



10 September 2020

Dear Shareholder

Non–Renounceable Rights Issue

Peako Limited (PKO) ("**Peako**" or the "**Company**") is pleased to announce a non-renounceable pro rata rights issue on the basis that for every five Shares held as at the Record Date, Eligible Shareholders will have the right to subscribe for one new Share at an issue price of \$0.032 (3.2 cents) per new Share. Each subscriber will also be entitled to receive (for no additional consideration) one New Option (exercisable at a price of \$0.055 at any time on or before 30 June 2022) for every two Shares subscribed for and received under this Rights Issue.

The New Options will not be quoted and will comprise a new class of security.

The Rights Issue seeks to raise up to \$1,010,171 (before costs) to provide working capital for Peako to advance exploration at its projects, particularly its 'Golden Opportunities' East Kimberley Initiative, further acquisition of Worldview-3 satellite data over remainder of our granted East Kimberley projects and continued analysis of historical data and integration to rank targets for drilling.

The Rights Issue is available to Shareholders who are (as at 7:00pm AEST on the Record Date of 15 September 2020) registered (in accordance with the records of the Company's share registry) with a registered address in Australian or New Zealand (**Eligible Shareholders**).

Shares purchased on-market on or after the "Ex Date" of 14 September 2020 will not carry an entitlement to participate in the Rights Issue. If you have any doubt, please consult your sponsoring broker.

Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly, there will be no trading of rights.

Various details of the Rights Issue are contained in an ASX Appendix 3B which was released by the Company to the ASX on 10 September 2020.

Further details of the Rights Issue are contained in a Prospectus which will be mailed to Eligible Shareholders on Thursday, 17 September 2020. The Prospectus will also be available on the Company's announcements platform at www.asx.com.au (ASX Code: PKO) or the company website www.Peako.com.au on 17 September 2020.

Key dates of the Rights Issue

Announcement of Offer , lodgement of Prospectus with ASIC and ASX, and Appendix 3B lodged with ASX	10 September 2020
Ex date (date Shares are quoted ex-Rights)	14 September 2020
Record Date ¹ for determining Entitlements	15 September 2020
Opening Date. Prospectus and personalised Entitlement and Acceptance Forms despatched to Shareholders and Company announces despatch has been completed	17 September 2020
Last day to extend the Closing Date	2 October 2020
Closing Date ²	7 October 2020
New Shares quoted on a deferred settlement basis	8 October 2020
ASX notified of Shortfall	12 October 2020
Issue of new Shares and New Options ² and lodgement of Appendix 2A applying for quotation of the new Shares	14 October 2020
Deferred settlement trading ceases at market close	14 October 2020
Despatch of holding statements	14 October 2020
Quotation and normal trading of new Shares issued under the Offer expected to commence on ASX	15 October 2020
Deadline for placement of Shortfall Securities	15 December 2020

¹ 7.00 pm AEST. This date, and all dates after this date are indicative only.

² 5.00 pm AEDT. Subject to the unqualified right of the Directors to extend the Closing Date, in which case the Allotment Date will change accordingly.

An application for New Shares under the Rights Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Eligible Shareholders should read the Prospectus in its entirety.

Ineligible Foreign Shareholders

In accordance with ASX Listing Rule 7.7 and Section 9A of the *Corporations Act 2001* (Cth), the Company advises that it has decided that it is unreasonable to offer the Rights Issue to shareholders with a registered address outside of Australia or New Zealand (Ineligible Foreign Shareholders), having regard to:

(1) the small number of shareholders with addresses outside these countries;

- (2) the small number and value of the shares those shareholders would be offered; and
- (3) the cost of complying with the legal requirements, and requirements of regulatory authorities in each of the countries concerned.

Accordingly, the Rights Issue will not be offered to Ineligible Foreign Shareholders.

Shortfall offer

Any new Shares and New Options not taken up by Eligible Shareholders in accordance with their respective Entitlements will form the “**Shortfall Securities**”.

All Eligible Shareholders, other than related parties of Peako and their Associates, are entitled to apply for Shortfall Securities.

The total number of Shortfall Securities comprises the “**Shortfall**”.

The Entitlement and Acceptance Form contains provisions for Eligible Shareholders to apply for Shortfall Securities in addition to their Entitlements.

Applications for Shortfall Securities will only be accepted to the extent of the Shortfall and no subscriber will be permitted to acquire Shortfall Securities to the extent that such acquisition would result in that subscriber having a voting power in Peako in excess of 20% (on a post Rights Issue and Shortfall basis).

Where Applications for Shortfall Securities are in excess of the Shortfall then, subject to the overriding discretion of the Board and to reject any Application for Shortfall Securities, such Applications will be accepted in part, on a pro rata basis.

Shortfall Placement

The Directors propose and reserve the right to allocate the Shortfall to sophisticated and professional investors as defined in sections 708(8), 708(10) and 708(11) of the Corporations Act, subject to the Listing Rules and any restrictions under applicable law, within 3 months of the close of the Offer (“**Shortfall Placement**”). The Directors will have discretion as to how to allocate all or any of the Shortfall. The issue price of the Shortfall Placement will not be less than the price at which the Securities were offered under the Offer.

The Directors will not allocate the Shortfall Placement to the extent that the recipient’s voting power in the Company on issue of Shortfall Securities would exceed 20%.

As at the date of this Prospectus the Directors propose to allocate any Shortfall Placement having regard to the best interests of the Company, and the Company’s desire to maximise the amount of funds raised.

If you have any queries about the Rights Issue please contact Peako’s Share Registry, Automic Pty Ltd, on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (outside Australia).

Yours sincerely,



Raewyn Clark
Director