploration, CRA Exploration, Platinum Australia, Western Areas and Renaissance Minerals in Australia, Canada, USA and India. Scott is an experienced geologist who has worked in all fields of exploration from grass roots through to advanced project appraisal and resource definition studies.

Dr Robina Sharpe is an exploration geologist with 30 years of experience in the exploration for and evaluation of Au and base metal deposits with particular expertise in VHMS and orogenic Au deposits. Robina's industry background includes exploration and mining resource projects in Australia, South America, West Africa the western Pacific (Solomon Islands, Vanuatu, Fiji, NZ) and Mexico. Robina's diverse experience spans drill evaluation of near-mine resources development and evaluation of pipeline projects, to brown and greenfield project generation and implementation of field programmes.

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 January 2020	<u>Further Sampling Confirms Cu-Au-Ag Drill Results at Landrigan</u>
28 November 2019	<u>East Kimberley Drilling Results Extend Known Copper-Gold Mineralisation</u>
30 September 2019	<u>Extension of East Kimberley Copper-Gold RC Drilling Program</u>
23 September 2019	<u>RC Drilling Commences at East Kimberley Copper-Gold Project</u>
23 May 2019	<u>Drilling Grant Awarded</u>
28 November 2018	<u>Projects Update</u>
31 October 2018	<u>Quarterly Activities Report</u>
15 August 2018	<u>IP Geophysical Survey to Commence Shortly at Eastman</u>

Competent Person Declaration

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Dr Daryl Clark who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) . Dr Clark is a director of and consultant to Peako Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Clark consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears.



Rae Clark, Director
31 January 2020

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
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, 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 this tenement and may elect to earn a further 25%, to take its 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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(336)	(424)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(97)	(224)
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	(433)	(648)

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 (6 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	296	1,054
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)
3.5	Proceeds from borrowings	-	46
3.6	Repayment of borrowings	-	(311)
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	296	757

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	276	30
4.2	Net cash used in operating activities (item 1.9 above)	(433)	(648)
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)	296	757
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	139	139

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	139	276
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)	139	276

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

7.2 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.	Financing facilities available <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	250	0
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	140
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	80
9.6	Other – proceeds from borrowings	(200)
9.7	Total estimated net cash outflow	20

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:
(Company Secretary)

Date: 31 January 2020

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.