



ABN 79 131 843 868

Half Year Financial Report
31 December 2021

Contents

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	15
CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	16
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
CONSOLIDATED STATEMENT OF CASH FLOWS	19
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	20
DIRECTORS' DECLARATION	24
AUDITOR'S REVIEW REPORT	25

CORPORATE DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)

R.L. Clark

P.A. Kitto

COMPANY SECRETARY

R.J. Wright

Registered Office

Level 1, 10 Yarra Street

South Yarra, Victoria 3141, Australia

Telephone: +61 (0)3 8610 4713

Facsimile: +61 (0)3 8610 4799

Email: info@peako.com.au

Website: www.peako.com.au

Auditor

Grant Thornton Audit Pty Ltd

Tower 5, Collins Square

727 Collins Street

Melbourne, Victoria 3008 Australia

Share Registry

Automic Pty Ltd

Level 3

50 Holt Street

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 2021

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	Non-Executive Chairman
Raewyn Clark	Executive Director
Darryl Clark – resigned 20/9/21	Non-Executive Director
Paul Kitto – appointed 20/9/21	Non-Executive Director

Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2021 was \$447,251 (six months to 31 December 2020: loss of \$238,619).

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

PROJECTS

East Kimberley Project

Tenement Position

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

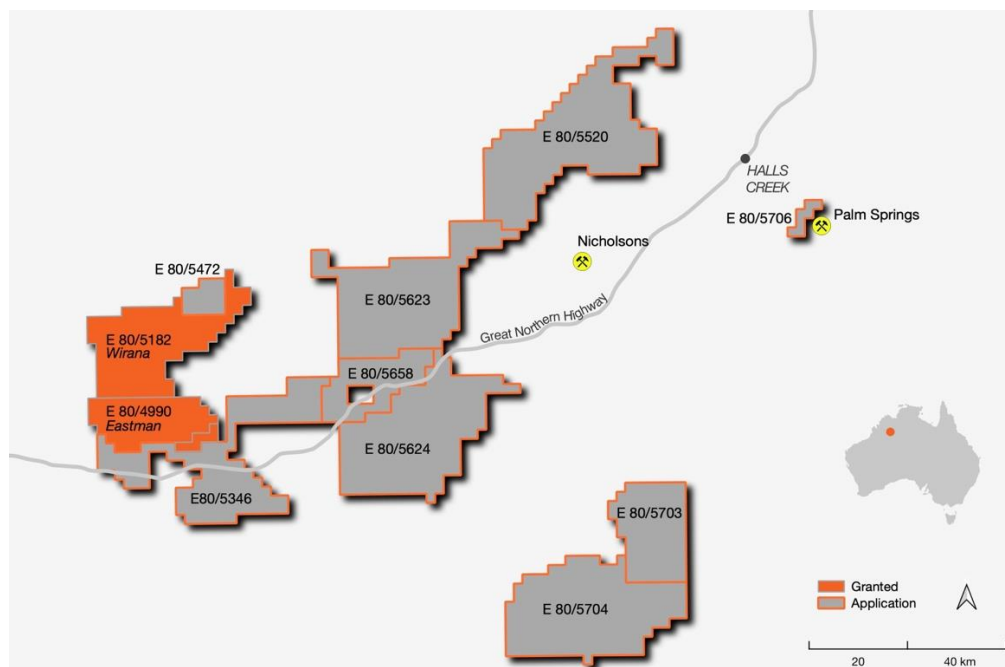


Figure 1 Peako's East Kimberley Tenement Package

Past Exploration

Systematic exploration across the East Kimberley has lagged behind many of Australia's Proterozoic provinces with historical exploration programs broadly characterised by sporadic campaigns over the past 50 years incorporating numerous explorers across multiple commodities and fragmented, non-contiguous tenement holdings. Historical exploration within the area of Peako's tenements, primarily guided by occurrences of surface gossan and geochemical anomalies, has provided consistent encouragement for the area's economic potential. At the same time, discovery efforts have been consistently hindered by a mix of cover, subcrop, poorly understood regolith, deep weathering and complex stratigraphy/structure, despite highly favourable host rocks, structure and known mineralisation across the area. Peako's exploration strategy is underpinned by the application of data-driven science to define and prioritise targets for efficient field testing programs necessary for economic discovery.

Diverse Opportunities

Peako's granted tenements, Eastman (E80/4990) and Wirana (E80/5182), 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 Intrusive Belt (c. 1850-1835 Ma) are well developed.

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

2021 Field Campaign

Peako's 2021 field campaign was directed at evaluating a widely identified but often overlooked latent gold potential recorded in historical exploration data. For many past explorers, gold was peripheral to their base metal and PGE exploration focus at a time when many explorers did not analyse soil, rock or drill samples for gold.

Aircore Geochemistry – Eastman Tenement

An aircore geochemistry program was completed that incorporated 473 holes for a total of 3,017 metres across target areas defined from surface geochemistry, geology, geophysics and satellite imagery. Assay results defined two anomalous base metal corridors at Eastman East and Eastman No.2 (refer **Figure 2**).

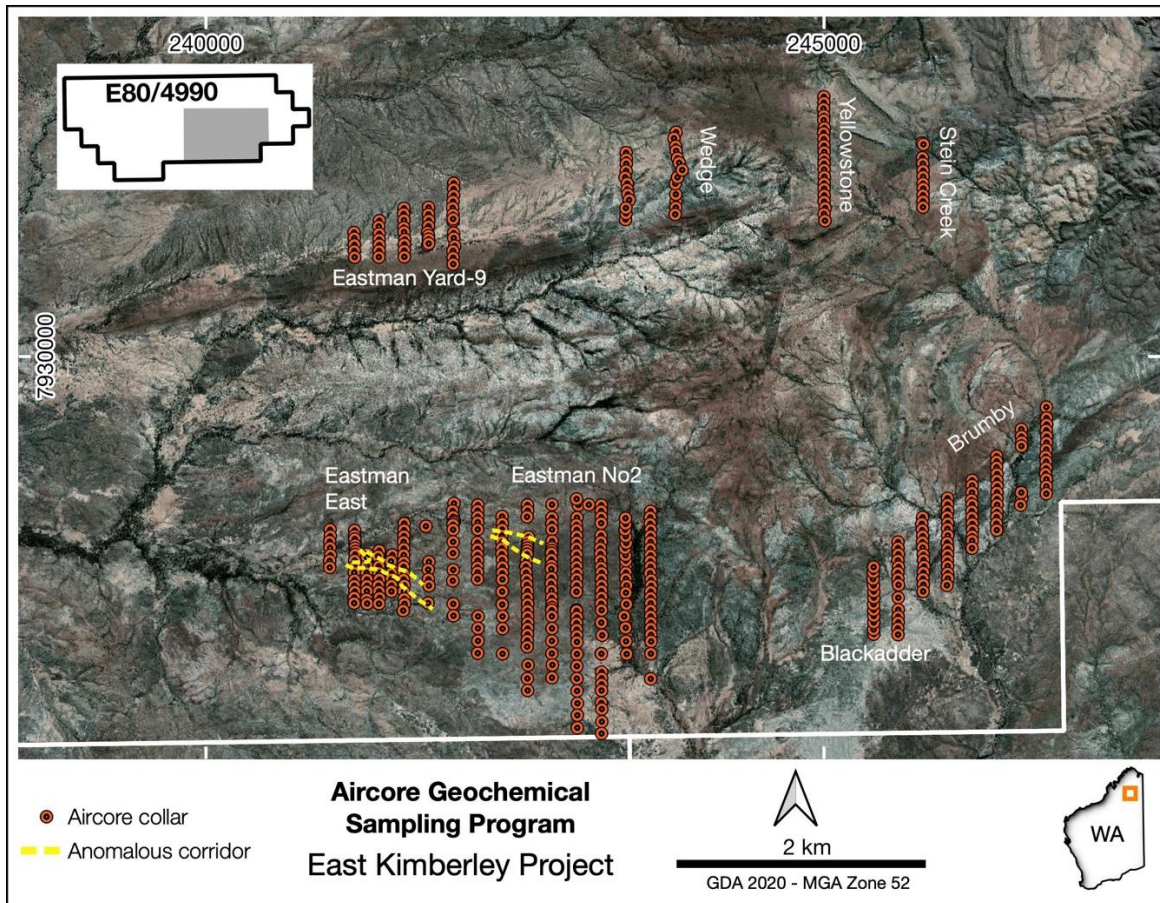


Figure 2 Aircore Geochemical Sampling Program Locations

‘Scout’ Drilling – Eastman Tenement

A total of 30 holes for 1,249 metres were completed across six prospects (refer **Figure 3**), supported by an Exploration Incentive Scheme drilling grant from the Western Australian Government.

The program was designed to leverage the opportunity presented by the multi-purpose nature of the rig secured for the aircore program completed earlier in the 2021 field season. The rig was reconfigured for shallow RC drilling to expedite early-stage drill testing of ‘hard rock’ targets developed from a combination of geological mapping, rock chip assays and Peako’s library of historical drill and geochemistry data. While predominantly aimed at testing gold-bearing vein systems, all targets were affiliated with polymetallic sulphide halo zones with potential for copper, lead, silver and zinc. Unfortunately, at a number of prospects, highly fractured ground conditions and excessive water hindered the program resulting in a number of targets not being tested due to rig limitations.

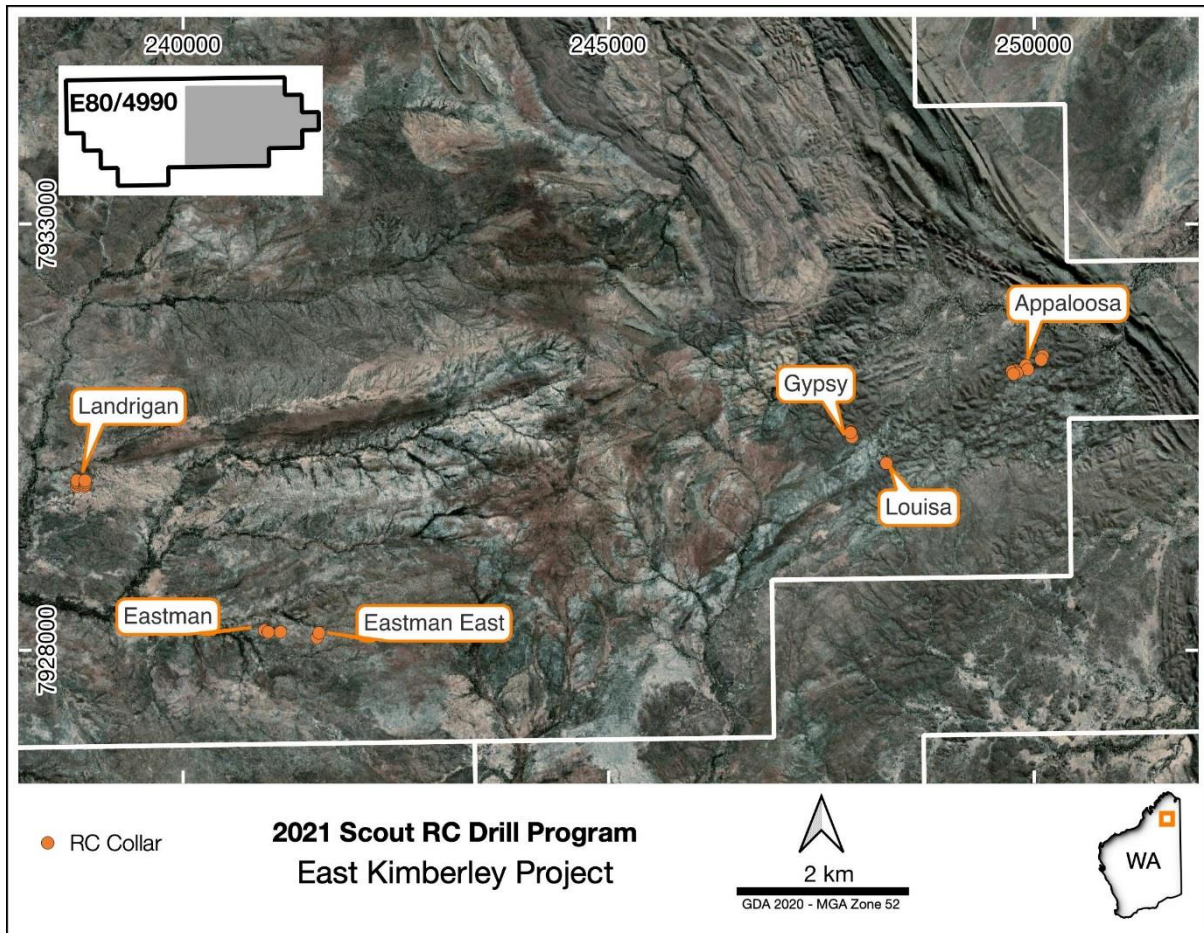


Figure 3. Scout drilling locations at Peako's East Kimberley Project in 2021.

Best results were from the Landrigan Prospect where eight reverse circulation (RC) drill holes, totaling 449m were drilled to test the near surface continuation of gold and base metal mineralisation intersected in previous Peako and historic BHP drilling (Figure 2). This zone was an attractive drill target because it was located in a fold hinge with coincident surface geochemistry.

Best results at Landrigan included:

- **4m @ 6.2 g/t Au from 11m, including 1m @ 11.6 g/t Au from 12m (PRC0030)**
- **13m @ 40.7 g/t Ag from 11m (PRC0030)**
- **15m @ 2.3% Pb from 9m (PRC0030)**
- **14m @ 0.4% Cu from 11m (PRC0030)**

- **4m @ 1.08 g/t Au from 4m (PRC028)**
- **12m @ 0.55% Pb from 0m (PRC028)**
- **7m @ 1.04% Cu from 64m (PRC0028)**

- **4m @ 1.6% Cu from 40m (PRC0029)**

- **16m @ 0.7% Pb from 24m to EOH (PRC0025)**

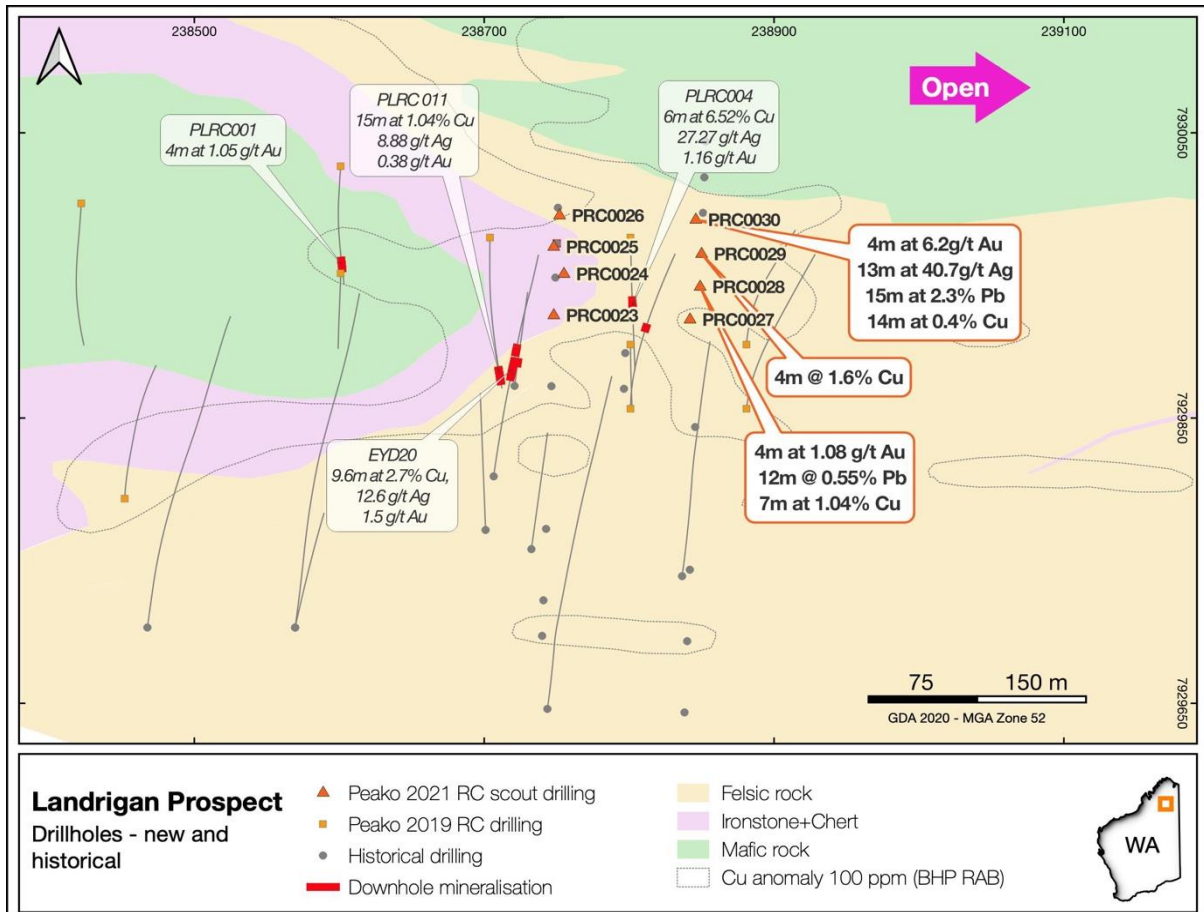


Figure 4. Plan location of new and historical drillholes at the Landrigan Prospect on simplified interpreted geology

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

The intercepts from drillhole PRC0030 extend known mineralisation at Landrigan to the north-east by 80m, resulting in a total mineralised strike length of approximately 300m. The mineralisation intersected in hole PRC0030 includes a gold rich central zone with a polymetallic envelope of Ag-Pb-Cu, with the mineralised trend open to the north-east

Outcomes from integration of multi-element assay results with a stratigraphic facies study from the BHP core relogging will underpin a forward work program to expand the current footprint of mineralisation including strike and depth extensions of known mineralisation at Landrigan as well as untested opportunities in the Eastman area.

Reconnaissance Rock Chip Sampling – Wirana Tenement

Reconnaissance ground checking and rock chip sampling was completed over several prospects in the Wirana (E80/5182) tenement with assay results received during the half year. This tenement has only undergone precursory work by previous explorers.

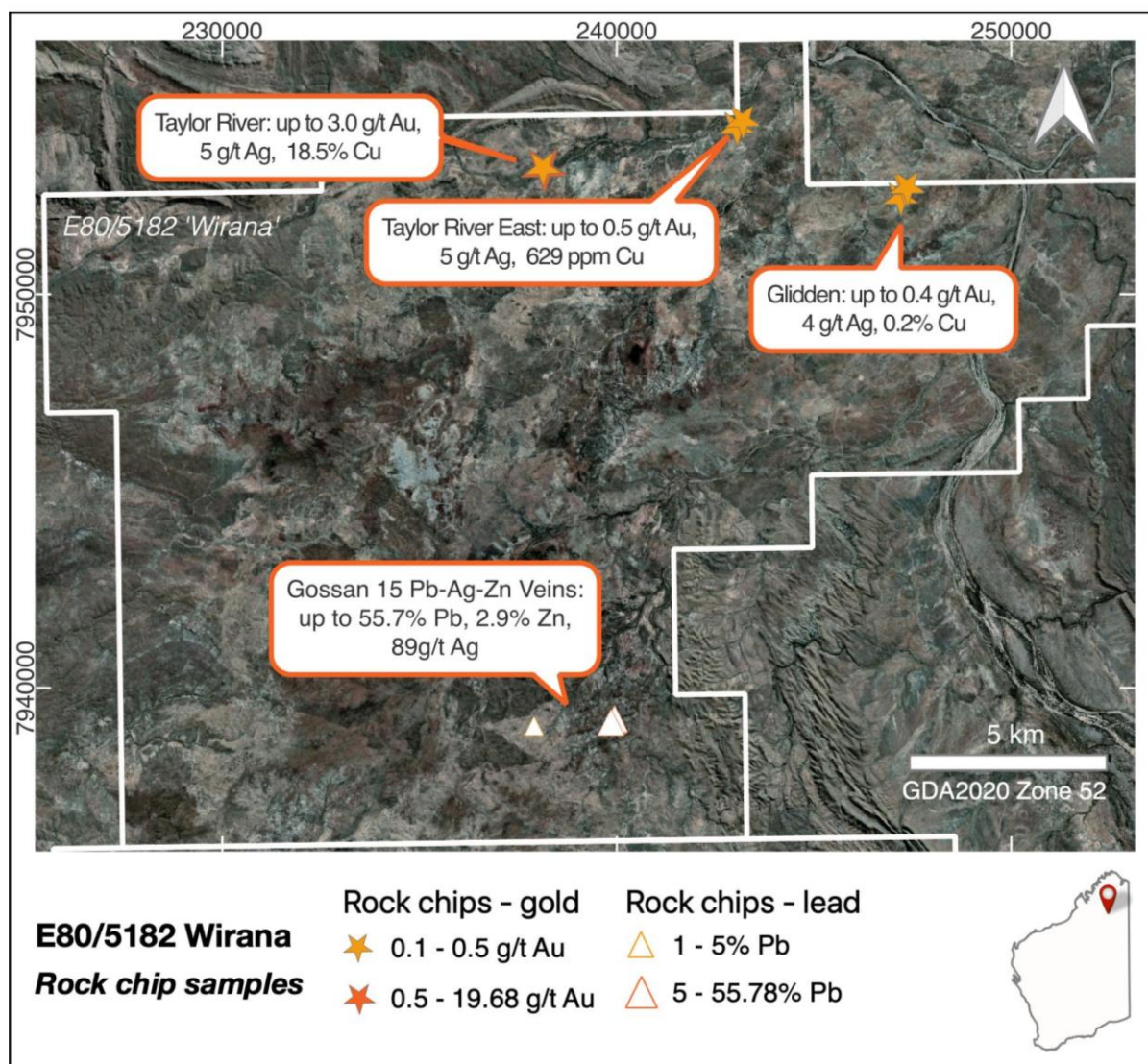


Figure 5. Location of the Wirana prospects where anomalous rock chip results were returned

Reconnaissance field work identified encouraging Cu- (malachite) and Pb- (galena)-rich pyritic to gossanous veins and fault structures at a number of prospects which has been confirmed by gold and multi-element assay analysis (refer **Figure 5**).

Rock chip samples from Taylor River, Taylor River East and Glidden in the north of the Wirana Tenement (E80/5182) identify the presence of multiple gold-rich systems with an Au-Ag-Cu metal signature.

Samples from the Taylor River prospects were taken from banded quartz veins which were varyingly gossanous with some samples containing malachite. Best results were returned from Taylor River, where a strong Au-Cu association is present with results up to 3g/t Au and 11.1% Cu. Samples at Taylor River were mostly taken from an ESE striking, south-west-dipping vein and shear zone that contained a 2 metre wide banded quartz-malachite vein that outcropped continuously over 70m.

Significant rock chip results at Taylor River and Taylor River East include:

- Sample P2104567 - **2.4 g/t Au, 11.1% Cu**, 5 g/t Ag
- Sample P2104568 - **3.0 g/t Au, 10.4% Cu**, 5 g/t Ag
- Sample P2104566 - **1.2 g/t Au, 1.8% Cu**, 4 g/t Ag
- Sample P2104569 - 0.3 g/t Au, **1.3% Cu**, 3 g/t Ag
- Sample P2104560 - **2.0% Cu**, 3 g/t Ag

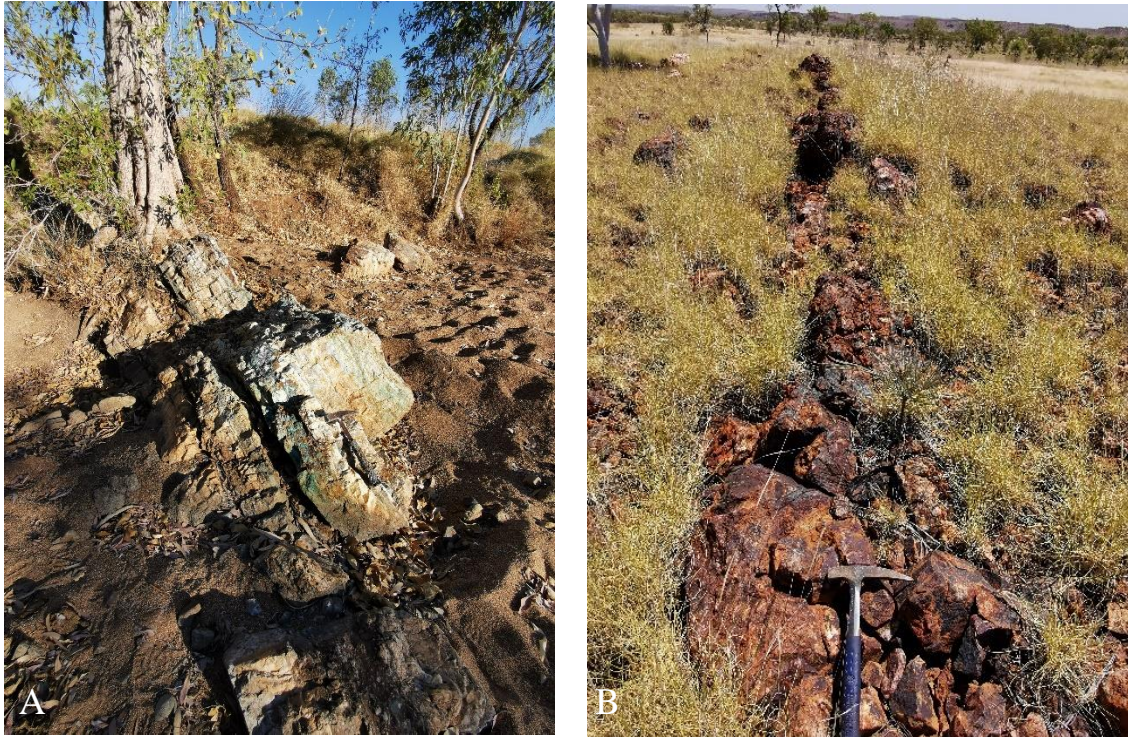


Figure 6 A) Malachite-bearing quartz carbonate veins up to 1.5m wide at Taylor River.
B) Gossanous Cu-oxide bearing vein-fault near Glidden River

Rock chip results from the **Glidden Prospect** also identified the presence of Au systems on E80/5182. Glidden is comprised of ENE striking gossanous structures that occur within prominent outcropping granodiorite ridges striking over 850m in length. Mineralisation is generally represented by a low level Au-Ag-Cu metal signature. Best results include;

- Sample P2104578 - 0.36 g/t Au, 1 g/t Ag, 0.20% Cu
- Sample P2104572 - 0.04 g/t Au, 1 g/t Ag, 0.36% Cu

Base Metal Systems

Anomalous Pb results were returned from veins at the **Gossan 15 Prospect** in the south of the Wirana Tenement. Gossan 15 consists of multiple vein and shear systems located along the contacts between sediments and dolerite or aplite intrusions. One system at Gossan 15 is a multistage quartz-carbonate-galena vein that extends over 500m. Galena is developed as veinlets to sub-massive polycrystalline aggregates possibly associated with a late carbonate vein phase to the quartz vein. A total of 21 rock chips were sampled across the Gossan 15 Prospect and assay results confirm a Pb-Zn \pm Ag metal signature.

Best rock chip results include:

- Sample P2104532 - **89 g/t Ag, 55.8% Pb, 1.1% Zn**
- Sample P2104517 - **13 g/t Ag, 14.5% Pb, 3.0% Zn**
- Sample P2104518 - **21 g/t Ag, 10.4% Pb, 1.4% Zn**
- Sample P2104531 - **3 g/t Ag, 2.5% Pb, 1.2% Zn**



Figure 7. Gossan 15 Prospect of quartz-carbonate vein and shear zone and close-up of quartz-carbonate vein containing patches of polycrystalline galena.

Eastman Tenement PGE Potential - Lamboo Ultramafic Belt

Following reporting of wide intercepts of PGEs plus gold mineralisation at the nearby Halls Creek Project by Pantoro Limited and Panton PGM Project by Future Metals NL, Peakco commenced a prospectivity review of the Lamboo Ultramafic intrusions within its Eastman Tenement.

The Lamboo Ultramafic Belt is a layered mafic to ultramafic intrusive complex that has demonstrated prospectivity for PGE, base metals, and gold mineralisation. Although the potential of the Lamboo Ultramafic Belt to host PGEs plus Nickel and Copper mineralisation has been recognised by previous explorers, most prior exploration in the Eastman Tenement has focused on the base metal potential of the Koongie Park Formation.

Aeromagnetic and satellite imagery suggest the Lamboo Ultramafic Intrusion extends for 16.5 km within the Eastman Tenement. The ultramafic complex is relatively well exposed in the east of the tenement, the central portion has been stopped out by the Eastman Granite and the western portion extends beneath shallow cover.

The Lamboo Ultramafic Complex is a layered mafic to ultramafic intrusive complex comprised predominately of pyroxenite, anorthosite and gabbro. The pyroxenite forms the basal unit with the gabbro and anorthosite overlay it. The basal pyroxenite zone hosts the PGE mineralisation, often within the numerous chromite seams and lenses. The sequence has been variously folded and faulted in places resulting in structural repetition of the sequence. Having multiple layers of the sequence adds considerably to the prospectivity of the Lamboo Ultramafic Intrusives on the Eastman Tenement.

Previous exploration of the Lamboo Ultramafic Intrusives within the Eastman Tenement has been limited, and concentrated on the relatively short and discontinuous chromitite lenses within the pyroxenite layers rather than the more continuous, wider pyroxenite layers. Mapping programs by prior explorers identified many chromite lenses within the basal unit, and it is these lenses that became the main target for historic drill testing.

Widespread anomalous PGE intercepts from sparse, wide-spaced historical drilling over the 16.5km extent of the Lamboo Ultramafic Complex indicate an extensive PGE mineralised system (refer **Figure 8**).

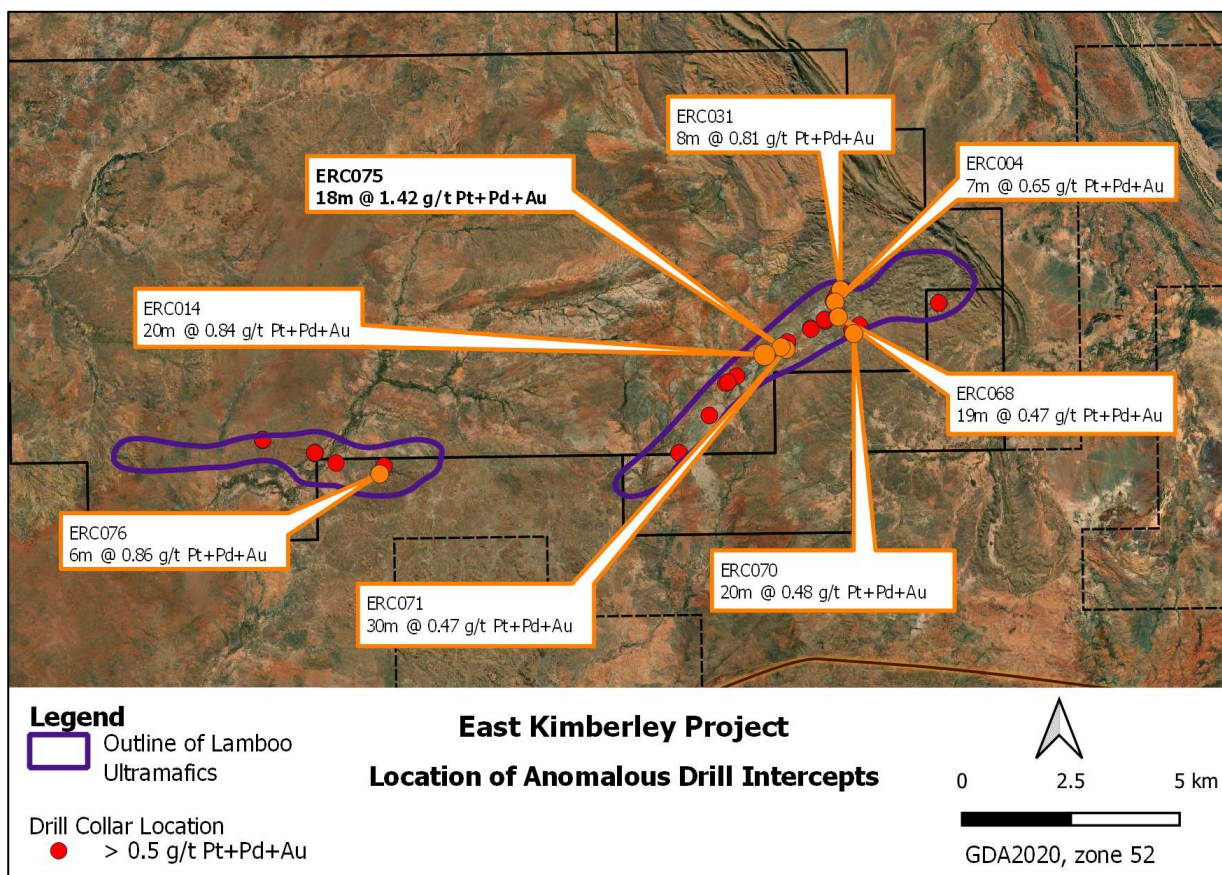


Figure 8 Location of historical drill holes with intercepts greater than 0.5 g/t Pt+Pd+Au.

Future Metals and Pantoro Limited are both currently having significant success exploring for PGE in the East Kimberley region. At its Halls Creek Project located approximately 75 km north-east of Peakos Eastman Tenement, Pantoro Limited has reported wide intercepts of PGE plus gold mineralisation from recent drilling. Examples of some better intercepts include,

- 31m @ 2.42 g/t Pt+Pd+Au (3E) from surface
- 38m @ 2.34 g/t Pt+Pd+Au (3E) from 1m^[1]
- 100m @ 1.10 g/t Pt+Pd+Au (3E) from surface, inc. 66m @ 1.34 g/t Pt+Pd+Au (3E) from surface^[2]

At its Pantoro PGM Project, located approximately 175km to the north-east of Peakos Eastman Tenement, Future Metals has a JORC Mineral Resource estimate of 14.32Mt @ 4.89g/t PGM, 0.31g/t Au and 0.27% Ni for 2.4Moz of contained PGM and gold^[3].

Recent drilling by Future Metals has returned results that include,

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

Significantly, Pantoro has targetted the PGE potential of the pyroxenite layer at the base of the Lamboo Ultramafic rather than solely the chromite lenses within the pyroxenite. This strategy has proved to be

^[1] “[Wide Drill Intersections from Surface Confirm Major PGE System at Halls Creek](#)”, Pantoro Limited (ASX:PNR), 6 September 2021

^[2] “[Drilling Confirms Large Scale Lamboo PGE Deposit](#)”, Pantoro Limited (ASX:PNR), 15 November 2021

^[3] “[Pantoro Drilling Returns 140m of PGM & Base Metal Mineralisation from 28m](#)”, Future Metals NL (ASX:FME), 8 March 2022

successful, resulting in the wide mineralised intercepts reported. Future Metals have also recognised the importance of mineralisation that is currently located outside the targeted chromite reef zones and are reviewing all historical data to identify additional potential disseminated or massive sulphide targets to increase their 2.4Moz PGE and gold resource.

Peako's Eastman Tenement is located on the same Palaeoproterozoic rocks of the Halls Creek Orogeny as Pantoro's Halls Creek Project and Future Metals' Panton PGM Project, and, importantly, the geology of the Lamboo Ultramafic Complex appears similar in the three project areas. Pantoro's and Future Metals' exploration models therefore represents a new exploration target at the Eastman Tenement as previous explorers at the Eastman Tenement have focused on the discontinuous chromitite lenses rather than targeting the wider more extensive basal pyroxenite zone.

Given the new interpretation, the Lamboo Ultramafics will be a significant focus for Peako's 2022 field activities. The ongoing compilation and interpretation of historical data will underpin the design of drill targets. A program of surface sampling and field mapping early in the field season will be used to refine targeting and develop additional drill targets with drill testing of targets planned for the second half of the field season.

Paterson Province, Western Australia

Peako's Broadhurst (Sunday Creek) Project tenement is located in the Rudall River area of the Paterson province of Western Australia (Figure 8). 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.

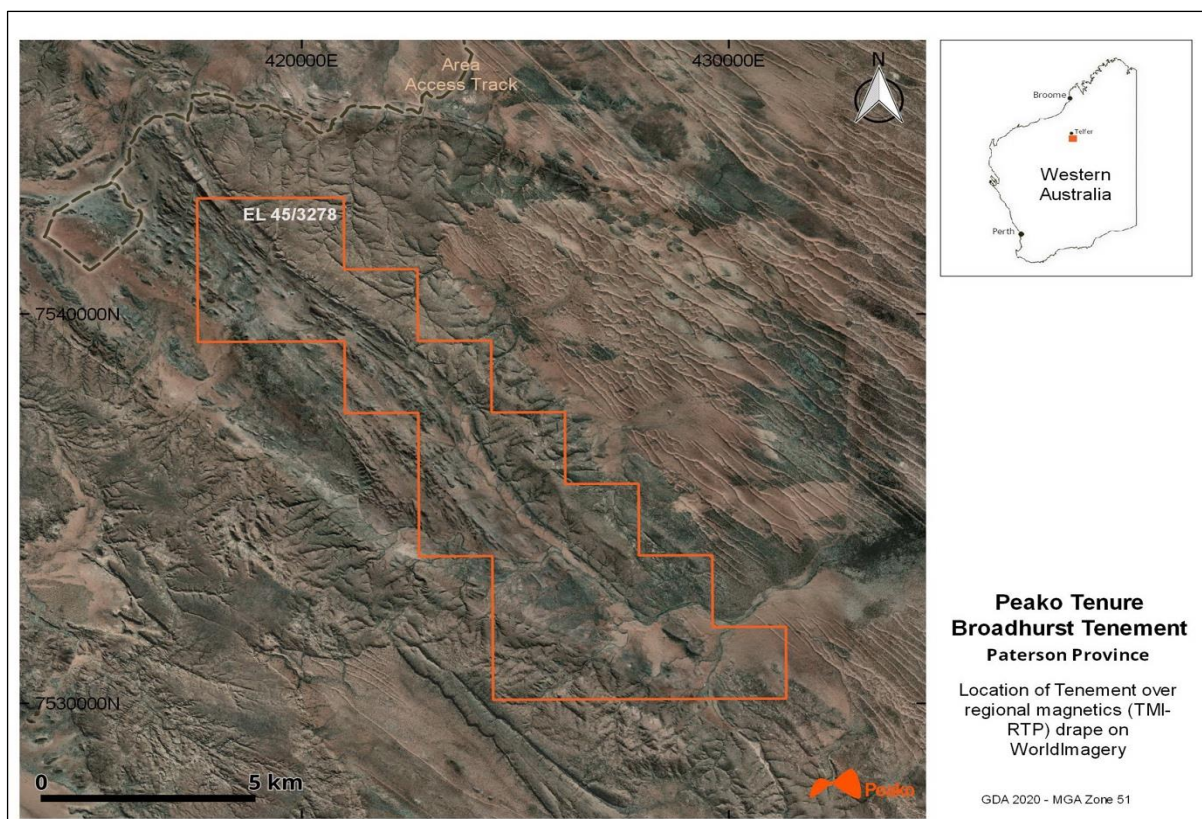


Figure 9 The Sunday Creek - Broadhurst tenement area in the Paterson Province, Western Australia.

The Broadhurst tenement is under-explored and hosts an array of encouraging features that indicate the potential of the area for Nifty (Cu) or Maroochydore (Cu-Co) style mineralisation. Historic exploration has been minimal and fragmented, comprising a 'revolving door' of explorers, divided in commodity focus

between Base Metals or Uranium. Only very limited, precursory drilling has been completed on the tenement (a total of 6 holes for 1,243m) all testing for Uranium, with base metal mineralisation targets in the Broadhurst Formation remaining untested.

Competent Person Declaration

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

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

31 January 2022	PGE Potential of the Lamboo Ultramafic Complex
14 January 2022	Scout Drilling Intersects Gold and Base Metals
13 December 2021	Gold and Base Metal Potential Highlighted in East Kimberley
12 August 2021	Scout RC Drilling Program Commenced
21 July 2021	East Kimberley Exploration Update

CORPORATE

On 21 July 2021, the Share Purchase Plan ("SPP") announced by the Company on 15 June 2021 concluded. The company issued 59,527,066 shares and granted 29,763,522 unlisted options pursuant to the SPP, raising a \$2,074,000; prior to costs.

On 30 July 2021 the following shares were issued and options granted following approval of members. These shares and options formed part of a two-tranche placement announced on 15 June 2021:

- 21,428,571 first tranche unlisted options exercisable at \$0.055 on or before 30 June 2022
- 14,285,716 second tranche shares
- 7,142,857 second tranche unlisted options exercisable at \$0.055 on or before 30 June 2022.

The 30 July 2021 issue raised \$500,000 prior to costs.

7,000,000 options were granted to directors, employees and a consultant in the half year ended 31 Dec 2021.

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 2021.

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, 16 March 2022

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 2021, 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, 16 March 2022

**Consolidated Statement Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2021**

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Revenue		
Sundry income	4	20,350
	<u>4</u>	<u>20,350</u>
Expenses		
Administrative expenses	(302,446)	(158,773)
Professional and consultancy fees	(49,749)	(45,175)
Exploration expenditure incurred	(60,548)	(41,291)
Share based payment	(17,882)	(13,701)
Other expenses	(16,630)	(29)
	<u>(447,251)</u>	<u>(238,619)</u>
Loss before income tax expense	(447,251)	(238,619)
Income tax expense	-	-
Net Loss for the half-year	(447,251)	(238,619)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign exchange loss on translation of subsidiary financial statements	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income for the half-year	(447,251)	(238,619)
Basic and diluted loss per share (cents per share)	(0.15)	(0.15)

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 2021**

		Consolidated	
		31 December	30 June
		2021	2021
	Note	\$	\$
Current Assets			
Cash and cash equivalents		2,479,272	1,419,805
Trade and other receivables		99,998	107,749
Prepayments	8	155,545	107,657
Total Current Assets		2,734,815	1,635,211
Non-Current Assets			
Motor Vehicles		83,144	94,736
Plant and Equipment		43,938	48,977
Minerals exploration and evaluation assets	6	2,854,821	2,154,834
Total Non-Current Assets		2,981,903	2,298,547
Total Assets		5,716,718	3,933,758
Current Liabilities			
Trade and other payables		148,921	480,954
Total Current Liabilities		148,921	480,954
Total Liabilities		148,921	480,954
Net Assets		5,567,797	3,452,804
Equity			
Issued capital		44,186,207	41,641,845
Reserves		183,566	165,684
Accumulated losses		(38,801,976)	(38,354,725)
Total Equity		5,567,797	3,452,804

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 2021**

Consolidated	Issued capital \$	Options reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance 1 July 2021	41,641,845	164,172	1,512	(38,354,725)	3,452,804
Other comprehensive income	-	-	-	(447,251)	(447,251)
Total comprehensive loss for the half-year	-	-	-	(447,251)	(447,251)
Issue of Shares	2,574,000	-	-	-	2,574,000
Costs of issue	(29,638)	-	-	-	(29,638)
Issue of Options	-	17,882	-	-	17,882
Balance at 31 December 2021	44,186,207	182,054	1,512	(38,801,976)	5,567,797
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

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 2021**

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(673,606)	(274,317)
Covid support	-	20,000
Net cash outflow from operating activities	(673,606)	(254,317)
Cash flows from investing activities		
Payments for minerals exploration expenditure	(695,814)	(415,593)
Payments to suppliers – minerals tenements	(67,901)	(149,974)
Proceeds from government exploration grant	40,426	-
Net cash outflow from investing activities	(723,289)	(565,567)
Cash flows from financing activity		
Proceeds from new share issues	2,574,000	1,949,671
Costs of new share issues	(117,638)	(83,456)
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash inflow from financing activities	2,456,362	1,866,215
Net increase in cash held	1,059,467	1,046,331
Cash at the beginning of half-year	1,419,805	145,657
Cash at the end of the half-year	2,479,272	1,191,988

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 2021

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 2021 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 2021. All accounting policies are consistent with those applied at 30 June 21.

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 2021 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 2021 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 2021 the group incurred a net cash outflow from operating and investing activities of \$1,396,895 (2020: \$819,884) and a net loss after tax of \$447,251 (2020: \$238,619). As at 31 December 2021, the Group has positive working capital of \$2,585,894 (30 June 2021: \$1,154,257).

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 raised 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

On 21 July 2021, the Share Purchase Plan ("SPP") announced by the Company on 15 June 2021 concluded. The company issued 59,527,066 shares and granted 29,763,522 unlisted options pursuant to the SPP, raising a \$2,074,000; prior to costs.

On 30 July 2021 the following shares were issued and options granted following approval of members. These shares and options formed part of a two-tranche placement announced on 15 June 2021:

- 21,428,571 first tranche unlisted options exercisable at \$0.055 on or before 30 June 2022
- 14,285,716 second tranche shares
- 7,142,857 second tranche unlisted options exercisable at \$0.055 on or before 30 June 2022.

The above issue, on 30 July 2021, raised \$500,000 prior to costs.

Note 4: Options

During the half-year ended 31 December 2021 a total of 65,199,980 options were granted. Of those, 58,199,980 options were granted to shareholders as the result of the SPP and the placements (Note 3) and 7,000,000 options were granted to directors, employees and a consultant (Note 9). During the half year ended 31 December 2021 1,000,000 options expired and another 3,000,000 options forfeited by the director Daryl Clark when he resigned on 20/9/21. As at 31 December 2021 there were 118,937,779 options on issue (30 June 2021: 57,737,799).

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	
31/12/21	30/6/21
\$	\$

Note 6: Mineral exploration costs

Areas of interest in the exploration and evaluation phase

Balance at the beginning of the period	2,154,834	861,929
Costs for the year	699,987	1,292,905
Balance at the end of the period	2,854,821	2,154,834

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:

31/12/2021	30/06/2021	Notes
E45/3278	E45/3278	Granted 30 September 2016
E80/5182	E80/5182	Granted 28 September 2018
E80/4990	E80/4990	Granted 4 October 2017

Consolidated	
31/12/21	31/12/20

Note 7: Commitments for expenditure

Not longer than 1 year	347,000	181,500
Longer than 1 year and not longer than 5 years	485,000	492,000
	832,000	673,500

Expenditure commitments (minerals)

The Group has a commitment in minerals tenement E45 /3278 which has a current year commitment of \$50,000. The permit year ends 29 September each year and currently expires 29 September 2026.

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 \$195,000. The permit year ends 27 September each year and currently expires 27 September 2023.

Consolidated	
31/12/21	30/6/21
\$	\$

Note 8: Prepayments

Prepaid tenement rent

Balance at the beginning of the period	107,657	27,200
Costs for the year	47,888	80,457
Balance at the end of the period	155,545	107,657

The Company has nine exploration tenement applications at 31 December 2021 (June 2021: five). 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, or the application is withdrawn, then the rent paid on application is fully refundable.

Note 9: Share Based Payments

Share options to directors, an executive and consultants

7,000,000 options were granted to directors, employees and a consultant in the half year ended 31 Dec 2021. (Dec 2020: 8,000,000 options). 6,500,000 of the options granted have a service period vesting condition so the cost of the options are amortised over the life of the option. 500,000 of the options fully vested on issue so the cost of the options are fully expensed on grant date.

500,000 options (exercisable at \$0.06 (6.0 cents) on or before 21 June 2023 were granted to a consultant on 30/7/21. The accounting value of the options granted was \$4,657 with the share based payment expense for the half year \$4,657. These options fully vested on grant.

1,000,000 options (exercisable at \$0.06 (6 cents) on or before 29 March 2023 were granted to director; Paul Kitto on 26/11/21. The accounting value of the options granted was \$6,117 with the share based payment expense for the half year \$251.

1,000,000 options (exercisable at \$0.10 (10 cents) on or before 25 November 2024 were granted to director; Paul Kitto on 26/11/21. The accounting value of the options granted was \$5,326 with the share based payment expense for the half year \$170.

Note 9: Share Based Payments (continued)*Share options to directors, an executive and consultants (continued)*

1,000,000 options (exercisable at \$0.15 (15 cents) on or before 25 November 2025) were granted to director; Paul Kitto on 26/11/21. The accounting value of the options granted was \$5,748 with the share based payment expense for the half year \$138.

500,000 options (exercisable at \$0.06 (6 cents) on or before 25 November 2024) were granted to an employee on 26/11/21. The accounting value of the options granted was \$3,805 with the share based payment expense for the half year \$122.

1,000,000 options (exercisable at \$0.06 (6 cents) on or before 21 November 2023) were granted to an employee on 1/12/21. The accounting value of the options granted was \$4,704 with the share based payment expense for the half year \$196.

1,000,000 options (exercisable at \$0.10 (10 cents) on or before 21 November 2024) were granted to an employee on 1/12/21. The accounting value of the options granted was \$4,871 with the share based payment expense for the half year \$135.

1,000,000 options (exercisable at \$0.20 (20 cents) on or before 21 November 2025) were granted to an employee on 1/12/21. The accounting value of the options granted was \$4,262 with the share based payment expense for the half year \$88.

Share based payment expense for the half year from amortisation of prior period grants was \$46,332. Reversal of the options reserve related to the forfeiture of options previously granted to a director resulted in a reduction in options expense of \$34,702.

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 2021 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, 16 March 2022

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 2021, 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 2021 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.

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 2021 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, 16 March 2022