

Brazil Due Diligence Locates Pegmatitic Veining in Exploration Permits

HIGHLIGHTS

- **Reconnaissance site visit confirms pegmatite occurrences within and proximal to all exploration permits under option.**
 - Artisanal workings on gemstone-rich pegmatites suggest potential for pegmatite-associated spodumene, marking a material development in Perpetual's exploration efforts.
 - The historical presence of regional artisanal workings underscores the existing mineral wealth within these pegmatites, reinforcing the potential for spodumene mineralisation.
 - Site visit confirms high prospectivity of all permits and confirms likelihood that Perpetual will exercise all option agreements later in September.
- **Legal due diligence remains ongoing with enquiries to date remaining supportive of option exercise.**
- **Wholly owned Brazilian entity under establishment, paving the way for more comprehensive exploration activities and in-country presence.**
- **Meetings held with Invest Minas, the regional state government investment facilitation agency, targeting an MOU to fast-track exploration planning and execution.**
- **Ongoing strategic activities to identify opportunities for adding value to shareholders, including the evaluation of additional Brazilian lithium exploration land acquisitions.**

Perpetual Resources Limited (ASX: **PEC**, “PEC”, “**Perpetual**” or “the **Company**”) is pleased to provide an update on its due diligence efforts in relation to the recently announced option agreements covering prospective lithium (spodumene) exploration permits in the Minas Gerais region of Brazil (for further information regarding the option agreements, please refer to ASX announcements dated 21st July 2023, 9th August 2023 and 1st September 2023).

Perpetual was initially attracted to the various land packages due to several factors, including their location within this preeminent spodumene region, which has recently become known as the “Lithium Valley” of Brazil. The region hosts numerous Tier 1 lithium (spodumene) resources which occur in a similar geological setting to the exploration permits Perpetual has under option.

Under the terms of the option agreements, Perpetual has until 18th September 2023 and 29th September 2023 respectively to complete due diligence which included a reconnaissance site visit by several of Perpetual's technical consultants and project stakeholders. Upon satisfactory completion of due diligence, Perpetual can within 5 days exercise the two options and take ownership and operational control of the relevant exploration permits by completing the consideration payable as set out in the Company's aforementioned announcements.

Mr. Robert Benussi, Managing Director of Perpetual, commented:

“Since the signing of the option agreements, Perpetual has moved swiftly to commence a detailed due diligence process across all the permits of interest. Based on initial observations from our technical team, we are extremely encouraged by the results, which include confirmation of the presence of pegmatitic veining both within the areas we have under option and in surrounding areas. This confirms our view that Perpetual has secured a low cost and potentially high value entry into the preeminent spodumene region of Brazil.

Once we formally resolve to exercise the options, which looks likely, Perpetual aims to move rapidly into a structured exploration program across all the permits, with the hope of locating more significant pegmatite occurrences of commercial scale”.

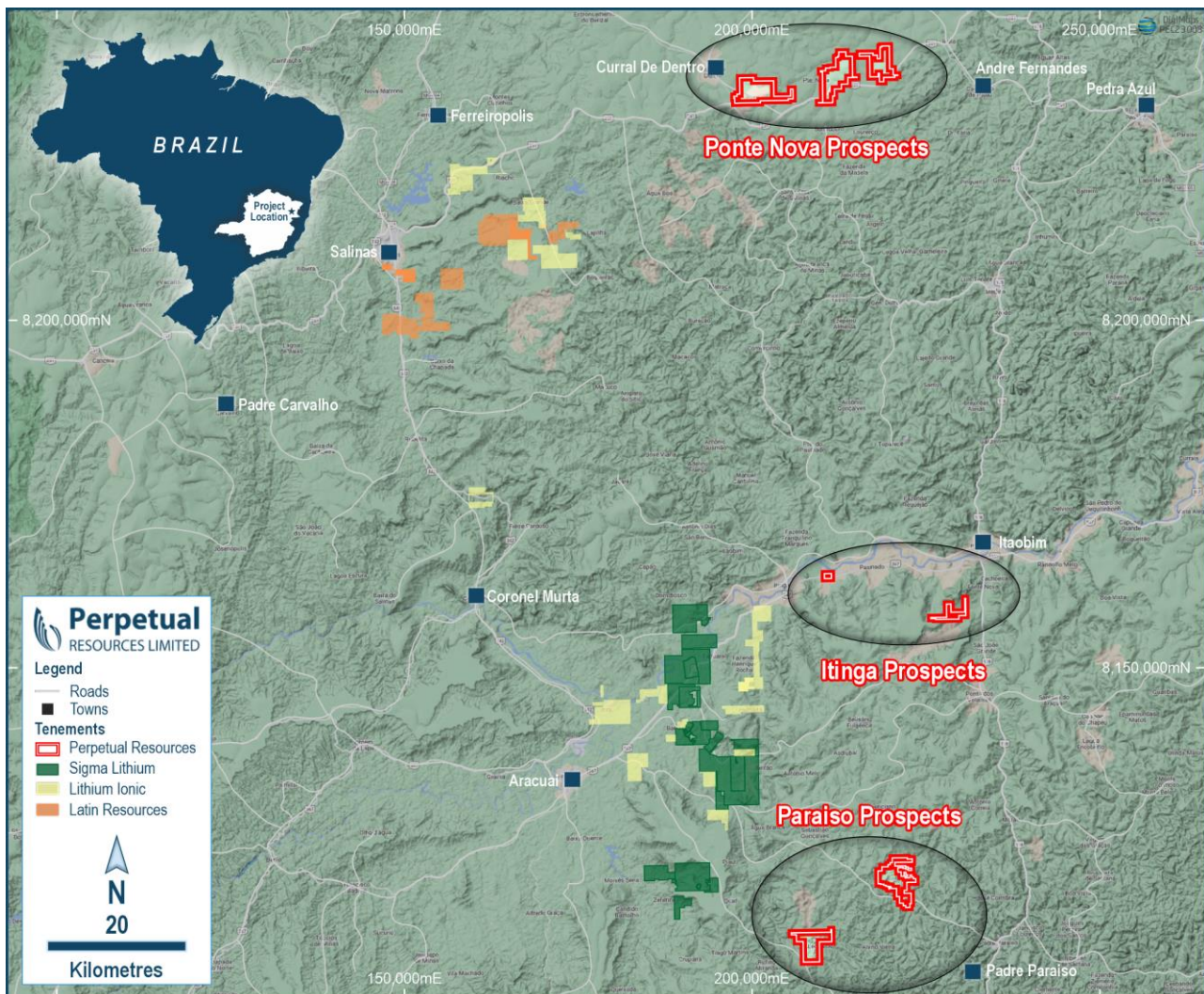


Figure 1 – Location of the various prospects under option, proximal to Sigma Lithium, in Minas Gerais, Brazil.

Due diligence reconnaissance site visits completed

Shortly after the signing of the option agreements, Perpetual appointed experienced in-country geological consultants, Target Latin America, who are active across multiple commodity exploration projects in Brazil, including for a number of other ASX-listed companies.

In August, Members of the Target Latin America team, as well as technical representatives of other stakeholder groups, undertook a multi-day site visit, with the aim of completing a high-level assessment of the geological and commercial prospectivity of the various permits. Site visit activities included traverses of large areas of the accessible land of each tenement and drone flyovers of other select areas, as well as an assessment of the logistics and other commercial and operating aspects that impact development of a commercial mining operation, should Perpetual ultimately locate a resource.

Paraíso Prospects

The Paraíso Prospects are situated in a rural setting, predominantly comprised of permits dedicated to cattle grazing. Urbanization in the vicinity is minimal, marked by a scarcity of residences and a sparse population. Nevertheless, the local population exhibited a receptive attitude toward conscientious exploration and mining operations in the area.

Moreover, feedback from residents suggested the presence of several artisanal operations within pegmatites rich in gemstones (Perpetual notes that the existence of these artisanal operations have not been verified by Perpetual). The identification of these artisanal operations will be a key focus of Perpetual's subsequent exploration activities.



Figure 2: Paraíso Prospect showing occurrence of small pegmatitic veins

Itinga Prospects

The Itinga Prospects occur in a region of increased development activity (relative to the Paraiso Prospects), including the presence of the main regional Jequitinhonha River, large power lines, and the presence of roads that link the municipalities of Itinga and Araçuaí.

Discussions with local landowners suggested old artisanal pegmatite mining has occurred on the permits, with a similar focus on gemstone exploration and mining activities from outcropping pegmatites.



Figure 3: Itinga Prospect showing occurrence of pegmatitic veins proximal to permits

Ponte Nova Prospects

The Ponte Nova Prospects are located in regions primarily characterized by extensive eucalyptus plantations, harvested commercially for charcoal production, primarily serving local pig iron smelters. The presence of such active commercial logging activities strongly aligns with the potential for exploration and mining endeavours, offering a more valuable land utilization than its current purpose.



Figure 4: Eucalyptus plantations within the Ponte Nova Prospect

During the recent visit to the Ponte Nova Prospect areas, the due diligence team observed clear evidence of pegmatite mining, again, primarily focused on gemstones. Additionally, the team identified the presence of pegmatite soils and encountered substantial artisanal gemstone exploration and production tunnels and adits in close proximity to Perpetual's permit areas under option.



Figure 5: Ponte Nova Prospect showing artisanal gemstone mining infrastructure, local gemstone occurrences and the presence of pegmatitic veining within the permit areas

Artisanal workings indicate strong spodumene potential

The presence of artisanal workings on gemstone-rich pegmatites within Perpetual's permit areas under option has emerged as a robust indicator of potential spodumene mineralization. This development emphasizes the strategic significance of these geological formations in Perpetual's pursuit of valuable lithium resources.

The chemical composition of gemstone-rich pegmatites suggests conditions favorable for spodumene formation, with a notable abundance of key minerals, including silicates. Spodumene, a significant lithium-bearing mineral, is commonly associated with these geological environments.

Furthermore, the historical presence of artisanal workings (to be further validated by Perpetual in subsequent exploration programs) underscores the existing mineral wealth within these pegmatites, reinforcing their potential for valuable spodumene mineralization. This indicator bolsters our commitment to the thorough exploration and optimization of these prospective permits.

Artisanal workings on gemstone-rich pegmatites signify significant potential for pegmatite-associated spodumene, marking a material reduction in the risk profile attached to Perpetual's exploration endeavours, in our view.

Vital elements found in proximity to lithium deposits

During early field reconnaissance, the due diligence team has identified promising indications of pegmatites within Perpetual Resources' tenements. Notably, these pegmatites appear to be hosted within the schists of the S-type granitoids, sharing geological characteristics with the host rocks observed at both the Sigma Lithium Corp's Grotta do Cirilo mine and Latin Resources' Colina Deposit, where schist is known to be the dominant host rock. These noteworthy findings further support the potential for the identification of lithium mineralisation within Perpetual Resources' tenements, underscoring the importance of further exploration in this highly promising region.

Invest Minas meetings

In addition to the technical due diligence undertaken, representatives of the Perpetual due diligence team also met with members of the Invest Minas team. Headquartered in the city of Belo Horizonte, Invest Minas has a mission to attract investment into the region by supporting the establishment of companies and promoting projects within the region with potential regional export opportunities.



Figure 6: Members of the Perpetual team with Strategic Advisor at Invest Minas Ana Sullato

Meetings with Invest Minas were held both in person and by teleconference, where discussions advanced regarding a potential memorandum of understanding (MOU) between Perpetual and Invest Minas which may assist Perpetual in expediting a range of exploration activities on future programs of work.

Next Steps

With the initial reconnaissance site visits confirming encouraging prospectivity across each of the tenement packages, Perpetual is now undertaking final confirmatory legal and geological due diligence ahead of a decision to exercise the various option agreements later in September.

Should Perpetual choose to exercise the options, which looks likely, the Company intends to move quickly to plan and execute a follow up exploration program.

Brazilian entity formation

Perpetual is also in the process of establishing a local Brazilian entity, fully owned by Perpetual Resources Limited, which will enable the direct ownership of mineral licences by Perpetual subsidiary companies. The creation of an in-country entity will also streamline a range of exploration and funding activities and assist with the growth of Perpetual's in-country team.

Additional Acquisition Opportunities

Perpetual continues to review other potential acquisition opportunities in the Minas Gerais region with a focus on 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 is assessing multiple prospects currently under option, 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.