

ASX RELEASE

15th June 2021

ASX:PEC

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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.

Conclusion of Stage Three Aircore White Sand Drilling at Beharra

HIGHLIGHTS:

- 86-hole air-core program at Beharra successfully completed, with drilling targeting the premium white sand horizon.
- Results of drill program aimed at delineating a reserve classification for the first 10 years of white sand only production.
- Drill samples being prepared for shipment to Intertek, who will undertake testing for reporting of exploration drill results.
- Further drill samples being sent to IHC Robbins for definitive white sand bulk sample metallurgical testing.
- Results of this drill program to inform key development pathway at Beharra.

Perpetual Resources Limited (ASX: PEC, "PEC", "Perpetual" or "the Company") is pleased to announce the conclusion of the previously announced 86-hole air-core white sand drilling program at the Beharra high grade silica sand project in Western Australia (**Beharra**). Conclusion of this drill program is a key step in informing the development decision for the Beharra project.

Perpetual Managing Director, Mr. Robert Benussi commented on the drilling program, "the conclusion of this air-core program, which saw the successful completion of 86 air-core holes, is potentially a pivotal step in our understanding of the Beharra project, with the results expected to inform whether a white sand only development scenario is optimal for the project. Pleasingly, while drilling, we encountered primarily thicker than expected white sand intersections, which bodes well for potential reserve estimate and subsequent study outcomes. The visible and extensive white sands encountered during this drill program also provide further validation of our previous belief, that Beharra is shaping up to be the leading Mid-West silica sand project and a potential key player in the emerging silica sand export industry for Western Australia".

The 86-hole drill program, undertaken by Western Australian drill company Hornet Drilling Pty Ltd, was designed by Snowden Mining Consultants who has co-ordinated and completed all previous resource and reserve estimations for Beharra. The aim of this drilling program was to provide certainty on the first 10 years of mine life at Beharra under a white sand only mining and processing scenario, as compared to the previous development scenario, which included processing of the less pure yellow sand sequences as well.



Image 1 – Air-core drill rig and support vehicle in the field during the June 2021 drilling program

Samples generated by the drill program will be sent off to two separate laboratories, with the first sent to Intertek in Perth, with testing by Intertek to determine the grades and impurities for the in-situ material and detailed reporting of the drill intersections.



Images 2 & 3 – Air-core drill rig set up for drilling (left) and white sand horizons being encountered (right) during June 2021 drill program

Additionally, samples will also be sent to specialist sand testing laboratory IHC Robbins in Brisbane, who will undertake metallurgical testing on a 2-tonne representative bulk sample generated from the drill sampling. The program is aimed at replicating the previously announced 300kg white sand only laboratory tests. This test work demonstrated that Beharra white sand could be upgraded, using only gravity and magnetic separation process methods, to 99.8% SiO_2 and Fe_2O_3 content of 120ppm (please refer to ASX Announcement titled “Exceptional metallurgical test results at Beharra deliver game changing impurity levels”, released on 22nd April 2021). 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 Fe_2O_3 silica sand.

Investors are reminded that the purpose of this IHC Robbins bulk testing program is to determine impurity levels from a wider white sand composite sample (as opposed to the initial 300kg sample from two shallower locations). IHC Robbins will look to define a flow sheet that is replicable under a full production scenario, noting that the results announced on 22nd April 2021 utilised laboratory equipment only and not full production equipment.

Based on current timelines, results from this testing program are due in the third quarter 2021.

Results of this white sand only drill program will be utilised in planning for the Beharra updated Pre-Feasibility Study as well as the subsequent Feasibility Study, with updated timing to be provided once results are known.

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, hence 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 currently utilised as a bulk material handling facility 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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