

Chairman's Address – 2023 Annual General Meeting

Dear Shareholders,

It is my pleasure to address you once again, at today's 2023 AGM for Perpetual Resources Limited, my name is Julian Babarczy, and I am Executive Chairman of the Company.

There is no doubt that the past year, since our last AGM, has been eventful for Perpetual, both in terms of our efforts at Beharra and in our attempts to broaden our project portfolio.

When I addressed shareholders last year, we reported that activities to advance Beharra were progressing, with a significant reduction in impurities achieved and further being targeted, key environmental studies having been completed and the ongoing advancement of discussions with potential offtake partners progressing.

We told shareholders that we would look to focus on several key workstreams, dominated by our desire to confirm offtake and product pricing at Beharra in the year ahead. We continue to pursue these opportunities in an extremely challenging pricing environment for silica sand exports from Australia.

It should be remembered that high grade silica sand is an industrial mineral, which by definition implies that each mine will produce a product that is somewhat unique in its mineralogical and chemical assemblage. Industrial minerals are known to have different "values-in-use" to different end customers based on how they combine with other raw materials to produce the high-quality end products manufactured by the end customer.

Our efforts regarding offtake since the last AGM in 2022 have been exhaustive, included the hosting multiple Beharra site and logistics chain visits attended by large teams from potential offtake partners, subsequent commercial engagement and negotiation with a significant number of these interested parties and the provision of end product samples, sometimes multiple times, to many of these groups.

Despite numerous parties indicating that Beharra silica sand could achieve below the 100 parts per million iron threshold, subsequent testing by these same groups and/or their testing facilities, has delivered inconsistent end results. This has caused us and our potential partners to pause to assess the next steps.

Market feedback has also suggested a general softening in the high-quality silica sand markets in Asia, due mainly to a downturn in regional markets paced by a well-publicised slowdown in China. Alternate supply sources in Southeast Asia have also been identified, which has caused a slight increase in supply at a time of cyclically weaker demand, with the end result being a reduction in high grade silica sand pricing.

Perpetual is yet to identify a committed offtake partner to underpin an economic decision on the Beharra Project, and we note that this has been a consistent experience at virtually all ASX listed silica sand project developers, particularly those in Western Australia. In October 2023, Perpetual announced the commencement of a Strategic Review at Beharra, the outcome of which we hope to deliver in the first quarter of 2024. The Board will explore various options for the Beharra assets, including continued project advancement, care and maintenance, joint venture arrangements and/or the partial or complete divestment of some or all of the assets.

Another aim over the past year was for Perpetual to explore new project acquisitions, with the aim of identifying strategically aligned projects in new energy commodities, which we believe will likely experience strong demand and pricing in the decades ahead.

We were extremely pleased, therefore, to recently announce the acquisition of several exciting exploration prospects in the Minas Gerais region of Brazil, now colloquially known as “Lithium Valley”, due to the occurrence in this area of several globally significant spodumene deposits and development projects.

Perpetual too, is actively exploring for spodumene. Our initial efforts have proved encouraging, with pegmatite occurrences mapped by our technical team across all project areas. We await laboratory results which are testing these occurrences for lithium anomalism, which we expect will guide our future exploration efforts in this exciting region. We see a spodumene discovery by Perpetual in this region as a potentially large value driver and are working closely with several in-country technical and commercial teams to advance our prospects as well as to identify further “bolt-on” exploration land acquisition opportunities, with a focus on the areas we believe are most prospective based on results to date.

In the short time we have been associated with these projects in Brazil, our technical team has undertaken two lengthy field reconnaissance visits with a third one underway in coming days. We believe that companies must relentlessly advance activities in the interests of shareholders and this ethos is being directly applied to our Brazilian exploration portfolio.

Despite the obvious challenges over the past 12 months at Beharra, we remain extremely focussed and optimistic that the recent strategic broadening of the portfolio introduces significant optionality for our shareholders, who we thank for staying with us despite the poor performance of our share price over the past year. We note that we still see demonstrable value in Beharra and look forward to updating shareholders once the outcome of the review is complete in coming months.

Lastly, I would like to thank my fellow directors and our valuable employees and consultant team for all their ongoing efforts in supporting our strategy. While success is never a straight line and the past year has tested our thesis and resolve, we remain confident of success over the medium to longer term and have our people to thank for moving the company forward each and every day.

I thank you for your time today and for your ongoing support of Perpetual.

Julian Babarczy
Executive Chairman

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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 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.