



ABN 79 131 843 868

Half Year Financial Report
31 December 2020

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)

R.L. Clark

D.J. Clark

COMPANY SECRETARY

R.J. Wright

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Auditor

Grant Thornton Audit Pty Ltd

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Melbourne, Victoria 3008 Australia

Share Registry

Automic Pty Ltd

Level 3

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Surry Hills, NSW 2010, Australia

Stock Exchange Listing

ASX Ltd

Level 4, North Tower, Rialto

525 Collins Street

Melbourne, Victoria 3000, Australia

ASX Code:

PKO Ordinary Shares

Incorporated in Western Australia 25 June 2008

Directors' Report

The directors of Peako Limited (**Peako** or the **company**) submit their report on the consolidated results of the company and its wholly-owned subsidiaries (**controlled entities**) or (**the group**) for the half year ended 31 December 2020

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Geoffrey Albers
Raewyn Clark
Darryl Clark

Non-Executive Chairman
Executive Director
Non-Executive Director

Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2020 was \$238,619 (six months to 31 December 2019: loss of \$227,594).

During the half-year the Group continued its activities as outlined below.

East Kimberley Copper-Gold Project

Peako's exploration focus is its large consolidated ground-holding across five exploration tenements in the East Kimberley region of Western Australia incorporating an a 1,999 km² area (Figure 1) comprising two granted tenements (E80/4990 and E80/5182) and three areas under application (E80/5346, E80/5472 and E80/5220).

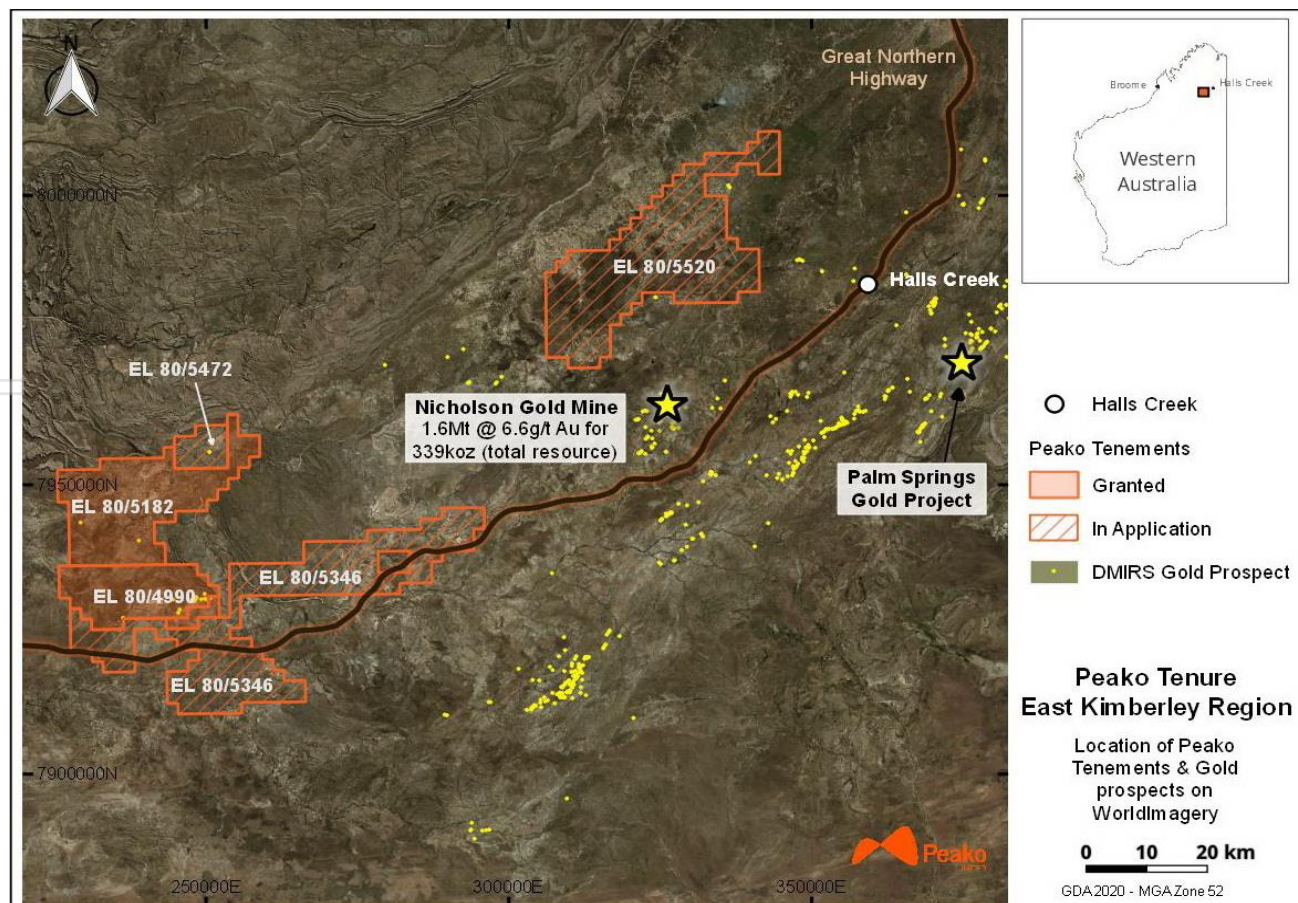


Figure 1 Peako's East Kimberley tenement holdings and location of major gold deposits and gold occurrences (DMIRS database).

Systematic exploration across the East Kimberley has largely lagged behind many of Australia's Proterozoic provinces with past exploration programs broadly characterised by sporadic campaigns incorporating numerous explorers across multiple commodities and fragmented, non-contiguous tenement holdings over the past 50 years. Historical exploration, primarily guided by occurrences of surface gossan and geochemical anomalies, has provided consistent encouragement of 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, complex stratigraphy/structure, despite highly favourable host rocks, structure and known mineralisation across the area. A substantial focus of Peako's activities has centred on realising the value of the historical datasets within our consolidated tenement package by aligning this data into a validated, non-fragmented framework. This approach has maximised value and constrained geochemical, geological, and structural frameworks whereby targeted and effective exploration can springboard. Our integrated SQL-based data platform, as well as recent data satellite and reconnaissance rock chip datasets, are pivotal to the definition of robust high quality targets for testing in the approaching field season.

Geological Setting

The Eastman (E80/4990) and Wirana (E80/5182) tenements host a diverse Paleoproterozoic 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 (**LUM**) intrusive belt (c. 1850-1835 Ma) are well developed. Moreover, recent satellite imagery and rock geochemistry define an array of multistage, poorly defined and constrained granitoid intrusions across the tenements that include granite, granodiorite, diorite, monzogranite and granophyre. The geological diversity within the tenement package has driven the search for a wide range of commodities by present and past explorers. The Koongie Park Formation (**KPF**) has demonstrated prospectivity for base (Cu-Pb-Zn) and precious (Ag, Au) metals with postulated mineralisation styles varying from VHMS to SVAL-hybrid styles, to epithermal and skarnoid mineralisation associated with widespread carbonate facies in the KPF stratigraphy. In addition, mafic to ultramafic intrusions of the Lamboo Ultramafic complex have demonstrated prospectivity for base metal (Ni, Cu) and precious (Au, PGE) metals with potential mineralisation styles varying across magmatic, cumulate to intrusion or orogenic-related gold associated with deep crustal-tapping fertile structures.

Peako's most recent tenement application E80/5520 is located 35km east of Halls Creek (Figure 1) in an area that has undergone minimal historical exploration due to widespread Cenozoic cover sequences across the tenement. Interpreted geology identifies fertile LUM rock types with known gold, nickel and base metal prospects in exposed areas adjacent to the tenement. A major 500km long NE-SW trending fault system (Springvale-Billabong Fault) is interpreted in central portions of the E80/5520 tenement, and could provide a splayed structural setting prospective for structurally localised gold systems similar to those observed at Nicholsons gold mine proximal to the Nicholsons shear zone some 20 kms to south (refer Figure 1).

Activities

Activities by Peako in 2018 and 2019 focussed on the evaluation of base metal potential at the known Landrigan and Eastman prospects. Programs of work incorporated Induced Polarisation (IP) and RC drill testing of defined IP target zones supported by a Round 19 Exploration Incentive Scheme co-funded drilling grant from the Western Australian government. Peako's 2019 RC drilling program incorporated a total of 15 holes for 2,398m with VHMS/SVAL-style mineralisation confirmed at Landrigan with assay intercepts including: 6m at 6.52% Cu 27.27g/t Ag and 1.16g/t Au (PLRC004), and 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 (PLRC011). Key results from 2019 RC drilling was delineation of an endowed mineralized structure with anomalous Cu-Au-Ag over a 200m strike with the structure remaining open in dip and strike. 2019 RC drill results also underpinned our improved geological and structural model of the KPF at Landrigan and Eastman but also refocussed Peako's efforts in 2020 to a phase of digital capture of data coincident to delays in planned field work due to the outbreak and duration of the ongoing global Covid-19 pandemic. Our philosophy to capture more than five decades of historical multi-faceted, multi-commodity geological data over the E80/4990 tenement was embraced to maximise our

knowledge of geology and potential mineralisation models to fully realise the prospectivity of the area and to define and prioritise high quality robust targets for efficient field testing programs aimed at economic discovery in the upcoming field season.

Substantial efforts over the last year has focussed on the extraction and capture of assay and spatial geology data from historical reporting and maps. These datasets are now being migrated into an SQL database that will empower critical streamlined work flows for all forward data capture, GIS and 3D visualisation software and will maximise data integration to drive our dynamic geological understanding across the tenement areas. A key outcome of data compilation work has been the recognition of a latent gold potential across the Eastman E80/4990 tenement (Figure 2) widely overlooked by past explorers. For many past explorers, gold was peripheral to their base metal and PGE exploration focus at the time, where many historical explorers did not analyse soil, rock or drill samples for gold. The recognition of this latent gold potential across Peako's Eastman E80/4990 tenement led to the commencement of our "Golden Opportunities" initiative.

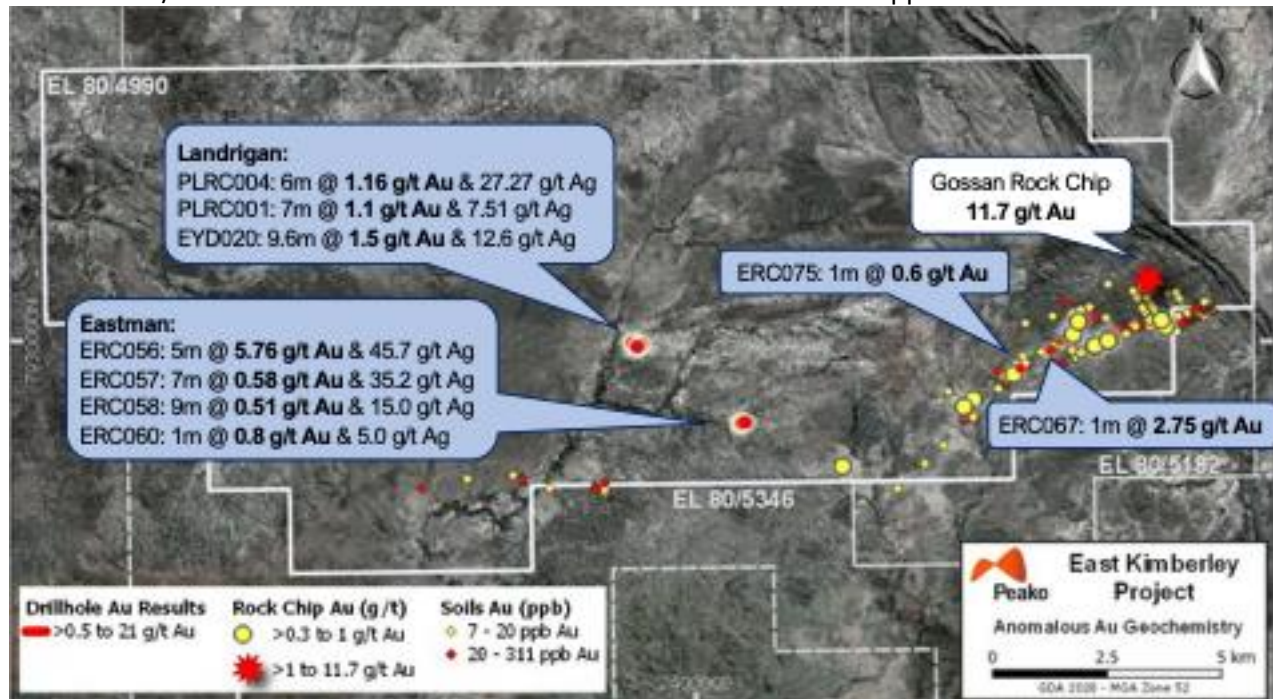


Figure 2 Historical gold assay including rock, soil and drillhole on E80/4990 that demonstrate the latent gold potential of the area.

Potential gold prospectivity on the Eastman E80/4990 tenement is widely validated by a known gold signature that is particularly pronounced at the Landrigan and Eastman prospects and across the Lamboo Ultramafic sequence. Examples include Peako's 2019 RC drilling results such as PLRC004 with 6m at 1.16g/t Au and 27.27g/t Ag and PLRC001 with 7m at 1.1 g/t Au and 7.51 g/t Ag, as well as historical rock chip results that have returned Au grades up to 11.7g/t Au. Petrology results from 2019 RC samples at Landrigan also define at least some of the gold to occur as free grains hosted by deformed quartz veins.

Rock Chip Results

During the half-year a short reconnaissance field program was completed to validate a number of defined target areas largely overlooked by past explorers on tenement E80/4990. Rock samples were analysed for Au and a multi-element suite of 33 elements using the Intertek laboratory in Perth. Reconnaissance rock chip sampling results were highly encouraging and confirmed both the gold and base metal potential at several target areas (refer announcement dated 13 November 2020 and Figure 3). Results included:

- Gossanous quartz vein stockwork with 3.7 g/t Au and 2.3 g/t Ag,
- Gossan outcrop with 0.9 g/t Au, 1.6 g/t Ag and 14.3% Cu
- Altered ultramafic with 0.5 g/t Au and 0.5% Cu
- Gossan outcrop with 123 g/t Ag and 74.1% Pb
- Altered porphyry with 30.1 g/t Ag and 3.2% Cu

- Altered porphyry with 25.5 g/t Ag and 1.2% Cu

Multielement geochemistry also defined a suite of altered intrusions at many targets areas associated with anomalous metal values. Further work is required to establish the fertility of the various intrusions and affiliation, if any, to gold and base metal mineralisation potential.

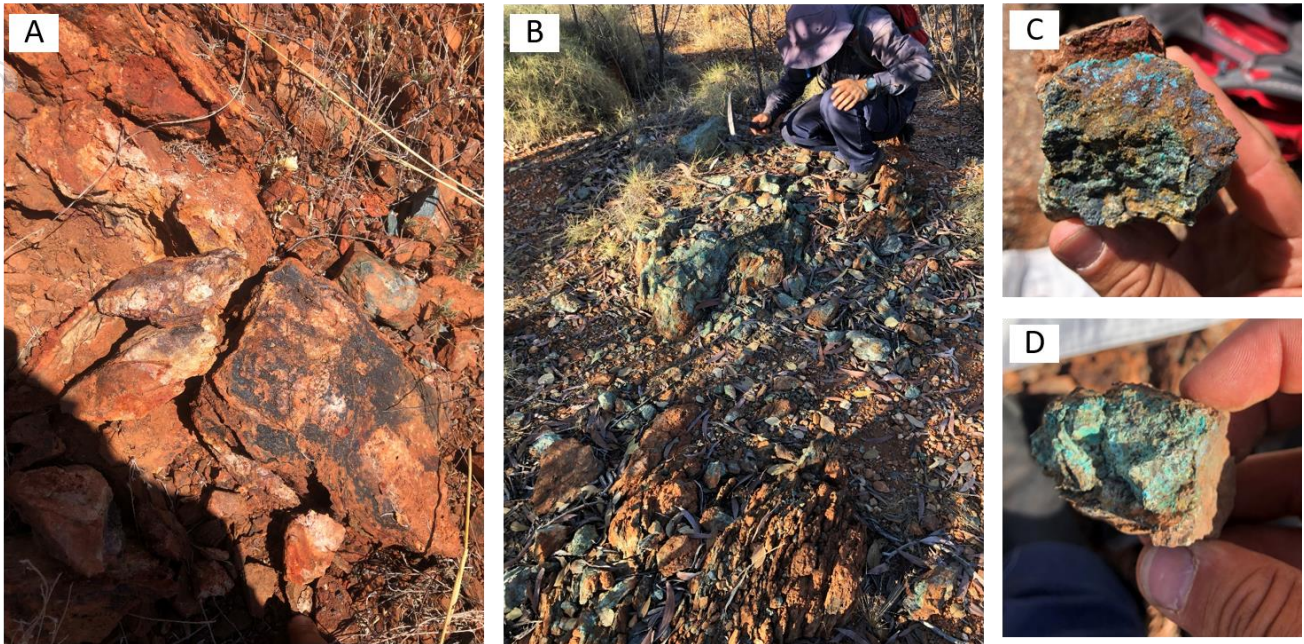


Figure 3 Outcrop and rock chip samples from the recent field sampling program including: A) Location of sample T56_001 with 3.7 g/t Au & 2.3 g/t Ag (Target 56), B) Cu-bearing gossanous outcrop (Target 50 including sample T50_003 with 0.1 g/t Au, 14.4 g/t Ag & 20.0% Cu, and Pieces of gossanous Cu-oxide bearing samples (C & D) from Target 16 that include C) T16_010 @ 0.4 g/t Au, 2.0 g/t Ag & 5.0% Cu, and D) T16_014 @ 0.9 g/t Au, 1.1 g/t Ag & 14.3% Cu.

Priority Targets for Aircore Drill Testing

A suite of nine high priority target areas are defined on the Eastman tenement for early follow-up and drill testing during the impending 2021 field season (Figure 4). Target areas are defined from a mix of favourable geology, structure, demonstrated anomalism in rock and/or soil geochemistry, outstanding geophysical targets (VTEM and magnetics) amongst the mix. Furthermore, the targets can be divided into two types based on either KPF or LUM host rock sequences, as follows:

- KPF (five targets) within bimodal volcanic to volcanoclastics with interbedded carbonate & ironstone facies intruded by multistage, multi-compositional porphyry intrusions with targets having potential for base metal and gold endowment.
- LUM (four targets) affiliated with structurally complicated peridotite to pyroxenite cumulate layers dissected by large cataclastic quartz vein sulphide-bearing shear zones intruded by multistage granitoid/porphyry. Ultramafic units have ubiquitous soil gold anomalism (Au >7 ppb) potentially affiliated with fertile crustal structures.

The spread of priority targets across E80/4990 represent a suite of targets at different stages in our exploration pipeline where some targets have little to no previous exploration, whilst other targets are advanced with previous detailed mapping, geochemistry, drilling, magnetics-radiometrics and an array of geophysical targets including VTEM and TEM.

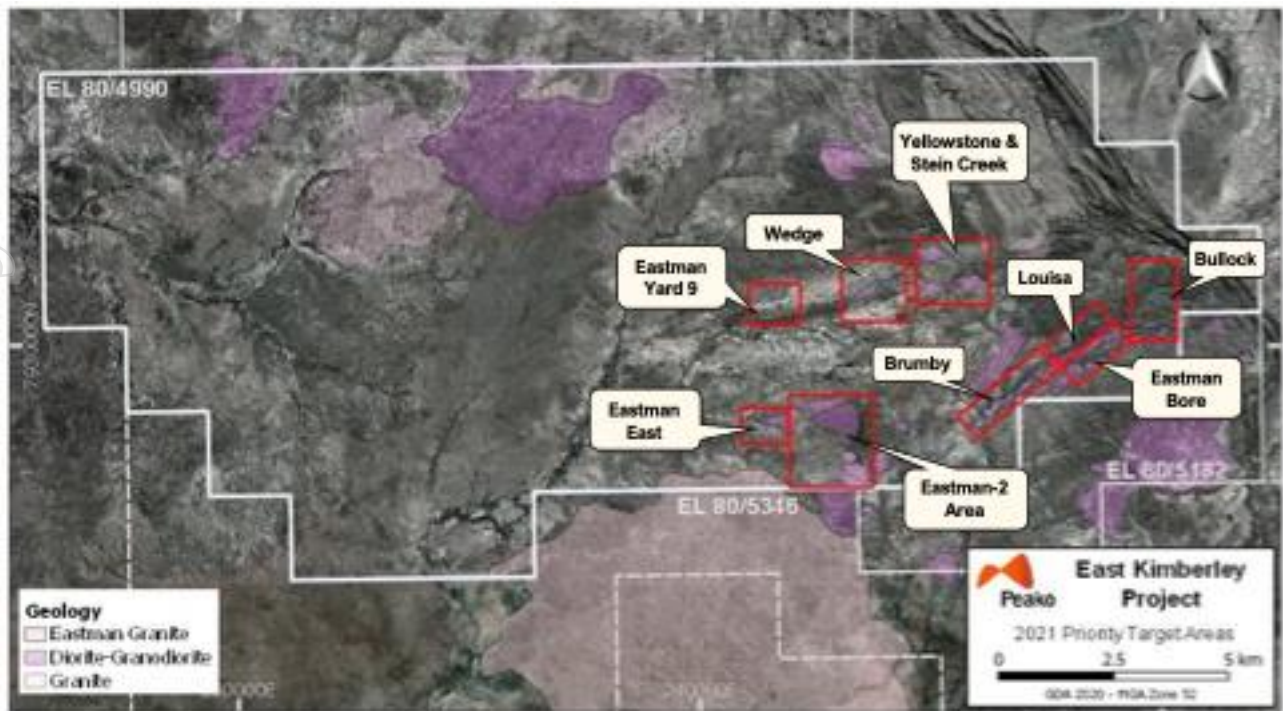


Figure 4 High priority target areas on the E80/4990 Eastman tenement for immediate follow up in the 2021 field season.

Wirana E80/5182

The Wirana (E80/5182) tenement incorporates an area of 421.9 km² contiguous to Peak's Eastman (E80/4990) tenement (Figure 1). Regional geology and recently completed Worldview-3 imagery over the tenement confirm the area to contain prospective host rock sequences including LUM, Marboo Formation and numerous granitoid intrusions of undefined affiliation. The tenement has a widespread suite of historical base and precious metal prospects at Glidden, Pond Spring, Taylor River, Lilyhole, Mt Ramsay as well multi-prospect fields at Hells Gates and Me No Savvy; the latter contained within Peak's E80/5472 application (Figure 5). The complete area has only undergone precursory work by historical explorers.

During the quarter Peak initiated precursory interpretation of worldview and a literature review over the Wirana tenement, with data capture and full interpretation of this area scheduled to be complete prior to field programs in April. The outcomes of our interpretation will prioritise areas for a phase of reconnaissance field checking, mapping and rock sample program early in the field season, where subsequent aircore or drilling exploration activities can be rolled out to priority target areas later in the field season, as appropriate.

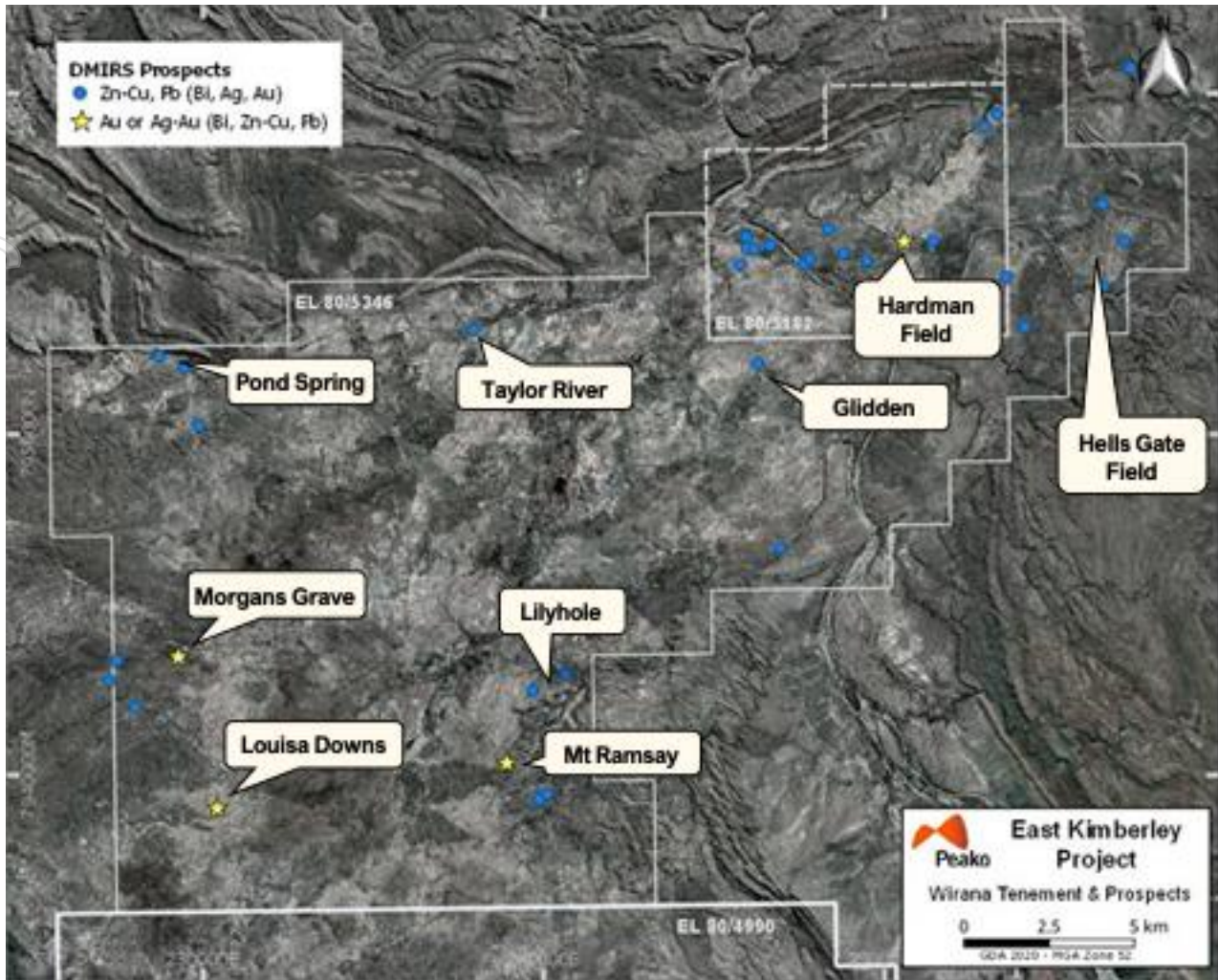


Figure 5 Wirana E80/5182 tenement area and location of key historical prospects.

WA Government EIS Award

During the half-year Peako was awarded a Western Australian Government Exploration Incentive Scheme ("EIS") Round 22 grant to co-fund further exploration drilling at its East Kimberley Copper-Gold Project. The EIS grant is for an amount of \$170,000, structured as a contribution of up to \$150,000 towards 50% of direct drilling costs to be incurred during the twelve months ending 31 December 2021 and up to \$20,000 towards mobilization costs.

This Round 22 EIS grant is additional to Peako's Round 21 EIS grant of \$150,000 for drilling undertaken in the twelve months to 30 June 2021. Peako has a total of \$320,000 available through co-funded grants for drilling purposes.

Paterson Province, Sunday Creek

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.

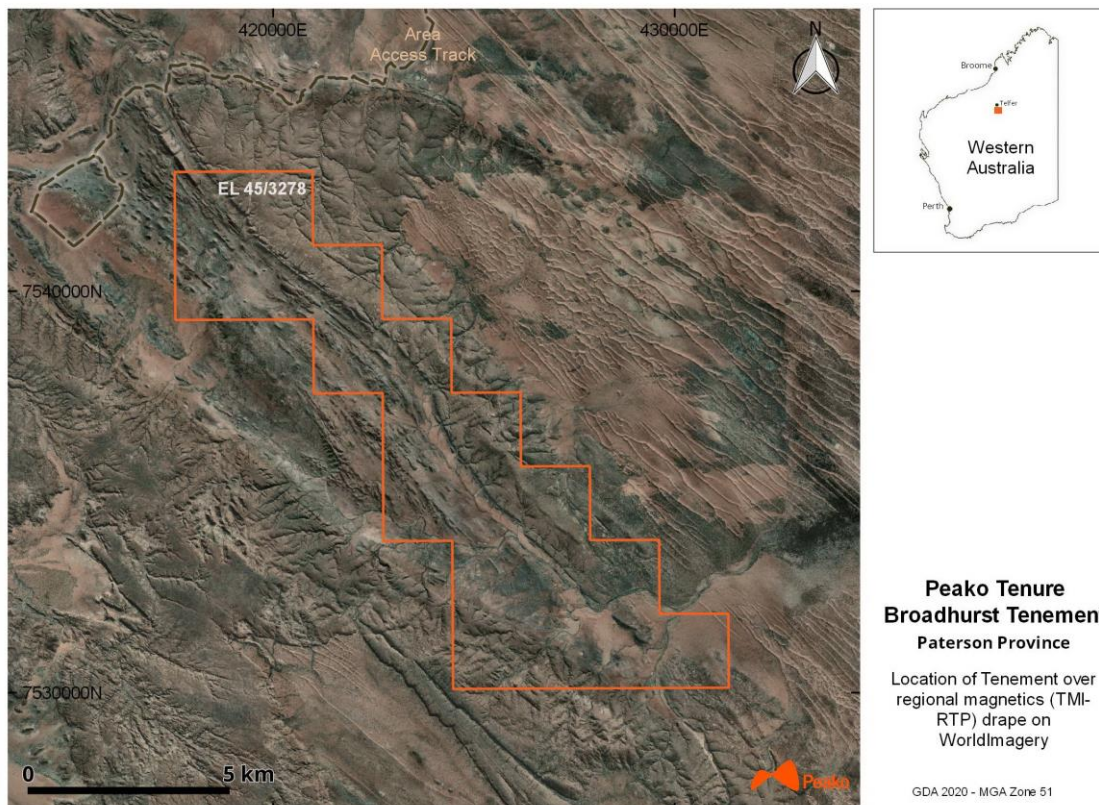


Figure 6 The Sunday Creek - Broadhurst tenement area in the Paterson Province, Western Australia.

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 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, with base metal mineralisation targets in the Broadhurst Formation remaining untested.

CORPORATE

During the half year ended 31 December Peako raised \$942,700 (before costs) via an oversubscribed placement of 28,907,690 ordinary fully paid shares at \$0.0325 (3.25 cents) per share with attached 1 for 2 unlisted options to be granted on the basis of one option for every two shares subscribed, exercisable at \$0.055 (5.5 cents) on or before 30 June 2022.

Peako also conducted a pro-rata shareholder entitlement offer on the same terms as the placement. Eligible shareholders were invited to subscribe for their pro-rata entitlement shares on the basis of 1 new share for every 5 shares held and the grant of 1 new option for no additional consideration on the basis of 1 new option for every 2 shares subscribed for under the entitlement offer. Rights issue raised \$ 1,006,791 (before costs) with 31,567,848 new shares issued and 15,783,924 options granted.

SUBSEQUENT EVENTS

There has been no significant after balance date event up to the date of signing this report.

Auditor independence

Section 307C of the *Corporations Act 2001* requires our auditors, Grant Thornton Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the half yearly report. This Independence Declaration is set out on the following page and forms part of this directors' report for the period ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Rae Clark
Director
Melbourne, 12 March 2021

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Auditor's Independence Declaration

To the Directors of Peako Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Peako Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 12 March 2021

ACN-130 913 594

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**Consolidated Statement Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2020**

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Revenue		
Sundry income	20,350	-
	<u>20,350</u>	<u>-</u>
Expenses		
Administrative expenses	(158,773)	(179,918)
Professional and consultancy fees	(45,175)	(29,720)
Exploration expenditure incurred	(41,291)	(5,796)
Share based payment	(13,701)	(9,159)
Other expenses	(29)	(3,001)
	<u>(238,619)</u>	<u>(227,594)</u>
Loss before income tax expense	(238,619)	(227,594)
Income tax expense	-	-
Net Loss for the half-year	(238,619)	(227,594)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign exchange loss on translation of subsidiary financial statements	-	2
Other comprehensive income, net of tax	-	2
Total comprehensive income for the half-year	(238,619)	(227,592)
 Basic and diluted loss per share (cents per share)	 (0.15)	 (0.20)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position
as at 31 December 2020**

		Consolidated	
	Note	31 December 2020	30 June 2020
		\$	\$
Current Assets			
Cash and cash equivalents		1,191,988	145,657
Trade and other receivables		21,508	7,922
Prepayments	8	57,884	27,200
Total Current Assets		1,271,380	180,779
Non-Current Assets			
Minerals exploration and evaluation assets	6	1,367,522	861,929
Total Non-Current Assets		1,367,522	861,929
Total Assets		2,638,902	1,042,708
Current Liabilities			
Trade and other payables		242,269	377,372
Total Current Liabilities		242,269	377,372
Total Liabilities		242,269	377,372
Net Assets		2,396,633	665,336
Equity			
Issued capital		40,240,354	38,284,139
Reserves		68,624	54,923
Accumulated losses		(37,912,345)	(37,673,726)
Total Equity		2,396,633	665,336

The above statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2020**

Consolidated	Issued capital \$	Options reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance 1 July 2020	38,284,139	53,411	1,512	(37,673,726)	665,336
Other comprehensive income	-	-	-	(238,619)	(238,619)
Total comprehensive loss for the half-year	-	-	-	(238,619)	(238,619)
Issue of Shares	2,039,671	-	-	-	2,039,671
Costs of issue	(83,456)	-	-	-	(83,456)
Issue of Options	-	13,701	-	-	13,701
Balance at 31 December 2020	40,240,354	67,112	1,512	(37,912,345)	2,396,633
Balance 1 July 2019	37,208,259	33,744	320	(37,186,616)	55,707
Loss for the period	-	-	-	(227,594)	(227,594)
Other comprehensive income	-	-	2	-	2
Total comprehensive loss for the half-year	-	-	2	(227,594)	(227,592)
Issue of Shares	1,054,214	-	-	-	1,054,214
Costs of issue	(32,426)	-	-	-	(32,426)
Issue of Options	-	9,159	-	-	75,667
Balance at 31 December 2019	38,230,047	42,903	322	(37,414,210)	859,062

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2020

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees *	(274,317)	(211,871)
Covid support	20,000	-
Net cash outflow from operating activities	(254,317)	(211,871)
Cash flows from investing activities		
Payments for minerals exploration expenditure *	(415,593)	(436,120)
Payments to suppliers – minerals tenements	(149,974)	-
Net cash outflow from investing activities	(565,567)	(436,120)
Cash flows from financing activity		
Proceeds from new share issues	1,949,671	1,054,214
Costs of new share issues	(83,456)	(32,426)
Proceeds from borrowings	-	46,000
Repayment of borrowings	-	(311,000)
Net cash inflow from financing activities	1,866,215	756,788
Net increase in cash held	1,046,331	108,797
Cash at the beginning of half-year	145,657	30,193
Cash at the end of the half-year	1,191,988	138,990

* Some administration and corporate costs included in the 31 December 2020 ASX Quarterly Appendix 5B has been re-classified to minerals exploration expenditure as consistent with the consolidated entity's accounting policies for exploration and evaluation expenses.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2020

Note 1: Statement of significant accounting policies

Peako Limited ("Peako" or "the company") is a for-profit company incorporated and domiciled in Australia with its registered office and principal place of business located at Level 1, 10 Yarra Street, South Yarra, Victoria 3141. The consolidated financial report of the company for the half year ended 31 December 2020 comprises the company and its subsidiaries (together referred to as the "consolidated entity" or "the group") and the consolidated entity's interest in joint operations.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Peako Limited as at 30 June 2020.

It is also recommended that the half year financial report be considered together with any public announcements made by Peako Limited and its controlled entities during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Listing Rules of the ASX.

(a) Basis of preparation

These general purpose financial statements for the half year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report has been prepared on an historical cost basis less impairment losses, except for financial assets at fair value through other comprehensive income that are measured at fair value. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Going concern

For the half year ended 31 December 2020 the Group incurred a net cash outflow from operating and investing activities of \$909,884 (2019: \$647,991) and a net loss after tax of \$238,619 (2019: \$227,594). As at 31 December 2020, the Group has positive working capital of \$1,029,111 (30 June 2020: negative working capital \$196,593).

Directors expect that the Group will be able to successfully raise sufficient funding to enable it to continue as a going concern for at least 12 months from the signing of the half-year financial report.

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In the event that sufficient funds are not met to meet the Group's exploration commitments, the interest in some or all of the Group's tenements may be affected. No adjustments have been made relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern, particularly the write-down of capitalised exploration expenditure should the exploration permits be ultimately surrendered or cancelled. Having assessed the potential uncertainties relating to the Group's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

(b) New and revised accounting standards applicable for the first time to the current half-year reporting period

The group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the group. The Directors do not believe that new and revised standards issued by AASB (that are not as yet effective), will have any material financial impact on the financial statements.

Note 2: Segment information

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the directors.

At regular intervals, the board is provided management information at a group level for the company's cash position, and a company cash forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

Note 3: Issued Capital

During the half year ended 31 December Peako raised \$942,700 (before costs) via an oversubscribed placement of 28,907,690 ordinary fully paid shares at \$0.0325 (3.25 cents) per share with attached 1 for 2 unlisted options to be granted on the basis of one option for every two shares subscribed, exercisable at \$0.055 (5.5 cents) on or before 30 June 2022.

Peako also conducted a pro-rata shareholder entitlement offer on the same terms as the placement. Eligible shareholders were invited to subscribe for their pro-rata entitlement shares on the basis of 1 new share for every 5 shares held and the grant of 1 new option for no additional consideration on the basis of 1 new option for every 2 shares subscribed for under the entitlement offer. Rights issue raised \$ 1,006,791 (before costs) with 31,567,848 new shares issued and 15,783,924 options granted.

In November 2020 Peako increased its interest in the Eastman tenement E80/4990 to 100%. Part of the purchase consideration was the issue of 2,647,059 fully paid ordinary shares.

Note 4: Options

During the half-year ended 31 December 2020, 38,237,799 options were granted and (1,000,000) expired. As at 31 December 2020 there were 50,237,799 options on issue (30 June 2020: 13,000,000).

Note 5: Events subsequent to reporting date

There has been no significant after balance date events up to the date of signing this report.

	Consolidated	
	31/12/20	30/6/20
	\$	\$
Note 6: Mineral exploration costs		
<i>Areas of interest in the exploration and evaluation phase</i>		
Balance at the beginning of the period	861,929	415,556
Costs for the year	505,593	538,177
Recoupment of costs through exploration grant	-	(91,804)
Balance at the end of the period	1,367,522	861,929

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas. Exploration assets relate to the areas of interest in the exploration phase for minerals exploration licences as shown in the table below:

31/12/2020	30/06/2020	Notes
E45/3278	E45/3278	Granted 30 September 2016
E80/5182	E80/5182	Granted 28 September 2018

Consolidated	
31/12/20	31/12/19

Note 7: Commitments for expenditure

Not longer than 1 year	181,500	205,500
Longer than 1 year and not longer than 5 years	492,000	776,500
	673,500	982,000

Expenditure commitments (minerals)

The Group has a commitment in minerals tenement E45 /3278 which has a current year commitment of \$30,000. The permit year ends 29 September each year and currently expires 29 September 2021.

The Group has a commitment in minerals tenement E80 /4990 which has a current year commitment of \$102,000. The permit year ends 3 October each year and currently expires 3 October 2022.

The Group has a commitment in minerals tenement E80 /55182 which has a current year commitment of \$130,000. The permit year ends 27 September each year and currently expires 27 September 2023.

Consolidated	
31/12/20	30/6/20
\$	\$

Note 8: Prepayments

Prepaid tenement rent

Balance at the beginning of the period	27,200	27,200
Costs for the year	30,684	-
Balance at the end of the period	57,884	27,200

The Company has three exploration tenement applications at 31 December 2020 (June 2020: two). If a tenement is granted rent paid on application will cover rent required on the first year of exploration in the tenement. If the tenement is not granted the rent paid on application is fully refundable.

Note 9: Share Based Payments

Share options to directors, an executive and consultants

8,000,000 options were granted to directors, an executive and consultants in the half year ended 31 Dec 2020. (Dec 2019: 11,000,000 options). All the options granted have a service period vesting condition so the cost of the options are amortised over the life of the option.

1,000,000 options (exercisable at \$0.05 (5.0 cents) on or before 1 May 2025 were granted to a consultant on 26/8/20. The accounting value of the options granted was \$19,999 with the share based payment expense for the half year \$1,486.

3,000,000 options (exercisable at \$0.044 (4.4 cents) on or before 5 November 2023 were granted to director; Rae Clark on 5/11/20. The accounting value of the options granted was \$36,954 with the share based payment expense for the half year \$1,890.

2,000,000 options (exercisable at \$0.044 (4.4 cents) on or before 5 November 2023 were granted to director; Darryl Clark on 5/11/20. The accounting value of the options granted was \$24,636 with the share based payment expense for the half year \$1,260.

2,000,000 options (exercisable at \$0.044 (4.4 cents) on or before 5 November 2023 were granted to an executive and a consultant on 5/11/20. The accounting value of the options granted was \$24,636 with the share based payment expense for the half year \$1,260.

Directors' Declaration

In the opinion of the directors:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
 - b. complying with Australian Accounting standards AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001 and other mandatory professional requirements.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Rae Clark
Director
Melbourne, 12 March 2021

Independent Auditor's Review Report

To the Members of Peako Limited

Report on the review of the half-year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Peako Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Peako Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Peako Limited's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group incurred a net loss of \$238,619 during the half year ended 31 December 2020 and, as of that date, the Group's current assets exceeded its current liabilities by \$1,029,111. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 12 March 2021