



**ABN 79 131 843 868**

Half Year Financial Report  
31 December 2016

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## Corporate Directory

### Directors

Geoffrey Albers	Non-Executive Chairman
Raewyn Clark	Non-Executive Director
Peter Armitage	Non-Executive Director

### Company Secretary

Raewyn Clark

### Registered Office

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### Auditor

Grant Thornton Audit Pty Ltd  
Level 30  
525 Collins Street  
Melbourne, Victoria 3000 Australia

### Share Registry

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### Securities Exchange Listing

ASX Limited  
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Melbourne Victoria 3000  
Website: [www.asx.com.au](http://www.asx.com.au)

ASX Code: PKO

Incorporated in Western Australia 25 June 2008

## Directors' Report

Your Directors submit the interim financial report on the Group for the half-year ended 31 December 2016. In order to comply with the Corporations Act 2001, the Directors report as follows:

### 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 Director
Raewyn Clark	Non-Executive Director
Peter Armitage	Non-Executive Director

### Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2016 was \$127,060 (six months to 31 December 2015: profit of \$1,181,367). The 31 December 2015 profit includes \$1,284,774 other income from the discharge of a loan.

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.

In addition to its mineral exploration interests in Western Australia and its oil development interests in the Philippines, which are described in more detail below, the company intends to grow through additional resources investment. Peako's directors will consider petroleum opportunities, as well as minerals opportunities, considering both exploration and development opportunities.

### Paterson Province Projects, Western Australia

Peako's Paterson Province Projects; the Sunday Creek and Mount Sears initiatives, comprise a ~403km<sup>2</sup> tenement package in the Rudall River area of the Paterson Province of Western Australia. The Paterson region is well known for its gold, base metals and uranium potential, hosting Australia's fifth largest uranium deposit at Kintyre. Uranium occurrences are known in both the Sunday Creek and Mount Sears prospects. Both prospects are considered polymetallic.

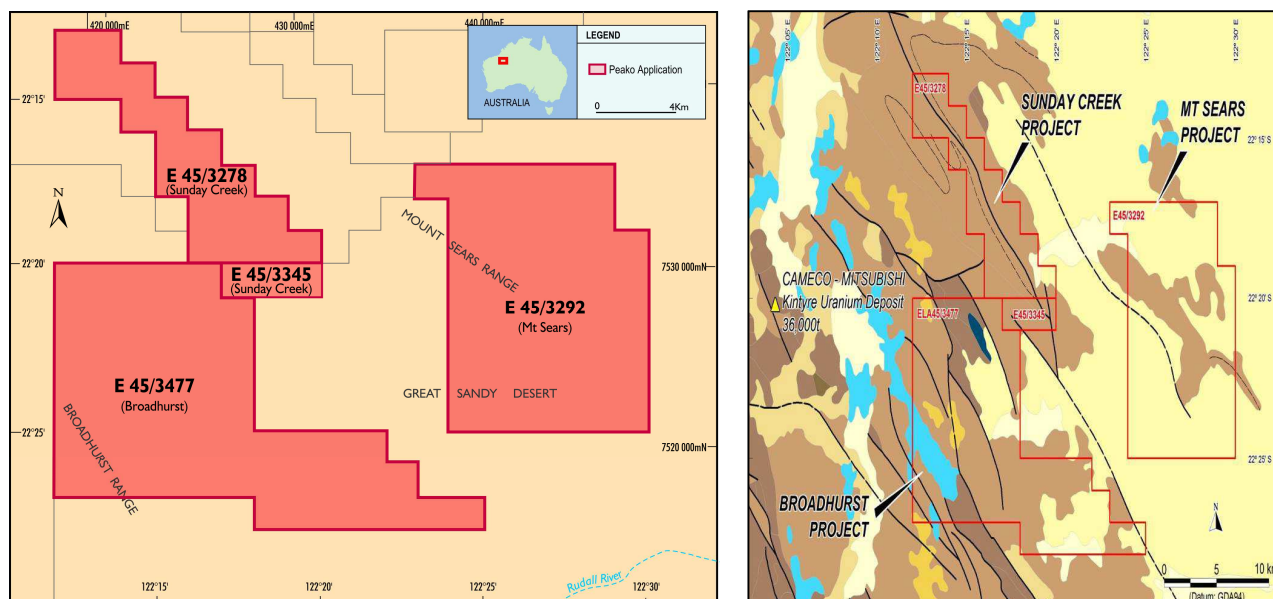
Peako's tenement package comprises four tenements (one of which is granted and three of which are pending) and was the cornerstone of Peako's portfolio of mineral assets when it first listed on ASX as Raisama Limited in 2009.

During the half-year, Peako was granted Exploration Licence E45/3278 by the Western Australian Department of Mines and Petroleum (DMP).

Exploration activities have commenced with the acquisition of past exploration data, the assessment of which will inform and shape our exploration work program for the Sunday Creek project.



Peako's Paterson Province tenement package is shown below.



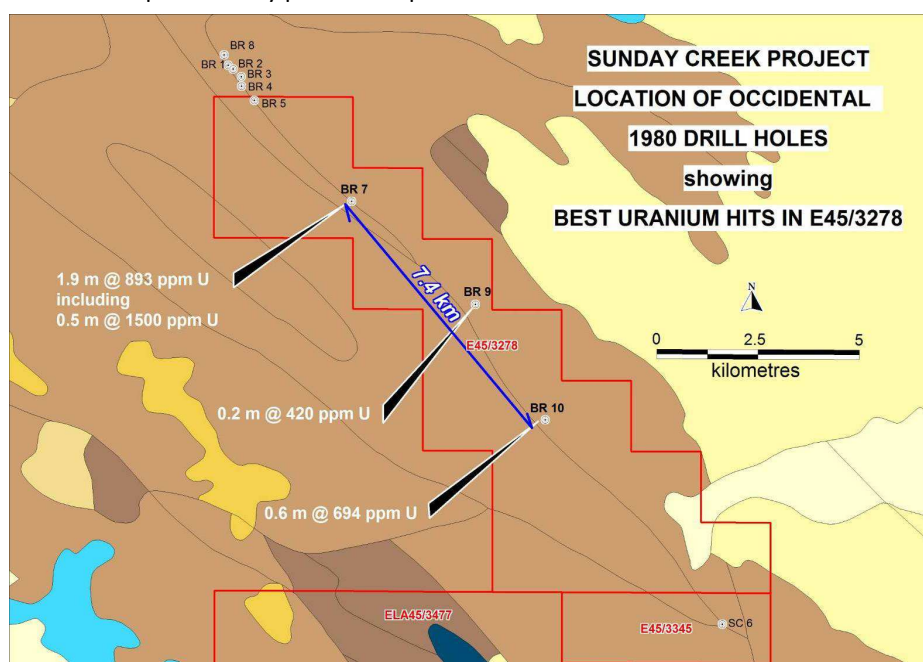
**Figure 2 Paterson Province Tenement Package**

Submissions have been made to DMP in relation to the other three application areas (E45/3292, E45/3345 and E45/3477) in relation to both the geological model and environmental management, with discussions ongoing.

The Sunday Creek area was first explored by others between 1978 and 1981. The lack of high resolution data available at that time resulted in limited structural interpretation by previous explorers.

The Sunday Creek Prospect was initially identified as a radiometric anomaly without GPS or high resolution airborne data, with subsequent rock chip samples containing copper, uranium and lead. Radiometric anomalies were also followed up with soil geochemical surveys, which produced low assay responses, mainly due to sand cover.

A four-hole reconnaissance drilling program was done at very wide spacing of 4km and a prospective contact of 20km strike length remains largely untested. The four drill holes were generally shallow and possibly positioned outside the main target zone.



**Figure 3 Best Uranium Hits in E45/3278 - Location of Occidental 1980 Drill Holes**

The Mount Sears Prospect is located 25 kilometres east of the Sunday Creek Prospect covering an area of 150km<sup>2</sup>. A known uranium occurrence in the Mount Sears Range was discovered by Occidental Minerals Corporation in 1978 and has an associated airborne radiometric uranium anomaly. An overview of the Mount Sears project geology and historic data indicates that the project area is prospective for copper and uranium.

After numerous years of low uranium prices, there are signals that uranium prices may recover. Uranium demand is forecast to increase in the coming years; more than 60 new nuclear reactors are under construction, 160 are planned and a further 300 are proposed<sup>1</sup>. The low uranium prices of recent years have resulted in reduced uranium exploration activities, which, combined with pending increased demand for uranium, can be expected to result in a rising market for uranium.

#### **SC6 (Cadlao) - Cadlao Oilfield Re-development Project, the Philippines**

Peako holds a number of disputed interests in relation to the SC6 Cadlao Oilfield re-development project in the Philippines. In December 2016 the arbitration commenced by Peako against Cadlao Development Company Limited (Cadco) and Blade Petroleum Limited (Blade) in relation to the Cadco Buy-back Right was terminated by the Arbitrator as Cadco had failed to respond to any communication from Peako or the Arbitrator for more than two years. Peako recently learned that Blade Petroleum Limited is in liquidation. As such, the arbitration was considered to have little prospect of a meaningful outcome. Peako reserves its rights in relation to the Cadco Buy-back Right. But, at this stage assesses there to be little likelihood of realising value for that Right.

#### **CORPORATE**

During the half-year the share capital of the Company was consolidated on a one for twenty basis, making the company's share capital more workable and a more attractive investment vehicle. The number of shares on issue reduced from 1,020,380,247 to 51,019,137.

#### **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 2016.

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, 8 March 2017

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<sup>1</sup> <http://www.world-nuclear.org/information-library/current-and-future-generation/plans-for-new-reactors-worldwide.aspx>

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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 2016, 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



Adrian Nathanielsz  
Partner

Melbourne, 8 March 2017

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**Consolidated Statement Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Financial income	2,469	77
Other income	-	1,285,601
	<u>2,469</u>	<u>1,285,678</u>
<b>Expenses</b>		
Administrative expenses	(70,625)	(76,570)
Professional and consultancy fees	(23,856)	(13,645)
Depreciation charges	-	(3,578)
Financial expense	-	(10,393)
Exploration expenditure incurred	(1,454)	-
Share based payment – director options	(33,744)	-
Other expenses	151	(125)
	<u>(129,528)</u>	<u>(104,311)</u>
<b>(Loss) / profit before income tax expense</b>	<b>(127,059)</b>	<b>1,181,367</b>
Income tax expense	-	-
<b>Net (Loss) / profit for the half-year</b>	<b>(127,059)</b>	<b>1,181,367</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Foreign exchange loss on translation of subsidiary financial statements	157	360
Foreign exchange gain on translation of subsidiary foreign loan	-	-
<b>Other comprehensive income, net of tax</b>	<b>157</b>	<b>360</b>
<b>Total comprehensive income for the half-year</b>	<b>(126,902)</b>	<b>1,181,727</b>
Basic and diluted (loss) / profit per share (cents per share)	(0.25)	3.40

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



**Consolidated Statement of Financial Position  
as at 31 December 2016**

		<b>Consolidated</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2016</b>	<b>2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents		166,879	271,158
Trade and other receivables		5,253	6,356
<b>Total Current Assets</b>		<b>172,132</b>	<b>277,514</b>
<b>Non-Current Assets</b>			
Trade and other receivables		6,141	5,984
Minerals exploration and evaluation assets		8,322	-
<b>Total Non-Current Assets</b>		<b>14,463</b>	<b>5,984</b>
<b>Total Assets</b>		<b>186,595</b>	<b>283,498</b>
<b>Current Liabilities</b>			
Trade and other payables		37,597	41,342
<b>Total Current Liabilities</b>		<b>37,597</b>	<b>41,342</b>
<b>Total Liabilities</b>		<b>37,597</b>	<b>41,342</b>
<b>Net Assets</b>		<b>148,998</b>	<b>242,156</b>
<b>Equity</b>			
Issued capital		36,808,483	36,808,483
Reserves		1,929,490	1,895,589
Accumulated losses		(38,588,975)	(38,461,916)
<b>Total Equity</b>		<b>148,998</b>	<b>242,156</b>

*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 2016**

<b>Consolidated</b>	<b>Issued capital</b>	<b>Options reserve</b>	<b>Foreign currency translation reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance 1 July 2016</b>	36,808,483	1,895,127	462	(38,461,916)	242,156
Loss for the period	-	-	-	(127,059)	(127,059)
Other comprehensive income	-	-	157	-	157
Total comprehensive profit for the half-year	-	-	<b>157</b>	<b>(127,059)</b>	<b>(126,902)</b>
Issue of options	-	33,744	-	-	33,744
<b>Balance at 31 December 2016</b>	<b>36,808,483</b>	<b>1,928,871</b>	<b>619</b>	<b>(38,588,975)</b>	<b>148,998</b>
<b>Balance 1 July 2015</b>	36,528,192	1,895,127	-	(39,568,873)	(1,145,554)
Profit for the period	-	-	-	1,181,367	1,181,367
Other comprehensive income	-	-	360	-	360
Total comprehensive loss for the half-year	-	-	<b>360</b>	<b>1,181,367</b>	<b>1,181,727</b>
<b>Balance at 31 December 2015</b>	<b>36,528,192</b>	<b>1,895,127</b>	<b>360</b>	<b>(38,387,506)</b>	<b>36,173</b>

*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 2016**

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	<b>Consolidated</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(101,762)	(93,064)
Interest paid	2,502	77
<b>Net cash outflow from operating activities</b>	<b>(99,260)</b>	<b>(92,987)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of permit interest	-	100,000
Payments for minerals exploration expenditure	(5,044)	-
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(5,044)</b>	<b>100,000</b>
<b>Net (decrease) / increase in cash held</b>	<b>(104,304)</b>	<b>7,013</b>
Cash at the beginning of half-year	271,158	52,985
Effect of exchange rate fluctuations on cash held	25	-
<b>Cash at the end of the half-year</b>	<b>166,879</b>	<b>59,998</b>

*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 2016

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### **Note 1: Statement of significant accounting policies**

#### **Statement of compliance**

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and the public announcements made by Peako Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### **Basis of preparation**

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

#### **Accounting policies and methods of computation**

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

Furthermore, the Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore, no change is necessary to Group accounting policies.

#### **Significant accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's financial report for the year ended 30 June 2016.

**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**

As at 31 December 2016 there were 51,019,137 fully paid ordinary shares on issue (30 June 2016: 680,253,247) following a one for twenty share consolidation approved by members at general meeting on 24 November 2016.

**Note 4: Options**

As at 31 December 2016 there were 5,000,000 options on issue (30 June 2016: 20,000,000). 5,000,000 options exercisable at \$0.04 (4 cents) each, expiring 24 November 2019 were granted to directors at general meeting on 24 November 2016. 20,000,000 options exercisable at \$0.28 (28 cents) expired on 25 November 2016.

**Note 5: Contingent Liabilities**

In November 2015 Peako had a loan owing to Octanex NL of \$1,284,774 . In lieu of that loan Octanex, on 25 November 2015, agreed to accept a proceeds sharing arrangement with Peako whereby Octanex NL will share proportionately in any proceeds received by Peako in relation to any of its Cadlao interests in the period to 26 November 2017 up to a limit of \$1,603,683.

**Note 6: Events subsequent to reporting date**

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

## Directors' Declaration

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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 2016 and of its performance for the half-year then ended; and
- b. complying with Accounting Standards, 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, 8 March 2017

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## **Independent Auditor's Review Report To the Members of Peako Limited**

We have reviewed the accompanying half-year financial report of Peako Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of Peako Limited 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Peako Limited consolidated entity's financial position as at 31 December 2016 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 complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peako Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Adrian Nathanielsz  
Partner - Audit & Assurance

Melbourne, 8 March 2017