

ASX RELEASE

18 June 2018

Peako awarded \$116,000 Drilling Grant by WA Government

Peako Limited (ASX: PKO) is pleased to advise that it has been awarded a \$116,000 Western Australian Government Exploration Incentive Scheme ("EIS") grant to co-fund exploration drilling in the Eastman Project tenement, located approximately 120 km southwest of Halls Creek, Western Australia.

The EIS grant of \$116,000 is a contribution towards 50% of direct drilling costs. Peako's planned drilling program consists of six drill holes for a total of 1,550m and is anticipated to commence in April 2019, following Induced Polarisation (IP) geophysical surveys to be carried out later this year to assist in defining drillhole locations.

Background

Peako is earning a 60% interest in the Eastman Project tenement (Exploration Lease E80/4990) which covers an area of 221.2 km² and is located on Louisa Downs Station, 120 km southwest of Halls Creek, Western Australia.

The Eastman Project tenement contains a number of previously identified prospects. Peako considers that using modern geophysical methods there are substantial remaining exploration opportunities for the discovery of economic resources in a range of mineralisation styles within the tenement, including:

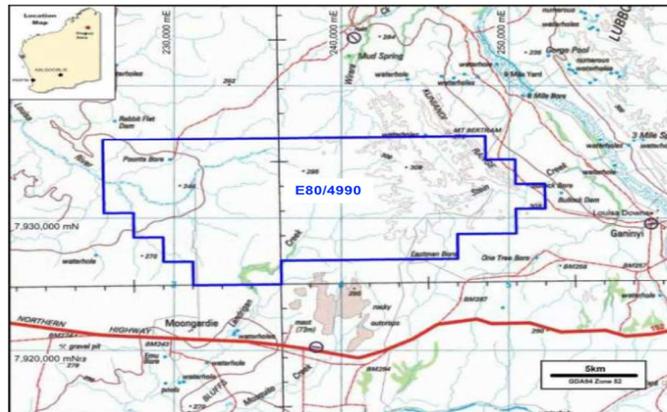


Figure 1 Eastman Project Tenement Location

- Copper-Zinc-Lead-Silver-Gold mineralisation of the Volcanogenic Massive Sulphide (VMS) type associated with the Koongie Park Formation (Eastman and Landrigan Prospects); and
- Nickel-Copper-Platinum Group Metals mineralization associated with the mafic-ultramafic intrusions of the Lamboo Ultramafics and the Sally Downs Gabbroic Intrusions (Eastman Bore Intrusion - Eastern and Western Zones)

The first reported exploration in the Eastman project area was in 1967 with prospecting of gossanous outcrops for base metals. Since then various mining companies have explored the area for a range of mineral styles mainly targeting VMS Cu-Pb-Zn-Ag-Au and magmatic Ni-Cu-PGE massive sulphide deposits.

Most of the previous exploration targeted the southeast quadrant of the tenement. Previous activities consisted of:

- Geological and geochemical surveys,
- Geophysical survey Versatile Time Electromagnetic (VTEM); and
- Reverse circulation and diamond drilling.

The geophysical surveys defined a number of anomalies which resulted in subsequent drilling campaigns and the confirmation of metals and PGE mineralisation.