

ASX:PKO

Quarterly Activities Report 31 March 2022

Highlights

- **Planning and logistics for Peako's 2022 East Kimberley field campaign**
 - **Field activities to commence early May 2022 and include:**
 - **Tectono-stratigraphic architectural study to understand the critical controls on PGE and base metal mineralisation**
 - **5,000m RC drill program primarily focused on PGE-rich ultramafic targets**
 - **Reconnaissance soil sampling over previously untested potential PGE-rich ultramafic intrusives in the south**
 - **Primary focus for the 2022 work programs is on the Eastman Intrusive Complex, targeting a potentially major PGE resource discovery**
 - **The Eastman Intrusion comprises a 16.5km long PGE-rich mineralised layered mafic-ultramafic intrusive complex with only limited historical drilling**
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PROJECTS

East Kimberley Project

Tenement Position

Peako's exploration focus is its large ground-holding in the East Kimberley region of Western Australia totaling 4,029 km² (**Figure 1**).

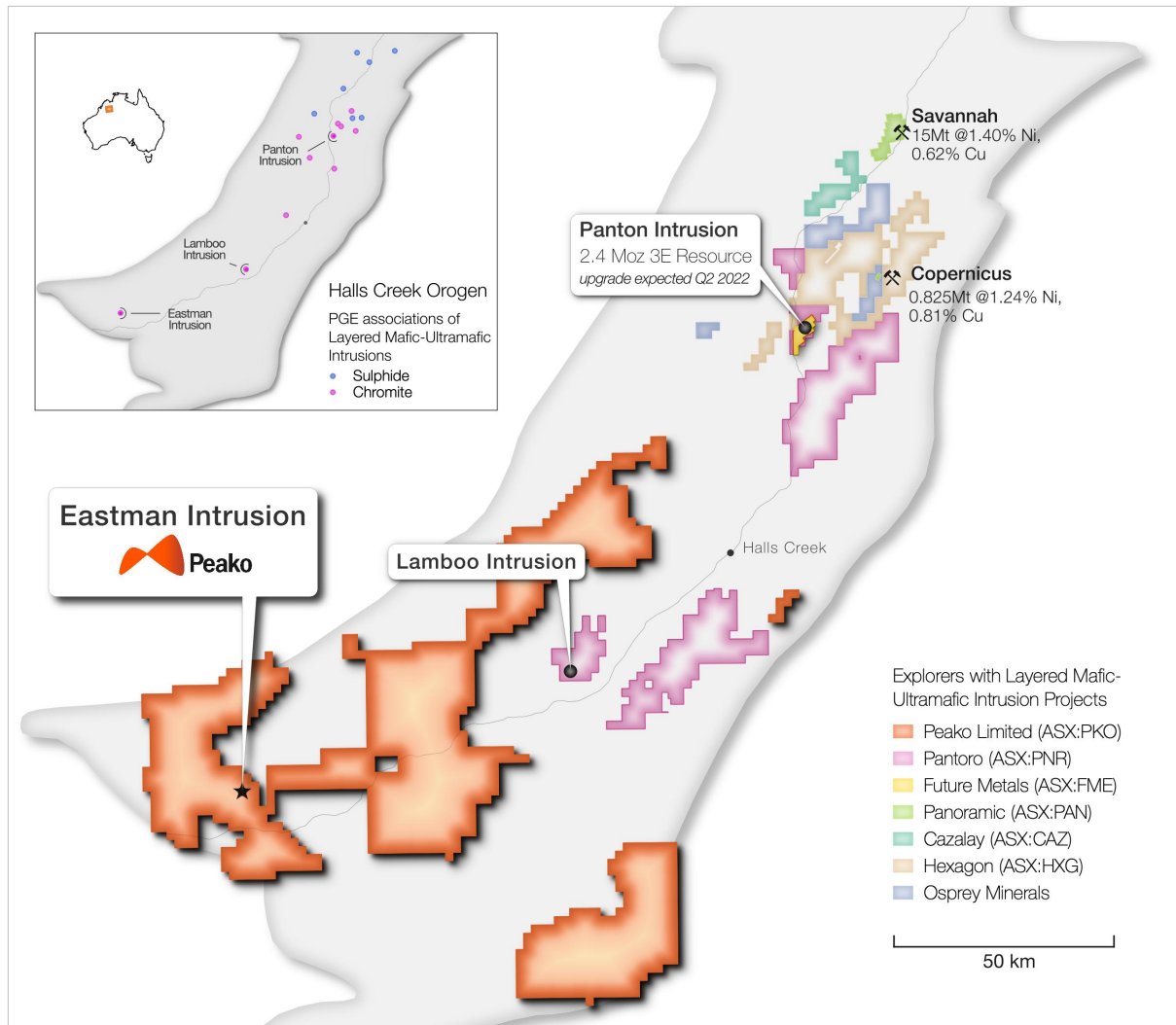


Figure 1 Peako's East Kimberley Tenement Package

Previous Exploration

Despite sporadic campaigns over the past 50 years, historical exploration within the area of Peako's tenements, primarily guided by occurrences of surface gossan and geochemical anomalies, has provided consistent encouragement for the area's economic potential. At the same time, discovery efforts have been consistently hindered by a mix of cover, subcrop, poorly understood regolith, deep weathering and complex stratigraphy/structure, despite highly favourable host rocks, structure and known mineralisation across the area.

Peako's exploration strategy is underpinned by the application of data-driven science to define and prioritise targets for efficient field testing programs necessary for economic discovery.

Diverse Opportunities

Peako's tenements host a diverse Palaeoproterozoic succession that is widely intruded by multiple granitoid phases and deformed by multiple orogenic episodes. The area represents the western-most window of the Halls Creek Orogen where volcanic successions of the bimodal Koongie Park Formation Volcanic Belt (c. 1845 Ma) and the Lamboo Ultramafic Intrusive Belt (c. 1850-1835 Ma) are well developed.

The geological diversity within Peako's tenement package has driven the search for a wide range of commodities, with the Koongie Park Formation having demonstrated prospectivity for base (Cu-Pb-Zn) and precious (Ag, Au) metals mineralisation, whilst the Lamboo Ultramafic belt has demonstrated prospectivity for base (Ni, Cu) and precious metal (Au, PGE and REE) mineralisation.

Eastman PGE Project

Peako's Eastman Intrusion is a large underexplored intrusive complex that Peako considers prospective for a major PGE resource.

The Eastman Intrusion is located within the Central Zone of the Halls Creek Orogen, where an array of mineralised layered mafic-ultramafic intrusive complexes are defined with an established mineral endowment (refer **Figure 1**).

Known endowment from layered intrusions in the Halls Creek Orogen includes:

- Savannah - 15Mt 1.40% Ni, 0.62% Cu
- Copernicus - 0.825 Mt @1.24% Ni, 0.81% Cu
- Panton - 2.4 Moz 3E PGE resource with an upgrade expected in Quarter 2 2022

Recent drilling by Pantoro at the Lamboo Intrusion (**Figure 1**) has also defined wide PGE intercepts, with resource drilling currently in progress.

Eastman Intrusion

The Eastman Intrusion is interpreted to extend along strike for approximately 16.5km; divided into an Eastern and Western zone by a granite intrusion. The Eastern Zone extends for ~9.4km with 2.5km under cover, and the Western zone for 7.1km, mostly under cover.

The Eastman Intrusion is a layered mafic to ultramafic intrusive complex comprised predominately of pyroxenite, anorthosite and gabbro. The pyroxenite forms the basal unit with the gabbro and anorthosite overlaying it. The sequence has been variously folded and faulted in places resulting in structural repetition of the sequence. Having multiple layers of the sequence adds considerably to the prospectivity of the intrusive complex.

Widespread anomalous PGE intercepts from sparse, wide-spaced historical drilling over the 16.5km extent of the Eastman Intrusion indicate an extensive PGE mineralised system (refer **Figure 2**). Historical exploration was focused on the outcropping ~6.9 km length of the intrusive complex, with a bias to evaluating relatively short discontinuous chromitite lenses within the sequence. PGE mineralisation however is shown to be stratabound within the ultramafic intrusives, unlike the discontinuous strataform chromite-rich layers.

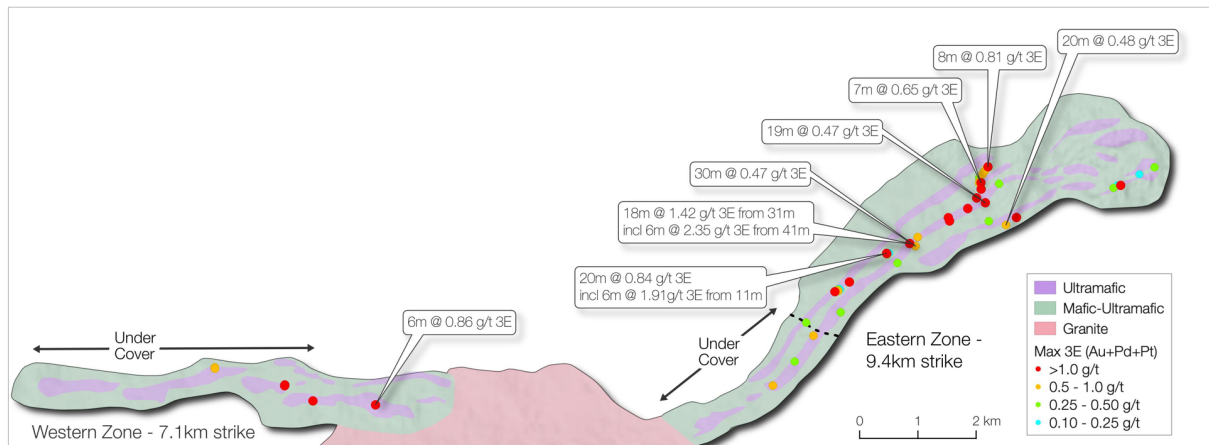


Figure 2 Eastman Intrusion with interpreted geology and location of historical drillholes

Analogue Intrusions

The Eastman Intrusion appears geologically similar to the nearby Panton and Lamboo Intrusions. The three intrusive complexes each have the same ultramafic-mafic rock types and similar intrusion sequencing (refer **Figure 3** – scale common to all). Moreover, historical work at all three intrusive complexes has focused on stratiform chromite layers in the ultramafic rocks.

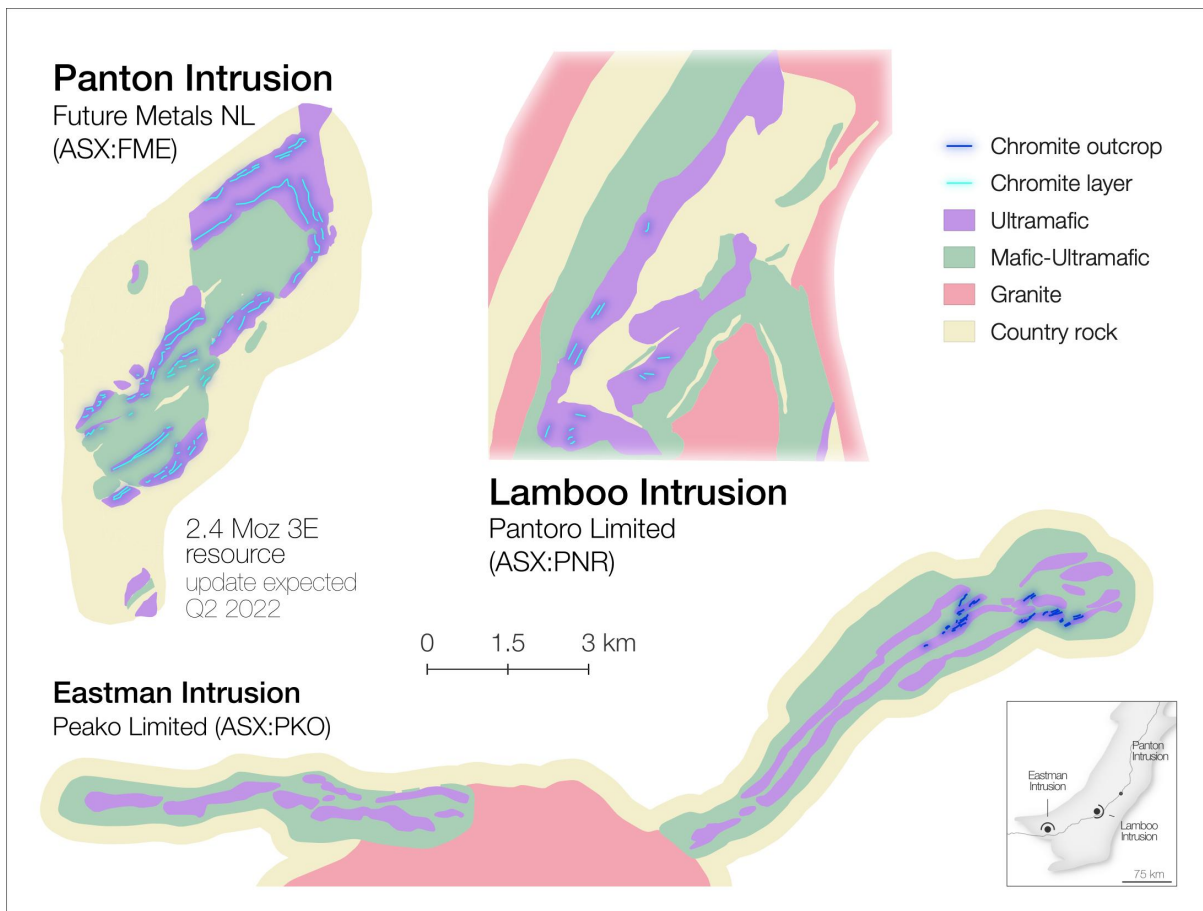


Figure 3 Panton, Lamboo and Eastman Intrusions

Recent drilling by Future Metals NL at Panton, and Pantoro Limited at Lamboo, have defined stratabound PGEs across mafic-ultramafic rocks at both complexes. Significant intercepts from recent drilling at Panton and Lamboo include:

Panton Intrusive Complex Future Metals (ASX:FME)

- 39.48m @ 1.20 g/t PdEq (0.81 g/t 3E & 0.17% Ni) from 37.1m¹
- 20.6m @ 2.14 g/t PdEq (1.79 g/t 3E & 0.20% Ni) from 39m¹
- 30.6m @ 1.21 g/t PdEq (0.75 g/t 3E & 0.21% Ni) from 83m¹

Lamboo Intrusive Complex Pantoro (ASX:PNR)

- 31m @ 2.42 g/t 3E from surface²
- 38m @ 2.34 g/t 3E from 1m²
- 100m @ 1.10 g/t 3E from surface, inc. 66m @ 1.34 g/t 3E from surface³

Definition of PGEs across mafic-ultramafic rocks at the Panton and Lamboo intrusions presents a different evaluation space for the Eastman Intrusion with a high level of upside, as previous exploration at the Eastman Intrusion focused on the discontinuous stratiform chromitite lenses rather than targeting the wider more extensive PGE-rich stratabound mineralisation that has become recognised within the mafic-ultramafic layers of the intrusive complex.

Planned 2022 Field Campaign

Peako's 2022 field campaign is planned to commence in early May 2022 and incorporate a number of work programs including:

- Tectono-stratigraphic architectural studies for the Eastman Intrusion and Koongie Park Formation, with the objective of defining a framework to understand the controls on PGE & base metal mineralisation and therefore establish the criteria to drive exploration targeting and drill testing
- 5000m RC drill program primarily focused on the stratabound PGE-rich ultramafic targets in the Eastman Intrusion (PGE)
- Reconnaissance soil sampling programs over previously untested potential PGE-rich ultramafic intrusives in the south to provide for a future exploration pipeline

RC drilling

Peako's planned RC drill program is designed to provide first pass wide spaced testing across the 16.5km strike length of the Eastman Intrusion to define higher-grade stratabound PGE-rich areas within the ultramafic intrusives for later infill drilling.

As well as incorporating wide-spaced drill fences to test PGE endowment of the complete ultramafic stratigraphy, the drill program also includes targeted drill sections defined from new and historical data (refer **Figure 4**). These drill targets incorporate testing of structural repetition and folding of chromite-rich ultramafic layers within the intrusive sequence, untested soil and rock anomalies as well as VTEM anomalies.

¹ Future Metals NL, 8 March 2022

² Pantoro Limited, 6 September 2021

³ Pantoro Limited, 15 November 2021

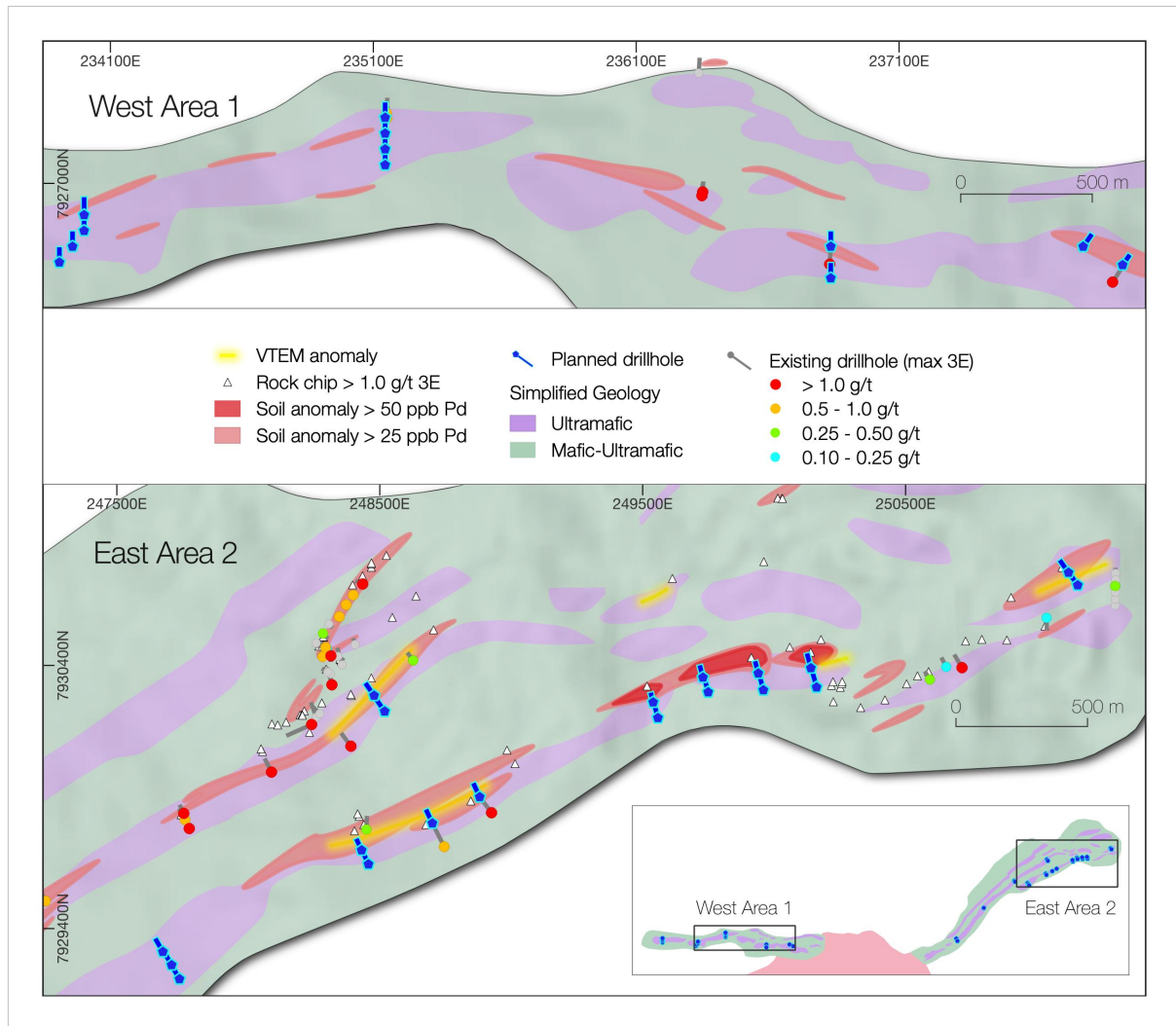


Figure 4 Eastman Intrusion planned RC drilling

A minor component of the planned 2022 RC drilling program is designed to expand the current footprint of gold-copper-lead-silver mineralisation, including strike and depth extensions, at the Landrigan Prospect (Refer **Figure 5**).

The Landrigan Prospect was originally identified by BHP as a base metal prospect with Peakco recognizing the prospect's gold potential from results of its 2019 RC drill program. That program intersected Cu-Au mineralisation with results that included 15m @ 1.04% Cu from 184m in PLRC011 and 7m @ 1.1 g/t Au from 133m in PLRC001.

Peakco's 2021 drilling program extended known mineralisation at Landrigan to the north-east by 80m, resulting in a total mineralised strike length of approximately 300m. The mineralisation intersected in hole PRC0030 included a gold-rich central zone with a polymetallic envelope of Ag-Pb-Cu open to the north-east.

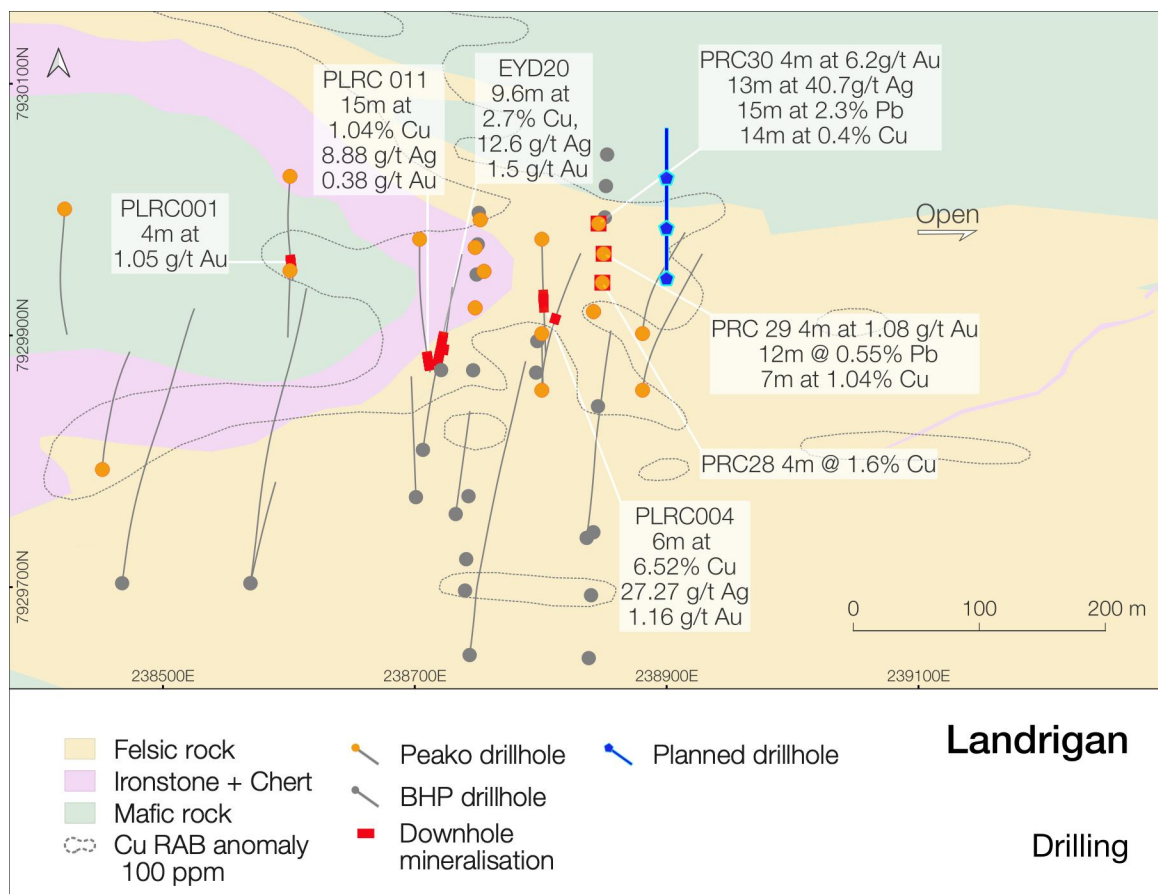


Figure 5 Landrigan Prospect planned RC drilling

Reconnaissance Soil Sampling

Reconnaissance soil sampling is planned for the newly recognised Southern Lamboo area. The Southern Lamboo is an interpreted ultramafic sequence to the south of the Eastman Intrusion, with no record of prior exploration.

At the Taylor's Creek area, reconnaissance ground checking and rock chip sampling towards the end of the 2021 field season identified the presence of gold-rich systems with an Au-Ag-Cu metal signatures exhibiting results up to 3g/t Au and 11.1% Cu.

Paterson Province, Western Australia

Peako's Broadhurst (Sunday Creek) Project tenement is located in the Rudall River area of the Paterson province of Western Australia (Figure 6). Peako also has three long standing applications for exploration licences located close to its Broadhurst Project tenement. Historical geological mapping indicates bedrock geology of the project area is largely carbonaceous shales and siltstones of the Broadhurst Formation, and lesser quartz sandstone and siltstone of the underlying Coolbro Sandstone Formation.

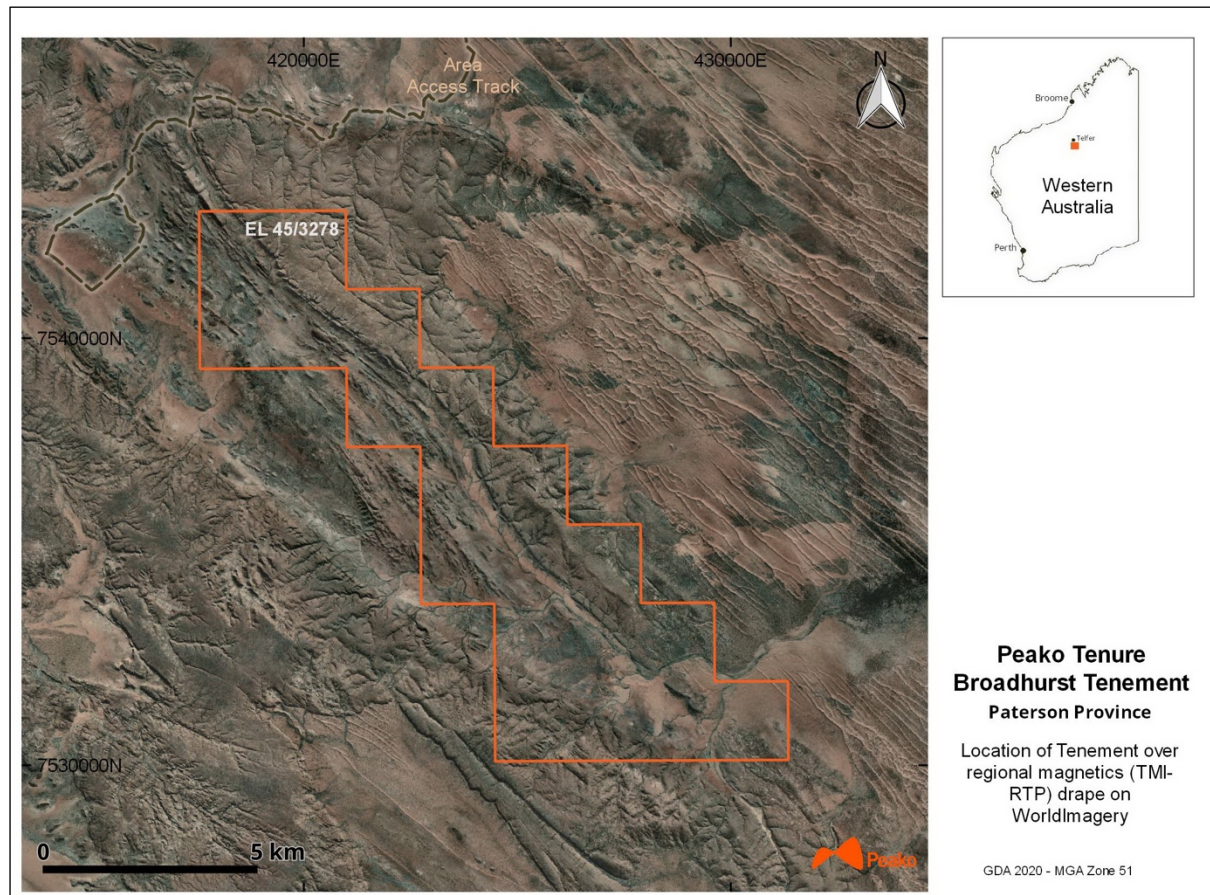


Figure 6 The Sunday Creek - Broadhurst tenement area in the Paterson Province, Western Australia.

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. Historic exploration has been minimal and fragmented, comprising 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, with base metal mineralisation targets in the Broadhurst Formation remaining untested.

A program of field mapping, reconnaissance and rock chip and soil sampling across the tenement is planned for this year.

Rae Clark

Rae Clark, Director
29 April 2022

REFERENCES

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

Further details can be found in the following Peako ASX announcement:

31 January 2022	<u>PGE Potential of the Lamboo Ultramafic Complex</u>
14 January 2022	<u>Scout Drilling Intersects Gold and Base Metals</u>
13 December 2021	<u>Gold and Base Metal Potential Highlighted in East Kimberley</u>

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)		
E80/4990	100%	Granted
E80/5182	100%	Granted
E80/5346	100%	Application
E80/5472	100%	Application
E80/5520	100%	Application
E80/5623	100%	Application
E80/5624	100%	Application
E80/5658	100%	Application
E80/5703	100%	Application
E80/5704	100%	Application
E80/5706	100%	Application
E80/5758	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

Tenements acquired during the quarter and their location

Tenement	Peako interest	Tenement status
Western Australia (East Kimberley Region)		
E80/5758	100%	Application

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:

Nil.

Payments to related parties during the quarter included in Appendix 5B – Quarterly Cash Flow Report

Payments were made to directors and their associates during the quarter totalling approximately \$124,000. Payments were for contracted services including geological services, consulting fees, office costs and administrative support.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAKO LIMITED

ABN

79 131 843 868

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(70)	(197)
(e) administration and corporate costs	(111)	(658)
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 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash used in operating activities	(181)	(855)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	(17)	(85)
(c) property, plant and equipment		
(d) exploration & evaluation	(177)	(872)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other - government exploration grant	54	94
2.6	Net cash used in investing activities	(140)	(863)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,574
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(118)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
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 financing activities	-	2,456

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,479	1,420
4.2	Net cash used in operating activities (item 1.9 above)	(181)	(855)
4.3	Net cash used in investing activities (item 2.6 above)	(140)	(863)
4.4	Net cash from financing activities (item 3.10 above)	-	2,456

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,158	2,158

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	2,158	2,479
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)	2,158	2,479

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	87
6.2 Aggregate amount of payments to related parties and their associates included in item 2	37

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		


8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(181)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(177)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(358)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,158
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	2,158
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

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.

29 April 2022

Date:



Authorised by:

Robert Wright – Company Secretary

Released with authority of the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.