

QUARTERLY EXPLORATION REPORT JUNE 2017

CORPORATE

The board have and continue to review many resource based projects that will add to value to the Company. The board continues to undertake a comprehensive due diligence on various projects and will update the market once a project has been identified.

WIAGDON THRUST JV. NSW

The Wiagdon Thrust Joint Venture (Perpetual Resources 70%/Dakota Minerals 30%) Project contains 8 Exploration Licences located within the Lachlan Fold Belt in eastern NSW with their centre 180km northwest of Sydney. The area contains many historical alluvial and hard rock gold workings with recorded production from the area and including the adjacent Hill End and Hargraves goldfields (20km and <10km respectively) west of the Project area of 4.15 million ounces.

The Joint Venture is primarily exploring for potential large tonnage, structurally controlled, disseminated or vein controlled gold, gold-antimony, and gold-copper deposits associated with volcanic and intrusive porphyry and epithermal regimes.

1.1. Exploration.

There were no field exploration activities undertaken in the quarter.

Final review of the analytical results of surface samples collected at Warrangunia and Glenroy (refer Figure 2) prospects is summarised below. The chemical analyses determined;

- × Base metal, Cu, Pb, Zn and Ni contents were background levels or less.
- × Precious metals (Au and Ag) were generally background level other than one area at the Glenroy Mine workings where 3 samples returned anomalous Au results with one sample returning an elevated Au content (about 10.8ppm). At the Warrangunia shaft one silver value of 2.1ppm was reported. This is the highest Ag value from across the sample area.
- × Molybdenum levels were very low about background level.
- × Tungsten across the sample area was anomalous in some areas or generally about background level.
- × Arsenic values are low other than anomalous results in the vicinity of the Warrangunia shaft and the ridge above the shaft and upstream of the shaft. Notably As values near the old Glenroy mine gold workings and diggings is absent.
- × Limited multielement assays indicate that selenium and tellurium values are anomalous across the site but additional multielement test work will be required to determine the extent and abundance.

1.2. Other

Annual reports for five licences consisting of EL's 7548, 7549, 7550, 7756 and 6789 were prepared and submitted to the Division of Resources and Energy.

The Company is currently undertaking a review of its licenses to determine the best approach to undertake further exploration activities.

The current licence holding as at the end of June 2017 is summarised in the table at the end of this report and shown in Figure1, below.

ATOZ INDONESIA

PT Atoz Nusantara Mining ("PANM") are in the final stages of negotiating with the local landowners to commence coal production on its 192 hectare Atoz site.

Perpetual Resources is entitled to receive a royalty of US\$3 per Tonne for all coal sold from the Atoz site.

The information in this Stock Exchange Announcement that relates to Exploration, together with any related assessments and interpretations, has been approved for release by Mr. C.R. Hastings, MSc, BSc, M.Aus.I.M.M., Mr. Hastings is a Director and part time employee of Perpetual Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hastings consents to the inclusion of the information contained in this ASX release in the form and context in which it appears

Figure 1. WTJV Exploration Licences as at End of June 2017.

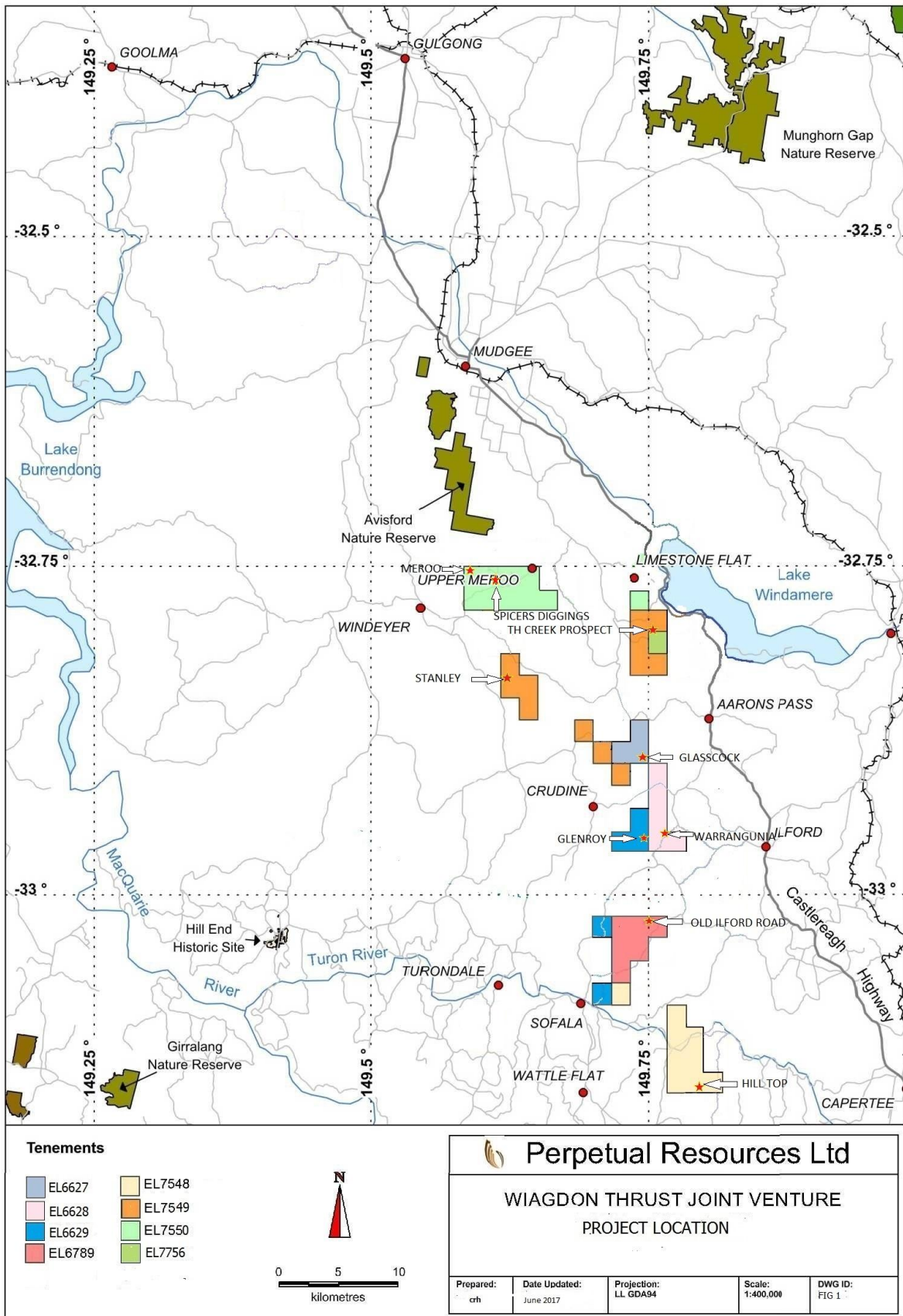
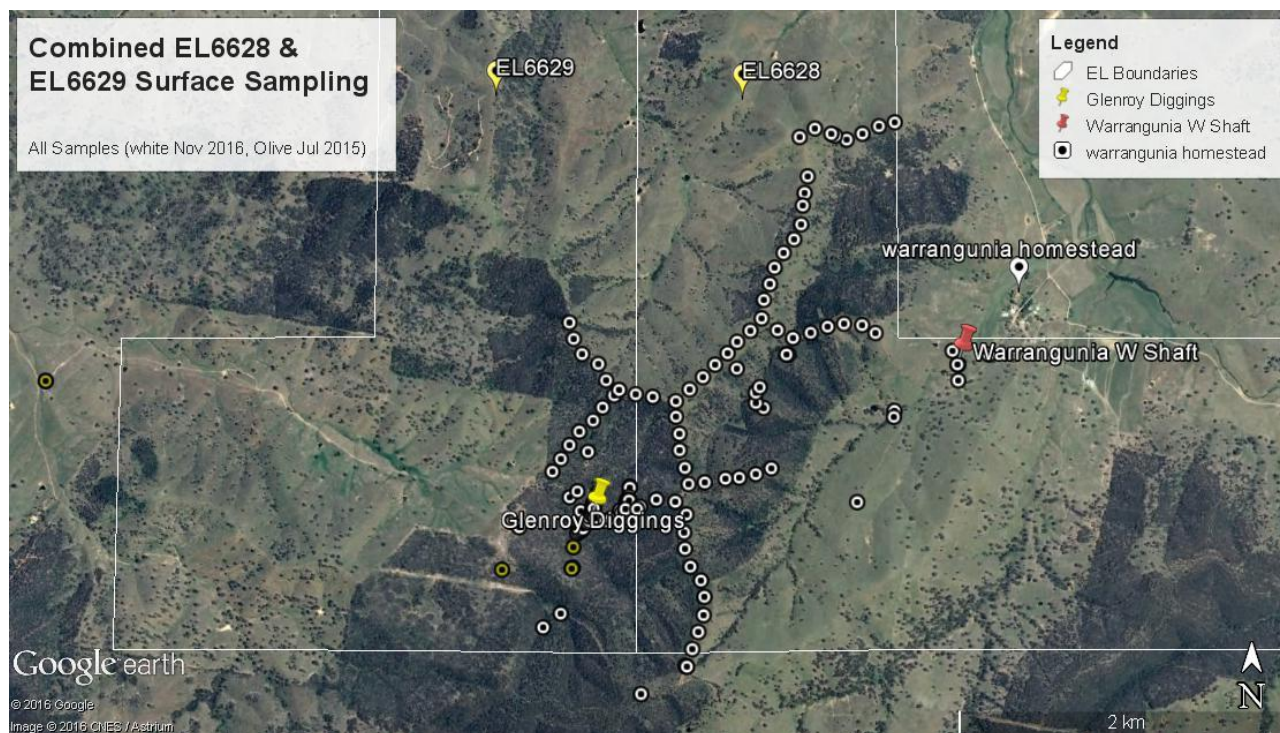


Figure 2. Surface sampling locations Warrangunia and Glenroy Prospects



Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | Commentary |
|----------------------------|---|
| <i>Sampling techniques</i> | <ul style="list-style-type: none"> Surface samples referred to in this announcement, including soil sampling, rock chip, stream sediments, and mullock heap sampling. Soil samples were collected from the base of the 'B' horizon (usually at 10-20cms depth) using a hoepick, small spade and coarse sieved to passing 8mm. The undersize from these samples was placed in calico bags and later split to produce a 500gm sub-sample. The sub-samples will be submitted to Australian Laboratory Services Pty. Ltd.'s (ALS') facility in Brisbane, QLD for drying and pulverizing. Rock samples were collected from outcrops, subcrops and float (usually 3 or more large chips for each sample) in calico bags, which will be submitted to ALS in Brisbane for analysis. Stream sediment samples were collected from over bank deposits at four locations. These samples were sieved to -3.2mm in the field which will be submitted to ALS in Brisbane. Mullock heap sampling consisted of removal of 50mm to 100mm of surface material and then extraction of about 1kg of material that was passed through an 8mm sieve. The minus 8mm fraction was placed in a calico bag, which will be submitted to ALS Brisbane for analysis. |
| <i>Drilling techniques</i> | <ul style="list-style-type: none"> No drilling was carried out in this December 2016 quarter. Previous drilling consisted only of reverse circulation percussion drilling (nominal 125mm diameter) was carried out. The samples were collected via an in-line cone splitter over one |

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| | <p>metre intervals, as bulk samples in large plastic bags and 2-3kg samples in calico bags.</p> <ul style="list-style-type: none"> The reverse circulation percussion drilling (125mm nominal hole diameter) was carried out by a contractor using a track mounted top drive hydraulic drill rig, and track mounted compressor of 900cfm / 350psi capacity and booster. |
| <i>Drill sample recovery</i> | <ul style="list-style-type: none"> RC samples were visually compared at the drill site shortly after collection; no significant variations in sample volume were noted. Sample were weighed and recorded using an electronic floor scale accuracy +/- 0.1kg |
| <i>Logging</i> | <ul style="list-style-type: none"> All drilling was early-stage testing of exploration targets. The 1m chip samples were washed on site and logged to a standard appropriate for exploration holes. Lithotype, alteration and observed mineralisation were recorded, and magnetic susceptibility was recorded at 1m intervals in most holes. Logging was qualitative and the full length of each hole was logged. |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> Percussion chip composite samples were collected over 3m intervals by spearing sub-samples from the 1m bulk bags on site, and weighed. Sample weights varied from 1.2 to 3.1kg, but most were in the range 2.0-2.5kg. Samples were collected to exploration industry standards. Duplicate samples were generally not taken. The sample sizes are considered to be adequate for the type of mineralisation sought and the stage of exploration. |
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> Percussion chip samples (composite and 1m) were analysed for gold by 50g charge fire assay, either ore-grade (Au-AA26) or to trace level (Au-AA22 and Au-AA24), and indicator metals by ICP-AES after a two-acid (partial) digestion (technique ME-ICP41). Magnetic susceptibility measurements were taken using magROCK or Fugro GMS-2 instruments, as 10^{-5}SI units. Blank samples (Tertiary basalt crusher dust) were inserted approximately as every 20th sample, and 1 or 2 commercial standard samples with each batch of samples (in some cases more frequently). In almost all cases, these gave Au values within the accepted ranges of values. |
| <i>Verification of sampling and assaying</i> | <ul style="list-style-type: none"> Sampling conducted by experienced geologist and field assistants employed by Rangott Mineral Exploration (RME) and supervised by RME Senior Geologist, Michael Ostrowski. Sampling after 2014 to present was carried out by Ross Hastings. Verification of sample intervals drilled and samples recovered and prepared for analysis carried out and supervised by RME staff to industry standards. Results pending. Standards and blanks inserted into sample batches. |
| <i>Location of data points</i> | <ul style="list-style-type: none"> Hole collars were laid out and rechecked after drilling using hand-held Garmin 62s GPS meters, to ± 3m accuracy. Mapping Grid of Australia (MGA-94). Final collars position (drill holes) were determined by using a Trimble Geoexplorer 6000 series differential GPS meter, to +/- 0.1m horizontal and 0.3m vertical accuracy. |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> Soil samples were collected at 20m, 25m, 50m, and 100m intervals along lines spaced 25m, 50m and 100m apart or greater. Percussion holes were opportunistically placed. |

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| | <ul style="list-style-type: none"> • Rock samples were collected from exposures of interest, during mapping and soil sampling. • Stream sediment samples were collected from both drainage ways, upstream of significant creek junctions. • Reconnaissance drilling only at this stage, collars dictated by terrain. • Initial batches of percussion samples were submitted as 3m composites prepared in the field; at a later date 1m samples from the drilling contractor's cone splitter were submitted for those hole intervals where the composite samples had given anomalous metal values. |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> • Soil sample traverses and drill azimuths have been oriented approximately perpendicular to known or interpreted mineralised structures. |
| <i>Sample security</i> | <ul style="list-style-type: none"> • Composite and 1m assay samples were removed from the drill sites at the end of each day and stored in Perpetual's secure storage unit in Mudgee until needed for analysis, when they were transferred temporarily to RME's secure premises at Orange prior to submission to ALS for analysis. Bulk 1m samples were stored at the drill sites pending receipt and assessment of all analytical data. All samples that were collected after 2014 and all laboratory sample pulp rejects including drill samples were relocated to Doonan, Queensland 4562, other than RC drill chip tray samples that are currently still with RME in Orange. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> • None undertaken. |

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | Commentary |
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| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> • All of the exploration licences shown in this report form part of the Wiagdon Thrust Joint Venture, which is 70% owned by Neo Resources Limited and 30% owned by Dakota Minerals formally Oroya Mining Limited. Neo Resources Limited is 100% owned by Perpetual Resources Limited. • The exploration licences are 6627, 6628, 6629, 6789, 7548, 7549, 7550, and 7756 in NSW. All licences are applied to explore for category 1 minerals. Combined total of all Licences at December 2016 is 55 graticular units giving a total area of approximately 165 square kilometres. It is generally required in NSW that a 50% area reduction occurs at the time of renewal for each licence. • Licences 7548, 7549, and 7550 have a renewal dates of 21 May 2018. • Licence 6789 has a renewal date of 28 May 2018. • Licences 6627, 6628 and 6629 have renewal dates of 5 September 2018. • Licence 7756 has a renewal date of 31 May 2018. • There is a small areas of nature reserve on EL7550. These areas are not material. • Crown land is a small part of the licence areas and no work is to be carried out in these areas other than a small portion located within EL7548. Approval to access |

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| | <p>and carry out category 1 exploration activities on this small parcel (Lot 7302, DP 1133716) has been approved The State of NSW.</p> <ul style="list-style-type: none"> Issues relating to native title interests are detailed in Neo Resources Ltd Prospectus 23 July 2010 Section 8.5 Aboriginal Heritage. The Prospectus is available at the following address: http://www.asx.com.au/asxpdf/20100723/pdf/31rqt5sj8xsjr9.pdf There may be areas or objects of Aboriginal Heritage located on the licences. These would need to be identified prior to any drilling. |
| <i>Exploration done by other parties</i> | <ul style="list-style-type: none"> Prospective areas of EL6628 (referred to as Cudgegong currently being relinquished as part of licence renewal), and EL7549 (referred to as TH Creek) occur in the foreshore area of the Windamere Dam. There have been no restrictions placed on exploration on these licences by NSW Government, Trade and Investment Resources & Energy; however, drilling operations in the area have been approved by the Dam Safety Committee of NSW. The portion of EL 6628 known as Cudgegong has been relinquished as part of the renewal of this licence in September 2016. There have been numerous modern previous explorers over the area that carried out mainly surface sampling and limited drilling since the 1960's. A general and limited description of past exploration is contained in the Independent Geologists Report, contained within the Neo Resources Ltd Prospectus 23 July 2010, commencing page 27. The Prospectus is available at the following address: http://www.asx.com.au/asxpdf/20100723/pdf/31rqt5sj8xsjr9.pdf Oroya Mining Limited carried out an extensive geochemical sampling project over the extent of the licences during 2008 and 2009. These results are presented in Neo Resources Prospectus 23 July 2010 (pp. 54-66) together with a document on the effectiveness of past exploration (pp. 36-38). In 1976 a 45 degree angled drill hole DDH 8832S-7 was drilled by Pacminex Pty Ltd to a depth of 306.60m into an identified IP anomaly at the Glasscock prospect. It contained sporadic sulphide veining with no gold in the hole. Surface mapping had outlined anomalous gold (4.2g/t) in veining. Neo Resources Ltd considers that this area warrants further drilling in locations along strike of the historic drill hole. In 1970 Pacminex Pty Ltd (a subsidiary of CSR) carried out close spaced stream sediment sampling and identified two base metal targets, called Stanley and Fletcher. CSR drilled a 109 metres open percussion hole to test the southern anomaly intersecting fresh rock (aphanitic rhyolitic tuff) below 60 metres down-hole, with 5-15% pyrite. A base metal mineralised zone was intersected from 92 to 99 metres down-hole, with maximum values of 170ppm Cu, 1,400ppm Pb, 4,600ppm Zn, 80ppm As, 1ppm Ag and 0.14ppm Au. |
| <i>Geology</i> | <ul style="list-style-type: none"> The geology of the area is highlighted in Neo Resources Prospectus 23 July 2010 (pp. 27-51) Independent Geological Report by Rangott Mineral Exploration Pty Ltd. |
| <i>Drill hole Information</i> | <ul style="list-style-type: none"> Drill holes recently completed as described in previous releases and other releases in 2014. |
| <i>Data aggregation methods</i> | <ul style="list-style-type: none"> All samples were 3m composites or 1 metre samples from drill holes recently completed. Maximum and average values were applied to all data, no metal equivalents applied. |
| <i>Relationship between mineralisation widths and</i> | <ul style="list-style-type: none"> The drill hole lengths when reported are "down hole lengths, true width is not known" |

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| <i>Intercept lengths</i> | |
| <i>Diagrams</i> | <ul style="list-style-type: none"> Refer to maps included in this announcement and previous quarterly announcements. |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> Analytical values include all data for those elements reported. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> In 2011-2012 an airborne geophysical survey was carried out by Fugro utilizing airborne magnetics and radiometrics on 50m and 100m centres. The geophysics presented in this release was processed by Mr. Bill Robertson of Value Adding Resources Pty Ltd (Perth). Independent review of the airborne geophysical data currently being reinterpreted by Spinifex Geophysical. Reference to drill hole POI-4. Refer to June 2014 report for details. |
| <i>Further work</i> | <ul style="list-style-type: none"> Future work will mainly comprise geological mapping and surface geochemical sampling. Given target identification from that work reconnaissance drilling may follow. Possible ground geophysical surveys may be conducted over suitable sites if identified. |

Tenement Details

| Licence | Location | Interest at 31 March 2017 | Interest at 30 June 2017 |
|---------|----------|---------------------------|--------------------------|
| EL6627 | NSW | 70% | 70% |
| EL6628 | NSW | 70% | 70% |
| EL6629 | NSW | 70% | 70% |
| EL6789 | NSW | 70% | 70% |
| EL7548 | NSW | 70% | 70% |
| EL7549 | NSW | 70% | 70% |
| EL7550 | NSW | 70% | 70% |
| EL7556 | NSW | 70% | 70% |

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Perpetual Resources Limited

ABN

82 154 516 533

Quarter ended ("current quarter")

June 2017

| Consolidated statement of cash flows | Current quarter \$A | Year to date (9 months) \$A |
|---|------------------------|-----------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (2,984) | (41,665) |
| (b) development | | |
| © production | | |
| (d) staff costs | | |
| (e) administration and corporate costs | (9,580) | (119,120) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | | |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Research and development refunds | | |
| 1.8 Other – GST | | 23,478 |
| 1.9 Net cash from / (used in) operating activities | (12,564) | (137,307) |

| Consolidated statement of cash flows | | Current quarter \$A | Year to date (9 months) \$A |
|--------------------------------------|---|------------------------|-----------------------------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | | |
| | (b) tenements (see item 10) | | |
| | (c) investments | | |
| | (d) other non-current assets | | |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | | |
| | (b) tenements (see item 10) | | |
| | (c) investments | | |
| | (d) 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 | - | - |

| | | | |
|-------------|---|--|--|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | | |
| 3.2 | Proceeds from issue of convertible notes | | |
| 3.3 | Proceeds from exercise of share options | | |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | | |
| 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 | | |

| Consolidated statement of cash flows | Current quarter \$A | Year to date (9 months) \$A |
|--------------------------------------|------------------------|-----------------------------------|
|--------------------------------------|------------------------|-----------------------------------|

| | | |
|---|---------------|---------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 51,106 | 175,849 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (12,564) | (137,307) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | | |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | | |
| 4.5 Effect of movement in exchange rates on cash held | | |
| 4.6 Cash and cash equivalents at end of period | 38,542 | 38,542 |

| | | |
|---|--------------------------------|---------------------------------|
| 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 | Previous quarter \$A |
| 5.1 Bank balances | 38,542 | 51,106 |
| 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) | 38,542 | 51,106 |

| | | |
|-----------|--|------------------------------------|
| 6. | Payments to directors of the entity and their associates | Current quarter \$A'000 |
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 0 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | 0 |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

| | | |
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| 7. | Payments to related entities of the entity and their associates | Current quarter \$A'000 |
| 7.1 | Aggregate amount of payments to these parties included in item 1.2 | 0 |
| 7.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | 0 |
| 7.3 | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

| | | | |
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| 8. | Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 8.1 | Loan facilities | | |
| 8.2 | Credit standby arrangements | | |
| 8.3 | Other (please specify) | | |
| 8.4 | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

| 9. | Estimated cash outflows for next quarter | \$A |
|-----|--|---------------|
| 9.1 | Exploration and evaluation | 5000 |
| 9.2 | Development | |
| 9.3 | Production | |
| 9.4 | Staff costs | |
| 9.5 | Administration and corporate costs | 12,000 |
| 9.6 | Other (provide details if material) | |
| 9.7 | Total estimated cash outflows | 17,000 |

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | | |

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.

Sign here:



(Director)

Date: 31 July 2017..

Print name: .George Karafotias.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.