ASX RELEASE

30th July 2021
ASX: PEC

CORPORATE DIRECTORY

Executive Chairman
Julian Babarczy

Managing Director
Robert Benussi

Non-Executive Director
Brett Grosvenor

Non-Executive Director & Company Secretary
George Karafotias

PROJECTS

Beharra Silica Sands
Arrowsmith West
Sargon Hub
Eneabba Hub

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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.

Perpetual RESOURCES LIMITED

June 2021 Quarterly Activities Report

Quarterly Highlights

Exploration

- Beharra, stage 3 air core drill program comprising 86 drill holes successfully completed, results pending. Drilling aimed at defining a 10-year “white only” sand mining inventory.

Project Development

- Initial exceptional metallurgical test work on “white only” sand completed resulting in substantial decrease in key impurities of iron oxide (Fe_2O_3) and aluminium oxide (Al_2O_3) content, with follow on representative metallurgical test work planned.
- Beharra study planning underway for a Pre-Feasibility Study (PFS) update, to include the “white only” sand development option (pending confirmation of representative metallurgical test work).
- Two Memorandum of Understandings (MOUs) signed to supply Beharra silica sand to China-based C&D Logistics Co., Ltd and Guangdong Qinyin New Materials Technology Co., Ltd.

Corporate

- Based on the robust results delivered by the PFS and encouraging new initial “white only” metallurgical results, the Company applied for and was granted a Mining Lease at Beharra, covering an area of approximately 10.4km^2.

Exploration

Beharra Silica Sand Project

The June quarter 2021 saw the planning, execution, and completion of an 86 hole air-core drill program at the Beharra High Grade Silica Sand Project (**Beharra**), which is located approximately 300km north of Perth and 96km south of the port town of Geraldton.

The purpose of the drilling was to define a feasible mining operation with a minimum 10-year mine life with a focus on producing a low impurity sand product (aiming to minimise Fe_2O_3 content) from the white sand horizon (**White Sand**) at Beharra. It is believed that a selective mining and processing of the White Sand at Beharra has potential to increase the economics of the Beharra project due to the potential to sell lower impurity silica sand into higher priced Asian markets. Initial metallurgical testing on the White Sand was extremely encouraging and has indicated the potential to produce a high-grade silica sand concentrate with Fe_2O_3 levels as low as 120ppm. Refer to next section on Project Development for further details.

The drill samples from the air-core drilling program completed during the quarter are currently with Intertek Genalysis laboratory in Perth undergoing assay, with this analysis expected to be completed in August.

Sub samples of the White Sand drill intersections are also being prepared and are in the process of being delivered to IHC Robbins in Brisbane for an expanded and representative metallurgical test work program, utilising production scale equipment. The aim of this metallurgical program with IHC Robbins is to broadly replicate the initial White Sand metallurgical testing and to demonstrate that the extremely low impurity potential of the White Sand extends across a large portion of the Beharra orebody.

Project Development

Beharra Silica Sand Project

As referred to earlier, initial metallurgical test work was completed on a single 300kg sample of White Sand that was excavated from a test pit located north of Mt Adams Road and adjacent to a prior drill hole (20B011 drilled September 2020). The initial test work was carried out by IHC Robbins in Brisbane and involved laboratory scale equipment, utilizing only gravity and magnetic separation techniques. The results were announced to ASX on the 22nd of April 2021. Refer to announcement "Exceptional Metallurgical Test Results at Beharra Deliver Game Changing Impurity Levels".

The testing procedure used by IHC Robbins consisted of screening, magnetic separation, attritioning and heavy liquid separation (please refer to Figure 1 over the page for further detail on the testing sequence undertaken).

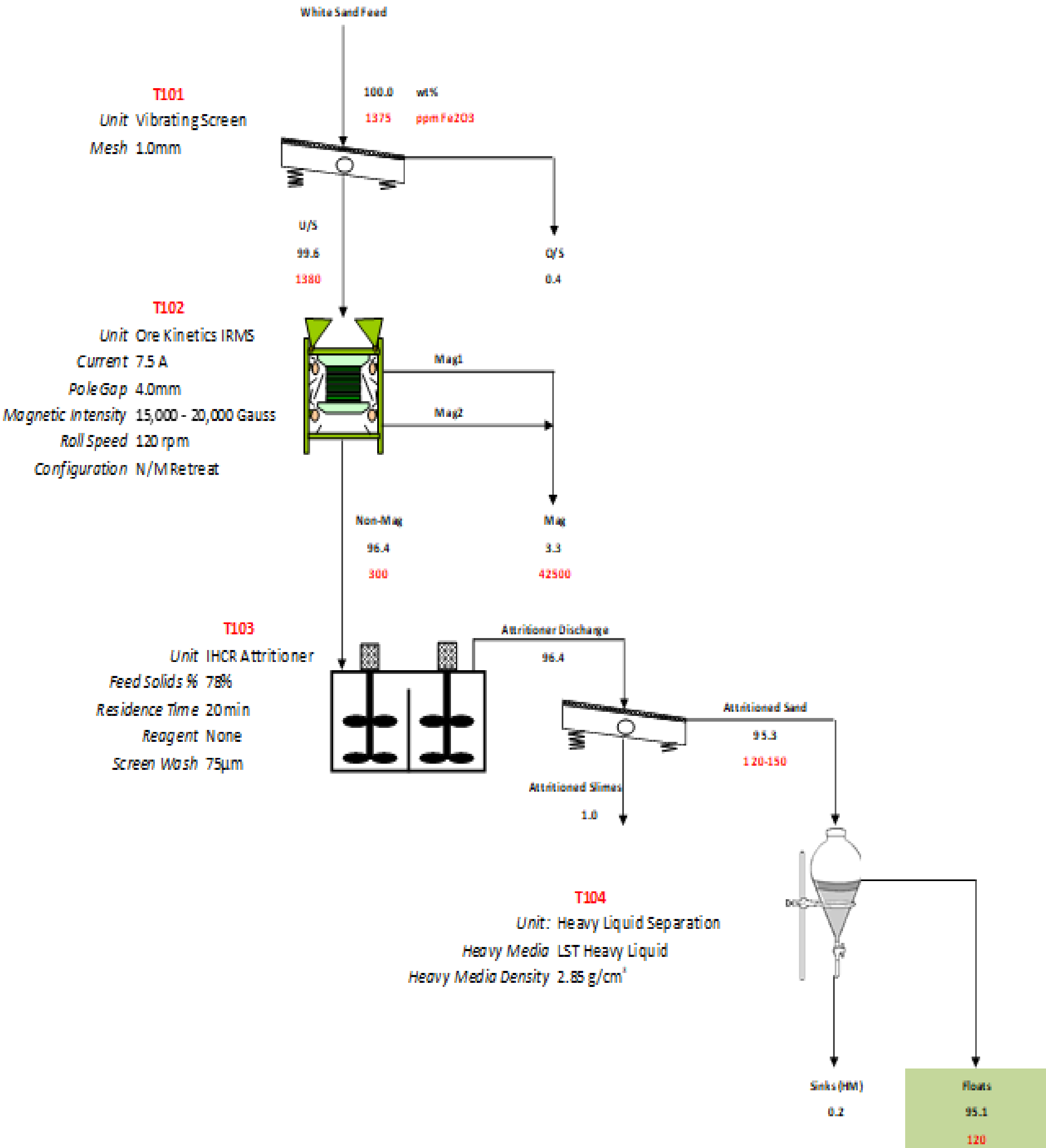

Figure 1 - White Sand testing flow sheet Undertaken by IHC Robbins in April 2021

The initial White Sand test work resulted in a significant improvement in overall product specifications when compared to the levels reported in the PFS results (noting that the PFS test work utilized production scale equipment and processes, as opposed to laboratory processes in the more recent White Sand testing). These included:

- SiO_2 increase from 99.6% (PFS) to 99.8%
- Fe_2O_3 reduction of 57% from 276ppm (PFS product Beharra #44) to 120ppm
- Al_2O_3 reduction of 49% from 1789ppm (PFS product Beharra #44) to 920ppm

These testing results from the White Sand show the potential to produce a silica sand product suitable for a higher pricing segment of the regional silica sand markets, with subsequent representative testing required to confirm these results, which is now underway.

The PFS metallurgical test work was completed on a composite of yellow and white sand at Beharra and produced three (3) sand concentrate products, as announced to the ASX on the 17th of March with release of the PFS. Perpetual has subsequently engaged with potential end users in the Asian Pacific Region to better understand the marketability of the potential products that Beharra could deliver, with a focus on the clear glass manufacturing industries, which are undergoing rapid growth due to large expansions in the PV-solar sell segment. In this reporting period, Perpetual has secured two additional MOUs to supply high grade-high purity silica sand concentrates with:

- Guangdong Qinyin New Materials Technology Co., Ltd (**Qinyin**)
- C&D Logistics Group Co., Ltd (**C&D Group**)

Initial interest is to supply 400ktpa of concentrate to Qinyin, and 600ktpa concentrate to C&D Group. Refer to ASX announcements dated 10th of May 2021, and 17th of May 2021, respectively, for further information on these MOUs.

Additional offtake and project discussions are currently underway and awaiting the outcomes of the White Sand test work, which is due in the coming months.

Corporate

Based on the positive test results from the PFS metallurgical testing, the White Sand metallurgical testing, market interest and a robust PFS result, Perpetual had applied for and was granted a Mining Lease for Beharra. The Mining Lease (M70/1406) covers an area of approximately 10.4km^2 which is coincident with the exploration drill areas and the resource estimate area, confined to the southern area of the Exploration License (please refer to Figure 2 over the page).

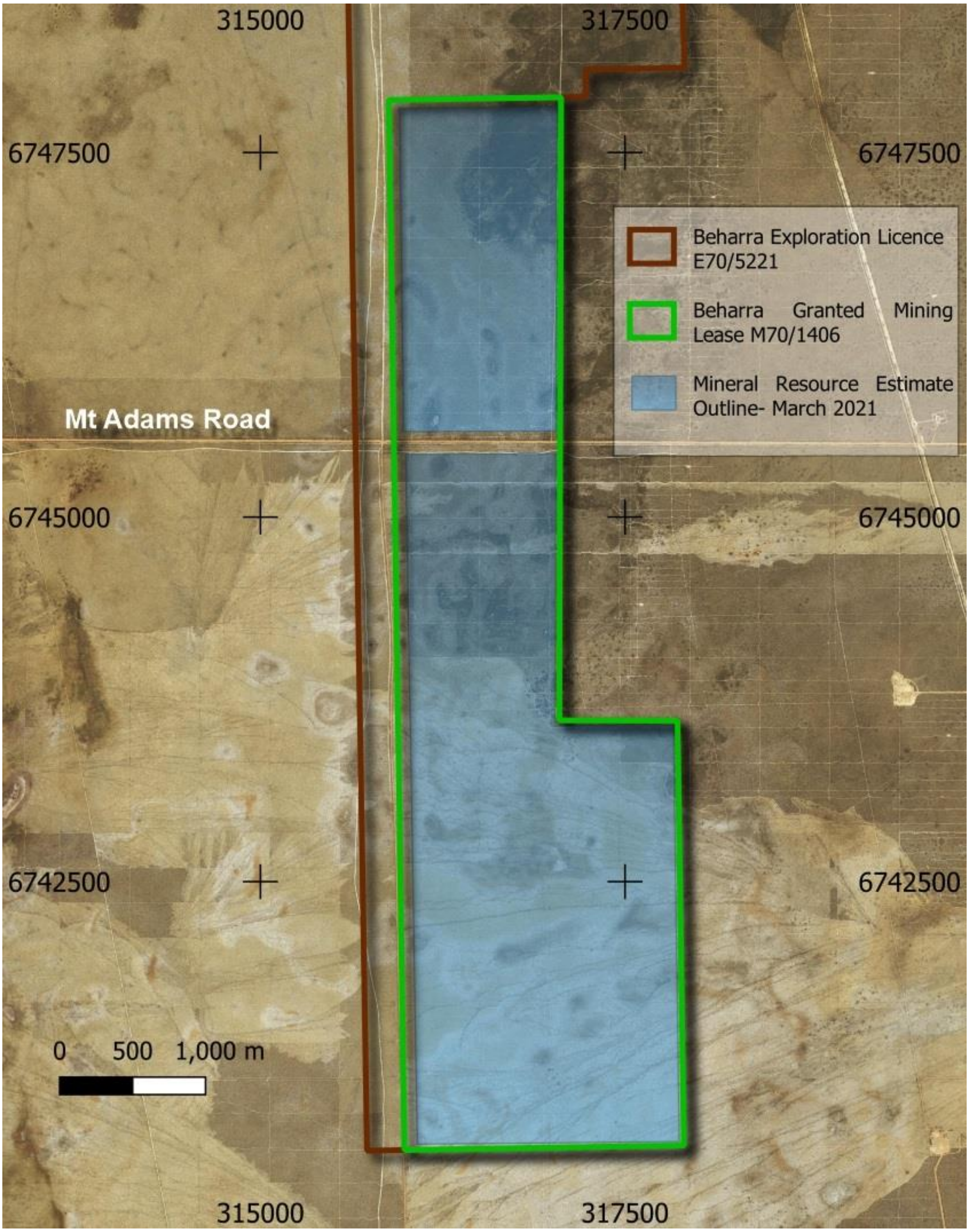

Figure 2 - Outline of Granted Mining Lease (M70/1406) at Beharra

Details of related party payments

Pursuant to ASX LR4.7C.1 and as outlined in the Appendix 5.B the aggregate amount of payments to related parties and their associates of $150,732 represent directors' fees and salaries.

This report has been authorised for release by the Board of Directors.

Table 1 ***Tenement Schedule***

Project	Licence	Location	Interest at 31st March 2021	Interest at 30th June 2021	Status	Area (Km^2)
Eneabba	E70/5220	WA	100%	100%	Granted	35.34
Sargon	E70/5227	WA	100%	100%	Granted	30.03
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	0%	100%	Granted	10.35
					Total	156.27

Competent Persons Statement

The information in this announcement that relates to the Exploration Results for the Beharra Project and is based on information compiled and fairly represented by Mr. Colin Ross Hastings, who is a Member of the Australian Institute of Mining & Metallurgy and consultant to Perpetual Resources Ltd. Mr. Hastings is also a shareholder of Perpetual Resources Ltd. Mr. Hastings has sufficient experience relevant to the style of mineralisation and type of deposits 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 report of the matters based on this information in the form and context in which it appears.

Disclaimer