ASX Announcement

12 August 2021

ASX:PKO

'Scout' RC Drilling Program Commences

Highlights

- **'Scout' RC drill program has commenced to test an array of six priority target areas**
- **Testing includes the newly defined Appaloosa vein system (rock chip results with up to 12.7g/t gold)**
- **Also testing for gold-bearing vein-fault systems at the Eastman and Landrigan historical prospects**
- **Testing will include polymetallic sulphide halo zones around all targets**
- **New rock chip assay results up to 9.66g/t gold define additional gold veins at the Appaloosa target**
- **Results from recent 3,000m aircore drilling pending**

Commencement of Scout Drilling

Peako Limited (ASX: PKO, Peako) is pleased to advise the commencement of a 'scout' RC drilling program at its 100% owned East Kimberley Project in Western Australia. Approximately 1,400 metres of RC drilling is planned to expedite early-stage drill testing of a number of 'hard rock' targets using a track-mounted Hydropower Scout Mark II drill rig.

Figure 1 *Drilling at Gypsy Vein System*

The ‘hard rock’ targets, defined from recent geological mapping, rock assay results and our historical drill and geochemistry data library, are summarised below with locations shown on Figure 2. While predominantly testing gold-bearing vein systems, all targets are affiliated with polymetallic sulphide halo zones with potential for copper, lead, silver and zinc.

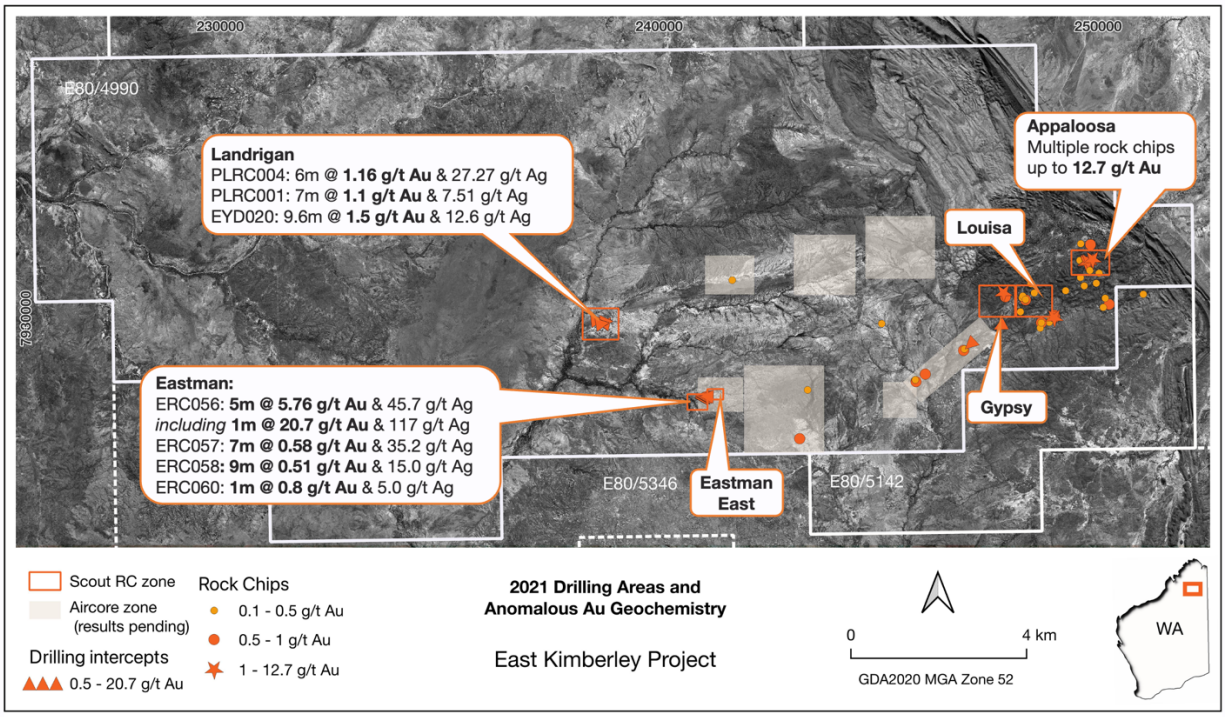

Figure 2 *Location of 2021 Scout RC drilling zones with anomalous gold geochemistry indicated.*

RC Drill Target Areas

Six target areas have been defined for RC drilling to test gold and gold-polymetallic (Cu, Pb, Zn, Ag) vein systems at Appaloosa, Gypsy, Louisa, Eastman, Eastman East and Landrigan.

Drilling at **Appaloosa** will test the newly identified gold-lead bearing vein system in the north-east of E80/4990 affiliated with chloritic shear zones and hosted within serpentinised gabbro. Within this system, multiple gossanous veins are observed to contain gold grades varying from 1.3g/t Au to 12.7g/t Au. RC drilling of the Appaloosa vein system will test gold-lead quartz vein arrays over a strike of approximately 400m. RC drill testing at **Gypsy**, **Louisa** and **Eastman East** will test outcropping to sub-cropping gold-bearing quartz-copper vein and shear systems hosted within or at the margins of gabbro, rhyolite dykes and diorite intrusions, respectively.

In addition, new RC drill targets have been defined at both the historical **Eastman** and **Landrigan** prospects following the integration of recent geological mapping with historical data and 3D-modelling. Our new interpretation identifies these targets to have Au-bearing quartz vein/fault structures that are encapsulated by a polymetallic Cu-Zn-Pb-Ag-rich sulphide halo. Vein systems at both Eastman and Landrigan strike broadly ENE to NE and dip S/SW. Near-surface (<100m) extensions to the vein systems which are untested for gold endowment have been defined at both prospects. Our scout program is designed to test these newly identified shallow target zones.

EIS Funding

Peako's scout drilling program is supported by a Western Australian Government Exploration Incentive Scheme ("EIS") co-funded drilling grant of up to $170,000 comprised of $150,000 for 50% of direct drilling costs and up to $20,000 towards mobilisation costs.

New Rock Chip Assays Further Validate Appaloosa Target

New assay results returning up to 9.66g/t Au have been received from rock chips samples taken in early June during field mapping of the Appaloosa vein system. The new results continue to show multiple gold-endowed vein structures at Appaloosa and highlight its Au-Pb signature with lead content up to 4.8%. Recent rock chip results with assays above 0.5 g/t Au are given in Table 1 below and sample location is illustrated on Figure 3.

Table 1 *Rock chip sample location and assay results > 0.5g/t Au*

Sample	Easting (m)	Northing (m)	Au ppm	Ag ppm	As ppm	Bi ppm	Cu ppm	Pb ppm	Zn ppm
P2100167	249880	7931340	9.657	3	2111	<10	365	4794	4183
P2100173	249880	7931340	9.608	3	3228	<10	266	3670	191
P2100171	249880	7931340	7.941	<2	2516	<10	170	1833	141
P2100166	249880	7931340	7.684	<2	1940	<10	371	4848	4775
P2100172	249880	7931340	7.541	2	1685	<10	66	1943	79
P2100169	249880	7931340	6.561	2	2368	<10	174	3339	275
P2100170	249880	7931340	6.438	2	1972	<10	483	6098	3520
P2100165	249880	7931340	6.193	<2	1909	<10	340	4739	4529
P2100178	249774	7931285	3.422	8	6691	<10	821	34544	2467
P2100177	249774	7931285	3.212	11	1364	<10	1033	48388	434
P2100168	249880	7931340	2.999	<2	1148	<10	445	3511	1233
P2100175	249774	7931285	1.358	4	2578	<10	551	10890	787
P2100179	249774	7931285	0.748	4	1007	<10	766	8910	610

- Projection: GDA 2020 MGA Zone 52.
- Samples were submitted to Intertek Genalysis for preparation and assay.
- Fire Assay 50g gold (FA50/OE04) and Ore grade 4 acid digest (4AO/OM) for elements Ag, As, Bi, Cu, Mo, P, Pb, S, Zn.
- < represents an assay below the lower detection limit for that element. For example: Ag <2ppm; Bi <10ppm; Mo <5ppm; Sb <10ppm.

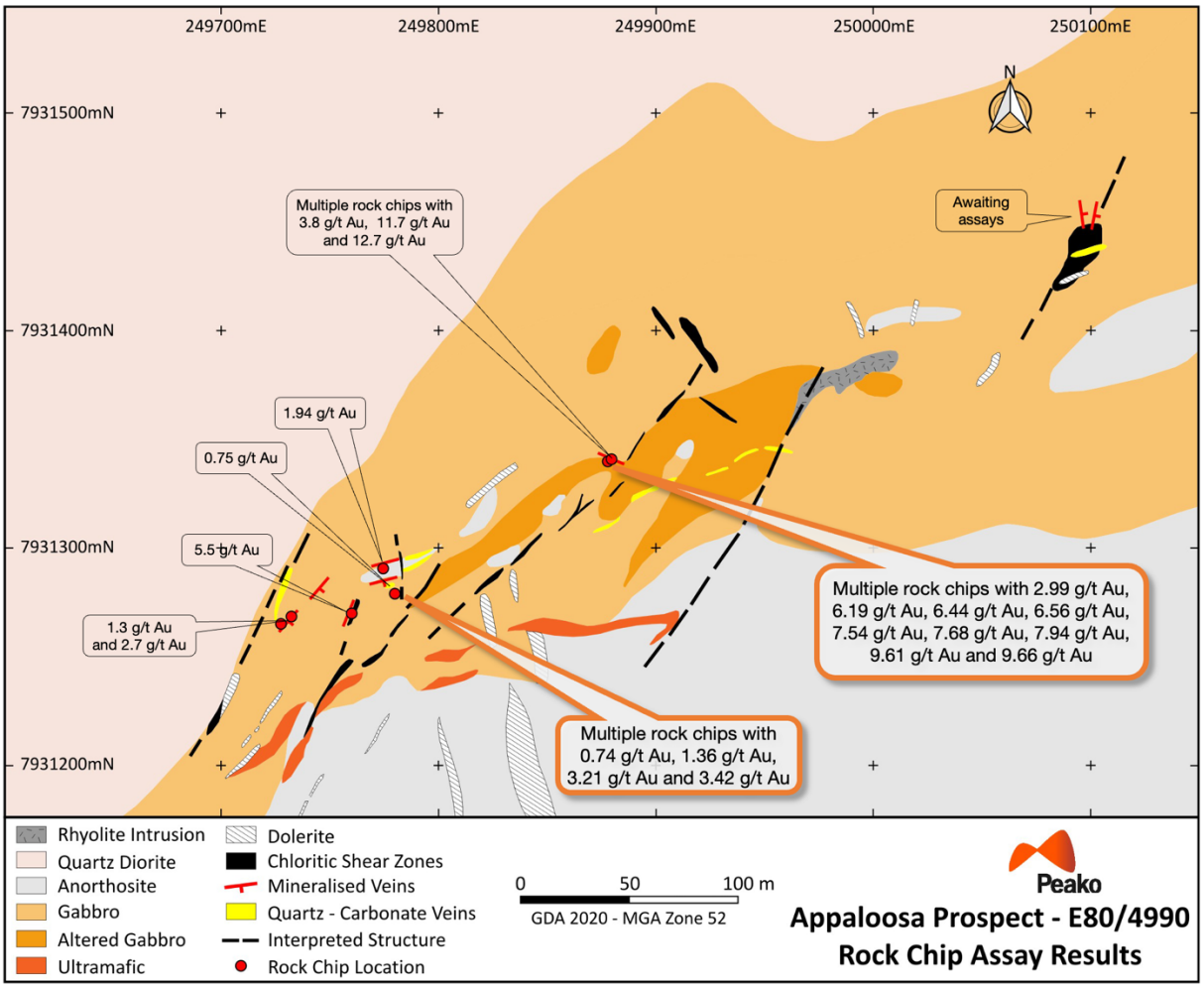

Figure 3 *Geological map of the Appaloosa area and location of quartz-carbonate and gold-bearing gossanous veins that contain Au grades up to 12.7g/t Au. New rock chip assays depicted by in orange-outlined call-outs*

Aircore Geochemistry Program Results Pending

Peako's recently completed aircore geochemistry program was designed to test seven priority areas for anomalous gold, base metal and/or PGE targets. All aircore assay results are currently pending and results are anticipated progressively over the coming months due to slow laboratory turnaround times. The aircore program comprised a total of 473 holes for 3,014m (refer Figure 4). Once assay results are integrated with completed field mapping, they will define robust targets for subsequent RC drill testing, likely at this stage as part of next year's field season, given laboratory turnaround and impending wet season onset by late September/October.

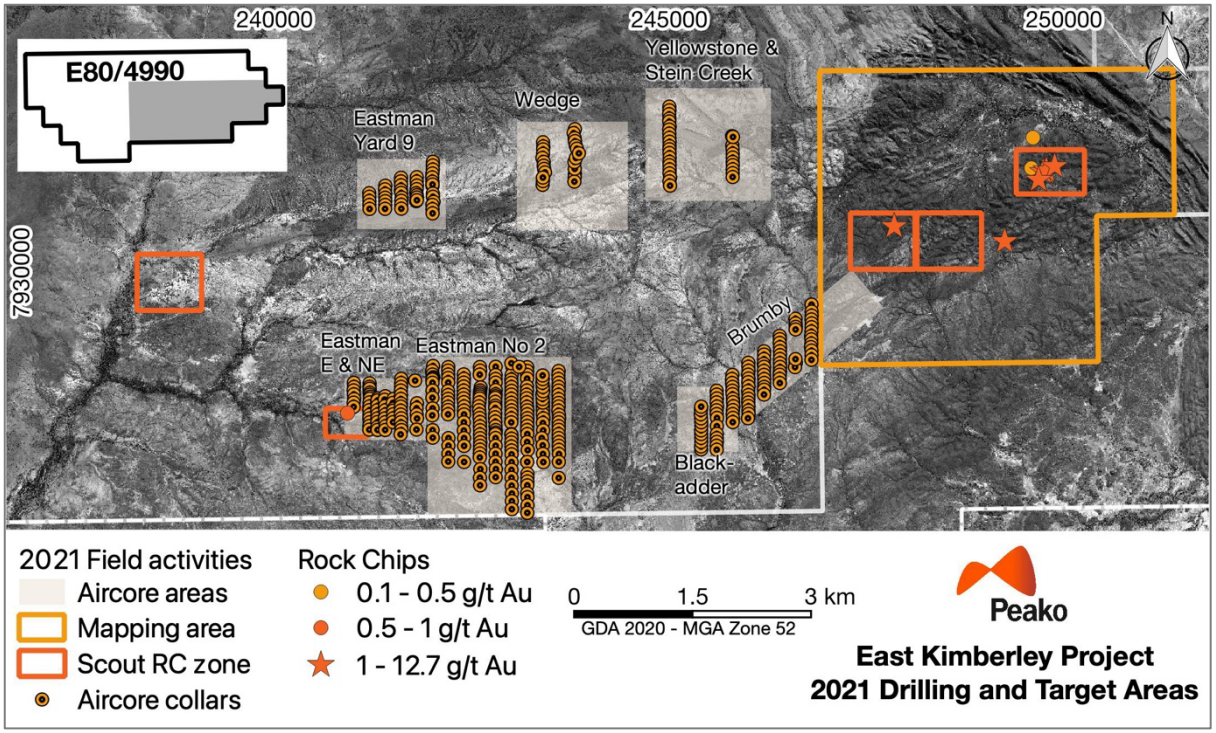

Figure 4 *Summary of Peako's 2021 field season activities showing aircore collar locations*

Director Comment

Executive Director, Ms Rae Clark, commented "*We're excited to commence our scout RC drill program to test a number of new and existing gold and polymetallic targets across the Eastman tenement. We look forward to receiving multi-element assay data over coming months, in addition to results from our recently completed 473 hole aircore program*."

References

Further details relating to the information provided in this release can be found in the following Peako ASX announcements:

21 July 2021	East Kimberley Exploration Update
25 May 2021	East Kimberley Drilling Program Commences
5 May 2021	Reconnaissance Field Work Discovers Extensive Base and Precious Metal-rich Quartz Vein Systems
21 April 2021	Investor Presentation
13 November 2020	East Kimberley Project Update
20 August 2020	East Kimberley Exploration Update
30 April 2020	Quarterly Reports – 31 March 2020
30 January 2020	Infill RC Sample Results
28 November 2019	East Kimberley Drilling Results Extend Known Copper-Gold Mineralisation
30 September 2019	Extension of East Kimberley Copper-Gold RC Drilling Program
23 September 2019	RC Drilling Commences at East Kimberley Copper-Gold Project

23 May 2019	Drilling Grant Awarded
28 November 2018	Projects Update
31 October 2018	Quarterly Activities Report
15 August 2018	IP Geophysical Survey to Commence Shortly at Eastman

Competent Person Declaration

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Ms Carolyn Higgins who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Ms Higgins is 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. Ms Higgins consents to the inclusion in this report of the matters based on information provided by her and in the form and context in which it appears.

For more information

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Appendix 1: JORC Code (2012 Edition), Assessment and Reporting Criteria

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Explanation
Sampling Techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The sampling described in this report refers to rock chip sampling. All samples were collected by qualified geologists or under geological supervision. Rock chip samples are grab samples comprised of fragments of rock outcrop (and veins in varying orientations), sampled with a hammer. Rock chip sampling was carried out as part of a geological mapping exercise in areas of geological interest. Sample size is nominally 0.5 to 1 kilogram.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All sampling is guided by Peako's protocols and Quality Control procedures as per industry standards.
	Aspects of the determination of mineralisation that are Material to the Public Report.	A total 42 rock chip samples were collected and dispatched for analysis to Intertek Genalysis Laboratory in Perth with analysis for FA50/MS and FA50/OE04
Drilling Techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	No drilling results described in this report
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling results described in this report
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling results described in this report
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling results described in this report
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All rock samples were logged into field notebooks along with sample numbers. The rock type, presence of sulphides (or their weathering products) and the presence or absence of alteration minerals was recorded at each site.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Rock chip logging is both qualitative and quantitative, depending on the field being logged.

Criteria	JORC Code Explanation	Explanation
	The total length and percentage of the relevant intersections logged.	All rock chips are lithologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drill core is described in this report.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Rock chip samples were submitted to Interek Genalysis' Perth laboratory. The laboratory is ISO9001-certified. The samples were oven dried and crushed to a nominal top-size of 2mm and pulverised to that at least 85% of the material was finer than 75µm. A low-Cr steel mill was used for pulverizing to minimise contamination. No sub-sampling was undertaken. Each of the rock chip samples weighed between 0.1 to 1kg and are considered to be suitable given the nature of the material being sampled.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation for all samples follows industry best practice.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Peako has protocols that cover the sample preparation at the laboratories and the collection and assessment of data to ensure that accurate steps are used in producing representative samples
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Sampling is carried out in accordance with Peako's protocols as per industry best practice. Field QC procedures involve the use of certified reference material as assay standards and, blanks. \
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were analysed in certified Intertek Genalysis Laboratory in Perth for Au, Ag, Cu, Pb, Zn, Bi, As, S, Sb, P. Gold was determined by lead collection fire assay in new pots and analysed by ICP-MS (code FA50/MS)
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Samples were logged and preliminary analyse of the geochemistry of the sample was intermittently checked using a pXRF machine in the field.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 90% passing 75 microns. Internal laboratory QAQC checks are reported by the laboratory.

Criteria	JORC Code Explanation	Explanation
		Review of the internal laboratory QAQC suggests the laboratory is performing within acceptable limits.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Reported results are compiled and verified by the Company's Competent Person
	The use of twinned holes.	No twinned holes are reported in this release.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary field data is collected by Peako's geologists on standardised logging sheets. This data is compiled and digitally captured. The compiled digital data is verified and validated by the Company's geologists.
	Discuss any adjustment to assay data.	The primary data is kept on file. There were no adjustments to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Sample locations were captured by hand-held GPS with a positional accuracy is approximately +/-5 metres. The coordinates of samples and drill holes are shown in the tables in this report.
	Specification of the grid system used.	Location data was collected in GDA2020, MGA Zone 52.
	Quality and adequacy of topographic control.	The RL of the rock chip samples was not recorded recorded as it is not considered necessary for early reconnaissance work of this nature.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The samples taken were part of a reconnaissance mapping and sampling program. The average surface sample spacing was highly variable but in the order of metres to tens of metres due to the variation of the outcropping veins.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Rock chip sampling is not being used for Mineral Resource estimation.
	Whether sample compositing has been applied.	No sample compositing was applied for the rock chip sampling.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Rock chip samples were taken from outcropping veins, gossans, and highly altered rocks in order to confirm the spatial location of the mineralisation.

Criteria	JORC Code Explanation	Explanation
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation-based sampling bias has been identified in the data at this point.
Sample security	*The measures taken to ensure sample security.*	Samples are stored on site prior to road transport by Company personnel to Broome and then freighted to the laboratory in Perth.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	There has been no external audit or review of the Company's techniques or data.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Explanation
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Results reported in this announcement are from currently granted Exploration Licence E80/4990, in which Peako's wholly owned subsidiary SA Drilling Pty Ltd has a 100% interest. The tenement is situated within the Gooniyandi Combined #2 Native Title Claim (WC 2000/010) and Determination (WCD2013/003).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is current and in good standing with all statutory commitments being met as and when required. There are no known impediments to obtaining a licence to operate pending the normal approvals process.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Historical exploration within the tenement area has been undertaken by numerous parties, commencing with Pickands Mather in 1967. Refer Peako Limited ASX release dated 15 August 2018, Appendix 3 and 28 November 2019, Appendix C for overview of exploration historically undertaken on the tenement.
Geology	*Deposit type, geological setting and style of mineralisation.*	The E80/4990 tenement hosts a diverse Paleoproterozoic succession that is widely intruded by multiple granitoid phases and deformed by multiple orogenic episodes. The morphology of the mineralisation as well as the structural make up is not well understood. 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. Recent satellite imagery and rock geochemistry define an array of multistage, poorly constrained granitoid intrusions across the tenement, with

Criteria	JORC Code explanation	Explanation
		compositions that include granite, granodiorite, diorite, monzogranite and granophyre. The geological diversity within the tenement 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.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	No drilling results described in this report
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	There has been no exclusion of information.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	N/A

Criteria	JORC Code explanation	Explanation
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable to this document.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalent values are not reported in this announcement.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Samples were taken from outcropping rocks/veins/gossans in order to confirm the spatial location of the mineralisation.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Not applicable to this document.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable to this document.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The coordinates of sample locations are presented in Table 1 and illustrated in Figure 3.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The accompanying document is considered to represent a balanced report.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	pXRF measurements were taken in the field of some rock chip samples. pXRF analysis have not been reported to the ASX and are considered qualitative analysis only. There is no other exploration data which is considered material to the results reported in the announcement.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Refer to main body of this report.

Criteria	JORC Code explanation	Explanation
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to main body of this report.