



19 May 2021

Dear Shareholders

A Notice of General Meeting of Peako Limited (**Peako** or **the Company**) to be held on Friday 25th June 2021 at 11:00am AEST is now available at <https://www.peako.com.au/asx-announcements/>.

Safety of our shareholders and staff is our paramount concern, and therefore we will hold the General Meeting by way of live video conference. There will be no physical meeting.

The consequences of this are as follows:

1. If you wish to attend the virtual meeting, you must email info@peako.com.au and you will be provided with a link to enable you to join the video conference;
2. We recommend that any questions concerning the business of the meeting are submitted to info@peako.com.au in advance of the meeting;
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.
4. Due to the virtual nature of the Meeting, shareholders who wish to vote during the Meeting must notify the Company Secretary of their intention by emailing info@peako.com.au by no later than 11:00am AEST on Wednesday 23rd June 2021 and provide their registered Shareholding details and the Company Secretary will verify their Shareholding. Shareholders will be able to submit their electronic vote immediately after the Chair calls for a vote on each Resolution.

Shareholders are strongly encouraged to lodge a proxy form to vote at the General Meeting at least 48 hours before the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Wright', is positioned above the typed name of the Company Secretary.

Robert Wright
Company Secretary

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PEAKO LIMITED

(ABN 79 131 843 868)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (**Meeting**) of the Members of Peako Limited (**Company**) will be held by videoconference, at 11:00am (AEST) on Friday, 25th June 2021.

BUSINESS

1. Resolution 1: Ratification of prior grant of options to consultants

To consider and if thought fit, to pass the following as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the grant of 3,500,000 options to consultants on the terms and conditions set out in the Explanatory Statement.”

2. Resolution 2: Grant of Options to consultants

To consider and if thought fit, to pass the following as an **ordinary resolution**:

“That, in accordance with, and for the purposes of Listing Rule 7.1 and in accordance with Listing Rule 7.3, approval is given to grant consultants to the Company (or their respective nominee) up to an aggregate 2,000,000 options on the terms and conditions set out in the Explanatory Statement.”

3. Resolution 3: Grant of Options to director - Dr DJ Clark or his nominee

To consider and if thought fit, to pass the following as an **ordinary resolution**:

“That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.1, approval is given to grant Dr DJ Clark (or his nominee) 1,000,000 options on the terms and conditions set out in the Explanatory Statement.”

4. Resolution 4: Grant of Options to director – Ms RL Clark or her nominee

To consider and if thought fit, to pass the following as an **ordinary resolution**:

“That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.1, approval is given to grant Ms RL Clark (or her nominee) 1,000,000 options on the terms and conditions set out in the Explanatory Statement.”

NOTES

Requisite Majorities

Resolutions 1 to 4 are ordinary resolutions and will be passed only if supported by a simple majority of the votes cast by Shareholders entitled to vote on the resolutions.

Voting Exclusion Statement

Resolution 1 Ratification of prior grant of options to consultants

In accordance with the provisions of Chapter 2E of the Corporations Act 2001 and the requirements of ASX Listing Rule 7.4 the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved. However, the Company will not disregard a vote if:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please note, in accordance with sections 250BD(1) and (2) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to these Resolutions unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Resolution 2 Grant of Options to Consultants

In accordance with the provisions of Chapter 2E of the Corporations Act 2001 and the requirements of ASX Listing Rule 7.1 the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed grant (except a benefit solely by reason of being a Shareholder) or any associates of those persons. However, the Company will not disregard a vote if:

- (d) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

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- For personal use only
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please note, in accordance with sections 250BD(1) and (2) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to these Resolutions unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Resolution 3 – Grant of Options to Director - DJ Clark

In accordance with the provisions of Chapter 2E of the Corporations Act 2001 and the requirements of ASX Listing Rule 10.13, the Company will disregard any votes cast in favour of Resolution 3 by DJ Clark, or any Associate of DJ Clark and any other person who will obtain a material benefit as a result of the issue of the (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, the Company will not disregard a vote if:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please note, in accordance with sections 250BD(1) and (2) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to these Resolutions unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Resolution 4 – Grant of Options to Director - RL Clark

In accordance with the provisions of Chapter 2E of the Corporations Act 2001 and the requirements of ASX Listing Rule 10.13 the Company will disregard any votes cast in favour of Resolution 4 on by RL Clark, or any Associate of RL Clark and any other person who will obtain a material benefit as a result of the issue of the (except a benefit solely by reason of being a holder of ordinary securities in the entity). However, the Company will not disregard a vote if:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the

- Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please note, in accordance with sections 250BD(1) and (2) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to these Resolutions unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

By order of the Board

PEAKO LIMITED



Robert Wright
Company Secretary
19 May 2021

EXPLANATORY NOTES TO THE BUSINESS OF THE MEETING

Note 1: Resolution 1– Ratification of Grant of Options

Background

The Board believes that the grant of Options to Consultants constitutes an important incentive for key Consultants and a cost effective method of aligning the interests of key Consultants and shareholders whilst preserving the Company's cash reserves.

The Board granted an aggregate of 3,500,000 unlisted options on 29 March 2021 to key consultants.

On 5 November 2020, the Company held its annual general meeting where shareholder approval was sought and obtained to, amongst other things, refresh its placement capacity pursuant to Listing Rule 7.1 and approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

The Company issued the Resolution 1 Options without prior Shareholder approval pursuant to both its 15% annual placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the granted of the 3,500,000 unlisted options granted on 29 March 2021 under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to have the additional capacity to issue equity securities during any 12 month period up to that amount which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, subject to that issue satisfying certain criteria.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this grant of unlisted options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

In the event that shareholders do not approve the ratification of the grant unlisted options, the options will still remained granted and placement capacity will be reduced by 3,500,000 shares.

Application of Listing Rules 7.5

In compliance with Listing Rules 7.5 the following information is provided in relation to resolution 1 on the Notice of Meeting.

- (a) 3,500,000 granted Options will be ratified under the resolution and 3,500,000 Options in total is specified in resolution 1.
- (b) The date by which Peako granted the Options was 29 March 2021.
- (c) The Options are issued free of cost as incentive Options.
- (d) The persons to whom the options to Robina Sharpe (1,000,000 4 cents options expiring on 29 March 2024 and 1,000,000 5.5 cents options expiring on 29 March 2025), Mike Blake (1,000,000 4 cents options expiring on 29 March 2024) and Carolyn Higgins (500,000 4 cents options expiring on 29 March 2024). These persons are not related parties to the company.

Terms of options

The terms of grant of the options were as follows:

- Each of the 3,500,000 options granted entitle the holder to subscribe for one ordinary share in Peako Limited (the Company) upon the payment of the Exercise Price.
- The **Exercise Price** of the options is as follows:
 - For 2,500,000 options the exercise price is \$0.04 (4 cents)
 - For 1,000,000 options the exercise price is \$0.055 (5.5 cents)
- The options will lapse at 5.00pm (AEDT) on their **Expiry Date**, which is as follows:
 - For 2,500,000 options the Expiry Date is 29 March 2024
 - For 1,000,000 options the Expiry Date is 29 March 2025
- The options are not transferable to any person other than an Associate of the grantee (within the meaning of the Corporations Act 2001) without the prior approval of the Board of Directors of the Company.
- There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option or in the payment of any dividend without having exercised the option prior to the record date to determine entitlements to any such entitlements or distributions.
- In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised in respect to number and exercise price as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- The option are exercisable at any time during the period ending on or before the Expiry Date (**Exercise Period**), subject to holders' continuing involvement with the company in the form of ongoing employment and/or consultancy arrangements, by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the optionholder accompanied by an Option Certificate or Holding Statement and a cheque or electronic transfer made payable to the Company for the subscription monies for the shares to be issued on exercise of the options the subject of the Notice. The Notice and cheque or electronic transfer must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him.

- The Company shall allot the resultant shares and deliver a statement of shareholdings with a Holders' Identification Number within 5 business days of exercise of the options.
 - The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (e) No funds will be raised by the grant of the Options.
- (f) In accordance with the requirements of ASX Listing Rule 7.1 the Company advises that it will disregard any votes cast on Resolution 1 on the Notice of Meeting by any of the persons named in paragraph (d) above and otherwise, a who participated in the issue or is a counterparty to the agreement being approved, or who obtained a material benefit as a result of, the grant or any associates of those persons.

Note 2: Resolution 2: Proposed Grant of Options to Consultants

Background

The Board considers that the grant of Options to consultants is a cost effective method of aligning the interests of consultants and shareholders whilst preserving the Company's cash reserves.

The Board resolved on 13 May 2021 to grant (subject to Shareholder approval) an aggregate of up to 2,000,000 unlisted Options to consultants.

As at the date the Board resolved to issue Options to the consultants the 5-day VWAP of the Company's shares was \$0.0037 per share.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the consultant options during the period of one month after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

In the event that shareholders do not approve the grant of the consultant options, the options will still remained granted and the Company's 15% annual placement capacity will be used for this purpose.

Application of Listing Rules 7.1 and 7.3

In compliance with Listing Rules 7.1 and 7.3 the following information is provided in relation to resolution 2 on the Notice of Meeting.

- (a) The maximum number of Options which will be issued under the resolution is 2,000,000 Options in total as specified in resolution 2.
- (b) The date by which Peako will issue the Options will be not later than 21 July 2021 which is not later than one (1) month after the date of the Meeting.
- (c) The Options are issued free of cost as incentive Options.
- (d) The persons to whom the options will be granted are Dr Robina Sharpe (or her nominee), Mr Michael Blake (or his nominee) and those persons engaged by the

Company in field work in relation to its tenements in the Kimberley region of Western Australia. These persons are not related parties to the company.

- (e) At the date of this Notice of meeting no decision has been made as to the actual number of options to granted to any of the persons named in (d) above or who may be chosen by the Board as the grantees of the options in the case of the persons engaged in field work as noted. However, none of such grantees are or will be persons to whom Listing Rule 10.11 would apply and who are specified in Listing Rules 10.11.1 to 10.11.5 (both inclusive), nor are they persons to whom Listing Rule 10.14 would apply and who are specified in Listing Rules 10.14.1 to 10.14.3 (both inclusive).

Terms of options

The proposed terms of grant of options are as follows:

- Each of the 2,000,000 options granted to consultants will entitle the holder to subscribe for one ordinary share in Peako Limited (the Company) upon the payment of an amount equal to the Exercise Price. The Exercise Price of the options will be the greater of \$0.06 (6 cents) or the price that is 50% greater than the 5 day VWAP of the Company's Ordinary Fully Paid Shares (ASX Code: PKO) prior to the day that Shareholder approval is obtained (24 June 2021).
 - All of the options granted to consultants will lapse at 5.00pm (AEDT) on 21 June 2023 (Expiry Date).
 - The options are not transferable to any person other than an Associate of the grantee (within the meaning of the Corporations Act 2001) without the prior approval of the Board of Directors of the Company.
 - There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option or in the payment of any dividend without having exercised the option prior to the record date to determine entitlements to any such entitlements or distributions.
 - In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised in respect to number and exercise price as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
 - The option shall be exercisable at any time during the period ending on or before the Expiry Date (Exercise Period), by the delivery to the registered office of the Company of a notice in writing (Notice) stating the intention of the optionholder accompanied by an Option Certificate or Holding Statement and a cheque or electronic transfer made payable to the Company for the subscription monies for the shares to be issued on exercise of the options the subject of the Notice. The Notice and cheque or electronic transfer must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him.
 - The Company shall allot the resultant shares and deliver a statement of shareholdings with a Holders' Identification Number within 5 business days of exercise of the options.
 - The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (f) No funds will be raised by the grant of the Options.

- (g) In accordance with the requirements of ASX Listing Rule 7.1 the Company advises that it will disregard any votes cast on Resolution 2 on the Notice of Meeting by any of the persons named in paragraph (d) above and otherwise, a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

Note 3: Resolutions 3-4 – Grant of Options to Directors

Background

The Board believes that the grant of Options to the Directors in Resolutions 3 to 4 constitutes an important incentive for Directors and a cost effective method of aligning the interests of Directors and shareholders whilst preserving the Company's cash reserves.

The Board resolved on 13 May 2021 to grant (subject to Shareholder approval) an aggregate of 2,000,000 unlisted Options to two of its directors.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Accordingly, the grant of the Director Options to Dr Darryl Clark and Ms.Raewyn Clark will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

In the event that shareholders do not approve the grant of the director options, the options will not be granted. No other form of replacement incentive and/or remuneration is currently available to directors should the options not be granted.

As at the date the Board resolved to issue Options to the directors the 5-day VWAP of the Company's shares was \$0.037 per share.

Terms of options

The proposed terms of grant of options are as follows:

- (a) Each of the 2,000,000 options granted will entitle the holder to subscribe for one ordinary share in Peako Limited (the Company) upon the payment of the Exercise Price. The Exercise Price of the options will be the greater of \$0.06 (6 cents) or the price that is 50% greater than the 5 day VWAP of the Company's Ordinary Fully Paid Shares (ASX Code: PKO) prior to the day that Shareholder approval is obtained (24 June 2021).
- (b) All of the 2,000,000 options will lapse at 5.00pm (AEDT) on 21 June 2023 (**Expiry Date**)
- (c) The options are not transferable to any person other than an Associate of the grantee (within the meaning of the Corporations Act 2001) without the prior approval of the Board of Directors of the Company.
- (d) There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option or in the payment of any dividend without having exercised the option prior to the record date to determine entitlements to any such entitlements or distributions.

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- (e) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised in respect to number and exercise price as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
 - (f) The options shall be exercisable at any time during the period ending on or before the Expiry Date (**Exercise Period**), subject to holders' continuing involvement with the company, by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the optionholder accompanied by an Option Certificate or Holding Statement and a cheque or electronic transfer made payable to the Company for the subscription monies for the shares to be issued on exercise of the options the subject of the Notice. The Notice and cheque or electronic transfer must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the optionholder to the balance of the options held by him or her.
 - (g) The Company shall allot the resultant shares and deliver a statement of shareholdings with a Holders' Identification Number within 5 business days of exercise of the options.
 - (h) The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

Application of Listing Rules 10.11, 10.13 and 10.13.8

In compliance with Listing Rules 10.11, 10.13 and 10.13.8 the following information is provided in relation to resolutions, 3 and 4 on the Notice of Meeting.

- (a) The names of the grantees of the Options are as set out in resolutions resolutions 3 (DJ Clark) and 4 (RL Clark);
- (b) The Related Parties are Dr Darryl Clark and Ms. Raewyn Clark who are related parties under Listing Rule 10.11.1 by virtue of being Directors.
- (c) The maximum number of Options which will be issued under Resolution 3 is 1,000,000 options. The maximum number of Options which will be issued under Resolution 4 is 1,000,000 options. In aggregate, a total of 2,000,000 options will be granted under Resolutions 3 and 4.
- (d) The date by which the Company will issue the Options will be not later than 21 July 2021 which is not later than one (1) month after the date of the Meeting.
- (e) The grantees of the Options the subject of Resolutions 3 and 4 are each directors of the Company as named in the resolutions (or their respective nominees who will be their respective Associates within the meaning of the Corporations Act).
- (f) The Options are issued free of cost as incentive Options. The Exercise Price of the options will be the greater of \$0.06 (6 cents) or the price that is 50% greater than the 5 day VWAP of the Company's Ordinary Fully Shares (ASX Code: PKO) prior to the day that Shareholder approval is obtained (24 June 2021)
- (g) No funds will be raised by the grant of the Options.
- (h) The only directors to have an interest in the outcome of the proposed resolutions are Dr Clark and Ms RL Clark their respective benefits are that they (or their Associates) will be granted the Options as provided in the respective resolutions and that each of Dr Clark and Ms. RL Clark will be the recipients of any financial benefit flowing from the grant of such options.
- (i) A voting exclusion for each resolution is included in the Notice of Meeting.
- (j) the remuneration from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Darryl Clark	\$9,125	\$10,950
Raewyn Clark	\$Nil	\$Nil

In relation to each of Resolutions 3 and 4, if approval is given by such resolution to grant options to the director named in such resolution (or to that director's nominee) under Listing Rule 10.11 further approval to grant such options is not required under Listing Rule 7.1.

2,000,000 Options – Exercise Price – Expiry Date 21 June 2023

The exercise price of the Director Options will be the be the price that the greater of \$0.06 or 50% greater than the 5 day VWAP of the Company Ordinary Fully Paid Shares (ASX Code: PKO) prior to the day that Shareholder approval is obtained (24 June 2021).

The options proposed to be granted have a pro forma valued based on current share prices using Black Scholes binomial model. That valuation has determined a current value of \$0.0123 for each option with total values as shown in the table below:

<i>Name of Director</i>	<i>No. of Options</i>	<i>Black Scholes Valuation</i>
DJ Clark	1,000,000	\$12,312
RL Clark	1,000,000	\$12,312
Total	2,000,000	\$24,624

Separate from director's remuneration, various director related entities received payment for services provided on normal commercial terms and conditions as set out in note 14 to the 2020 Annual Financial Statements.

Each of Dr Clark and Ms Clark's relevant interests in existing securities in the capital of the Company as follows.

<i>Name of Director</i>	<i>No. of Fully Paid Shares held</i>	<i>No of Options held</i>
RL Clark	Nil	7,000,000
DJ Clark	1,200,000	3,100,000

Option pro forma Valuation

The valuation of the options as 13 May 2021 using a binomial model shows a current value per option of \$0.0180 per option, based on the following assumptions:

- A current share price of \$0.036;
- an exercise price of \$0.0525
- the options being granted on 25 June 2021 and expiring on 21 June 2023;
- a risk free rate of 0.08% for Commonwealth Treasury Bond yields with a maturity approximating the expiry date of the options.

- a volatility factor of 87% calculated by reference to the average volatility of various other relevant companies.

Recent market prices of Peako shares on ASX

During the 90-day period to 13 May 2021, the shares traded in a range of \$0.010 to \$0.051 per share. Volume weighted average share price (“VWAP”) for various periods are set out below:

Subject to shareholder approval and prior to grant the offer option exercise price will be fully determined and valued in accordance with Black Scholes method appropriate to the offer.

VWAP Period	VWAP	Volume	Value Traded \$
30 Day	\$ 0.0356	46,703,350	1,662,973
90 Day	\$ 0.0327	67,473,474	2,205,957

Related Party Requirements of Chapter 2E of the Corporations Act 2001

The requirements of Section 219 of the Act as set out in Chapter 2E thereof require that certain information must be provided to members to enable them to vote in relation to each of the resolutions to be put to the meeting.

Each Director named in the resolution proposing the grant of options to that Director has an interest in the outcome of that resolution. The nature of the financial benefit which may be obtained by each of the named Directors as related parties of the Company is that those Directors (or their nominees) will be granted the options which have values as summarised above.

It is important for members to recognise that for the value in the related party benefit constituted by the grant of the options to be realisable by the optionholder, that the options must be exercised as they are, generally, not transferable.

The acquisition by any person of options does not change voting power. That voting power will only change in accordance with changes in the relevant interests in shareholdings of any member or of those of his associates.

Director's recommendations

The Corporations Act requires in Section 219, inter alia, that, in relation to each director of the company, it must be set out herein:

- (a) if the director wanted to make a recommendation to members about the proposed resolution—the recommendation and his or her reasons for it; or
- (b) if not—why not; or
- (c) if the director was not available to consider the proposed resolution—why not.

In relation to Resolution 3 dealing with the grant of Options to Dr DJ Clark, Dr Clark abstains from making any recommendation to members in relation to the resolution as he has an interest in the outcome of the resolution

However, all other Directors recommend that members vote in favour of the resolution as they consider that the grant of the Options to Dr Clark will provide a significant incentive for Dr Clark to actively act in the interests of the Company and its members as it more closely aligns his interests to those of members and other security holders.

In relation to Resolution 4 dealing with the grant of Options to Ms RL Clark, Ms RL Clark abstains from making any recommendation to members in relation to the resolution as he has an interest in the outcome of the resolution

However, all other Directors recommend that members vote in favour of the resolution as they consider that the grant of the Options to Ms Clark will provide a significant incentive for Ms Clark to actively act in the interests of the Company and its members as it more closely aligns her interests to those of members and other security holders.

Within the knowledge of the directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass proposed resolutions 3 and 4. Clearly, the effect of passing the resolutions will, if the Options are ever exercised, be to dilute members interests proportionately and to reduce the respective voting power of each of them proportionately.

Note 4: Voting Generally

- The Company has determined that, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cwth), the holders of shares of the Company who are on the Company's share register as at 11.00am (AEST) on 23 June 2021 will be taken for the purposes of the Meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the Meeting.
- A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
- A proxy duly appointed need not be a Member.
- A proxy form accompanies this Notice and to be effective, the form and any document necessary to show the validity of the form must be lodged with the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
- Directors and Officers of corporate shareholders should note that unless the corporate shareholder either:
 - (a) completes and lodges with the Company a valid form of appointment of proxy in accordance with the instructions on the enclosed proxy form; or
 - (b) completes and either lodges with the Company prior to the Meeting a form of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act or causes such personal representative to attend the Meeting with such form of appointment; or
 - (c) has appointed an attorney,and such proxy, personal representative or attorney attends the Meeting, then such corporate shareholder will be unable to exercise any votes at the Meeting.
- Proxy and corporate appointment of representative forms may be returned to the Company in the manner detailed at point 6 on the reverse of the proxy form.
- Corporate shareholders should comply with the execution requirements set out above and on the reverse of the proxy form and otherwise comply with the provisions of Section 127 of the Corporations Act, as detailed at point 7 on the reverse of the proxy form.

- Completion of a proxy form will not prevent individual Members from attending the Meeting in person if they wish. Where a Member completes and lodges a valid proxy form and attends the Meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the Meeting.
- Where a proxy form or form of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy