



Activities Report for September Quarter 2021

HIGHLIGHTS

- Appointment of experienced resource executive, geophysicist and geologist, Jennifer Neild as Chief Executive Officer.
- Completion of the CU2 WA Pty Ltd acquisition, giving rise to 234km² of contiguous landholding within a highly prospective copper province.
- Divestment of the Company's Hill End and Hargraves gold assets to Vertex Minerals Limited, expected to list on the ASX during December 2021, which will provide additional funds to Peak of approximately \$800,000.
- Firm commitments received for a two-tranche Placement to raise \$4.9 million (before costs) with proceeds to continue exploration at its recently acquired Western Australian copper projects, including a staged drill program at the Greenrocks Project, expected to commence shortly.
- Extensive exploration activities completed across the Company's Green Rocks Project which continue to provide evidence of a new magmatic sulphide province.

Peak Minerals Limited (ASX: PUA) (Peak or the Company) is pleased to provide its activities report for the September 2021 Quarter. During the quarter, the Company continued to pursue its Western Australian focused exploration work on its portfolio of copper projects and its emerging magmatic sulphide province.

Western Australian Copper Assets

Green Rocks Project

- Completion of the CU2 WA Pty Ltd acquisition, providing 31 granted tenements and two earn-in agreements on two additional tenements, giving rise to Peak now controlling 234km² of contiguous landholding in an emerging magmatic sulphide province
- Greater Green Rocks Project now incorporates the Company's existing Copper Hills and Lady Alma prospects

Earaheedy Project

- Covering an area of 62km² and only 28km southeast of Sandfire's DeGrussa Copper-Gold Mine and 18km southeast of the Monty Copper-Gold Mine

Kimberley South Projects

- Consists of 6 individual tenements prospective for magmatic sulphides
- Sediment hosted copper mineralisation

Carson Project

- Large sediment hosted copper target over 250km strike in the Kimberleys

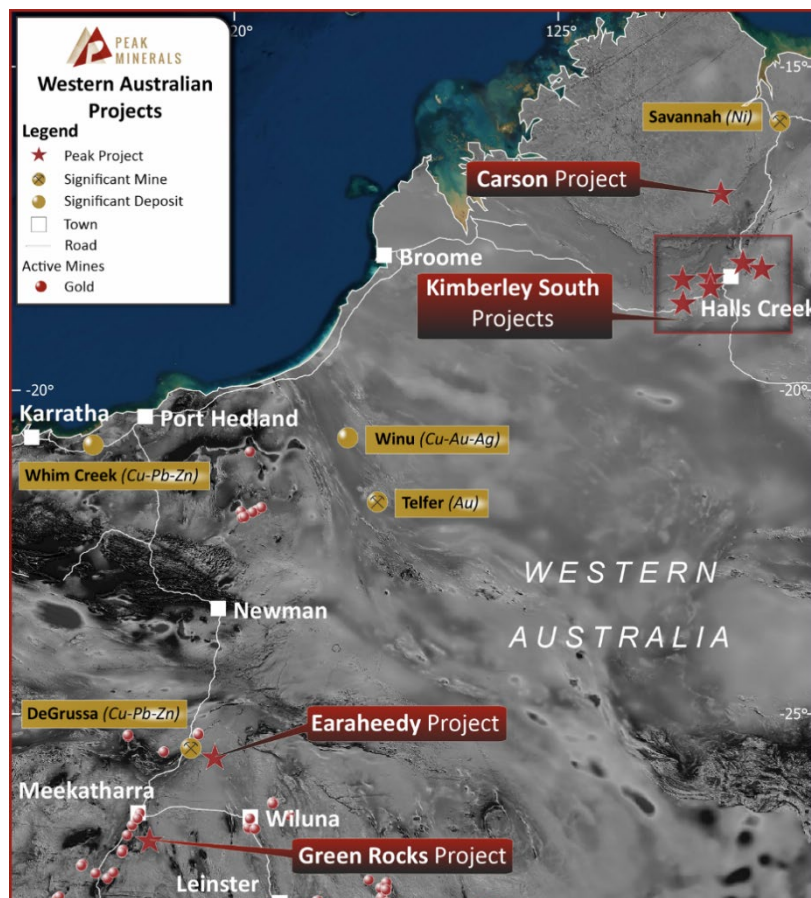


Figure 1. WA Projects Location Map

Green Rocks Project

In August 2021, the Company advised that its February RC drilling program at **Copper Hills Prospect** intersected **20m at 0.65% and 0.34g/t Au** from 86m.

Rock chip samples, containing secondary copper oxide mineralisation, were submitted and returned values greater than **2% Cu** with anomalous Au. The conceptual mineralisation model was adjusted from drilling results, incorporating the modelled gravity anomaly at depth.

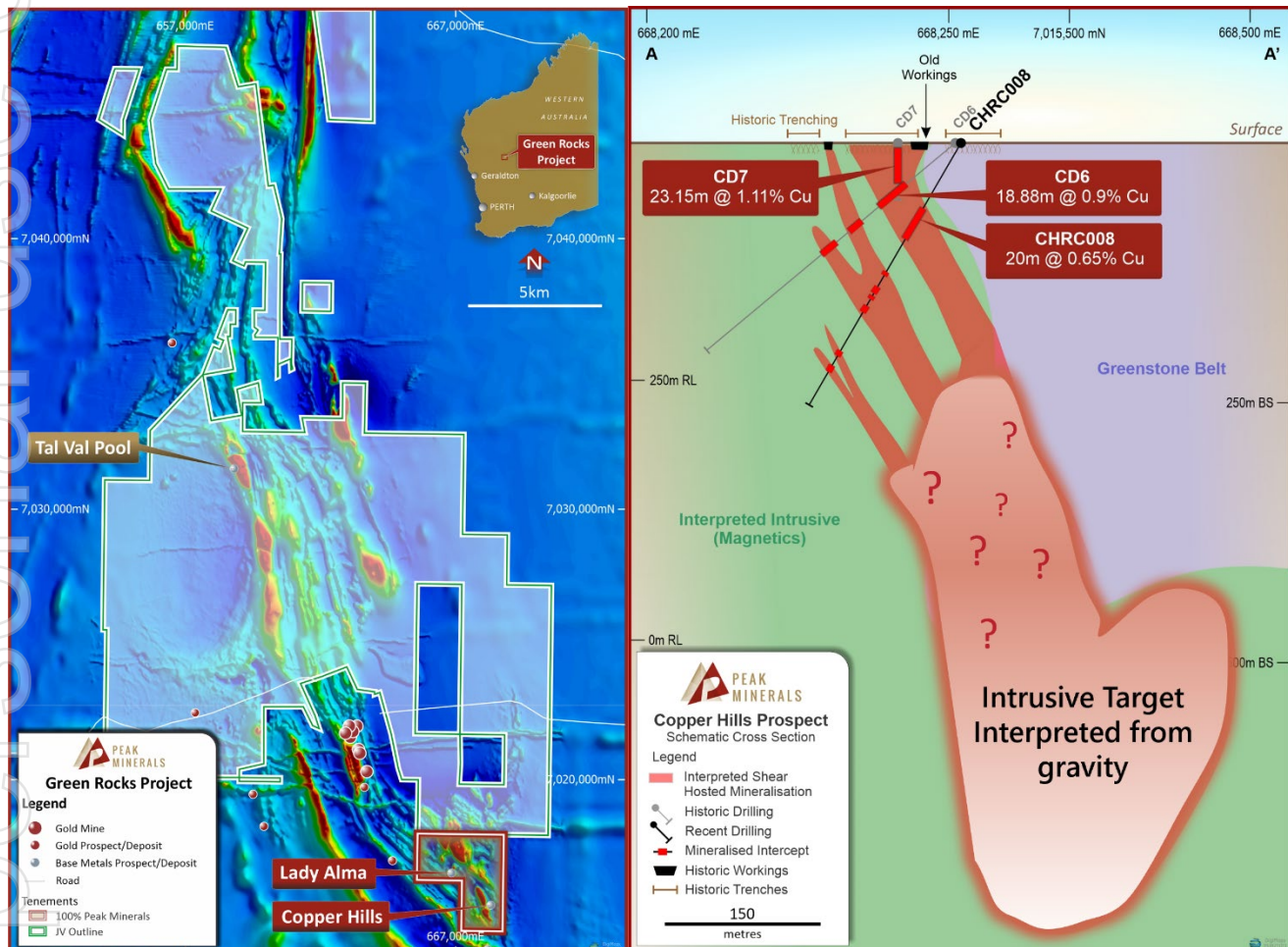


Figure 2. Overview of Green Rocks Prospects and Figure 3. Conceptual model of Copper Hills

At the **Lady Alma Prospect**, in the southern part of the Green Rocks Project, drilling intersected multiple zones of copper sulphides, validating the model and targeting strategy.

Drill core has been logged and sent for assay – results will be released to the market on receipt.

At the newly defined **Rixon Prospect** (northeast of **Lady Alma Prospect**), follow-up rock chip sampling confirmed significant potential, where 16 rock chips graded from **5% Cu to 21.1% Cu**.

A 300m x 650m central feature at Rixon is thought to represent part of a large, buried intrusion, where copper remobilised along shear zones manifests at surface.

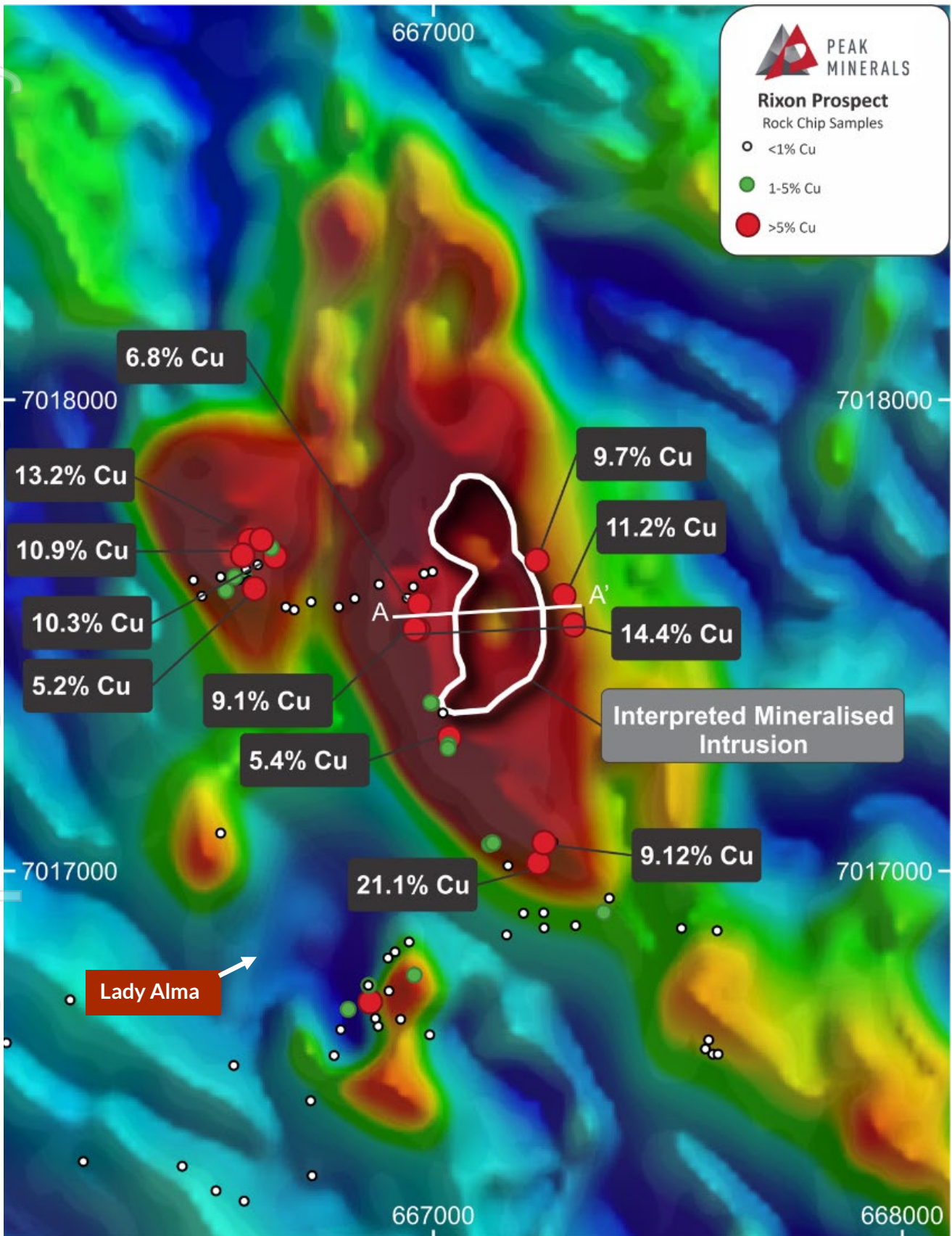


Figure 4. Overview of Rixon Prospect showing rock chip samples.

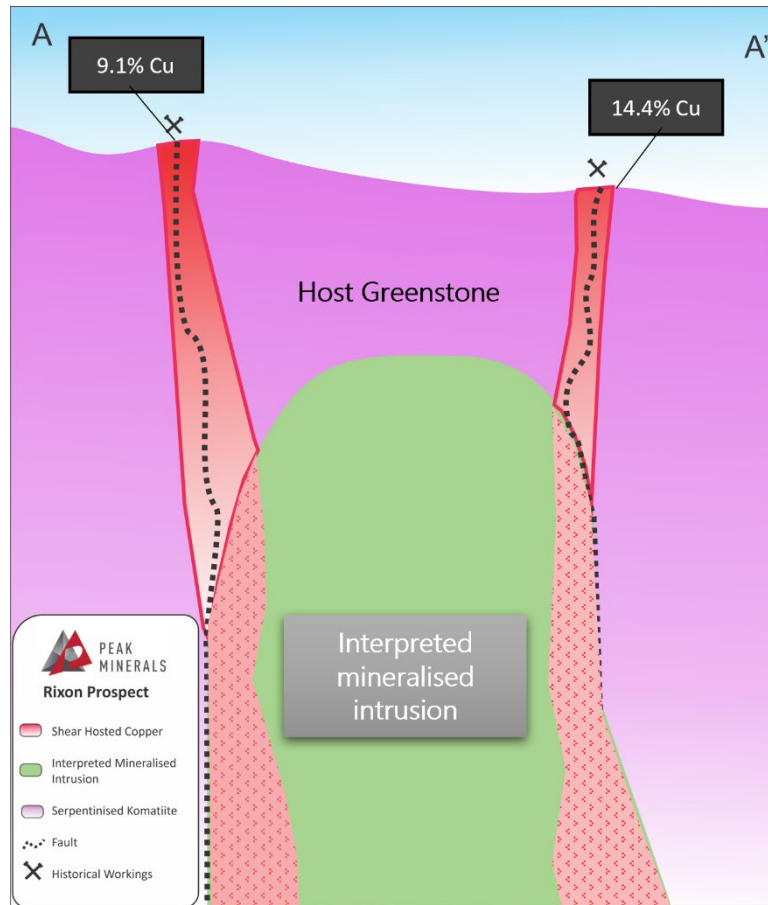


Figure 5. Conceptual model of Rixon

The Company completed a reverse circulation drillhole at the northern end of the **Tal Val Prospect** as part of the Copper Hills drill program. Results showed **1m at 1.52% Cu, 6.32g/t Ag and 0.19% Ni**. Other intercepts showed anomalous Cu and Ni values. Rock chip sampling returned **3.25% Cu and 21.6 g/t Ag**. Additional geophysical processing was undertaken during the period and geochemistry confirms that Tal Val is an intrusive target.

During the quarter, the Company announced completion of the CU2 WA Pty Ltd (**CU2**) acquisition. CU2 owns a 100% interest in 31 granted base and precious metal tenements and has earn-in agreements over another two tenements. The acquisition of CU2 has given rise to the Company now holding 234km² of contiguous landholding in the Meekatharra region of Western Australia. The consolidation of this region will now allow the Company to plan and execute its new magmatic exploration strategy.

Stage one drilling is set to begin upon the arrival of the air core/RC slimline drill rig in early November.

Green Rocks Staged Exploration Strategy

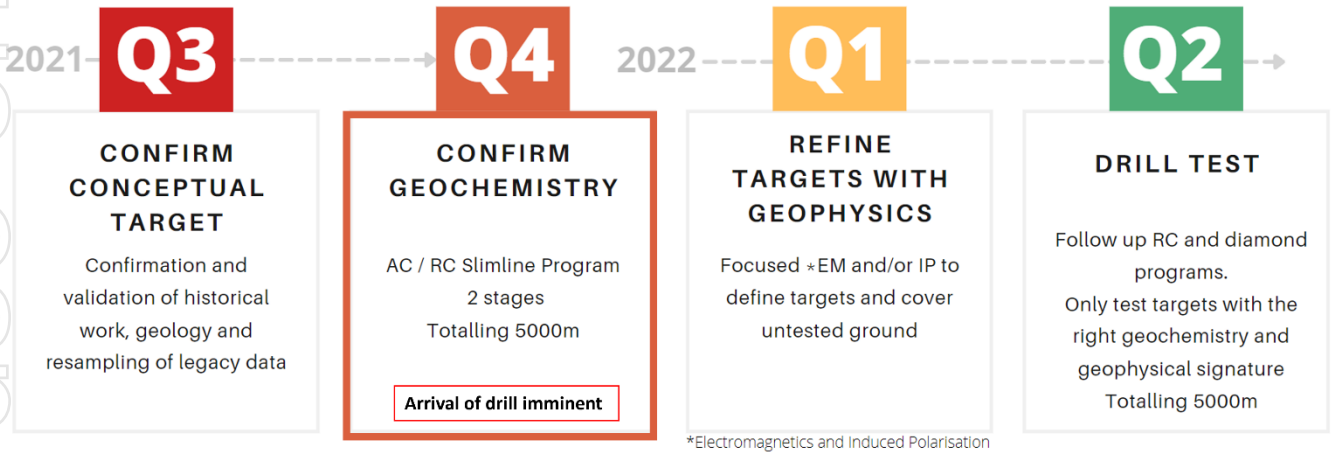


Figure 6. Green Rocks Exploration Strategy

Earaheedy Project

No field work was undertaken during this quarter.

Results of rock chip samples and the air core drilling are pending from the June air core program. Planning for the 2022 field season is underway.

Kimberley South Projects

A field reconnaissance program was conducted at the Ten Minute and Ilmars Projects in July. Rock chip sampling was completed, assays are pending. Assay results from the April field reconnaissance program at McGowan, Deadhorse and Lamboo Projects are imminent.

Fieldwork planning has begun for the July 2022 dry season.

Carson Project

No field work was conducted at the Company's 800km² Carson Project during the quarter.

Other Assets

The Company announced on 12 August 2021 the intention to divest its Hill End and Hargraves Gold Projects in New South Wales. The proposed spin-out of non-core gold assets to Vertex Minerals Limited will allow Peak to focus on its Western Australian projects. Subject to shareholder approval, to be sought at a general meeting to be held on 8 November 2021, Peak intends to undertake an in-specie distribution of equity back to shareholders for a total of 15 million ordinary shares.



Vertex Minerals Limited lodged a prospectus on 22 October 2021 for the offer of 27,500,000 ordinary shares to be issued at a price of \$0.20 per share to raise \$5.5 million (before costs). The prospectus also incorporates a priority offer to shareholders of Peak registered on a record date of 22 October 2021.

Following completion of the proposed spin-out, Peak will receive cash of approximately \$800,000, consisting of reimbursement of prior exploration expenditure, reimbursement of rehabilitation security bonds paid by Peak and release of bank guarantees held in the name of Peak.

The Yendon High Purity Alumina Project in Victoria remains on hold, while the Board considers options to maximise its value. No material work was conducted on this project during the quarter.

Corporate Matters

Appointment of Jennifer Neild as Chief Executive Officer

On 18 August 2021, the Company announced the appointment of Jennifer Neild as Chief Executive Officer.

Jennifer is a highly experienced resource executive, geophysicist and geologist with significant experience in mineral exploration across a range of commodities and jurisdictions. She has previously held positions with Xstrata Nickel, Newmont Australia and has had exposure to multiple commodities in prominent mineral camps around the world with a strong track record of successful target generation.

Most recently, Jennifer held the position of General Manager Interpretation for HiSeis Pty Ltd with a focus on geological modelling, structural geology and project development studies for client projects. Jennifer holds an Honours degree in Geology from Laurentian University in Canada and a Masters degree in Exploration Geophysics from Curtin University in Perth, Western Australia.

Capital Raising

Subsequent to the end of the September quarter, the Company announced it had received firm commitments to raise approximately \$4.9 million (before costs) through the issue of approximately 326.67 million new shares at \$0.015 per share with one free attaching PUAOD listed option per two new shares issued (**Placement**).

The strongly supported Placement will be completed in two tranches. Tranche 1 was completed on 27 October 2021 and raised approximately \$2.66 million (before costs) and Tranche 2, which is subject to shareholder approval expected to be completed in December 2021, will raise approximately \$2.24 million.

The Company will use the proceeds from the Placement to continue exploration at its recently acquired Western Australian copper projects, including a staged drill program at the Greenrocks project expected to commence shortly. The Company will also use funds to continue exploration activities at its Earahedy and Kimberley copper projects and for general working capital.

Disclosures in relation to Appendix 5B

In line with its obligations under ASX Listing Rule 5.3.1 and 5.3.5, the Company notes the following:

- a total of \$401k was expended on exploration and evaluation work during the quarter with this primarily relating to drill programs, mapping, rock chip sampling, field reconnaissance and downhole electromagnetic surveys.
- the payments to related parties of Peak Minerals Limited disclosed in item 6.1 of the Appendix 5B for the quarter were payments of directors' fees and salaries.

Changes in Tenements held during the Quarter

In accordance with its obligations under ASX Listing Rule 5.3.3, the Company has provided a list of tenements held as at 30 September 2021 at Appendix A.

There were no changes to claims held during the quarter ended 30 September 2021 however, the Company completed the acquisition of CU2 in October 2021, in which 31 granted base and precious metal tenements were acquired in addition to two earn-in agreements over another two tenements. As these were acquired following the end of the quarter, they have not been included in Appendix A.

This announcement is authorised by the Peak Minerals Limited Board.

For further information please contact:

Jennifer Neild
Chief Executive Officer
Peak Minerals Limited
Tel: +61 8 6143 6702

Appendix One - Current Tenement Schedule

The table below contains details of tenements held by Peak and its controlled entities at the end of the quarter.

| Project | Tenement | Grant / Application Date | Expiry Date | Area |
|----------------------|--|--------------------------|-----------------|----------------------------|
| Copper Hills (WA) | Exploration Licence No E51/1716 | 25/07/2021 | 26/07/2027 | 3 BL ³ |
| Cork Tree (WA) | Exploration Licence No E52/3751 ¹ | 5/05/2020 | 4/05/2025 | 20 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5442 ¹ | 9/12/2019 | Application | 4 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5283 ¹ | 9/06/2020 | 8/06/2025 | 25 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5271 ¹ | 17/07/2019 | 16/07/2024 | 6 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5371 ¹ | 26/11/2020 | 25/11/2025 | 9 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5340 ¹ | 8/01/2020 | 7/01/2025 | 11 BL ³ |
| Kimberley South (WA) | Exploration Licence No E80/5081 ¹ | 3/04/2018 | 2/04/2023 | 4 BL ³ |
| Carson (WA) | Exploration Licence No E80/5580 | 6/04/2021 | Application | 28 BL ³ |
| Carson (WA) | Exploration Licence No E80/5581 | 6/04/2021 | Application | 194 BL ³ |
| Carson (WA) | Exploration Licence No E80/5582 | 6/04/2021 | Application | 147 BL ³ |
| Carson (WA) | Exploration Licence No E80/5583 | 6/04/2021 | Application | 95 BL ³ |
| Carson (WA) | Exploration Licence No E80/5625 | 12/05/2021 | Application | 72 BL ³ |
| Carson (WA) | Exploration Licence No E80/5626 | 12/05/2021 | Application | 119 BL ³ |
| Carson (WA) | Exploration Licence No E80/5627 | 12/05/2021 | Application | 132 BL ³ |
| Carson (WA) | Exploration Licence No E80/5628 | 12/05/2021 | Application | 44 BL ³ |
| Yendon (Vic) | Exploration Licence No 5457 | 10/09/2013 | 09/09/2023 | 8 Graticules ² |
| Yendon (Vic) | Exploration Licence No 6428 | 22/12/2017 | 21/12/2025 | 34 Graticules ² |
| Yendon (Vic) | Retention Licence app No RL6734 | 3/07/2020 | 2/07/2025 | 225.2 hectares |
| Hill End (NSW) | Exploration Licence No 5868 (1992) | 18/06/2001 | Renewal pending | 16 units |
| Hill End (NSW) | Gold Lease No 5846 (1906) | 15/02/1968 | 7/12/2024 | 2.044 hectares |
| Hill End (NSW) | Mining Lease No 1116 (1973) | 28/03/1984 | 16/10/2024 | 15.71 hectares |
| Hill End (NSW) | Mining Lease No 1541 (1992) | 17/10/2003 | 16/10/2024 | 279.20 hectares |
| Hill End (NSW) | Mining Lease No 315 (1973) | 8/12/1976 | 7/12/2024 | 6.671 hectares |
| Hill End (NSW) | Mining Lease No 316 (1973) | 8/12/1976 | 7/12/2024 | 8.846 hectares |
| Hill End (NSW) | Mining Lease No 317 (1973) | 8/12/1976 | 7/12/2024 | 7.00 hectares |
| Hill End (NSW) | Mining Lease No 49 (1973) | 30/07/1975 | 7/12/2024 | 1.618 hectares |
| Hill End (NSW) | Mining Lease No 50 (1973) | 30/07/1975 | 7/12/2024 | 3.02 hectares |
| Hill End (NSW) | Mining Lease No 913 (1973) | 20/01/1981 | 19/01/2023 | 22.00 hectares |
| Hill End (NSW) | Mining Lease No 914 (1973) | 20/01/1981 | 19/01/2023 | 21.69 hectares |
| Hill End (NSW) | Mining Lease No 915 (1973) | 4/02/1981 | 3/02/2023 | 13.27 hectares |
| Hargraves (NSW) | Exploration Licence No 6996 (1992) | 21/12/2007 | 21/12/2021 | 6 units |
| Chambers Creek (NSW) | Exploration Licence No 8289 (1992) | 24/03/2014 | 20/08/2023 | 1 Units |

Notes to Current Tenement Schedule:

- 1 - The transfer of the Tenement's/Application's registered ownership to Greenrock Metals Pty Ltd/CU WA Pty Ltd (controlled entities of Peak Minerals Limited) is currently being processed by the Western Australia Department of Mines, therefore the current recorded holder of the tenement/application for tenement is a third party.
- 2 - A graticule is essentially 1 sq. km or part thereof
- 3 - BL = "Block" as defined by the Mining Act 1978 (WA)



PEAK
MINERALS

Competent Person's Statement

The exploration results in this announcement were reported by the Company in accordance with listing rule 5.7 on 12 August 2021 and 23 August 2021. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PEAK MINERALS LIMITED

ABN

74 072 692 365

Quarter ended ("current quarter")

September 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (401) | (401) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (44) | (44) |
| (e) administration and corporate costs | (148) | (148) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (1) | (1) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (net GST refunds) | 166 | 166 |
| 1.9 Net cash from / (used in) operating activities | (428) | (428) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (cash balances brought in from acquisition of new subsidiary) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Payment of lease liabilities | (9) | (9) |
| 3.10 | Net cash from / (used in) financing activities | (9) | (9) |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 475 | 475 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (428) | (428) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (9) | (9) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 38 | 38 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|---|----------------------------|-----------------------------|
| 5.1 | Bank balances | 38 | 475 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above)* | 38 | 475 |

*On 21 October 2021, Peak Minerals Limited announced firm commitments had been received for a two-tranche Placement to raise approximately \$4.9 million (before costs) at a price of \$0.015 per share with one free PUAOD listed option per two new shares issued. Tranche 1 of the Placement was completed on 27 October 2021, which raised approximately \$2.66 million (before costs), and therefore the unrestricted cash and cash equivalents balance at 30 September 2021 does not include funds raised from Tranche 1 of the Placement. Tranche 2 is subject to shareholder approval expected to be sought at the upcoming Annual General Meeting to be held in early December 2021.

| 6. Payments to related parties of the entity and their associates | | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 63 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</p> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | | |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | | |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (428) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (428) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 38 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 38 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.1 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: Yes, the Company expects to have the net operating cash flows for the time being. | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: Yes. As announced to the market on 21 October 2021, the Company announced firm commitments had been received for a two-tranche Placement to raise approximately \$4.9 million (before costs) at a price of \$0.015 per share with one free PUAOD listed option per two new shares issued. Tranche 1 of the Placement was completed on 27 October 2021, which raised approximately \$2.66 million (before costs) and Tranche 2 is subject to shareholder approval expected to be sought at the upcoming Annual General Meeting to be held in early December 2021. | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives as it has raised funds via a capital raising as noted in the answer to Question 2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.