

ASX RELEASE

22nd June 2021

ASX:PEC

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Managing Director

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We wish to acknowledge the Traditional Custodians of the land (Yamatji Southern Regional) on which we are developing the Beharra Project, and pay our respects to their Elders past, present and emerging.

Mining Lease M70/1406 Granted for Beharra High Grade Silica Sand Project

HIGHLIGHTS:

- Mining Lease (M70/1406) granted for the Beharra Project (Beharra Mining Lease).
- Beharra Mining Lease area totals 1,035 hectares and covers Beharra's Probable Ore Reserve of 48mt @ 99.6% SiO₂, 276ppm Fe₂O₃ and 1,789ppm Al₂O₃, representing a 32-year mine life.
- Certainty of tenure clears the way for further development of the Beharra Project, which has potential to become the leading Mid-West export silica sand project with the lowest known impurity profile.
- Subsequent white sand only test results due in coming months with potential to further enhance the existing compelling economics of the Beharra project.

Perpetual Resources Limited (ASX: PEC, "PEC", "Perpetual" or "the Company") is pleased to announce the grant of a Mining Lease (M70/1406) for the Beharra High Grade Silica Sand project (**Beharra**), which is located approximately 96km south of Geraldton, in Western Australia.

The Beharra Mining Lease covers a total area of 1,035 hectares and is coincident with the area that contains Beharra's Probable Ore Reserve Estimate of 48mt @ 99.6% SiO₂, 276ppm Fe₂O₃ and 1,789ppm Al₂O₃, that supports a 32-year mine life as detailed in the Beharra PFS Study that was released on March 17th 2021.

Perpetual's Executive Chairman, Mr. Julian Babarczy, provided the following commentary, "we are extremely grateful for the Government's support in issuing the Beharra Mining Lease to Perpetual. This granted Mining Lease now paves the way for Perpetual to progress definitive planning and execution at our flagship silica sand project at Beharra, which, due to its low-level impurity profile, is in our opinion, shaping as the pre-eminent Mid-

West export silica sand project. We eagerly await the upcoming white sand only testing results which have potential to further enhance what is already a highly compelling project and we look forward to updating shareholders in the coming quarter”.

Perpetual submitted its Mining Lease application for the Beharra project to the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) in early April 2021, and on 18th June 2021 received formal notification from DMIRS that Mining Lease (M70/1406) had been granted.

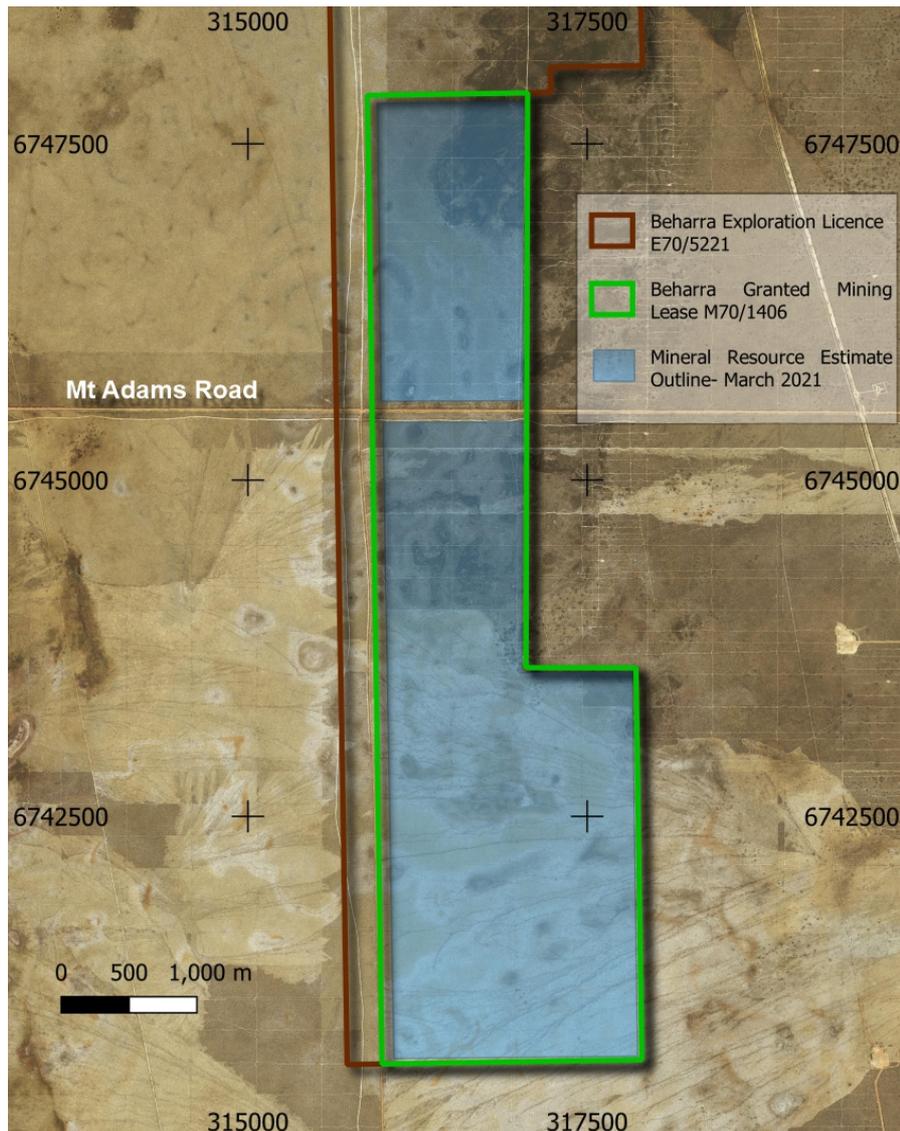


Figure 1 – Outline of Granted Mining Lease (M70/1406) at Beharra

Beharra Ore Reserve

The Beharra Mining Lease, as shown in Figure 1 above, overlays the area that contains the Beharra Probable Ore Reserve Estimate, which is detailed in Table 1 over page (for further information relating to the Beharra Ore Reserve Estimate, please refer to ASX Announcement titled, “Maiden Ore Reserve and Outstanding Beharra PFS Result Update”, dated 17th March 2021).

The Beharra Ore Reserve is reported in accordance with Clause 49 of the JORC Code (2012) for the reporting of industrial minerals and Ore Reserves. The saleable silica product is reported rather than the “as-mined” product. Details of the completed mine planning process are available in the PFS document titled “Beharra Silica Project Pre-Feasibility Study”, which was released to the ASX on 17th March 2021.

Table 1 - Beharra Probable Ore Reserve (March 2021)

Sand	Tonnes (Mt)	SiO ₂ (%)	Al ₂ O ₃ (ppm)	TiO ₂ (ppm)	Fe ₂ O ₃ (ppm)	LOI (%)
In situ	64.1	98.6	4240	3460	1950	0.235
Saleable product	47.6	99.6	1789	369	276	0.100

Beharra Project Metrics

As detailed in the “Beharra Silica Project Pre-Feasibility Study”, the Beharra project exhibits compelling financial metrics which demonstrate the robustness of the project which also affords expansion potential and the ability to respond to increases in market demand.

The Beharra project PFS contemplates a 2Mtpa run-of-mine operation, producing 1.5Mtpa of saleable product per annum, which generates total life of mine revenue of A\$5.0 billion and total life of mine EBITDA of A\$1.7 billion, with modest start-up capital of A\$39 million. The Beharra project study delivered an ungeared NPV₁₀ of A\$231 million and a compelling ungeared IRR of 55%. A summary of the Beharra project economics are shown in Table 2 below (for further information relating to the Beharra project metrics, please refer to ASX Announcement titled, “Maiden Ore Reserve and Outstanding Beharra PFS Result Update”, dated 17th March 2021).

Table 2 – Summary Project Economics from Beharra PFS

Beharra Project Economics	Unit	Base Case
Total Silica Sand Produced	Mt	48
Annual Production	Mt	1.5
In-situ Probable Ore Reserve (@ 98.6% SiO ₂)	Mt	64
Ore Reserve Life	Years	32
JORC Mineral Resource Estimate (@ 98.6% SiO ₂)	Mt	139
Total Life of Mine Revenue	A\$M	4,983
Start-up Capital	A\$M	39
Total Life of Mine Capital Expenditure	A\$M	77
Total Life of Mine EBITDA	A\$M	1,714
Total Life of Mine Free Cashflow	A\$M	1,131
Post-tax Discounted Cashflow (NPV ₁₀) - ungeared	A\$M	231
Post-tax Internal Rate of Return (IRR) - ungeared	%	55%
Post-tax Discounted Cashflow (NPV ₁₀) - 40% geared	A\$M	236
Post-tax Internal Rate of Return (IRR) - 40% geared	%	77%
Payback Period	Years	2
FOB Costs	A\$/t	43.07

The Beharra PFS also confirmed that Beharra end product achieved the lowest known impurity profile of any end product streams in the Mid-West region of Western Australia, which appear ideal for the burgeoning APAC Markets. Please refer to Table 3 below for details of the end product specifications that were contained in the Beharra PFS.

Table 3 – Summary Project Products from Beharra PFS Test Work

Summary of Final Products	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	TiO ₂	LOI	Mass Yield
Beharra Special AFS #46	99.6%	280 ppm	1825 ppm	375 ppm	0.14%	68%
Beharra Premium AFS #44	99.6%	276 ppm	1789 ppm	369 ppm	0.14%	#46 & #27 combined
Beharra Special AFS #27	99.7%	235 ppm	1405 ppm	300 ppm	0.13%	6%

Note: A total mass yield of 74% was achieved, when combining Beharra Special AFS #46 and Beharra Special AFS #27, to create Beharra Premium AFS #44

White Sand Test Results and Beharra Project Improvements

At the time of announcement of the Beharra PFS, reference was made to the potential for considerable project upside through further optimisation of the Beharra metallurgical circuit. Studies for optimisation of the Beharra metallurgical circuit are continuing, although the potential for a white sand only mining and processing scenario will also be presented as an additional high priority optimisation pathway.

Additional testing undertaken by Perpetual on the white sand only horizon at Beharra subsequently demonstrated the potential to significantly reduce the impurity profile under a white sand only mining and processing scenario (please refer to ASX Announcement titled “Exceptional metallurgical test results at Beharra deliver game changing impurity levels”, released on 22nd April 2021). Perpetual recently completed an 86-hole drill program at Beharra aimed at confirming whether previous white sand only test results could be replicated in a representative testing scenario. The testing program for the recent drill program, which is now underway, is therefore aimed at replicating the previously announced 300kg white sand only laboratory tests, which demonstrated that Beharra white sand could be upgraded, using only gravity and magnetic separation process methods, to 99.8% SiO₂ and Fe₂O₃ content of 120ppm.

This earlier result was seen as exceptional and suggests that Beharra white sand could be suitable for the higher priced and fast-growing solar PV-cell manufacturing industry, which requires low Fe₂O₃ silica sand. Based on current timelines, results from this testing program are due in the third quarter 2021.

Project Advancement Pathway

Once results from the white sand only drill program are known, planning will commence for an updated Beharra Pre-Feasibility Study, which has potential for enhanced economics due to the possibility for a material increase in price per ton for the sale of lower impurity silica sand into the APAC region.

The Updated Beharra PFS study will then form the basis for a subsequent Feasibility Study at Beharra, with updated timing to be provided once results are known.

Confirmation Statement

Perpetual confirms that all material assumptions underpinning the Beharra Pre-Feasibility Study (**Beharra PFS**) and/or the forecast financial information contained in the Beharra PFS, as released to the ASX on 17th March 2021 and contained in the announcement titled, “Maiden Ore Reserve and Outstanding Beharra PFS Result Update”, and as referred to in this announcement, continue to apply and have not materially changed.

About Perpetual Resources Limited

Perpetual Resources Limited (**Perpetual**) is a focused explorer of silica sands, aiming to produce high purity silica and potentially construction sands for domestic and international markets.

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. Access to the Project from Geraldton (to the north) and Perth (to the South) is via the sealed Brand Highway, thence the Mt Adams unsealed road providing access to the centre of the tenure.



Mt Adams Road which Intersects the Beharra Tenement



Brand Highway Intersection with Mt Adams Rd

The port of Geraldton is utilised as a bulk material handling facility and is currently utilised for the export of bulk materials, minerals and concentrates. Grains, copper concentrates, zinc concentrates, nickel concentrates, mineral sands, talc, and iron ore are currently being exported from the port. Extensive heavy mineral sands mining occurs to the south of the Project area, lime sands mining to the west and natural gas production to the south of the Project.

The Beharra Project comprises of a single exploration license, E70/5221, covering an effective land area of 56.8km².

Auger and air core drilling has confirmed the presence of extensive, high purity silica sands, with a maiden Mineral Resource Estimate completed in July 2020. A detailed Pre-Feasibility Study and Maiden Ore Reserve for Beharra was released to the ASX on March 17th, 2021.

Silica Sands Market

Silica sands have an extensive range of uses including lower purity and grade applications such as construction sand, proppant sand used in well fracturing, and foundry sand. With increasing purity (>99.5% SiO₂) uses includes glass making including clear glass. Uses for purity >99.8% includes semi-conductor fillers, LCD screens, and optical glass. Significant expansion of solar PV cell manufacturing capacity is also driving demand for silica sand with Fe₂O₃ content of <200ppm.

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

For enquiries regarding this release please contact:

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Cautionary Statement

The Pre-Feasibility Study (PFS) referred to herein has been undertaken to study a range of options to further develop the technical and economic feasibility of the Beharra Silica Sands Project (the Project). The production target incorporates the Probable Ore that sits within the proposed mining area. There is also an additional portion of the Indicated Mineral Resource within the area that is identified for further metallurgical test work.

The Ore Reserve and Mineral Resource Estimate underpinning the PFS have been prepared by Competent Persons in accordance with the requirements of the JORC Code. Competent Persons' Statements are included in this document. Investors should note that there is no certainty that Perpetual Resources Limited (Perpetual) will be able to raise funding required to commercialise the project when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Perpetual's existing shares. It is also possible that Perpetual could pursue other 'value realisation' strategies to provide alternative funding options.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Project PFS.

Forward-looking statements

Certain statements contained in this document may be 'forward-looking' and may include, amongst other things, statements regarding production targets, economic analysis, resource trends, pricing, recovery costs, and capital expenditure. These 'forward-looking' statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Perpetual, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as 'believe', 'expect', 'anticipate', 'indicate', 'target', 'plan', 'intends', 'budget', 'estimate', 'may', 'will', 'schedule' and others of similar nature. Perpetual does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements as they are not a guarantee of future performance.

Disclaimer

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COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration activities for the Beharra Project is based on information compiled and fairly represented by Mr Colin Ross Hastings, who is a Member of the Australasian Institute of Mining and Metallurgy and consultant to Perpetual Resources Limited. Mr Hastings is also a shareholder of Perpetual Resources Limited. Mr Hastings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hastings consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.