

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2023

28 July 2023

Highlights

- **Ground and preparatory work completed at Brumby PGE Prospect ahead of ~1,200m RC drilling program**
- **Drilling designed to extend the strike of high-grade PGE mineralisation**
- **Peako continued to evaluate and refine its Kimberley exploration tenure**
- **A Lithium and Rare Earth prospectivity analysis was completed across two tenement areas with field reconnaissance planned to validate study findings**
- **Renounceable rights issue raised \$915,162 (before costs)**

Peako Limited (ASX: PKO) (**Peako** or **the Company**) is pleased to provide its Quarterly Activities Report for the three months to 30 June 2023.

Commenting on the activities carried out over the period, Peako Executive Director Rae Clark commented:

“Peako is really pleased to be back in the field and focussed on drilling at our Brumby PGE Prospect. Brumby is our immediate focus as part of our systematic approach to exploring the Eastman Intrusion, with the objective of defining PGE resources along its entire 16.5km strike potential.

During the Quarter we refined our exploration portfolio in order to focus resources on priority areas. In doing so, we have identified exciting prospects for lithium and rare earth elements within our two exploration licence applications in the southern part of the Lamboo Province. We will shortly visit the areas to carry out field-checking to validate the desktop assessment of prospectivity.



Figure 1 Peako's Exploration Manager Tony Rudd at the Eastman PGE project

East Kimberley Tenements

Peako's exploration focus is its significant ground-holding (**Figure 2**) in the East Kimberley region of Western Australia.

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 Eastman Ultramafic Intrusion has demonstrated prospectivity for additional base (Ni, Cu) and precious metal (Au, PGE and REE) mineralisation.

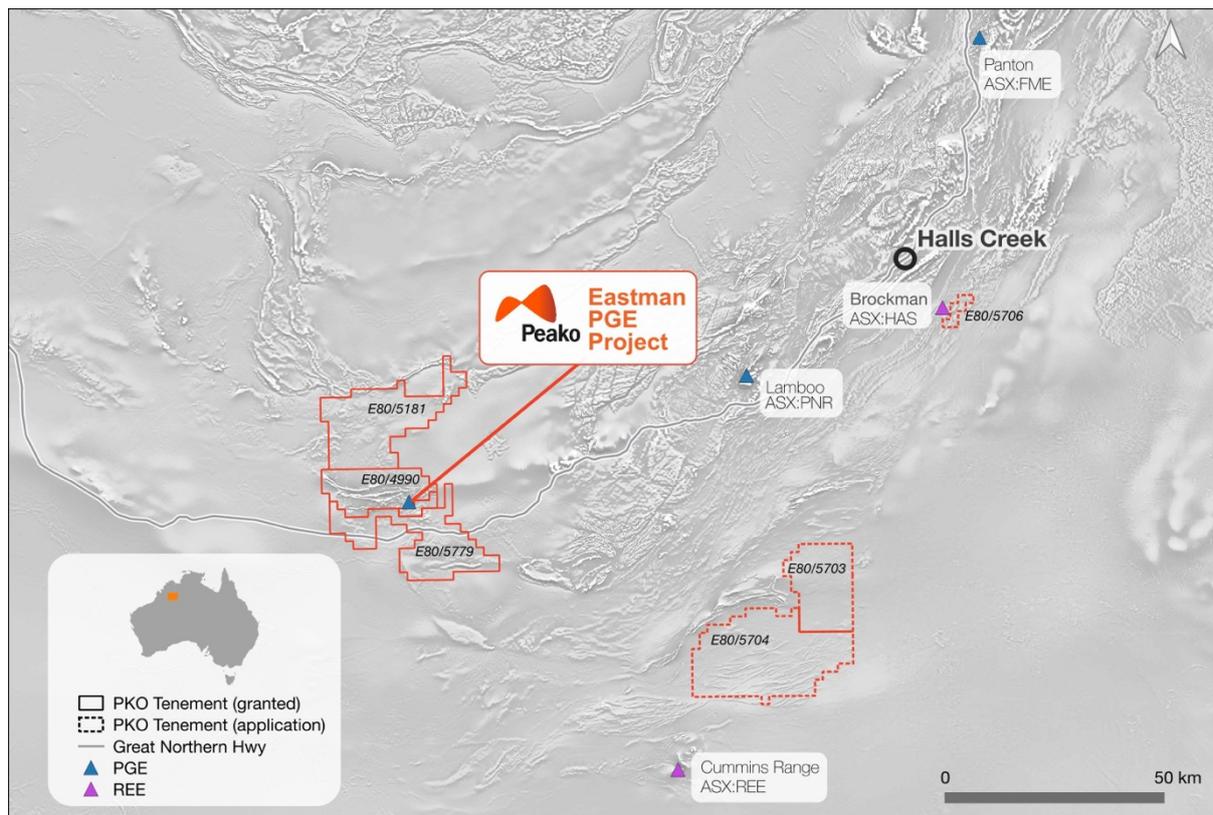


Figure 2 Peako's East Kimberley tenement package

Activities during the June Quarter

Activities during the Quarter were directed towards follow-up drilling at the priority Brumby PGE Prospect. Peako remobilized to the field during the Quarter and commenced ground and preparatory works ahead of a planned ~1,200m Reverse Circulation (RC) drilling program.

Unseasonal rain at the end of the Quarter resulted in a decision to delay drilling pending improved ground conditions. Drilling re-commenced during July 2023.

Planned RC Drilling

The RC drilling campaign is focussed on the Brumby Prospect and comprises 10 holes for a total of ~1,200m. The objective is to extend the known strike of high-grade PGE mineralisation at Brumby through a series of step-out drill holes. In addition to testing strike, the drill program will assess the width, grade and continuity of the Brumby high grade mineralisation.

Brumby Prospect Overview

Situated centrally within the Eastern Zone of the 16.5km long Eastman PGE Intrusion, the Brumby Prospect has a strike potential of at least 1.4km. Continuous PGE mineralisation is presently defined along a tested 300m strike (**Figure 3**).

Drilling intercepts include:

- 6m @ 2.93 g/t PdEq *within* 30m @ 1.44 g/t PdEq
- 7m @ 2.75 g/t PdEq *within* 33m @ 1.34 g/t PdEq
- 4m @ 2.84 g/t PdEq *within* 14m @ 1.5 g/t PdEq
- 3m @ 2.48 g/t PdEq *within* 26m @ 1.10 g/t PdEq

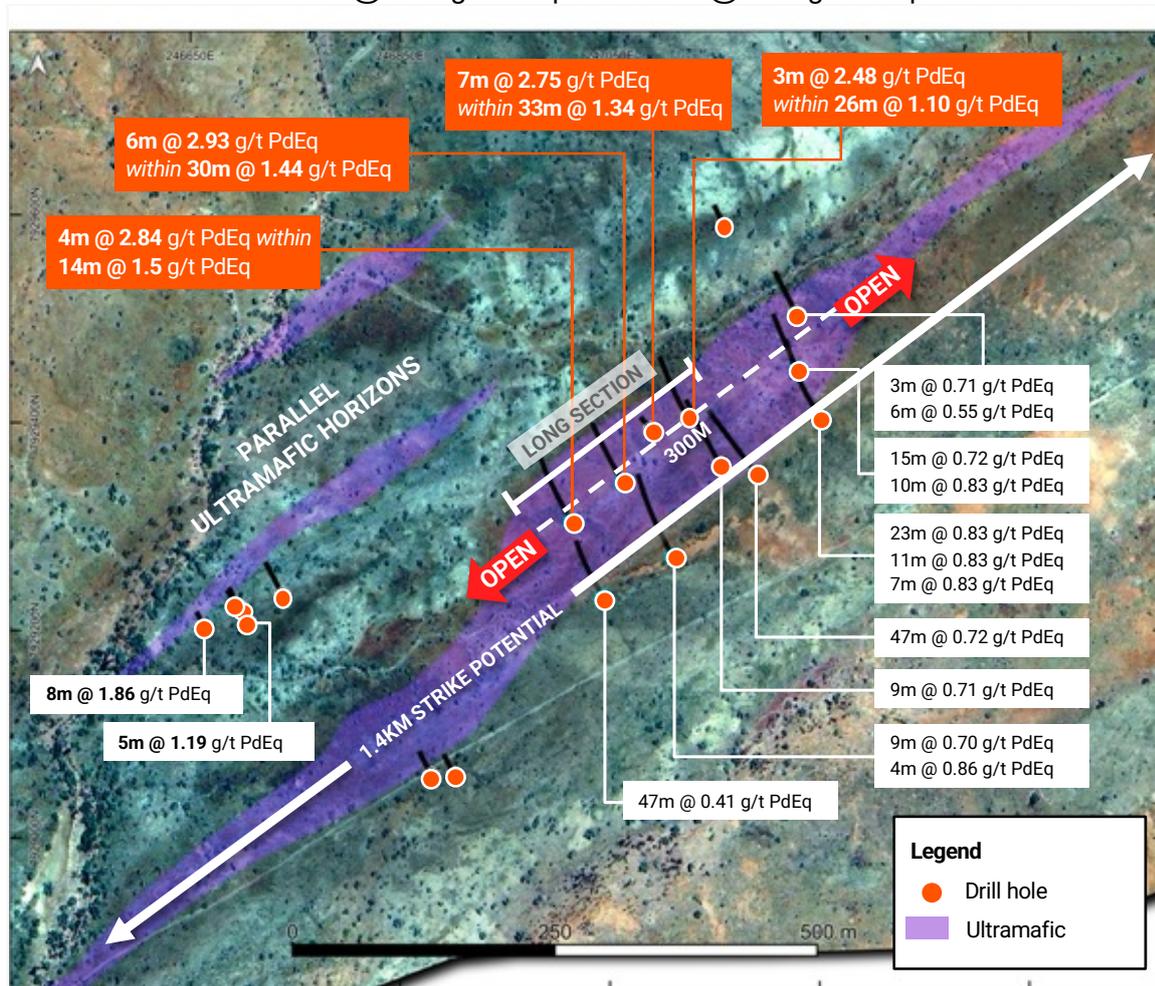


Figure 3. Brumby Prospect results, occurring over 300m and open along strike in both directions.

Two **additional parallel ultramafic units to the north** of Brumby present opportunity to define additional high-grade PGE targets in close proximity to Brumby, with sparse historical drilling having returned results up to **8m @ 1.86 g/t PdEq** and **5m @ 1.19 g/t PdEq**.

To date higher-grade PGE mineralisation at Brumby has been intersected at vertical depths ranging from 35 to 75m, and is open both up and down dip and along strike to the north-east and south-west (**Figure 4**).

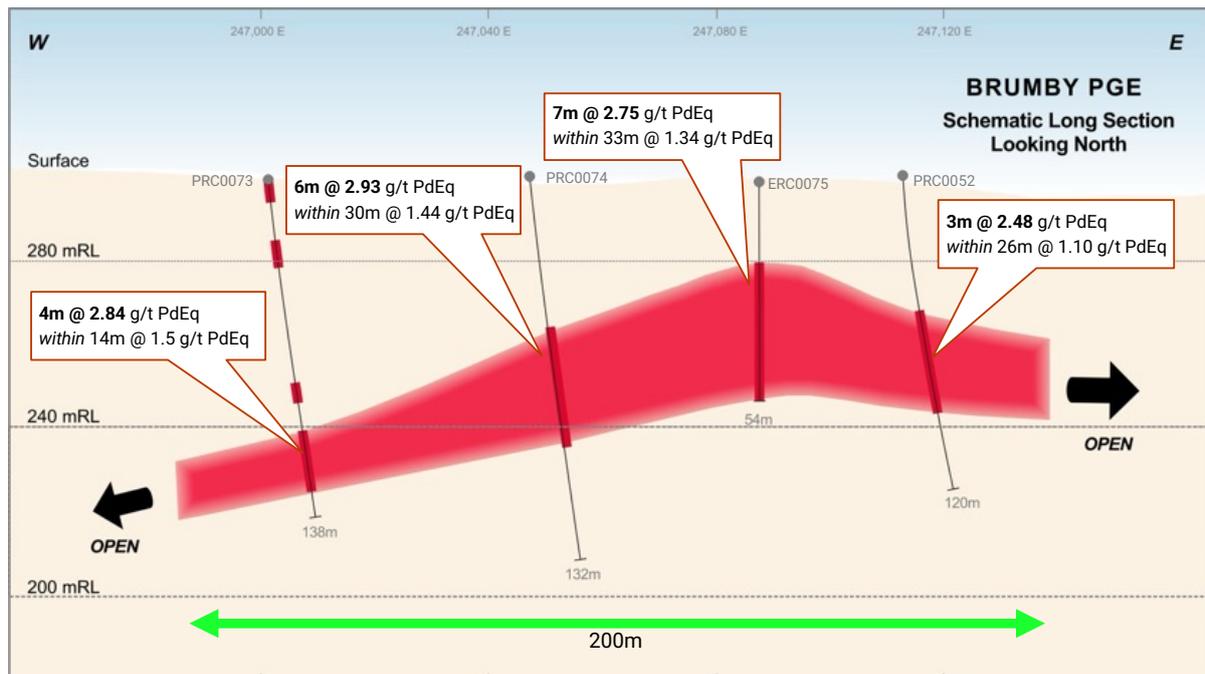


Figure 4. Brumby long-section showing mineralisation envelope open along strike and up and down dip.

Diamond Drilling

Following the completion of RC drilling and interpretation of results, Peako plans to conduct diamond drill testing at the Brumby Prospect, co-funded by a Western Australian Government EIS grant. This diamond drilling will enhance Peako's geological understanding of the Brumby Prospect and assist in targeting PGE mineralisation along the entire 16.5km strike of the Eastman Intrusion.

Kimberley Region Prospectivity Analysis

Peako has utilised the findings from its recent geological review of the Kimberley region's Proterozoic Basin systems to strategically refine its exploration acreage. Taking into account the geological review's outcomes as well as factors including ongoing negotiations with the Kimberley Land Council regarding native title and the gazettal of the Warlbirri National Park encompassing two application areas (E80/5472 and E80/5346), the Company made a decision to withdraw a number of exploration license applications (refer Additional Information schedule for details).

E80/5779 was granted subsequent to the end of the Quarter, taking Peako's tenure to three granted tenements, covering a combined area of 980km² as well as three exploration licence applications. These strategic adjustments in Peako's exploration acreage demonstrate the Company's commitment to focusing resources on priority areas.

Lithium and REE Prospectivity Assessment

A Lithium and Rare Earth Element (REE) prospectivity assessment was completed across Peako's two exploration licence applications in the south of the Lamboo Province, E80/5703 and E80/5704. The desktop study identified evidence of potential Lithium-bearing pegmatite systems and large untested alkaline granitoid bodies within the study area having potential for several mineralisation styles including structurally-controlled pegmatite dykes as well as intrusion hosted and intrusion related models.

Initial field reconnaissance ground-checking will be carried out during the current field season to validate these findings.

Corporate

Rights Issue

During the Quarter the Company raised a total of \$915,162 (before costs) through a Renounceable Rights Issue (**Rights Issue**). A total of 91,512,938 new fully paid Ordinary shares (**Shares**) were issued and 45,756,469 new options granted¹ and exercisable at \$0.025, with expiry date of 30 June 2025 (**Options**) The Options have been quoted under the ASX code PKOO.

The Company's Directors took up entitlements amounting to \$303,737, demonstrating their strong commitment to and confidence in the Company's projects.

RIU Sydney Resources Roundup

Peako presented and exhibited at the RIU Resources Roundup in Sydney during the Quarter. Executive Director Rae Clark presented at the conference and a recording of her presentation is available at <https://www.youtube.com/watch?v=N5-SyiQOELI&t=25s>.

This announcement is approved by the Board of Peako Limited

For more information

Rae Clark

Director, Peako Limited | +61 3 8610 4723 | info@peako.com.au |   |

COMPETENT PERSON DECLARATION

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Dr Paul Kitto who is a member of the Australian Institute of Geoscientists. Dr Kitto is Technical Director of and a 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 Kitto 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.

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 announcements:

20 February 2023	High-Grade PGE Results at Brumby – Table 1 Corrected
28 March 2023	Rhodium and Iridium enhance PGE grade at Eastman Project

¹ ASX Announcement 5 April 2023 – Results of Entitlement Offer

Palladium Equivalent (PdEq)

The Company reports individual grades for each of the elements palladium, platinum, gold, nickel, copper and cobalt as well as an aggregate 3E value, being the aggregate of Pd, Pt and Au. Peako cautions that while many PGE explorers report 3E grades, such grades, being aggregates, do not reflect the varying value contribution of each element. As such, 3E PGE mineralisation with a high proportion of Palladium, such as that reported from the Eastman Project, will have a higher value than the same grade 3E PGE mineralisation calculated from a different project that is comprised largely of Platinum, due to the higher value of Palladium per gram compared to Platinum.

Basis for Palladium Equivalent Calculation

Accordingly, Peako has calculated Palladium Equivalent (PdEq) grades in order to reflect the potential contributions of the elements to contribute to a resource and assist in providing a concise indication of the potential value of mineralisation at Eastman. Palladium Equivalent (PdEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in Equivalent Palladium (PdEq) grade.

Given the Eastman Project's stage of development, no metallurgical test work has yet been conducted. However, it is the Company's opinion that all elements included in the metal equivalent calculation (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential to be recovered and sold. Based on the similar Panton deposit, located approximately 185km to the north-east, the Company has assumed metallurgical recoveries based on the Panton deposit model.

Metal recoveries used in the palladium equivalent calculations are shown below:

- Palladium 80%, Platinum 80%, Gold 70%, Nickel 45%, Copper 67.5% and Cobalt 60%

Metal prices used are also shown below:

- Palladium US\$1,700/oz, Platinum US\$1,300/oz, Gold US\$1,700/oz, Nickel US\$18,500/t, Copper US\$9,000/t and Cobalt US\$60,000/t

Metal equivalents were calculated according to the follow formula:

- PdEq (Palladium Equivalent g/t) = Pd(g/t) + 0.76471 x Pt(g/t) + 0.875 x Au(g/t) + 1.90394 x Ni(%) + 1.38936 x Cu(%) + 8.23 x Co(%)

Peako cautions that while it considers Panton a similar style deposit to Eastman, actual metallurgical recoveries at Eastman may differ from those at Panton. Further, that its opinion that all elements included in the metal equivalent calculation have a reasonable potential of being recovered and sold relies on defining sufficient mineable economic resources.

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
E80/5703	100%	Application
E80/5704	100%	Application
E80/5706	100%	Application
E80/5779	100%	Application

Tenements acquired during the quarter and their location

Nil.

Tenements disposed of during the quarter and their location

Tenement	Peako Interest	Tenement Status
Western Australia (East Kimberley Region)		
E80/5346	100%	Application
E80/5472	100%	Application
E80/5520	100%	Application
E80/5623	100%	Application
E80/5624	100%	Application
E80/5658	100%	Application
E80/5758	100%	Application

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 \$91,000. Payments were for contracted services including geological services, consulting fees, office costs and finance 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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	43
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(38)	(229)
(e) administration and corporate costs	(144)	(718)
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	(182)	(904)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	-	(7)
(c) property, plant and equipment		
(d) exploration & evaluation	(208)	(2,214)
(e) investments		
(f) other non-current assets		

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 (12 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 - refund of tenement applications	-	27
2.6	Net cash used in investing activities	(208)	(2,194)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	915	2,329
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	(100)	(141)
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	815	2,188

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	176	1,511
4.2	Net cash used in operating activities (item 1.9 above)	(182)	(904)
4.3	Net cash used in investing activities (item 2.6 above)	(208)	(2,194)
4.4	Net cash from financing activities (item 3.10 above)	815	2,188

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	601	601

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	601	176
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)	601	176

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	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(182)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(208)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(390)
8.4 Cash and cash equivalents at quarter end (item 4.6)	601
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	601
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.41
<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: The Company has commenced exploration activities during the June 2023 quarter and will incur expenditure relating to this expenditure in the upcoming quarter.	
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: Yes, last quarter, the Company raised \$915,162 as part of an entitlement and shortfall offer. The Company will review all options available to it as and when further funding is required.	

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

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: Yes for the reasons outlined above.

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.

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.

28 July 2023

Date:

The Board of Directors

Authorised by:

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.