25 July 2024

Dear Shareholder

PRO RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On Wednesday, 17 July 2024, Peako Limited (**Peako** or the **Company**) announced that it had launched a pro-rata non-renounceable entitlement offer to raise up to approximately $1.054 million before costs (the **Offer**) to provide working capital for Peako to advance exploration at projects as well as screening of new opportunities.

The Offer provides Eligible Shareholders (who are defined below) an entitlement to subscribe for 2 new Peako shares (**New Share**) for every 3 existing Peako shares held at 7.00pm (AEST) on Monday, 22 July 2024 (**Record Date**) at an offer price of $0.003 per New Share. Each subscriber will also be entitled to receive (for no additional consideration) one new Option (exercisable at a price of $0.0075 at any time on or before 28 February 2027) for every two New Shares subscribed for and received under the Offer (**New Options**).

You are receiving this letter because you do not satisfy the eligibility criteria to participate in the Offer. As a result, you will not be able to subscribe for New Shares and New Options under the Offer.

You are not required to do anything in response to this letter.

ENTITLEMENT OFFER

The Offer is being made to Eligible Shareholders. As detailed above, Eligible Shareholders are able to subscribe for 2 New Shares for every 3 Shares held on the Record Date and will also be entitled to receive (for no additional consideration) one New Option (exercisable at a price of $0.0075 at any time on or before 28 February 2027) for every two New Shares subscribed for and received under the Offer.

A Prospectus in relation to the Offer was lodged with the ASX on Wednesday, 17 July 2024 and will be sent to Eligible Shareholders.

Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are those who:

a) were registered as a holder of Shares on the Record Date;
b) as at the Record Date, had a registered address on the Company's share register in Australia or New Zealand;
c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
d) are eligible under all applicable securities laws to receive an offer under the Offer,

provided that, if a shareholder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, the shareholder may not participate in the Offer on behalf of such person.

Shareholders who do not meet these eligibility criteria are not able to subscribe for New Shares and New Options under the Offer (**Ineligible Shareholder**).

ELIGIBILITY CRITERIA

Unfortunately, according to our records, you are not an Eligible Shareholder (as set out above). Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act 2001 (Cth), Peako wishes to advise you that it will not be extending the Offer to you, and you will not be able to subscribe for New Shares and New Options under the Offer. You will also not receive the Prospectus.

The restrictions on eligibility to participate in the Offer arise because of the legal and regulatory requirements in certain countries, the relatively small number of shareholders in certain countries, the small number of Shares that are held by shareholders in certain countries, the relatively low value of new Shares to which shareholders would otherwise be entitled in certain countries and the potential cost of complying with regulatory requirements in certain countries.

Peako has determined that it would be unreasonable to make offers under the Offer to shareholders in countries other than Australia and New Zealand. This is due to the potential cost to Peako of complying with legal and regulatory requirements in those other countries.

As noted in Section 7.7 of the Company's Prospectus dated 17 July 2024, the Company advises that it has appointed Peloton Capital Pty Ltd to act as nominee in respect of the Offer for Ineligible Shareholders. The nominee shall have the right to sell the New Shares that might have otherwise been issued to Ineligible Shareholders had they been eligible to participate in the Offer.

An overview of the nominee sale procedure is set out below:

a) the Company will issue to the nominee the New Shares and New Options that Ineligible shareholders would be entitled to if they were to participate in the offer of new Shares and New Options under the Offer;

b) the nominee will use its best endeavours to sell the New Shares and New Options at a price and otherwise in a manner determined by the nominee in its sole discretion;

c) the net proceeds of the sale of the New Shares and New Options (after deducting the aggregate subscription price of the New Shares and the reasonable costs of the nominee procedure under Section 615 of the Act, including costs of sale), if any, will be distributed to the Ineligible Shareholders for whose benefit the New Shares and New Options are sold in proportion to their shareholdings as at the Record Date;

d) If any such net proceeds of sale are less than such reasonable costs referred to above, such proceeds may be retained by the Company. Accordingly, there is a possibility that Ineligible Shareholders may receive no net proceeds if the subscription price plus such costs are greater than the sale proceeds. The Company will not be held liable for the sale of any of the New Shares or New Options of Ineligible Shareholders at any particular price or the timing of such a sale; and

e) The nominee will not sell any of the New Shares or New Options to any related party of the Company or to any Associate of any such related party.

NO ACTION REQUIRED

This notice is to inform you about your status as an Ineligible Shareholder under the Offer. This letter is not an offer to issue New Shares or New Options to you, nor an invitation for you to apply for New Shares or New Options. You are not required to do anything in response to this letter.

If you have any queries about the Offer please contact the Company at info@peako.com.au.

We thank you for your continued support of Peako.

Yours sincerely,

Raewyn Clark
Director