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ABN 79 131 843 868

Half Year Financial Report
31 December 2019

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)

R.L. Clark

D.J. Clark

COMPANY SECRETARY

R.J. Wright

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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

PKOOA Options Expiring 30 April 2020

Incorporated in Western Australia 25 June 2008

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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 2019

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	Non-Executive Director

Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2019 was \$227,594 (six months to 31 December 2018: loss of \$111,784).

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

Peako is natural resources company with a history of diversified direct and indirect resource investment. Peako's strategy is to make resource investments with the objective of growing shareholder value.

East Kimberley Projects

Peako's primary focus is its large ground-holding over a contiguous area in the East Kimberley Region of Western Australia where systematic exploration has lagged behind that of most of Australia's Proterozoic provinces (refer Figure 1). Historic exploration in the East Kimberley has been sparse and sporadic, primarily guided by surface gossans and geochemical anomalies. Past exploration in Peako's tenement areas has been inhibited by the combination of cover sequences, deep weathering and structural complexity. Despite favourable intersecting host rocks and structures and known mineralisation, a poorly constrained geological framework for defining target mineralisation defocused historical exploration.

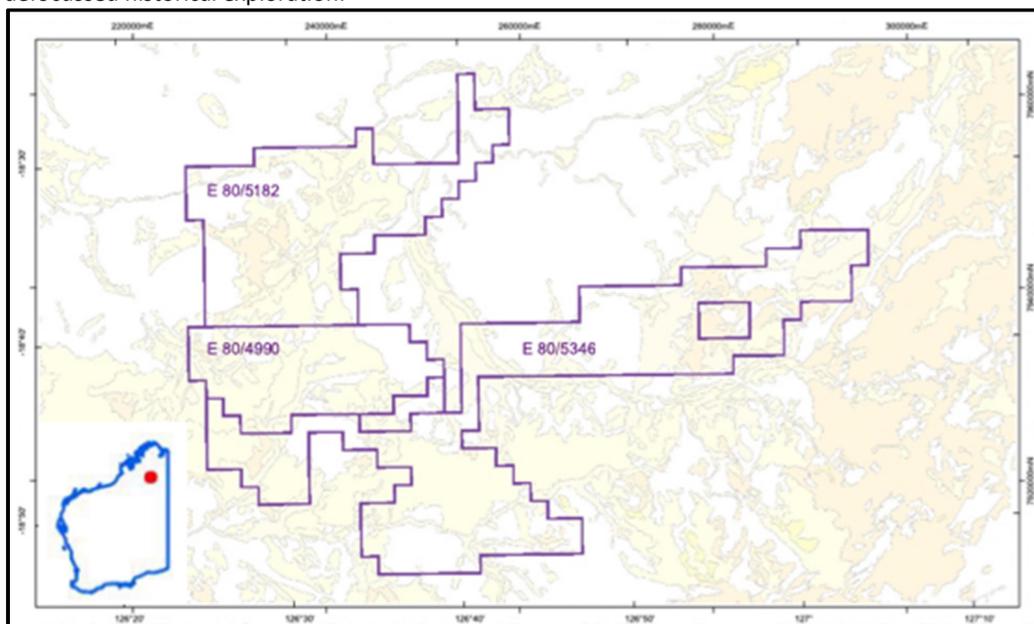


Figure 1 Peako's East Kimberley tenements

Peako's focussed exploration strategy is underpinned by the application of data-driven science and the efficient and economic execution of field tests.

Peako's maiden RC drilling program was completed during the half-year to test Induced Polarisation (IP) targets, as well as anomalous geochemistry and gossanous ironstone outcrops considered to be coincident to potential strike extensions.

Geological interpretation of drill results identifies that the IP anomaly response at both Landrigan and Eastman reflect a collective response of host rock structure, alteration and mineralisation and presents a useful targeting tool when used in conjunction with a strong geological framework for target mineralisation sought. Untested IP targets remain at both Landrigan and Eastman; current work is focussing on a constraining geological framework so as to develop these target areas.

A robust set of parameters to underpin a targeting matrix is the immediate objective to prioritise the next phases of field campaigns. Development of target parameters incorporates analysis and interrogation of recent RC drilling results and comprehensive, but disparate, historic data sets. Analysis of multi-element geochemistry data from the RC drilling is being used to characterise host rock lithology, alteration and mineralisation systematics including assessment of pathfinder element patterns.

Multi-element geochemistry and relogging of RC chips from recent drilling has been fundamental to develop a simplified consistent stratigraphic framework. Reclassification of historical geological logging by different explorers over more than three decades to a single framework has been completed for the Landrigan prospect and is in progress for the Eastman prospect with planned extrapolation to the wider tenement package. This framework enables favourable prospective horizons in the stratigraphy, that may host mineralisation, to be targeted.

Interpretations are also ongoing towards an improved structural framework for the prospects that will provide further definition for targeting.

Upcoming field activities following conclusion of the current wet season will be determined by the outcomes of feature-driven ranking of targets generated by the current analysis.

During the half-year, the company was awarded a further \$131,000 Western Australian Government (round 21) Exploration Incentive Scheme ("EIS") drilling grant to co-fund exploration drilling at its Copper-Gold Project in the East Kimberley. Peako's Round 21 EIS grant is for \$131,931, structured as a contribution towards 50% of direct drilling costs and follows an earlier (round 19) EIS grant of \$150,000 announced on 23 May 2019, which supported its 2019 RC drilling program.

2019 Drilling program

Peako's maiden RC drilling program was supported by a Round 19 Exploration Incentive Scheme co-funded drilling grant from the Western Australian government. 15 holes were drilled across Landrigan and Eastman prospects for a total of 2,398m. Each drill hole was sampled along the entire hole length at 1-m intervals with a nominal 4m composite generated for first pass analysis. Assays were widely completed on 4-m composite and selected zones of interest based on visual geological logging were assayed using 1-m RC sample splits. Following initial of assay results, additional infill 1-m splits were selectively analysed to confirm and validate reported 4-m composite intercepts. All assay samples were conducted by the ALS Perth laboratory and included multi-element sweep for 33 elements analysis using ICP-AES.

Landrigan Drilling

11 RC drillholes totalling 1,868 metres were completed at Landrigan targeting a mix of anomalous IP, anomalous geochemistry and gossanous ironstone outcrops considered coincident to potential strike extensions historical drill hole, EYD20.

Assay results confirm historical drill results and extend the known strike continuity of mineralisation in the order of 200m. Mineralised zones remain open in strike to the east and the west, as well as at depth. The best assay intercepts returned were from PLRC004 with 6m at 6.52% Cu 27.27g/t Ag and 1.16g/t Au and PLRC011 with 15m at 1.04% Cu, 8.88g/t Ag and 0.38 g/t Au including 6m at 1.61% Cu, 7.23g/t Ag and 0.62g/t Au.

Preliminary geological interpretation of RC drilling and historical datasets for Landrigan is illustrated in Figure 2 with geological cross sections across the prospect at Figure 3.

The geology at Landrigan has a consistent volcanic stratigraphy characterised by:

- A felsic volcanoclastic hangingwall, commonly quartz-bearing and typically sericite-altered;
- A central 'Mixed Sequence' representing a bimodal volcanic to volcanoclastic sequence of variable rock facies including mafic and felsic volcanoclastics, dacitic to andesitic volcanics, carbonate facies, layered ironstone and chert horizons; and
- A mafic volcanoclastic footwall sequence that is commonly chlorite-altered.

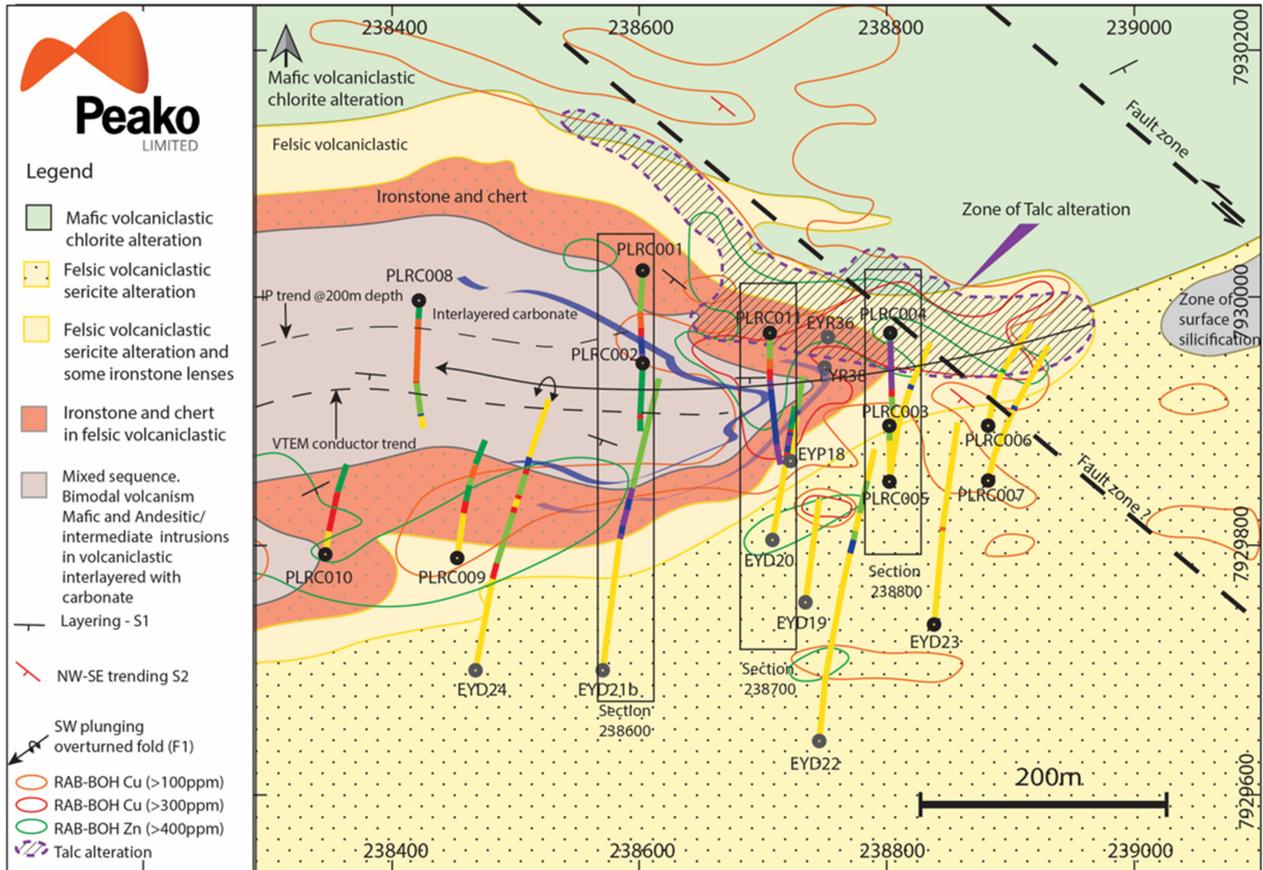


Figure 2 Landrigan Interpreted Geology incorporating recent drilling and historical data

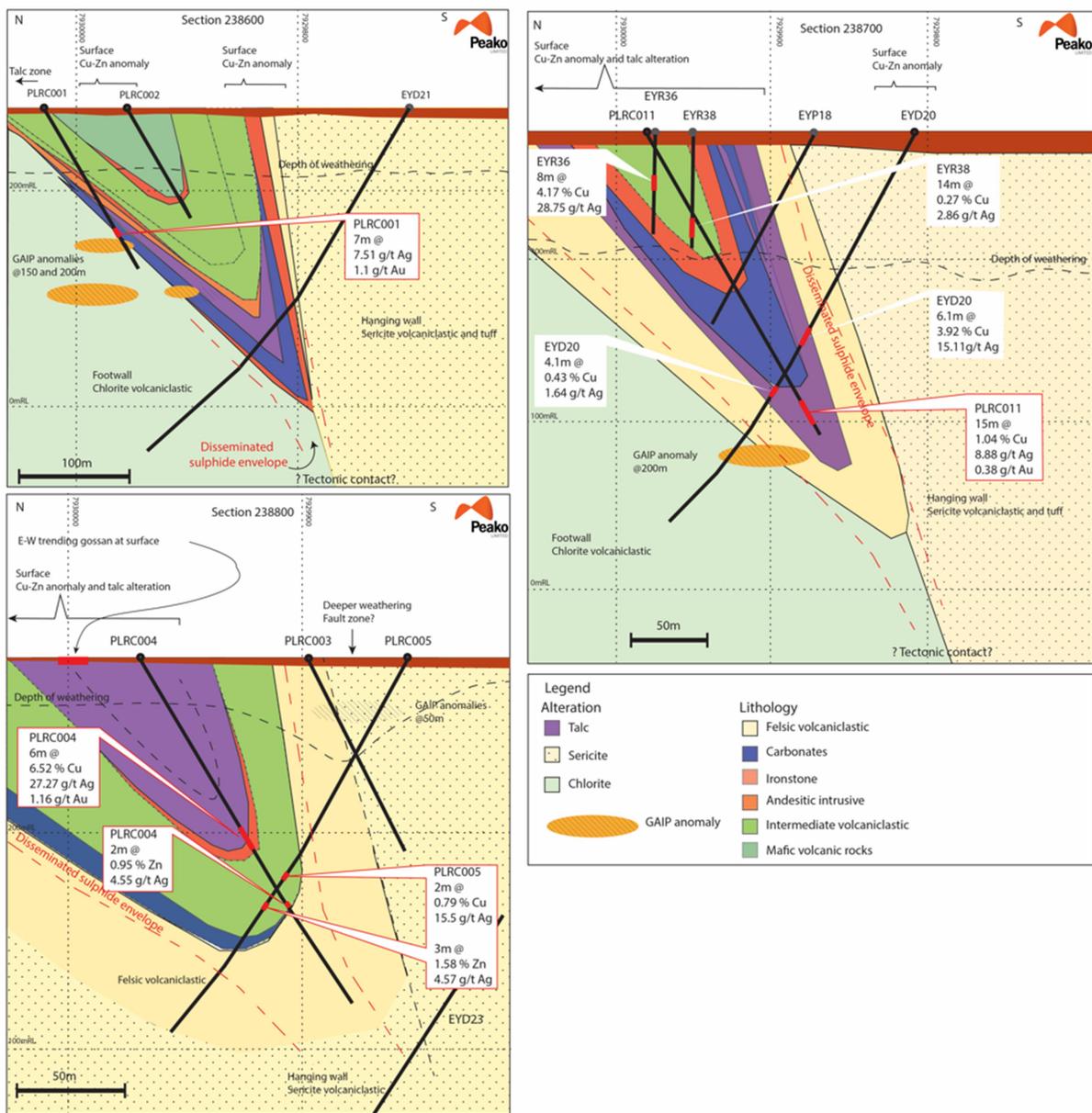


Figure 3 Landrigan geological cross sections

Cu-Au-Ag ± Zn, ±Pb mineralisation at Landrigan is widely associated with talc altered felsic volcanoclastic or carbonate rocks. Multi-element geochemistry assays from the mineralised zones have a pathfinder element pattern incorporating W, Co, Bi, Cd, Mo and Sb.

The volcanic stratigraphy at Landrigan is folded and faulted. The key structures are an WSW plunging synform and a NW trending fault. Localisation of Cu-Ag-Au (±Zn, ±Pb) mineralisation and alteration is controlled by intersection of key stratigraphic horizons with NW faults. These results define a high-priority target for drill testing in upcoming campaigns.

Drilling at Landrigan tested four connected IP chargeability anomaly areas including some coincident with anomalous geochemistry and/or gossanous ironstone outcrops. Overlap between IP anomalism and Cu-Ag-Au mineralisation validates the effectiveness of the IP method. Discussion of drillholes, grouped by target, is provided below.

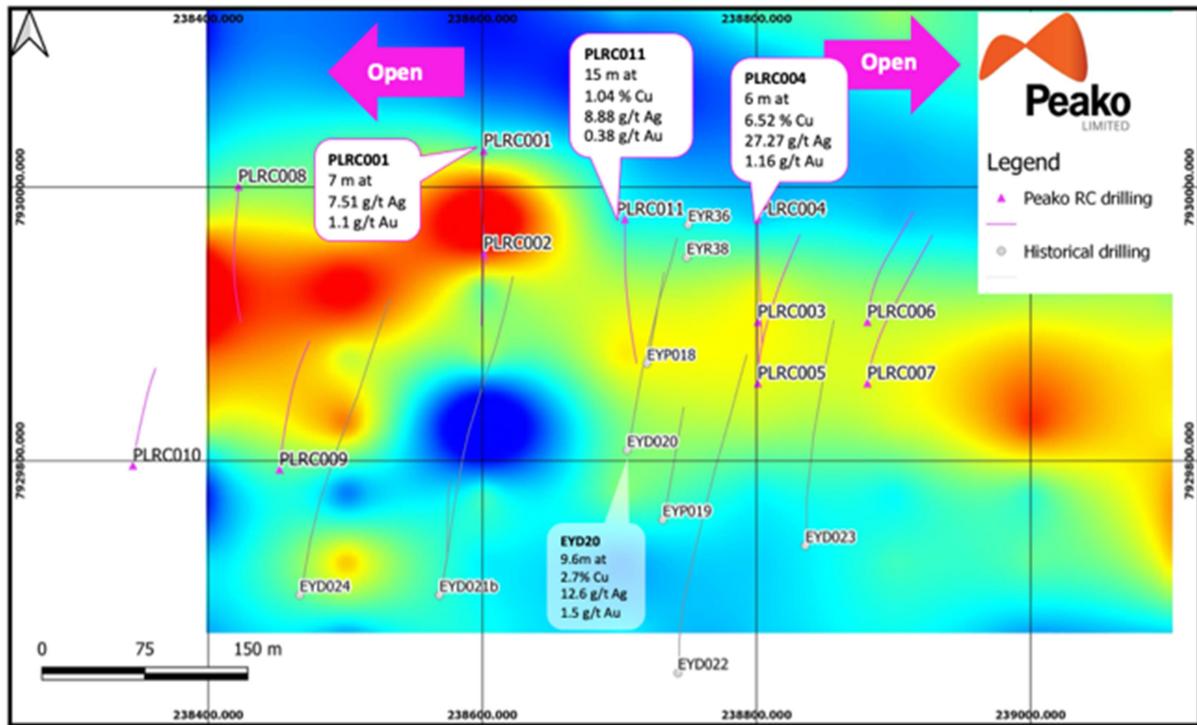


Figure 4 Landrigan drillhole locations over a GAIP Chargeability 150m RX Dipole Image

- PLRC001, PLRC002, PLRC008 tested a north dipping GAIP chargeability anomaly. Intercepted sulphide minerals, talc-alteration and carbonate host rock facies are considered the likely source of the IP chargeability response.
- PLRC003, PLRC004, PLRC005, PLRC006 and PLRC007 tested a weak GAIP chargeability anomaly coincident with anomalous Cu-Zn RAB geochemistry. PLRC004 extended mineralisation to the east and the other holes identified broad zones of alteration and minor sulphide, likely reflecting a distal alteration style or peripheral alteration halo.
- PLRC009 and PLRC010 tested down dip extents of steep south dipping hematite ironstone coincident with Zn RAB anomalies, and coincident to a deep 200m GAIP chargeability response. These holes did not test the deep GAIP target zone. Follow up work in this area is required.
- PLRC011 overlaps with GAIP and DDIP anomalism and extends known mineralisation in BHP's EYD20.

Eastman Drilling

A total of four RC drill holes (PERC001 to PERC004) for a total of 530m was completed to test two GAIP anomaly areas west of the Eastman Cu-Zn prospect. Drill results did not intercept any significant sulphide and assay results did not contain significant assay intercepts. Lack of encouraging features during the drilling campaign refocussed activities to Landrigan.

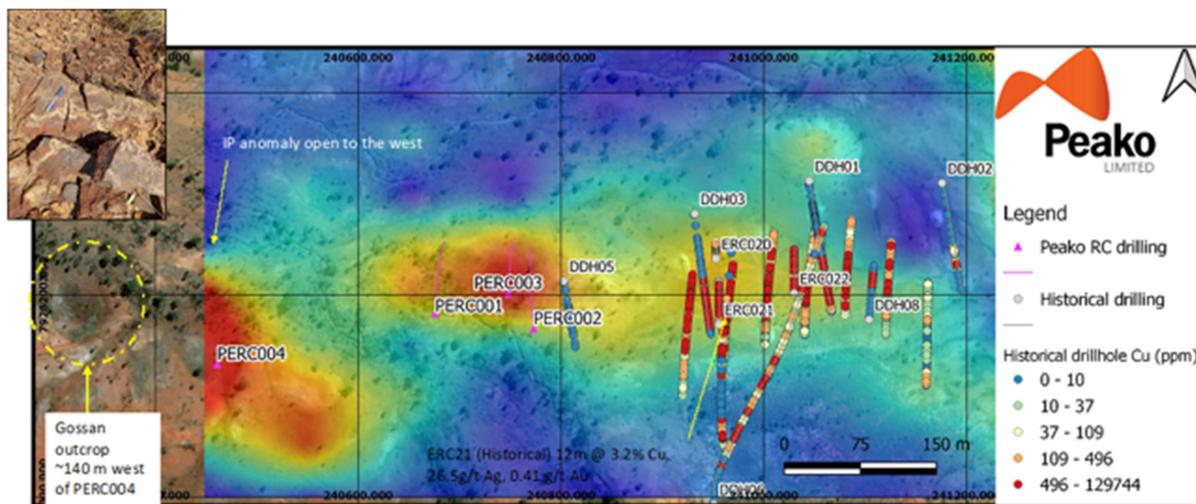


Figure 5 Drillhole locations at Eastman and Eastman West over GAIP Chargeability 100m RX

PERC001,002 & 003

Shallow drill testing of an interpreted GAIP chargeability anomaly 150 metres to the west of the main Eastman Cu-Zn prospect was undertaken by three holes totalling 382 metres.

Detailed re-logging of RC chip samples has defined that the geology in the area west of the Eastman prospect incorporates a sequence of pelagic pyritic mudstone with interbedded intervals of fine-grained silty to sandy volcanoclastic. Mudstone and volcanoclastic sequences are intruded by dolerite with hornfels intervals in mudstone and volcanoclastics adjacent to dolerite contact zones.

Mudstone units at west of Eastman are weakly to moderately pyritic and typically strongly foliated to form pyritic black shales.

It is considered likely that the near surface GAIP targets tested by drill holes PERC001-002-003 are the result of pyritic mudstone and shales

PERC004

PERC004, a standalone vertical drillhole 250m west of PERC001,002 and 003, was designed as a first-pass test of a large high amplitude (6.5 ms) GAIP chargeability anomaly on the western margin of the GAIP survey grid. The drill hole encountered a sequence of black mudstone and interbedded silty to sandy mafic volcanoclastics and did not intercept significant sulphide or contain significant assay intercepts

Foliated pyritic black mudstone may contribute as a source to the broad and deep GAIP anomaly, however this extensive GAIP target has not been fully tested by this single drill hole.

The far western GAIP anomaly remains an open target, especially to the west where gossanous outcrops are present. A gossanous outcrop 140m west of PLRC004 is comprised of ~ 40x50m brecciated Ca-Fe rich wethered rock, which is associated with favourable host rocks at Eastman and Landrigan. This brecciated gossan is near an inferred NW trending structure, interpreted to play an important role in focusing mineralization in the area.

Untested DDIP target

The deeper DDIP chargeability anomaly west of Eastman was not tested by the recent RC drilling.

Paterson Province Projects

Peako's Broadhurst (Sunday Creek) Project tenement is located in the Rudall River area of the highly prospective Paterson Province of Western Australia (Figure 4). Peako also has three long standing applications for exploration licences located close to its Broadhurst Project tenement. According to historical geological mapping, the bedrock geology of the project area is entirely made up of carbonaceous shales and siltstones of the Broadhurst Formation, and quartz sandstones and siltstones of the underlying Coolbro Sandstone Formation.

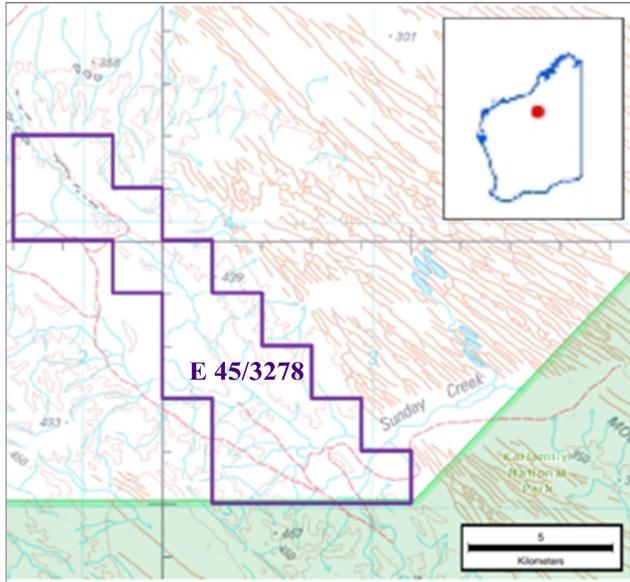


Figure 6 Broadhurst (Sunday Creek) Project Tenement

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. No dedicated, consistent exploration evaluation of the tenement has occurred and the tenement has not been drill tested for base metal mineralisation targets within the Broadhurst Formation. Historic exploration has been minimal and fragmented, comprised of 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 along the eastern Broadhurst Formation – Coolbro Sandstone contact adjacent to NW-trending Sunday Creek Fault.

CORPORATE

In August 2019, the company completed a non-renounceable rights offer to shareholders resulting in the issue of 38,489,359 new shares at \$0.02 each with attaching options with a short expiry date (exercisable at \$0.025 on or before 30 April 2020). A total of \$756,945 was raised (before costs) with funds directed towards our East Kimberley exploration activities.

11,300,000 options were exercised during the half-year, providing the company with further working capital of \$282,500.

Peako intends to conduct a pro-rata entitlements offer to shareholders mid-2020 in order to fund its exploration program at the Eastman tenement.

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 2019.

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, 13 March 2020

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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 2019, 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



B L Taylor
Partner – Audit & Assurance

Melbourne, 13 March 2020

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**Consolidated Statement Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2019**

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Revenue		
Financial income	-	73
	-	73
Expenses		
Administrative expenses	(179,918)	(87,124)
Professional and consultancy fees	(29,720)	(21,150)
Exploration expenditure incurred	(5,796)	(2,204)
Share based payment	(9,159)	-
Other expenses	(3,001)	(1,379)
	(227,594)	(111,857)
Loss before income tax expense	(227,594)	(111,784)
Income tax expense	-	-
Net Loss for the half-year	(227,594)	(111,784)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign exchange loss on translation of subsidiary financial statements	2	64
Other comprehensive income, net of tax	2	64
Total comprehensive income for the half-year	(227,592)	(111,720)
Basic and diluted loss per share (cents per share)	(0.20)	(0.16)

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

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**Consolidated Statement of Financial Position
as at 31 December 2019**

		Consolidated	
	Note	31 December 2019 \$	30 June 2019 \$
Current Assets			
Cash and cash equivalents		138,990	30,193
Trade and other receivables		42,550	5,410
Prepayments		27,200	27,200
Total Current Assets		208,740	62,803
Non-Current Assets			
Trade and other receivables		6,343	6,336
Minerals exploration and evaluation assets	6	851,676	415,556
Total Non-Current Assets		858,019	421,892
Total Assets		1,066,759	484,695
Current Liabilities			
Trade and other payables		207,697	163,988
Borrowings	7	-	265,000
Total Current Liabilities		207,697	428,988
Total Liabilities		207,697	428,988
Net Assets		859,062	55,707
Equity			
Issued capital		38,230,047	37,208,259
Reserves		43,225	34,064
Accumulated losses		(37,414,210)	(37,186,616)
Total Equity		859,062	55,707

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 2019**

Consolidated	Issued capital \$	Options reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance 1 July 2019	37,208,259	33,744	320	(37,186,616)	55,707
Loss for the period	-	-	-	(227,594)	(227,594)
Other comprehensive income	-	-	2	-	2
Total comprehensive loss for the half-year	-	-	2	(227,594)	(227,592)
Issue of Shares	1,054,214	-	-	-	1,054,214
Costs of issue	(32,426)	-	-	-	(32,426)
Issue of Options	-	9,159	-	-	75,667
Balance at 31 December 2019	38,230,047	42,903	322	(37,414,210)	859,062
Balance 1 July 2018	37,106,549	33,744	246	(36,901,256)	239,283
Loss for the period	-	-	-	(111,784)	(111,784)
Other comprehensive income	-	-	64	-	64
Total comprehensive loss for the half-year	-	-	64	(111,784)	(111,720)
Balance at 31 December 2018	37,106,549	33,744	310	(37,013,040)	127,563

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 2019**

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(211,871)	(100,818)
Interest paid	-	73
Net cash outflow from operating activities	(211,871)	(100,745)
Cash flows from investing activities		
Payments for minerals exploration expenditure	(436,120)	(218,524)
Net cash outflow from investing activities	(436,120)	(218,524)
Cash flows from financing activity		
Proceeds from new share issues	1,054,214	-
Costs of new share issues	(32,426)	-
Proceeds from borrowings	46,000	150,000
Repayment of borrowings	(311,000)	-
Net cash inflow from financing activities	756,788	150,000
Net increase / (decrease) in cash held	108,797	(169,269)
Cash at the beginning of half-year	30,193	191,419
Effect of exchange rate fluctuations on cash held	-	12
Cash at the end of the half-year	138,990	22,162

The above statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements for the half-year ended 31 December 2019

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 21, 500 Collins Street, Melbourne, Victoria 3000. The consolidated financial report of the company for the half year ended 31 December 2019 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 2019.

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 2019 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 2019 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 2019 the Group incurred a net cash outflow from operating and investing activities of \$647,991 (2018: \$319,269) and a net loss after tax of \$227,594 (2018: \$111,784). As at 31 December 2019, the Group has positive working capital of \$1,043 (30 June 2019: negative working capital \$366,185).

The financial report has been prepared on a going concern basis. Directors expect that the Group will be able to successfully raise sufficient funding to enable it to continue as a going concern for at least 12 months from the signing of the half-year financial report.

(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 group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the consolidated statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge of the right-of-use assets and an interest expense on the recognised leases liabilities. The group has no active leases at 31 December 2019, therefore as a result, the adoption of the standard had no impact.

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

During the half-year ended 31 December 2019, 49,789,359 shares were issued. As at 31 December 2019 there were 126,767,904 fully paid ordinary shares on issue (30 June 2019: 76,978,545). Proceeds of \$1,054,214 were raised prior to costs.

Note 4: Options

During the half-year ended 31 December 2019, 43,489,359 options were granted and (11,300,000) were exercised. As at 31 December 2019 there were 38,189,359 options on issue (30 June 2019: 6,000,000).

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	
	31/12/19	30/6/19
	\$	\$
Note 6: Mineral exploration costs		
<i>Areas of interest in the exploration and evaluation phase</i>		
Balance at the beginning of the period	415,556	86,204
Costs for the year	436,120	389,334
Exploration costs written off	-	(59,982)
Balance at the end of the period	<u>851,676</u>	<u>415,556</u>

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:

31/12/2019	30/06/2019	Notes
E 45/3278	E 45/3278	Granted 30 September 2016
E 80/4990	E 80/4990	In August 2019 the company executed an agreement with Sandrib Pty Ltd under which it has the right to earn a 85% interest

	Consolidated	
	31/12/19	30/6/19
	\$	\$
Note 7: Borrowings		
Balance at the beginning of the period	265,000	-
Loan funds repaid	(311,000)	-
Loan funds received	46,000	265,000
Balance at the end of the period	<u>-</u>	<u>265,000</u>

The group has a line of credit facility up to \$250,000 from Australis Finance Pty Ltd (a director-related entity of EG Albers), secured by a floating charge and an interest rate of 7%p.a.

	Consolidated	
	31/12/19	31/12/18
Note 8: Commitments for expenditure		
Not longer than 1 year	205,500	128,919
Longer than 1 year and not longer than 5 years	776,500	914,500
	<u>982,000</u>	<u>1,043,419</u>

Expenditure commitments (minerals)

The Group has a commitment in minerals tenement E45 /3278 which has a current year commitment of \$30,000. The permit year ends 29 September each year and currently expires 29 September 2021.

The Group has a commitment in minerals tenement E80 /4990 which has a current year commitment of \$68,000. 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 \$130,000. The permit year ends 27 September each year and currently expires 27 September 2023.

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 2019 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, 13 March 2020

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Independent Auditor's 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 2019, 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, nothing has come to our attention that causes us to believe that the half year financial report of Peako Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group incurred a net loss of \$294,102 and a net cash outflow from operating and investing activities of \$647,991 during the half year ended 31 December 2019 and, as of that date, the Group's current assets exceeded its current liabilities by \$1,043. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2019 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*. As the auditor of Peako Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne 13 March 2020

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