



6 August 2018

Kate Kidson
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Level 4, North Tower
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525 Collins Street
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By email: kate.kidson@asx.com.au

APPENDIX 5B QUERY

Peako Limited ("PKO") provides the following information in response to your letter dated 3 August 2018 in relation to the Appendix 5B for the quarter ended 30 June 2018.

1. Yes, PKO expects to continue to have negative cash flows for the next quarter. As described in the quarterly activities report for the quarter ended 30 June 2018; PKO is undertaking an Induced Polarization survey in the 30 September 2018 quarter as part of its exploration program.
2. Yes, the board reviews its cash position along with its expenditure commitments and funding requirements on an ongoing basis. PKO intends to conduct a pro-rata rights issue to fund ongoing operations later this quarter. The board believes that PKO has the ability to successfully raised additional capital, based on its previous ability to raise funds when required and the ongoing support of PKO's shareholders.
3. PKO believes that it is able to continue its current operations and meet its current business objectives for the reasons outlined in questions 1 and 2.
4. PKO is not aware of any further information that may be relevant to the ASX forming an opinion of the Entity in regards to Listing Rule 12.2
5. PKO is complying with Listing Rule 3.1. There is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. PKO confirms that the responses requested by the ASX and provided above, have been made by an officer of PKO with delegated authority from the Board to respond to the ASX on disclosure matters.

A handwritten signature in black ink, appearing to read 'Rae Clark'.

Rae Clark
Director



3 August 2018

Mr Rob Wright

Chief Financial Officer & Company Secretary
Peako Limited
Level 21
500 Collins Street
Melbourne VIC 3000

By email: Robert.wright@albersgroup.com

Dear Mr Wright

Peako Limited (“PKO”): Appendix 5B Query

I refer to PKO’s Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the “Appendix 5B”).

ASX notes that PKO has reported:

- negative net operating cash flows for the quarter of (\$50,000);
- cash at the end of the quarter of \$191,000; and
- estimated cash outflows for the next quarter of \$140,000.

It is possible to conclude, based on the information in the Appendix 5B that if PKO were to continue to expend cash at the rate indicated by the Appendix 5B, PKO may not have sufficient cash to continue funding its operations. In view of that, ASX asks PKO to respond separately to each of the following questions and requests for information:

1. Does PKO expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has PKO taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does PKO expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that PKO considers may be relevant to ASX forming an opinion on whether PKO is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that PKO is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that PKO’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PKO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30 am AEST on Tuesday, 7 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in PKO’s securities under Listing Rule 17.3.

For personal use only

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PKO's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at kate.kidson@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to PKO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that PKO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PKO's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Kate Kidson

Principal Adviser, Listings Compliance (Melbourne)