

Quarterly Activities Report

For Quarter Ending 30 June 2023

HIGHLIGHTS:

Beharra Offtake Update

- During the quarter, Perpetual continued discussions with potential silica sand off-take partners and intermediaries.
- Efforts and product testing continues, related to further impurity removal in China, with testing results ongoing to demonstrate that Beharra silica sand can consistently achieve impurity levels suitable for higher quality PV solar cell cover glass applications.
- Beharra sand remains highly suitable for various other high quality glass applications in the Asian region, although these applications likely to achieve lower pricing realization compared to PV solar cell cover glass market applications.
- Perpetual stresses that these discussions remain incomplete, and finalisation remains subject to further positive testing and analysis.

Beharra Environmental Approval Update

- During the quarter, Perpetual provided an update on significant progress made in Beharra environmental approvals process.
- Government of Western Australia Environmental Protection Authority provides notice of decision to assess the Beharra proposal.
- Decision provides significant certainty of environmental approvals path after extended Government processing delays.
- A Part IV assessment path is now confirmed, with Part IV submission documentation already in an advanced state of readiness.
- Significant and comprehensive environmental studies all support Beharra as a “low risk” environmental impact project.
- Timeline for environmental approvals for the Beharra project likely to run for a further 9-12 months.

Exploration

- No exploration activities were undertaken at Beharra in the June quarter, with management time and effort focused on advancement of key commercial and environmental approval tasks.

Corporate

- Perpetual continued the review a significant number of potential project M&A targets during the quarter, with several acquisition proposals submitted by Perpetual.
- Subsequent to quarter end, Perpetual announced entry into a binding option agreement to acquire a highly prospective exploration tenement package in the mining friendly state of Minas Gerais in Brazil. These tenements are strategically situated within the highly prolific 'Eastern Brazilian Pegmatite District', which is renowned as one of the world's largest regions for hard-rock lithium spodumene deposits.
- Cash as at 30 June 2023 of \$1.3m.

Perpetual Resources Limited (“**PEC**”, “**Perpetual**” or “**the Company**”) focused its efforts for the Beharra High Grade Silica Sand Project on furthering offtake discussions and the significant advancement of environmental approval processes, during the June quarter. While progress on offtakes has been slower than anticipated, Perpetual was pleased to have moved the Beharra environmental approvals process to the next stage of approvals.

Beharra High Grade Silica Sand Project

Progress on Offtake Discussions

During the quarter, Perpetual continued to advance discussions with interested silica sand buying groups. Recent activities have continued to involve the provision by Perpetual of additional product samples, with a focus on determining the extent of additional impurity removal that is capable from Chinese end users when provided with raw (in-situ) or direct-shipping-ore (DSO) feedstock.

The advancement of offtake discussions continues to take longer than initially expected, due mainly to the requirement for multiple rounds of product testing and the occurrence of some variability in final product quality achieved.

Perpetual believes it is worthwhile to explore the impurity reduction limits for Beharra silica sand to determine the lowest impurity potential and likely highest value markets that could potentially be serviced.

Perpetual notes that most ASX-listed silica sand project developers appear to be in a similar ongoing lengthy testing process with potential offtake partners, and the Company cautions investors and there is no guarantee that any of Perpetual’s current discussions will necessarily lead to binding agreements.

Beharra Environmental Approvals Process

SIGNIFICANT PROGRESS ON ENVIRONMENTAL APPROVALS

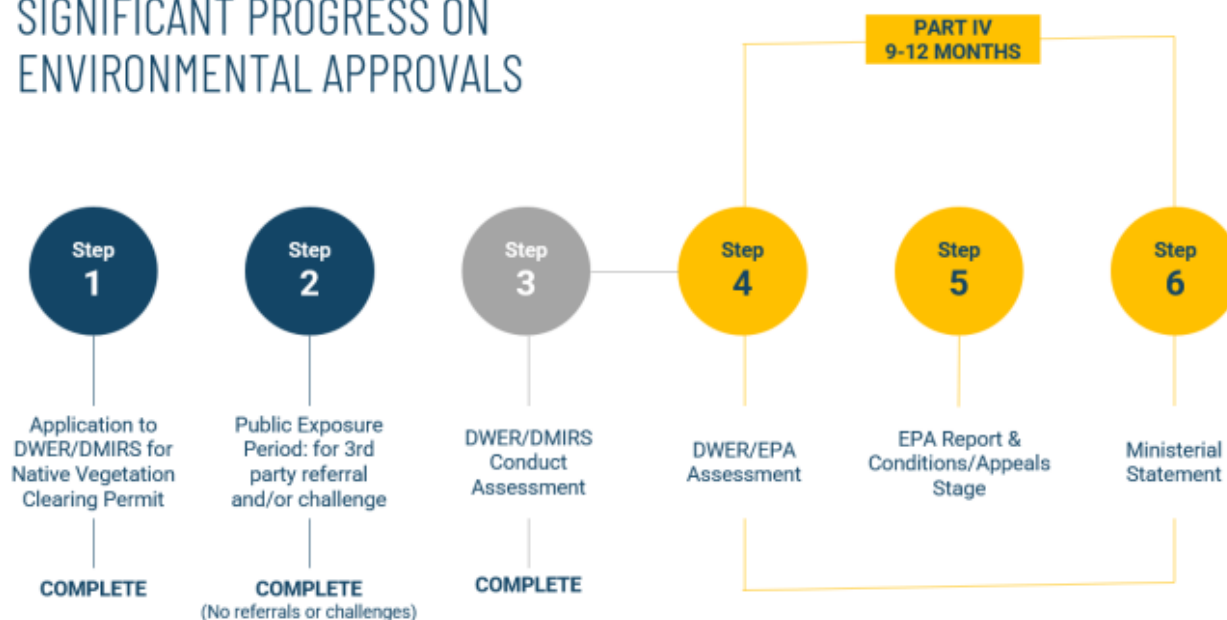


Figure 1 – Confirmed Environmental Approval Processes for Beharra

Perpetual has now received formal confirmation from the Government of Western Australia Environmental Protection Authority (WA EPA) that pursuant to s. 38G(1) of the Environmental Protection Act 1986 (EP Act), the WA EPA has decided to assess the Beharra Silica Sand Project proposal. The level of assessment is Referral Information, with additional information required under s.40(2)(a) in addition to an associated 4-week public review under s.40 (5) of the EP Act.

The notice of decision to assess confirms that the WA EPA has selected a Part IV approval process to assess the Beharra project (rather than a Part V native vegetation clearing permit process). In preparation for this decision, Perpetual has been preparing parallel Part IV submission documentation, with these submission documents now in an advanced state of readiness which is planned to reduce the time period to final approval to 9-12 months.

Perpetual had previously updated shareholders that the Beharra Project has been deemed a Controlled Action under the Environmental Protection and Biodiversity Conservation Act (EPBC Act), with the project requiring assessment and approval under the EPBC Act prior to final approval. Perpetual has made meaningful progress on the EPBC Act approvals, with several responses and submission already provided in response to additional information requests. The expected timeline for EPBC Act approval remains as later in 2023, with Perpetual having opted to progress the Federal approvals process in parallel to the State based approvals, which mean that this process should conclude in advance of the Western Australia state-based Part IV approvals process.

Exploration

No exploration activities were warranted at Beharra in the June quarter, with management time and effort focused on discussions with and advancement of the key commercial and environmental approval tasks mentioned above.

Corporate

Financial Position

The Company's cash position as at 30 June 2023 totalled \$1.3m. Refer to Appendix 5B report provided separately for principal movements in consolidated cash for the quarter.

Information as disclosed in the Cash Flow Report:

- Exploration and Evaluation Expenditure during the quarter was \$81k.
- There were no mining production and development activities during the quarter.
- Payments to related parties of the Company and their associates during the quarter was \$134k, which relate to directors' fees.

Review of Potential Project M&A Targets

Perpetual continued to assess a number of potential M&A opportunities throughout the June quarter, with the continuing belief that significant shareholder value can be created through the disciplined acquisition of additional exploration and development projects with a focus on commodities linked to electrification, or those that sit within an adjacency to the silica sand supply chain.

Subsequent to Quarter End – Entry into option agreement to acquire highly prospective Brazilian lithium exploration tenement package

In July, Perpetual announced the signing of a binding option agreement with RTB Geologia E Mineração LTDA. (**RTB**), a Limited Liability Company incorporated and existing under the laws of Brazil, pursuant to which Perpetual has the exclusive option (**Option**) to acquire a 100% interest in four lithium exploration permits held by RTB, located in Brazil.

Through this agreement, Perpetual gains access to four exploration permits situated in the mining friendly state of Minas Gerais, Brazil. A key advantage lies in the tenement's strategic location within the renowned 'Eastern Brazilian Pegmatite District' (EBPD), a globally recognised hub for hard-rock lithium spodumene deposits. Notably, this region accounts for 100% of all officially recognised lithium reserves in Brazil, making it highly valued for its abundant spodumene pegmatites.

Perpetual has commenced planning for a range of legal and technical due diligence, in addition to drafting of definitive agreements, that are required to be completed prior to Perpetual confirming its intention to proceed with exercising the Option to acquire the relevant exploration permits.



Figure 2 – Regional location of tenements under Option in Minas Gerais, Brazil

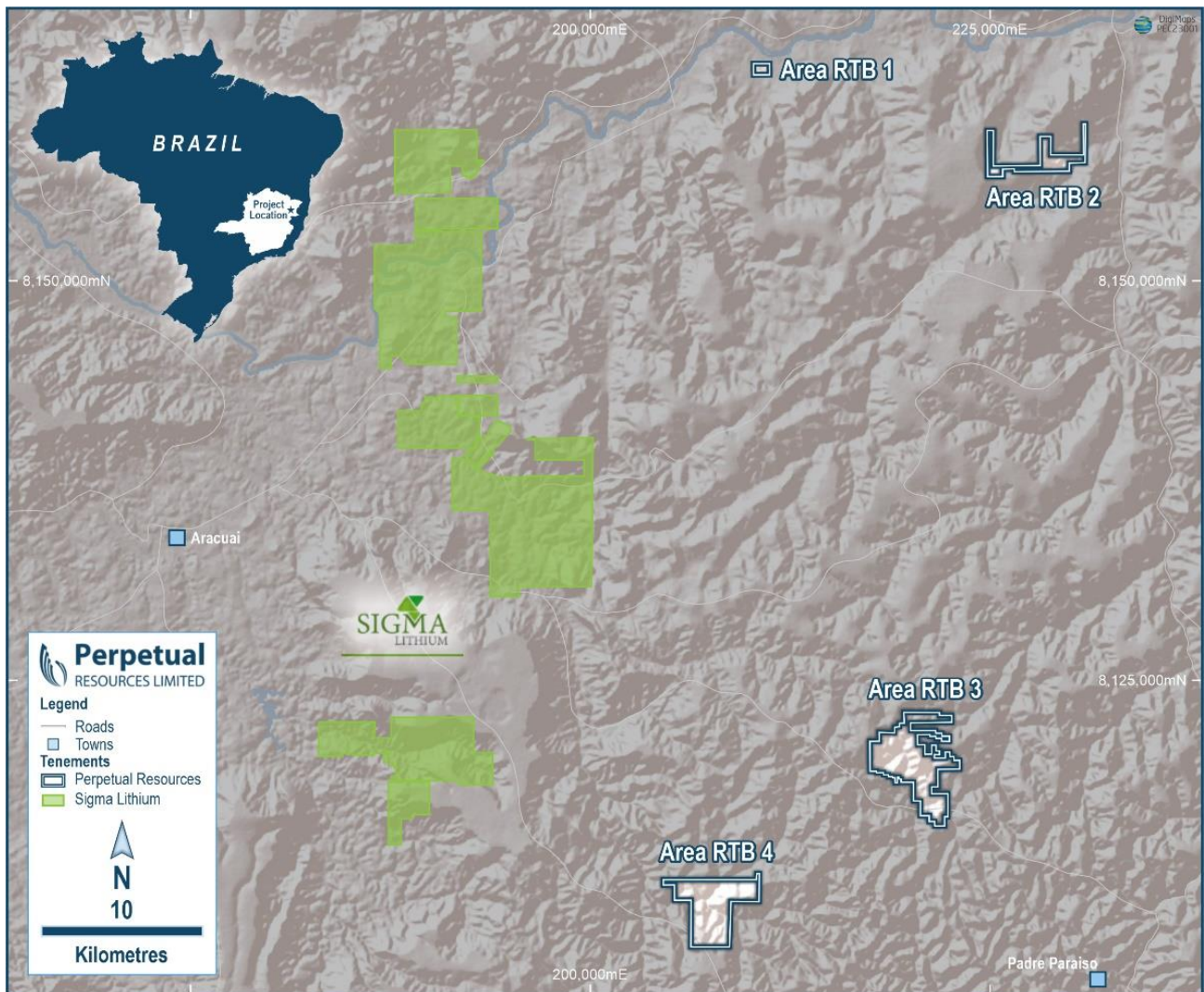


Figure 3 – Location of tenements proximal to Sigma Lithium.

This announcement has been approved for release by the Board of Perpetual.

KEY CONTACT

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Managing Director

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About Perpetual Resources Limited

Perpetual Resources Limited (Perpetual) is an ASX listed company pursuing exploration and development opportunities within the critical mineral sector. Perpetual's flagship asset, the Beharra Project is located 300km north of Perth and is 96km south of the port town of Geraldton in Western Australia.

Perpetual is also undertaking analysis and review of potential new energy commodity projects, with a view to adding additional projects to the Company's portfolio that will complement Beharra.

TENEMENT SCHEDULE

In accordance with Listing Rule 5.3.3, the following is a summary of all tenement holdings:

Project	Licence	Location	Interest at 31/03/23	Interest at 30/06/23	Status	Area (Km ²)
Beharra	E70/5221	WA	100%	100%	Granted	48.55
Eneabba North	E70/5250	WA	100%	100%	Granted	14.00
Sargon North	E70/5376	WA	100%	100%	Granted	18.00
Beharra	M70/1406	WA	100%	100%	Granted	10.35
Arrowsmith West	E70/5798	WA	100%	100%	Granted	26.87
Beharra West	E70/5951	WA	100%	100%	Granted	44.80
Total						162.57

IMPORTANT NOTICES

No new information

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

Forward-looking statements

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Disclaimer

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Appendix 5B

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

Name of entity

Perpetual Resources Limited

ABN

82 154 516 533

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(134)	(499)
	(e) administration and corporate costs	(79)	(379)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	170
1.8	Other (GST Refund)	8	69
1.9	Net cash from / (used in) operating activities	(197)	(617)
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	(81)	(672)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(81)	(672)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,600
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	-	(144)
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	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,456

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,573	1,128
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(617)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(81)	(672)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,456

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,295	1,295

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	1,295	1,573
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)	1,295	1,573

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	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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.		
NA		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(197)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(81)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(278)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,295
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,295
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.66
<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: NA	
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: NA	

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:

NA

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: 28 July 2023

Authorised by: the Board.
(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.