

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2018

CORPORATE

Perpetual Resources Limited (ASX:PEC) during the quarter continued to review various resource projects that will add value to the company. The board continues to undertake a comprehensive due diligence on various projects and will update the market accordingly once a project has been identified.

PEC during the quarter relinquished a further 3 licenses at the Wiagdon Thrust Joint Venture project to concentrate its resources on the most prospective area.

WIAGDON THRUST JV. NSW

The Wiagdon Thrust Joint Venture Project (Perpetual Resources 70%/Dakota Minerals 30%, name change to Novo Lito Ltd, May 2017) contained 4 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.

Exploration

There was limited field exploration activities undertaken in the quarter relating to surface sampling within EL 6628 located within the Sofala Volcanics and east of the Wiagdon Thrust. The sampling was aimed at possible gold and tungsten mineralisation, however gold and tungsten values from analytical tests were at normal background levels with no anomalous results produced.

Limited surface sampling was also carried out at the TH Creek prospect (EL 7549) to investigate an area to the north of the main TH Creek Au-As anomaly. The sampling and subsequent analytical tests did not result in anomalous gold values but did result in anomalous arsenic.

Other

Three exploration licences that had expiry dates in September 2018 were not renewed based on limited exploration potential. The licences that were not renewed includes, EL 6627, EL 6628, and EL 6629. Refer to Figure 1, below.

EL 6627 that hosts the Glasscock gold and base metal prospect was not renewed due limited size, depth of known mineralisation, and grade.

EL 6628 contains the Warrangunia wolfram prospect located on the Wiagdon Thrust. Based on reconnaissance surface sampling, no anomalous gold, tungsten and base metal values were produced therefore the licence was not renewed.

The remaining portions of EL 6629 consisted of an area adjacent to EL 6628 and two units at 4 Mile Creek near Sofala. There was no field work carried out on either of these portions in this reporting period however previous exploration suggested the anomalous gold values from samples from the Glenroy prospect near Warrangunia represents an area of minor gold occurrence in quartz veins, considered too small. At 4 Mile Creek alluvial gold was detected but the source had not been followed up and likely is outside the current small exploration area. The licence was let lapsed and not renewed.

In respect of these three licences, final reports and other documents that are required have been produced and submitted to NSW Department of Resources and Energy.

The current licence holding as at the end of June 2018 is summarised in the table at the end of this report and shown in Figure 2. These recent changes to licence holdings now leaves a balance of one active exploration licence, EL 7549.

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 prior to relinquishment of three Licences in September 2018, showing prospects.

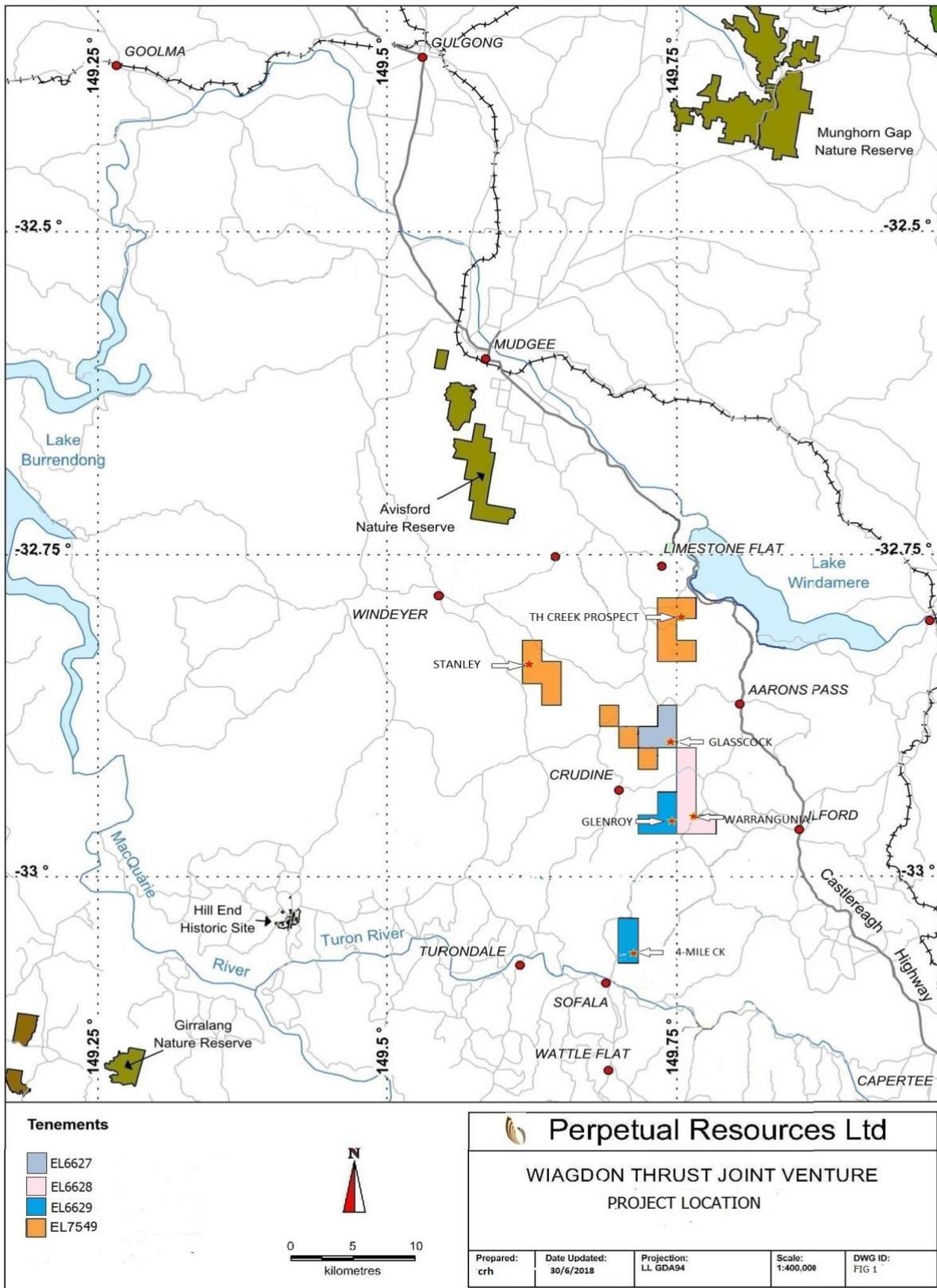
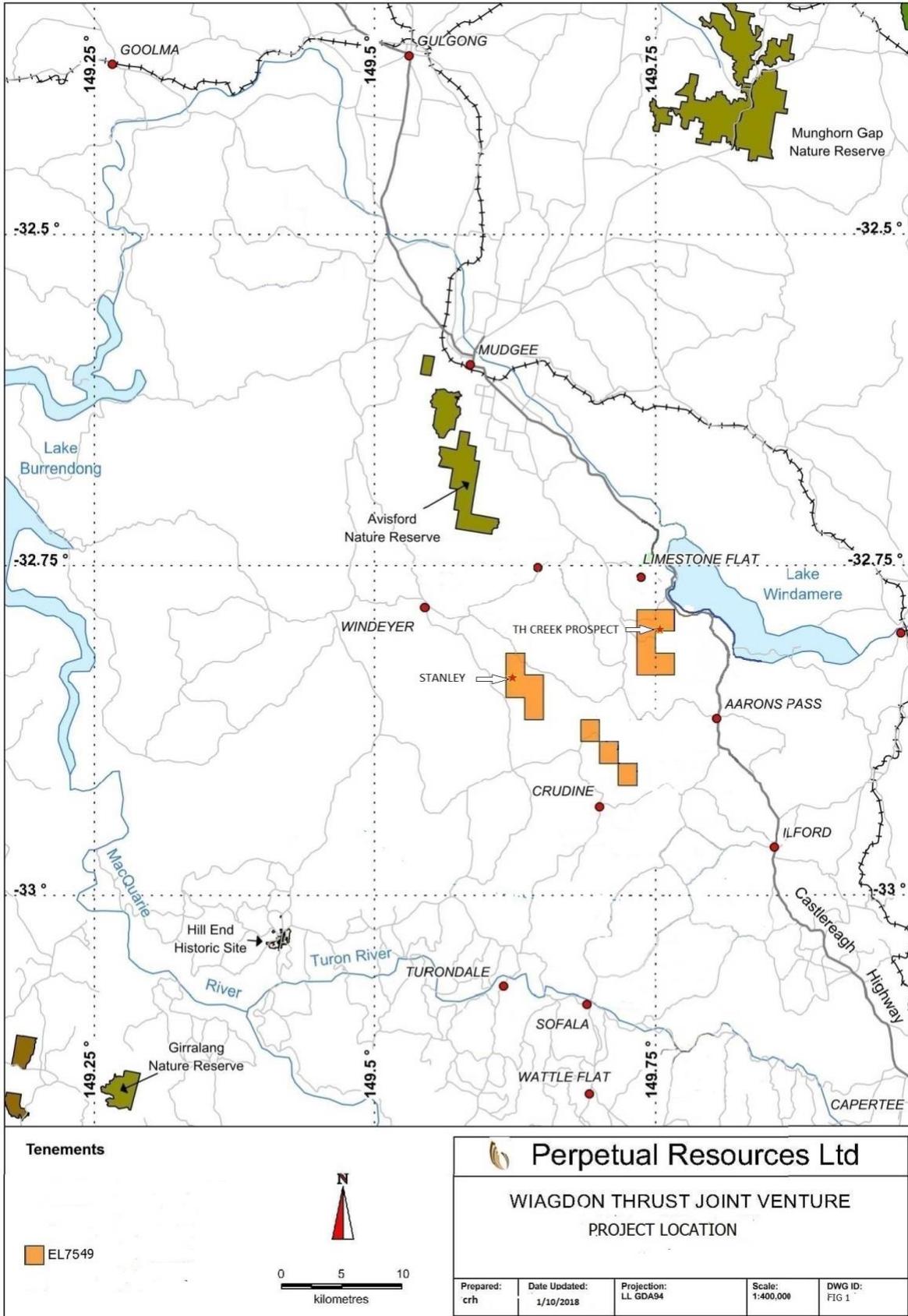


Figure 2. WTJV Exploration Licences as at End of September 2018.



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 metre intervals, as bulk samples in large plastic bags and 2-3kg samples in calico bags. • 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</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).

<p><i>laboratory tests</i></p>	<ul style="list-style-type: none"> • Magnetic susceptibility measurements were taken using magROCK or Fugro GMS-2 instruments, as 10⁻⁵SI 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.
<p><i>Verification of sampling and assaying</i></p>	<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.
<p><i>Location of data points</i></p>	<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.
<p><i>Data spacing and distribution</i></p>	<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. • 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.
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • Soil sample traverses and drill azimuths have been oriented approximately perpendicular to known or interpreted mineralised structures.
<p><i>Sample security</i></p>	<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.
<p><i>Audits or reviews</i></p>	<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
<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 Novo Lito, formally Dakota Minerals and before that Oroya Mining Limited. Neo Resources Limited is the holder of the Licences and is 100% owned by Perpetual Resources Limited. The exploration licences are 6627, 6628, 6629, and 7549, in NSW. All licences are applied to explore for category 1 minerals. Combined total of all Licences at 1st July 2018 is 25 graticular units giving a total area of approximately 75 square kilometers. It is generally required in NSW that a 50% area reduction occurs at the time of renewal for each licence. Licences 6627, 6628 and 6629 have renewal dates of 5 September 2018. Licence 7549 has a renewal date of 21 May 2019. State land covers most of Licence 7549 in the portion near Lake Windamere and managed by WaterNSW. The southern part of this same Licence portion is leased to the Mudgee Branch of the Sporting Shooters Association of Australia. 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. <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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> 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.

	<p>CSR drilled a 109 meters open percussion hole to test the southern anomaly intersecting fresh rock (aphanitic rhyolitic tuff) below 60 meters down-hole, with 5-15% pyrite. A base metal mineralised zone was intersected from 92 to 99 meters down-hole, with maximum values of 170ppm Cu, 1,400ppm Pb, 4,600ppm Zn, 80ppm As, 1ppm Ag and 0.14ppm Au.</p>
<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 meter 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 intercept lengths</i>	<ul style="list-style-type: none"> The drill hole lengths when reported are “down hole lengths, true width is not known”
<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 30 June 2018	Interest at 30 September 2018
EL6627	NSW	70%	0%
EL6628	NSW	70%	0%
EL6629	NSW	70%	0%
EL7549	NSW	70%	70%
EL7548	NSW	0%	0%
EL7550	NSW	0%	0%
EL7756	NSW	0%	0%
EL6789	NSW	0%	0%

Note Licences showing 0% interest held have been fully relinquished.