

Perpetual Exercises Options to Acquire Prospective Brazilian Spodumene Permits

HIGHLIGHTS

- Perpetual has exercised the two separate options to acquire key landholdings in the spodumene rich “Lithium Valley” in Minas Gerais, Brazil.
 - Recent due diligence, including both technical and legal enquiries, were highly supportive of Perpetual taking ownership of these key tenement packages.
 - Recent reconnaissance site visit was highly confirmatory and demonstrated strong prospectivity across all permits.
- Comprehensive 3-week on-site investigation completed, led by Perpetual's executive and technical teams, in collaboration with a respected local third-party geologists.
- Follow up meetings with Invest Minas planned, to further progress exploration MOU.
- Advancement of establishment of wholly owned Brazilian entity, which will facilitate a significant increase in in-country activities.
- The acquisition of these initial tenement packages is seen as a strategic beachhead into a Tier 1 global spodumene region, with more acquisitions likely.

Perpetual Resources Limited (ASX: PEC, “PEC”, “Perpetual” or “the Company”) is pleased to confirm that it has completed the exercise of both recently announced options, to formally acquire multiple key tenement packages in the “Lithium Valley” region of Minas Gerais, Brazil (for further information regarding the option agreements, please refer to ASX announcements dated 21st July 2023, 9th August 2023 and 1st September 2023).

Mr. Julian Babarczy, Executive Chairman of Perpetual, commented:

“We are thrilled to have now officially confirmed our entry into the exciting Lithium Valley region of Brazil, having exercised our options to proceed with the acquisition of almost 9,000 hectares of highly prospective lithium exploration permits located proximal several Tier 1 spodumene resources.

Our due diligence enquiries have confirmed the strong prospectivity of these permits and we have immediately commenced a more comprehensive exploration phase on all prospects.

We thank the vendor group for all their support and look forward to the commencement of this exciting new phase in the development of Perpetual Resources”.

Due diligence reconnaissance site visits completed

In August, Perpetual's technical due diligence team conducted a successful multi-day site visit with the primary objective of conducting a comprehensive evaluation of the geological and commercial potential across the various permits. Activities during the site visit encompassed extensive land traverses of accessible tenement areas, drone reconnaissance of selected zones, and an assessment of logistical, commercial, and operational factors critical for the potential development of a commercial mining operation should a viable spodumene resource be identified.

Furthermore, Perpetual executed a series of confirmatory legal due diligence procedures that provided robust support for the acquisition's completion, underpinning our formal entry into the Brazilian market.

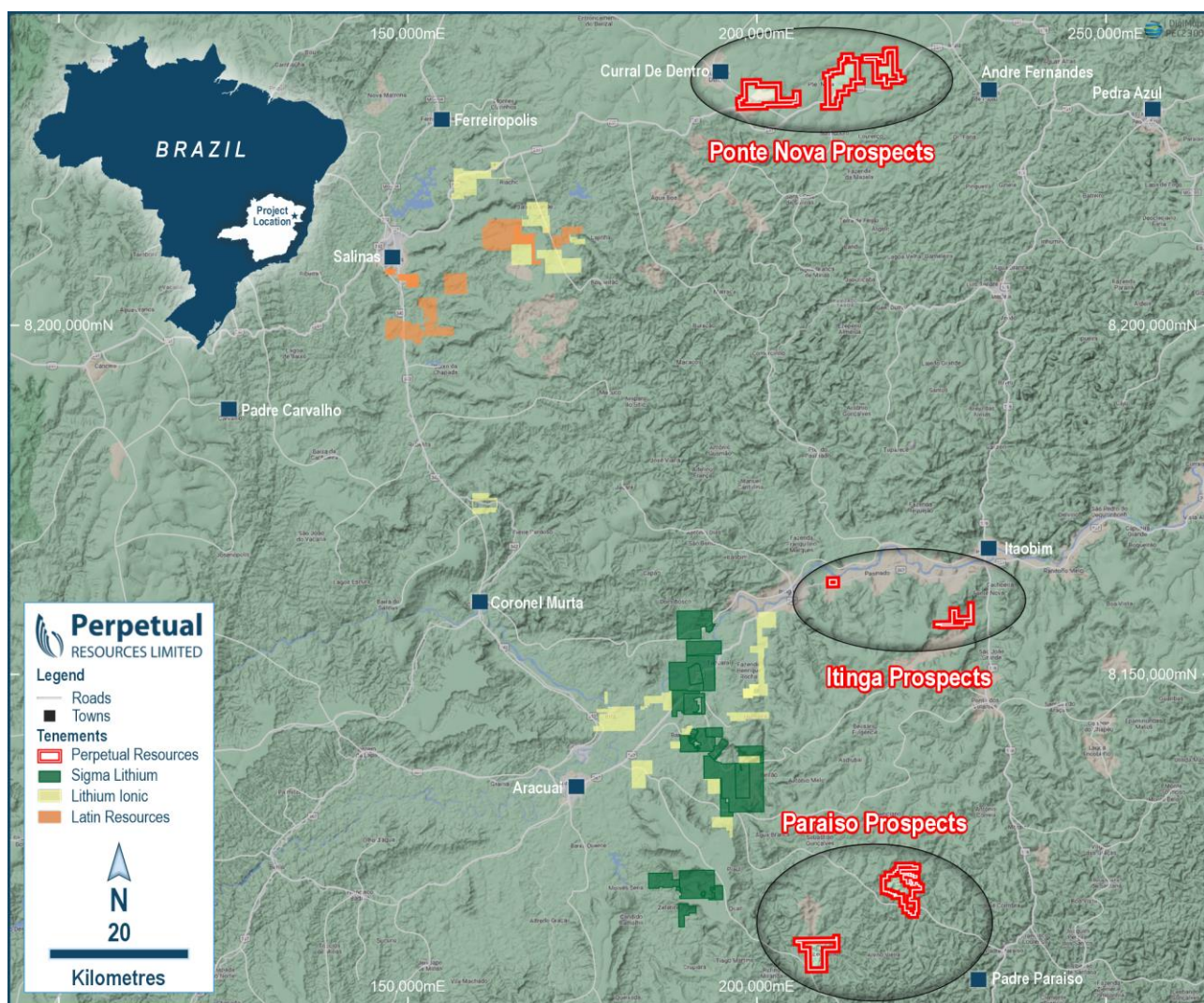


Figure 1 – Location of the various prospects acquired by Perpetual, proximal to Sigma Lithium and Latin Resources, in Minas Gerais, Brazil.

Rationale for entry into Brazil lithium exploration

Perpetual's interest in the diverse land packages can be attributed to several compelling factors. These include their strategic positioning within the burgeoning spodumene-rich area now renowned as the 'Lithium Valley' of Brazil. Within this region lie multiple Tier 1 lithium (spodumene) deposits, sharing a geological context analogous to the exploration permits secured by Perpetual.

Transaction structure and consideration

Itinga & Paraiso Prospects

A summary of the material terms of the Sale & Purchase Agreement for Perpetual's acquisition of the four (4) exploration permits making up the Itinga and Paraiso prospects (**Permits**) is set out below:

- (a) Perpetual has elected to exercise its option and will make the following payments and issues:
 - (i) a cash payment of \$50,000 within 5 days after the Due Diligence Period;
 - (ii) issue 5,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period;
 - (iii) issue 5,000,000 unlisted options exercisable at \$0.025 and 5,000,000 unlisted options exercisable at \$0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period;
 - (iv) a cash payment of \$50,000 within 6 months after the expiry of the Due Diligence Period; and
 - (v) contribute \$100,000 towards the work and development of the project within 1 year after the expiry of the Due Diligence Period.
- (b) RTB will transfer its 100% interest in the Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.
- (c) RTB will also be entitled to the following deferred consideration:
 - (i) a 2% net smelter return royalty over minerals produced that are the subject of the Lithium Rights. Perpetual will have the right to buy-back half of the royalty for \$500,000;
 - (ii) Perpetual will issue to RTB (or its nominees):
 - (A) 5,000,000 Performance Rights which each convert into Shares upon Perpetual reporting at least 6 rock chips above 1% Li₂O (Spodumene) on the Permits prior to 31 September 2024;
 - (B) 10,000,000 Performance Rights which convert into Shares upon Perpetual reporting a 10m or greater continuous intercept at 1% Li₂O (Spodumene) on the Permits within 5 years
 - (iii) in the event Perpetual reports at least 6 rock chips above 1% Li₂O (Spodumene) prior to 31 September 2024, Perpetual will also pay RTB a cash payment of \$50,000.

The agreement to issue the above securities is not subject to shareholder approval and made using Perpetual's existing 15% capacity under Listing Rule 7.1.

Ponte Nova Prospects

A summary of the material terms of the Sale & Purchase Agreement for Perpetual's acquisition of the three (3) exploration permits making up the Ponte Nova prospects (**Ponte Nova Permits**) is set out below:

- (a) Perpetual has elected to exercise the Option and will make the following payments and issues;
 - (i) a cash payment of \$75,000 within 5 days after the Due Diligence Period and a further cash payment of \$75,000 upon the Purchaser receiving evidence that the Permits have been lawfully granted;
 - (ii) issue 10,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period; and
 - (iii) issue 12,500,000 unlisted options exercisable at \$0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period.
- (b) RTB will transfer its 100% interest in the Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.
- (c) RTB will be entitled to the following deferred consideration:
 - (i) a 2% net smelter return royalty over minerals produced that are the subject of the Permits. Perpetual will have the right to buy-back half of the royalty for \$500,000;
 - (ii) Perpetual will issue to RTB (or its nominees):
 - (A) 10,000,000 Performance Rights which convert into Shares upon Perpetual reporting a 10m or greater continuous intercept at 1% Li₂O (Spodumene) on the Ponte Nova Permits within 5 years; and
 - (B) 10,000,000 Performance Rights which in the event Perpetual reports a JORC Compliant Inferred Resource (or greater) of 10 million tonnes @ 1% on the Ponte Nova Permits within 5 years.

Fifty percent (50%) of the consideration shares will be subject to voluntary escrow until the date that the Permits are granted.

The agreement to issue the above securities is subject to shareholder approval at Perpetual's general meeting to be held on 11 October 2023. Refer to Perpetual's notice of meeting released to ASX on 11 September 2023 for further details.

Potential Invest Minas agreement

As part of the current exploration field work, Perpetual has also planned a follow up meeting with Invest Minas to further progress discussions in relation to an exploration Memorandum of Understanding (MOU). This MOU has potential to fast track the approval phase for exploration activities that require government approval and highlights the supportive environment enjoyed by lithium explorers in the Minas Gerais region.

Update on Brazilian entity formation

Perpetual has also progressed the establishment of a wholly owned Brazilian entity, which will facilitate a more comprehensive in-country presence. Relevant documents have now been presented to Brazilian authorities, with official entity formation to occur in coming weeks.

Additional acquisition opportunities

With Perpetual now visibly active in the Minas Gerais region, a number of potential new exploration permit acquisition opportunities have now been presented to the Company. Having now formally committed to the region, Perpetual is actively working to augmenting its footprint in this highly prospective lithium region. Updates on additional opportunities will be made once discussions advance to more advanced stages.

- ENDS -

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

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About Perpetual Resources Limited

Perpetual Resources Limited (Perpetual) is an ASX listed company pursuing exploration and development opportunities within the critical mineral sector. Perpetual's flagship asset, the Beharra Silica Sand Project is located 300km north of Perth and is 96km south of the port town of Geraldton in Western Australia.

Perpetual is also active in lithium exploration activities in the Minas Gerais region of Brazil, where it has acquired approximately 9,000 hectares of highly prospective lithium exploration permits, within the pre-eminent lithium (spodumene) bearing region that has become known as Brazil's "Lithium Valley".

Perpetual also continues to review complementary acquisition opportunities to augment its growing portfolio of exploration and development projects.

Forward-looking statements

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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Competent Person Statement

The information in this report related to Geological Data and Exploration Results is based on data compiled by Mr. Allan Harvey Stephens. Mr. Stephens is an Exploration Manager at Perpetual Resources Limited and is a member of both the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). He possesses sound experience that is relevant to the style of mineralization and type of deposit under consideration, as well as the activities he is currently undertaking. Mr. Stephens qualifies as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves.' He provides his consent for the inclusion of the matters based on his information, as well as information presented to him, in the format and context in which they appear within this report.