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Half Year Financial Report
31 December 2022

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

E.G. Albers (Chairman)

R.L. Clark

P.A. Kitto

COMPANY SECRETARY

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Share Registry

Automic Pty Ltd

Level 3

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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 2022

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
Paul Kitto	Non-Executive Director

Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2022 was \$509,279 (six months to 31 December 2021: loss of \$447,251).

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

East Kimberley Project

Peako's exploration focus is its large ground position in the East Kimberley region of Western Australia totalling 4,029km² (**Figure 1**). Peako's tenements (granted and in application) host a diverse Paleoproterozoic succession that is widely intruded by multiple granitoid phases and deformed by multiple orogenic episodes.

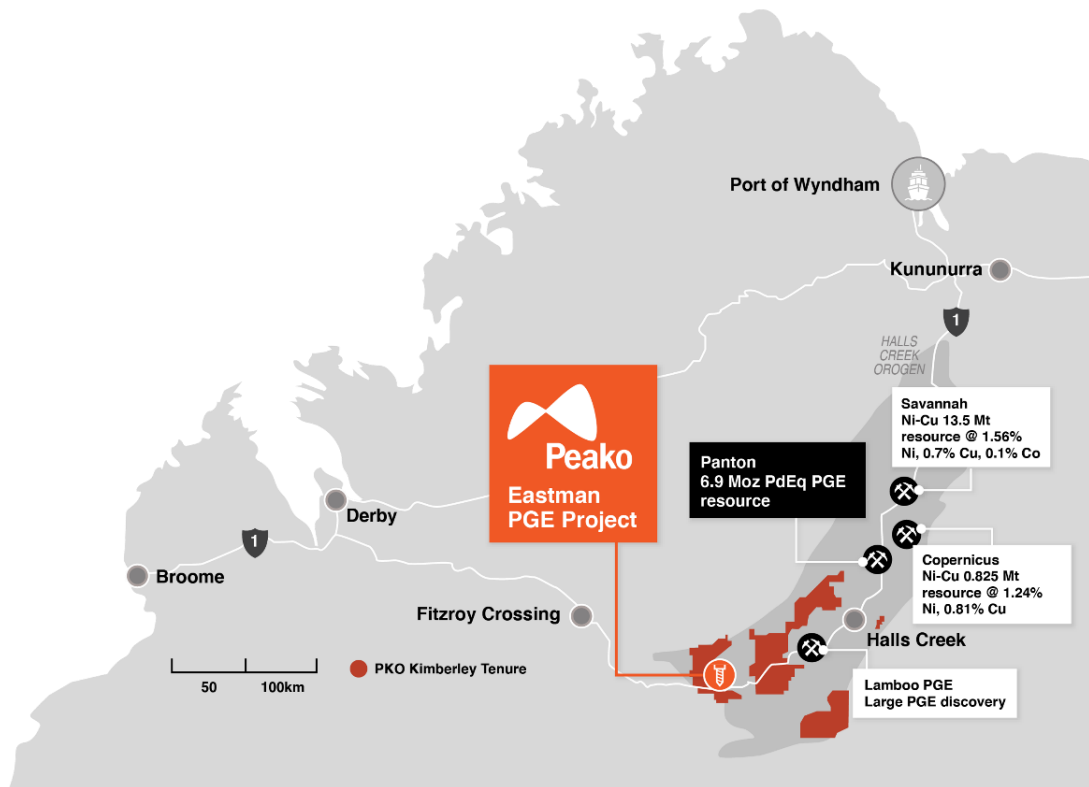


Figure 1. Peako's Eastman PGE Project in the East Kimberley region of Western Australia.

The area represents the westernmost window of the Central Zone of the Halls Creek Orogen, where volcanic successions of the bimodal Koongie Park Formation Volcanic Belt (c. 1845 Ma) and the Eastman Ultramafic Intrusion (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 (CuPb-Zn) and precious (Ag, Au) metal mineralisation, whilst the Eastman Ultramafic Intrusion has demonstrated prospectivity for base (Ni, Cu) and precious metal (Au, PGE and REE) mineralisation.

Peako's activities during the six months to 31 December 2022 are outlined below.

Phase 1 Reconnaissance Drilling at Eastman PGE Project

Reconnaissance reverse circulation (RC) drilling at the Eastman PGE Project was undertaken early in the reporting period. The RC drill program was designed to complete first pass wide spaced testing across the ultramafic stratigraphy along the complete 16.5km strike of the Eastman Intrusive Complex. The drill program comprised 35 RC holes totalling 4,138m. A total of 15 wide-spaced drill fences were drilled across eight PGE prospects (Figure 2).

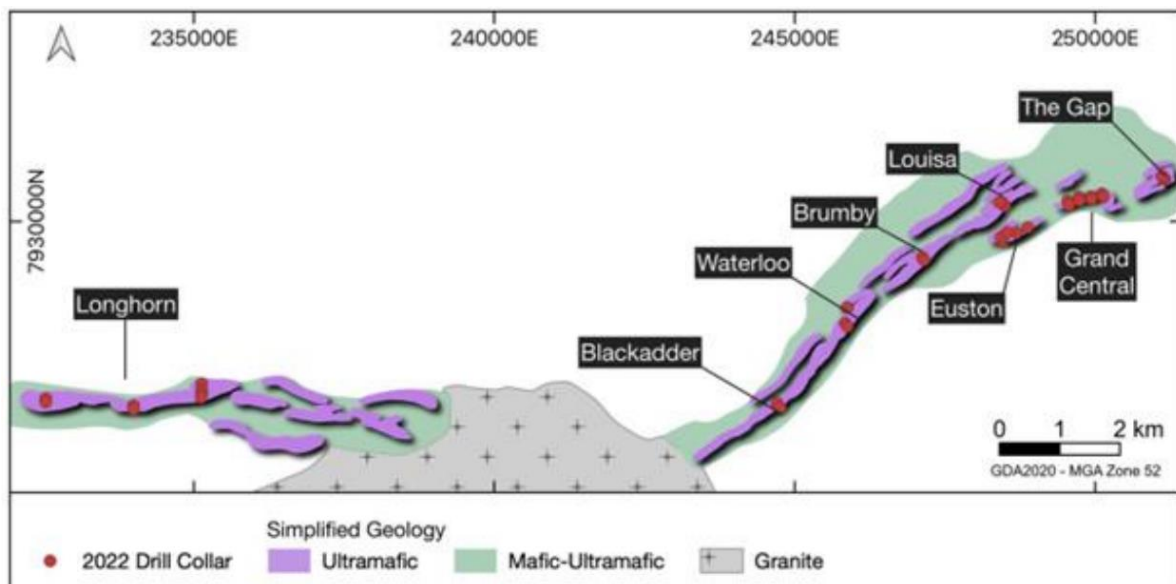


Figure 2. The Eastman PGE Project's eight key prospects.

Results from the Phase 1 drilling program were announced throughout the reporting period, with all eight prospects drilled returning anomalous PGE results, exceeding expectations and supporting PGE endowment along the entire 16.5km length of the Eastman Intrusion.

Results defined significant wide PGE zones that envelope higher-grade 'reef zones'. Shallow drilling showed broad zones of anomalous PGE mineralisation that typically extend from surface to current known depths up to 100m below surface.

In all cases, mineralisation remained open down dip and along strike. Significant intercepts reported from the Phase 1 drilling included:

- **7m @ 1.64 g/t PdEq¹** (1.20 g/t 3E²) from 26m (PRC0033)
 - and **8m @ 1.17 g/t PdEq** (0.7 g/t 3E) from 83m
 - within 99m @ 0.6 g/t PdEq (0.3 g/t 3E) from surface
- **7m @ 1.37 g/t PdEq** (1.01 g/t 3E) from 63m (PRC0034)
 - within 31m @ 0.64 g/t PdEq (0.3g/t 3E) from 40m
- **22m @ 1.14 g/t PdEq** (0.65 g/t 3E) from 57m (PRC0045)
 - within 62m @ 0.70 g/t PdEq (0.36 g/t 3E) from 36m
- **5m @ 1.45 g/t PdEq** (1.04 g/t 3E) from 77m (PRC0048)
 - within 41m @ 0.73 g/t PdEq (0.37 g/t 3E) from 56m
- **12m @ 1.45 g/t PdEq** (1.03 g/t 3E) from 46m (PRC0052)
 - including **3m @ 2.72 g/t PdEq** (2.25 g/t 3E) from 52m
 - within 65m @ 0.72 g/t PdEq (0.33 g/t 3E) from surface
- **5m @ 1.09 g/t PdEq** (0.70 g/t 3E) from 11m (PRC0057)
 - within 10m @ 0.97 g/t PdEq (0.52 g/t 3E) from 10m
- **2m @ 0.99 g/t PdEq** (0.78 g/t 3E) from 6m (PRC0060)
 - and 2m @ 0.94 g/t PdEq (0.71 g/t 3E) from 38m
 - within 36m @ 0.57 g/t PdEq (0.31 g/t 3E) from 5m
- **and 3m @ 1.07 g/t PdEq** (0.73 g/t 3E) from 93m
 - within 16m @ 0.84 g/t PdEq (0.56 g/t 3E) from 84m
- **3m @ 1.13 g/t PdEq (0.77 g/t 3E) from 82m (PRC0061)**
 - within 20m @ 0.66 g/t PdEq (0.35 g/t 3E) from 71m

Phase 2 Drilling Undertaken at Eastman

In November, Peako completed Phase 2 RC drilling at the Eastman Project, with 15 holes completed for ~2,118m of drilling across The Gap, Brumby and Louisa Prospects, each of which were identified to have considerable potential based on exploration results from Phase 1 drilling (Figure 3).

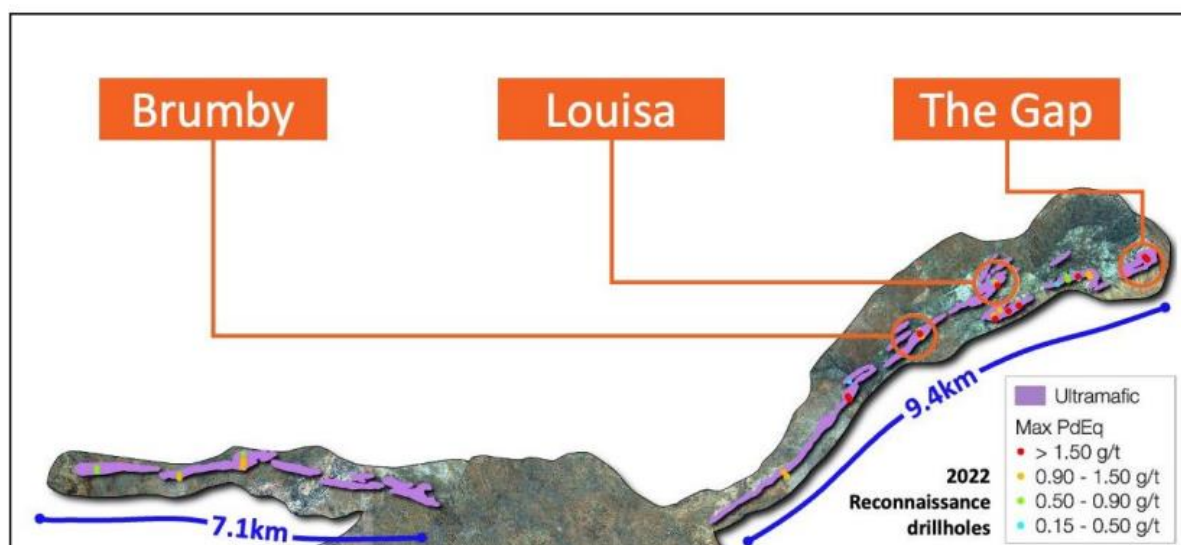


Figure 3. Location of prospects targeted in the Phase 2 initial step-out drilling program at Eastman.

¹ Palladium Equivalent - refer pages 11-12 for calculation and commentary

² 3E = The sum of palladium (Pd) + platinum (Pt) + gold (Au) in g/t

This initial step-out drilling, which was time-limited due to the impending arrival of the Kimberley wet season, at the time, was designed as a step-out program aimed at testing PGE mineralisation along strike from the previous encouraging PGE intercepts.

Assay results from Phase 2 drilling were announced subsequent to the end of the half year and have provided further confidence in the potential of the Eastman Project, in particular highlighting the potential of the Brumby Prospect and surrounds. Significant intercepts from Phase 2 RC drilling included (see also **Figure 4** and **Figure 5**):

- **30m @ 1.45 g/t PdEq** (1.0 g/t 3E) from 48m (PRC0074)
 - including **6m @ 2.93 g/t PdEq** (2.37 g/t 3E) from 63m
- **14m @ 1.45 g/t PdEq** from 70m (1.06 g/t 3E) (PRC0073)
 - including **4m @ 2.44 g/t PdEq** (1.91 g/t 3E) from 78m
- **23m @ 0.83 g/t PdEq** (0.54 g/t 3E) from 46m (PRC0076)
 - and 11m @ 0.83 g/t PdEq (0.54 g/t 3E) from 74m
 - and 7m @ 0.83 g/t PdEq (0.54 g/t 3E) from 140m
 - and 5m @ 0.87 g/t PdEq (0.50 g/t 3E) from 162m
- **6m @ 1.05 g/t PdEq** (0.0.55 g/t 3E) PdEq from 26m (PRC0077)
 - and **8m @ 1.39 g/t PdEq** (0.77 g/t 3E) PdEq from 55m
- 21m @ 0.83 g/t PdEq (0.48 g/t 3E) from 71m (PRC0079)
 - including **7m @ 1.14 g/t PdEq** (0.72 g/t 3E) from 85m
- 21m @ 0.91 g/t PdEq (0.52 g/t 3E) from 23m (PRC0080)
 - including **6m @ 1.16 g/t PdEq** (0.71 g/t 3E) from 38m
- **9m @ 1.23 g/t PdEq** (0.72 g/t 3E) from 66m (PRC0081)
 - including **3m @ 1.85 g/t PdEq** (1.51 g/t 3E) from 70m

Six holes were drilled at the Brumby Prospect (**Figure 4**) as part of Phase 2, with results extending the strike of tested PGE mineralisation to 300m. The Brumby Prospect is located centrally within the 9.4km eastern zone of the Eastman PGE Intrusion (**Figure 3**) and has an overall strike potential of at least 1.4km, as well as two additional parallel ultramafic units to the north.

Phase 2 drill results from Brumby define PGE mineralisation continuously across the tested 300m strike, with a high-grade zone that is also continuous over a strike length of at least 180m (**Figure 5**). All mineralisation at Brumby remains open along strike to both the east and west.

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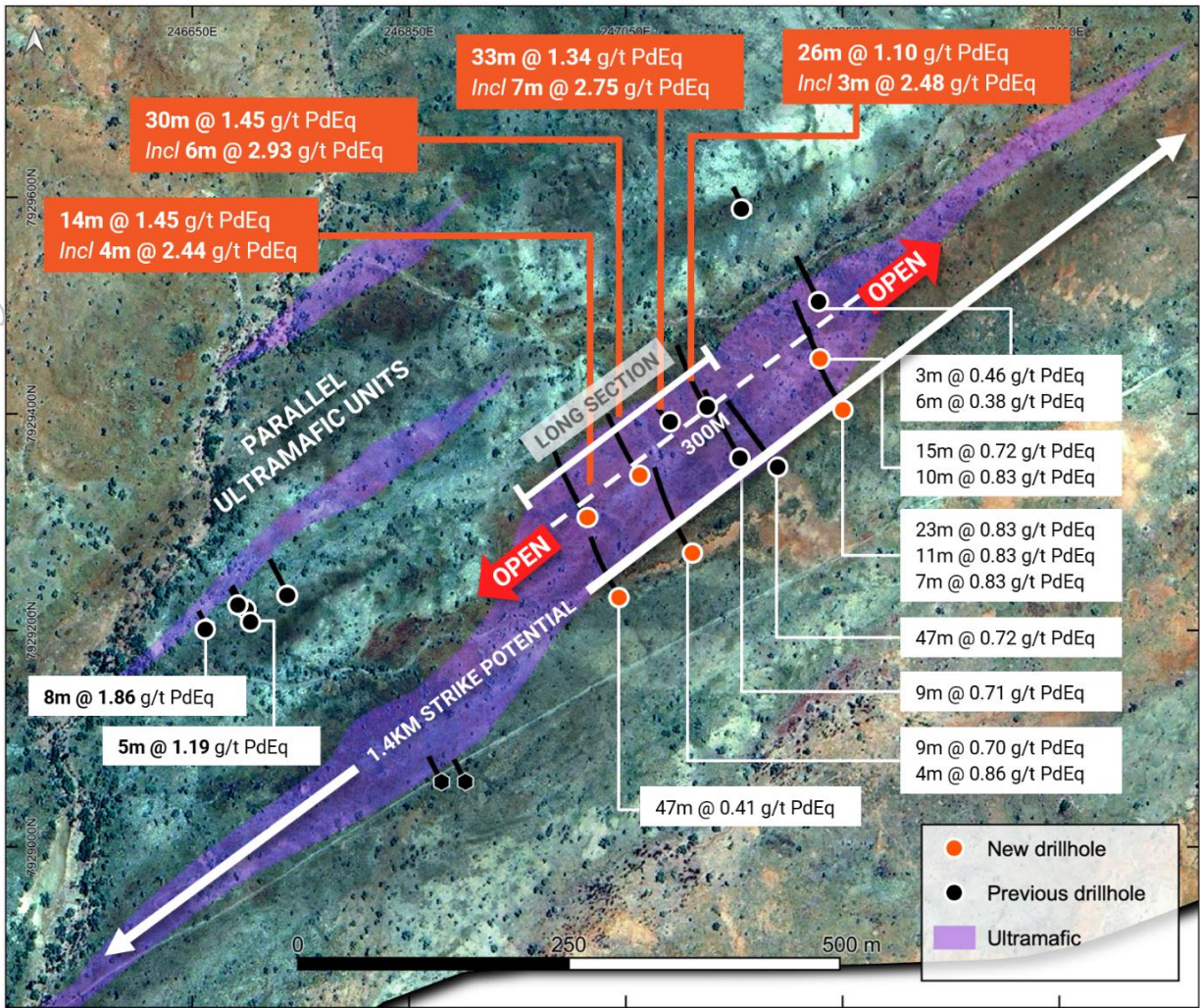


Figure 4. Brumby drilling results, showing mineralisation over 300m with mineralisation open along strike in both directions.

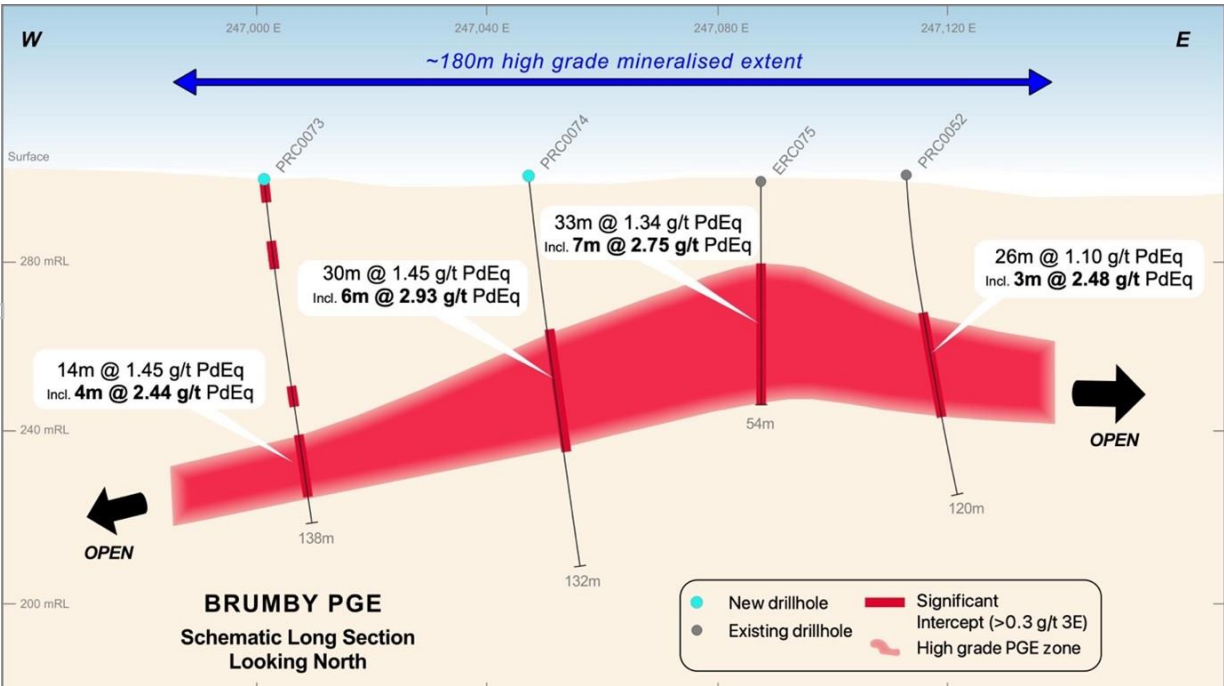


Figure 5. Brumby long section showing high grade mineralisation envelope intercepted over approximately 180m of strike, with mineralisation open along strike and up and down dip.

High grade PGE mineralisation at Brumby was consistently intersected at vertical depths around 65m with the zone extending from near surface and currently open both up and down dip and along strike in both directions.

An additional 9 RC drill holes were also completed at The Gap and Louisa Prospects at Eastman, with all holes intercepting PGE mineralisation. The Gap and Louisa Prospects are geologically complex and require further interpretation and evaluation prior to additional drilling work programs.

Reconnaissance Soil Testing at Eastman South

Reconnaissance soil sampling along 400m spaced lines at 50m intervals was completed in early August at the Eastman South area, an interpreted ultramafic sequence with no record of prior exploration. Ultramafic outcrop was identified in the area during the fieldwork, confirming the area's potential prospectivity.

A total of 1,216 samples were submitted for geochemical analysis of 53 elements including platinum, palladium and gold with assay results revealing a number of areas anomalous in PGE trends (**Figure 6**).

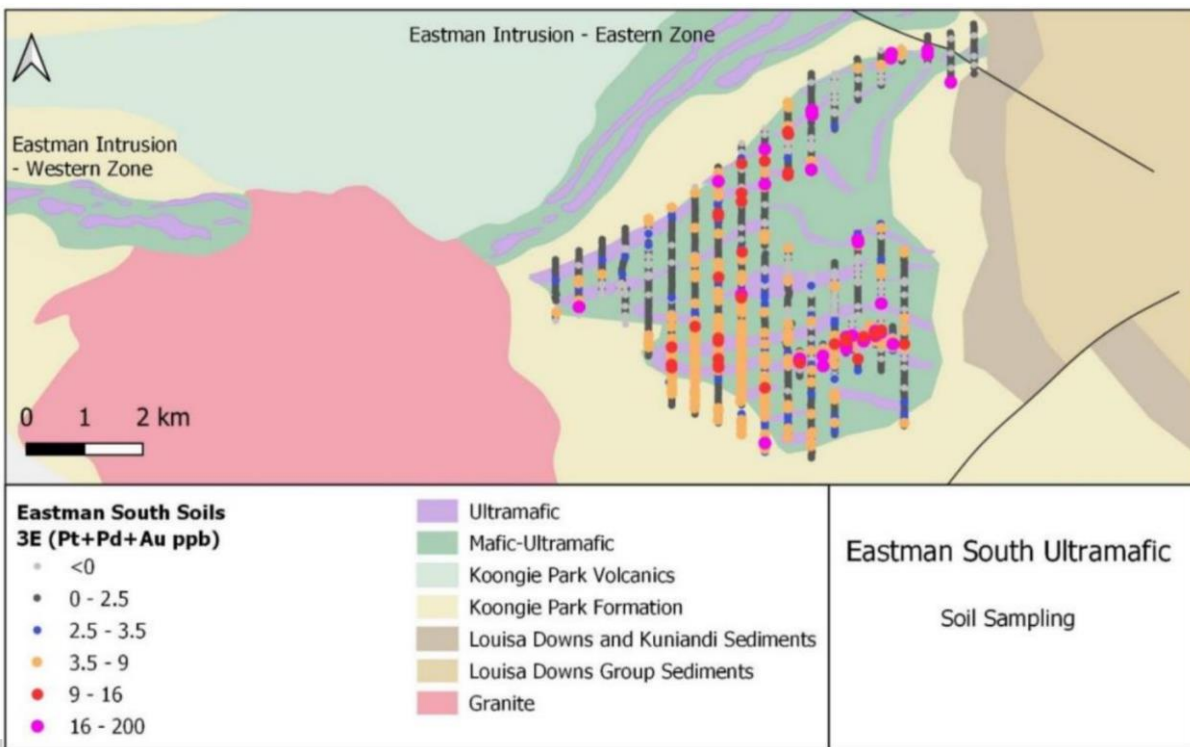


Figure 6. Eastman South Ultramafic Soil Sampling Results.

Rock Chip Analyses

Geochemistry

Geochemistry results from rock chip samples collected during mapping traversed across three prospects: The Gap, Grand Central and Louisa, returned 3E PGE grades up to 2.9 g/t. A total of 12 of the 54 submitted rock chips returned 3E values greater than 0.5 g/t.

Nine of those rock chip samples were subsequently analysed using the nickel sulphide (NiS) fire assay method with total PGE values for those samples significantly increased.

The NiS fire assay method allows for the analysis of all PGEs (Platinum, Palladium, Rhodium, Iridium, Ruthenium and Osmium) as well as gold.

The samples were initially analysed using Aqua Regia and lead collection fire assay methods to provide values for a large suite of elements (53 elements). However, this method was unable to analyse for the less abundant PGEs (Rhodium, Iridium, Osmium and Ruthenium).

The best rock-chip NiS fire assay method results were returned from the Louisa Prospect, where all five samples returned PGE+Au results greater than 1 g/t. Highest assay results from each of the other prospects were 3.49 g/t PGE+Au at Grand Central, 2.17 g/t PGE+Au at Louisa, and 1.17 g/t PGE+Au at The Gap.

QEMSCAN and Laser Petrography Study

During the reporting period, a preliminary petrography study on 10 weathered surface samples collected during mapping traverses completed during May of 2022 was completed by the Research School of Earth Sciences at the Australian National University (ANU) using QEMSCAN microscopy and LA-ICP-MS laser ablation imaging.

Results defined alteration assemblages and identified positive correlations between Pd and Cu– Ni that could serve as a potential guide for Pd mineralisation in the field. An association between Pt and the weathered rock types were observed, with Pt associated with both chromite and silicate minerals.

Chromite samples were also observed to have slightly higher levels of Pt together with occasional PGE nuggets. Laser results also highlighted the presence of Ruthenium, Rhodium, Iridium, and Osmium which positively correlated with chromite. In addition, gold also correlated with the occurrence of chromite.

QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) is an integrated automated mineralogy and petrography solution providing quantitative analysis of minerals and rocks. It is configured to measure mineralogical variability based on chemistry at the micrometre-scale.

LA-ICP-MS (Laser Ablation – Inductively Coupled Plasma – Mass Spectrometry) is an analytical technique for determining the chemical and isotopic composition of solid samples.

Gold/Base Metals Prospects

Following completion of the PGE-focused Phase 1 RC drilling campaign, 4 holes were drilled targeting gold and base metal mineralisation at the Landrigan and Eastman prospects. No significant mineralisation was returned.

Paterson Province, Western Australia

During the reporting period, the Company relinquished its exploration tenure in the Paterson region of Western Australia, which comprised one granted exploration licence as well as three exploration licence applications.

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.

1 August 2022	Eastman PGE Drilling Program Update
31 August 2022	Eastman PGE Drilling Program Completed
13 September 2022	Eastman PGE Rock-Chips Assay up to 3.49 g/t PGE + Au
4 October 2022	Initial Drilling Intersects 99m of Shallow PGEs at The Gap Prospect in the East Kimberley, WA
13 October 2022	5km of Additional PGE Endowment Defined at Eastman Complex
19 October 2022	Peako Awarded EIS Grant to Co-Fund Exploration at Brumby PGE Prospect
24 October 2022	Reconnaissance Drilling Further Extends Eastman PGE Mineralisation
2 November 2022	Phase 2 drilling commences at Eastman PGE Project
22 November 2022	Completion of Phase 2 Drilling at Eastman PGE Project
20 February 2023	High-Grade PGE Results at Brumby – Table 1 Corrected

Palladium Equivalent (PdEq)

The Company reports individual grades for each of the elements palladium, platinum, gold, nickel, copper and cobalt as well as an aggregate 3E value, being the aggregate of Pd, Pt and Au.

Peako cautions that while many PGE explorers report 3E grades, such grades, being aggregates, do not reflect the varying value contribution of each element. As such, 3E PGE mineralisation with a high proportion of Palladium, such as that reported from the Eastman Project, will have a higher value than the same grade 3E PGE mineralisation calculated from a different project that is comprised largely of Platinum, due to the higher value of Palladium per gram compared to Platinum.

Basis for Palladium Equivalent Calculation

Accordingly, Peako has calculated Palladium Equivalent (PdEq) grades in order to reflect the potential contributions of the elements to contribute to a resource and assist in providing a concise indication of the potential value of mineralisation at Eastman. Palladium Equivalent (PdEq) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in Equivalent Palladium (PdEq) grade.

Given the Eastman Project's stage of development, no metallurgical test work has yet been conducted. However, it is the Company's opinion that all elements included in the metal equivalent calculation (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential to be recovered and sold. Based on the similar Panton deposit, located approximately 185km to the north-east, the Company has assumed metallurgical recoveries based on the Panton deposit model.

Metal recoveries used in the palladium equivalent calculations are shown below:

- Palladium 80%, Platinum 80%, Gold 70%, Nickel 45%, Copper 67.5% and Cobalt 60%

Metal prices used are also shown below:

- Palladium US\$1,700/oz, Platinum US\$1,300/oz, Gold US\$1,700/oz, Nickel US\$18,500/t, Copper US\$9,000/t and Cobalt US\$60,000/t

Metal equivalents were calculated according to the follow formula:

- $PdEq \text{ (Palladium Equivalent g/t)} = Pd(g/t) + 0.76471 \times Pt(g/t) + 0.875 \times Au(g/t) + 1.90394 \times Ni(\%) + 1.38936 \times Cu(\%) + 8.23 \times Co(\%)$

Peako cautions that while it considers Panton a similar style deposit to Eastman, actual metallurgical recoveries at Eastman may differ from those at Panton. Further, that its opinion that all elements included in the metal equivalent calculation have a reasonable potential of being recovered and sold relies on defining sufficient mineable economic resources.

CORPORATE

Shares Issued

In September 2022 the Company raised a total of \$1,414,043 before costs via a 1 for 5 Non-Renounceable Pro-rata Entitlement Offer (Rights Issue) as well as a small placement (Placement) to accommodate excess shortfall demand. A total of 70,727,848 new fully paid Ordinary shares (new Shares) were issued.

Options

During the half-year ended 31 December 2022 a total of 81,227,858 unlisted options were granted. Of those, 70,727,848 options were granted in connection with the Rights Issue and Placement on the basis of one Option granted for every share issued under the Rights Issue and Placement. A total of 10,500,000 options were granted to Directors, Employees and a Consultant.

During the half year ended 31 December 2022 1,000,000 options expired. As at 31 December 2022 there were 109,227,858 options on issue (30 June 2022: 29,000,000).

Peako Awarded EIS Grant to Co-fund Exploration at Brumby Prospect

During the reporting period, Peako was pleased to have been successful in its application for an Exploration Incentive Scheme (EIS) Grant, which will assist in further advancing the Company's Eastman PGE Project in 2023.

The EIS grant, awarded by the Western Australian State Government, is for an amount of up to \$140,000 structured as a contribution towards 50% of direct costs incurred for diamond drilling at the Brumby Prospect.

Diamond drilling is to be carried out during the 12 months between 1 December 2022 and 30 November 2023, under the terms of the grant.

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 2022.

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, 10 March 2023

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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 2022, 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, 10 March 2023

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**Consolidated Statement Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2022**

	Consolidated	
	31 December 2022 \$	31 December 2021 \$
Revenue		
Sundry income	7,735	4
	7,735	4
Expenses		
Administrative expenses	(369,550)	(302,446)
Professional and consultancy fees	(79,235)	(49,749)
Exploration expenditure incurred	(23,309)	(60,548)
Share based payment	(28,069)	(17,882)
Other expenses	(16,851)	(16,630)
	(517,014)	(447,251)
Loss before income tax expense	(509,279)	(447,251)
Income tax expense	-	-
Net Loss for the half-year	(509,279)	(447,251)
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	(509,279)	(447,251)
Basic and diluted loss per share (cents per share)	(0.14)	(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 2022**

		Consolidated	
	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents		567,074	1,510,559
Trade and other receivables		90,925	92,754
Prepayments	8	149,369	176,569
Total Current Assets		807,368	1,779,882
Non-Current Assets			
Motor Vehicles		59,958	71,551
Plant and Equipment		35,745	41,002
Minerals exploration and evaluation assets	6	5,127,574	3,401,043
Total Non-Current Assets		5,223,277	3,513,596
Total Assets		6,030,645	5,293,478
Current Liabilities			
Trade and other payables		178,945	343,608
Provisions		22,919	13,229
Total Current Liabilities		201,864	356,837
Total Liabilities		201,864	356,837
Net Assets		5,828,781	4,936,641
Equity			
Issued capital		45,559,557	44,186,207
Reserves		234,470	206,401
Accumulated losses		(39,965,246)	(39,455,967)
Total Equity		5,828,781	4,936,641

The above statement of financial position should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2022**

Consolidated	Issued capital \$	Options reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance 1 July 2022	44,186,207	206,401	-	(39,455,967)	4,936,641
Other comprehensive income	-	-	-	(509,279)	(509,279)
Total comprehensive loss for the half-year	-	-	-	(509,279)	(509,279)
Issue of Shares	1,414,043	-	-	-	1,414,043
Costs of issue	(40,693)	-	-	-	(40,693)
Issue of Options	-	28,069	-	-	28,069
Balance at 31 December 2022	45,559,557	234,470	-	(39,965,246)	5,828,781
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

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 2022**

	Consolidated	
	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(580,111)	(673,606)
Receipts for geological and other services	44,808	-
Net cash outflow from operating activities	(535,303)	(673,606)
Cash flows from investing activities		
Payments for minerals exploration expenditure	(1,801,873)	(695,814)
Payments to suppliers – minerals tenements	(6,859)	(67,901)
Refund of tenement application	27,200	-
Proceeds from government exploration grant	-	40,426
Net cash outflow from investing activities	(1,781,532)	(723,289)
Cash flows from financing activity		
+Proceeds from new share issues	1,414,043	2,574,000
Costs of new share issues	(40,693)	(117,638)
Net cash inflow from financing activities	1,373,350	2,456,362
Net (decrease) / increase in cash held	(943,485)	1,059,467
Cash at the beginning of half-year	1,510,559	1,419,805
Cash at the end of the half-year	567,074	2,479,272

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 2022

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 2022 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 2022. All accounting policies are consistent with those applied at 30 June 22.

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 2022 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 2022 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 2022 the group incurred a net cash outflow from operating and investing activities of \$2,316,835 (2021: \$1,396,895) and a net loss after tax of \$509,279 (2021: \$447,251). As at 31 December 2022, the Group has positive working capital of \$605,504 (30 June 2022: \$2,585,894).

Directors expect that the group will be able to raise sufficient funds to enable it to continue as a going concern for at least 12 months from the signing of the half-year financial report

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, which indicate that a material uncertainty exists they may cast significant doubt on the Group's ability to continue as a going concern. 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

In September 2022 the Company raised a total of \$1,414,043 before costs via a 1 for 5 Non-Renounceable Pro-rata Entitlement Offer (Rights Issue) as well as a small placement to accommodate excess shortfall demand. A total of 70,727,848 new fully paid Ordinary shares (new Shares) were issues together with 70,727,848 unlisted options exercisable at \$0.05 with an expiry date of 30 September 2025 (New Options).

Note 4: Options

During the half-year ended 31 December 2022 a total of 81,227,858 options were granted. Of those, 70,727,848 options were granted to shareholders as the result of the Rights Issue and placement noted above and 10,500,000 options were granted to Directors, Employees and a Consultant (Note 9).

During the half year ended 31 December 2022 1,000,000 options expired. As at 31 December 2022 there were 109,227,858 options on issue (30 June 2022: 29,000,000).

Note 5: Events subsequent to reporting date

There has been no significant after balance date event up to the date of signing this report.

Consolidated	
31/12/22	30/6/22
\$	\$

Note 6: Mineral exploration costs

Areas of interest in the exploration and evaluation phase

Balance at the beginning of the period	3,401,043	2,154,834
Costs for the year	1,726,531	1,340,248
Impairment of exploration asset (1)	-	(94,039)
Balance at the end of the period	5,127,574	3,401,043

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:

31/12/2022	30/06/2022	Notes
-	E45/3278	(1) Surrendered 20 September 2022 (fully written off at 30 June 2022)
E80/5182	E80/5182	Granted 28 September 2018
E80/4990	E80/4990	Granted 4 October 2017

Consolidated	
31/12/21	31/12/21

Note 7: Commitments for expenditure

Not longer than 1 year (1)	282,250	347,000
Longer than 1 year and not longer than 5 years (1)	748,000	485,000
	<u>1,030,250</u>	<u>832,000</u>

(1) E45/3278 tenement Surrendered 20 September 2022

Expenditure commitments

The Group has a commitment in minerals tenement E80 /4990 which has a current year commitment of \$136,000. The permit was renewed 4 October 2022. It has a permit year that ends 3 October each year with year six of the permit ending 3 October 2023.

The Group has a commitment in minerals tenement E80 /55182 which has a current year commitment of \$146,250. The permit year ends 27 September each year and currently expires 27 September 2023.

Consolidated	
31/12/22	30/6/22
\$	\$

Note 8: Prepayments

Prepaid tenement rent

Balance at the beginning of the period	176,569	107,657
Refund from tenement application withdrawn	(27,200)	-
Costs for the year	-	68,912
	<u>149,369</u>	<u>176,569</u>

The Company has eight exploration tenement applications at 31 December 2022 (June 2021: nine). 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, Employees and Consultants

10,500,000 options were granted to Directors, Employees and a Consultant in the half year ended 31 December 2022. (Dec 2021: 7,000,000 options). All 10,500,000 of the options granted have a service period vesting condition so the cost of the options are amortised over the life of the option.

1,000,000 options (exercisable at \$0.05 (5.0 cents) on or before 30 September 2025 were granted to consultants on 7 September 2022. The accounting value of the options granted was \$6,298 with the share based payment expense for the half year \$647.

9,500,000 options (exercisable at \$0.05 cents) on or before 25 May 2025 were granted to Directors, Employees and Consultants on 25 November 2022. The accounting value of the options granted was \$23,082 with the share based payment expense for the half year \$911.

Share based payment expense for the half year from amortisation of prior period grants was \$26,511.

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 2022 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, 10 March 2023

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Independent Auditor's Review Report

To the Members of Peako Limited

Report on 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 2022, 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 2022 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.

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Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group had net cash outflows from operating and investing activities of \$2,316,835 and a net loss of \$509,279 during the half year ended 31 December 2022. 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.

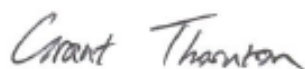
Directors' responsibility for the half-year financial report

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 2022 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, 10 March 2023