25 July 2023

Dale Wang
Adviser Listings Compliance
Level 50, South Tower, Rialto
525 Collins Street
Melbourne VIC 3000

By email: ListingsComplianceMelbourne@asx.com.au

Dear Mr Wang

Perpetual Resources Limited – Response to ASX Aware Query

Perpetual Resources Limited (ASX: PEC) (**PEC** or **Company**) refers to ASX's query letter dated 24 July 2023 and provides the following responses to the queries set out in that letter.

Capitalised terms which are defined in ASX's query letter have the same meaning used in this letter.

1. **Does PEC consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

   Yes.

2. **If the answer to question 1 is "no", please advise the basis for that view.**

   N/A.

3. **If the answer to question 1 is "yes":**

   3.1 **Please outline the status of negotiations with RTB at the time of PEC's securities entering a trading halt. In your answer, please specifically address the material terms which had already been agreed at the time of the trading halt, and what steps remained to be agreed at that time.**

   At the time PEC's securities entered trading halt, the terms of the binding option agreement (**Agreement**) were still incomplete and subject to negotiation. The outstanding material terms being negotiated included the value and structure of the consideration. Whether or not RTB would enter into the Agreement was also not certain as PEC was informed by RTB that it had received numerous competing proposals. However, out of an abundance of caution and after detecting an increase in the price of its securities, PEC requested a trading halt at 11:43am (AEST) on Wednesday, 19 July 2023 to allow time to make enquiries with RTB regarding the status of their considerations, to conclude the negotiation and execution of the Agreement.

   The Agreement was subsequently entered into at 4:13pm (AEST) on Wednesday, 19 July 2023 following which PEC took steps to ensure that the Announcement was prepared during the period of the trading halt so that the Information could be released to the market promptly and without delay.

3.2 When does PEC consider the Information was complete and ready for disclosure under Listing Rule 3.1? Please explain the basis for that view.

PEC considers that the Information was complete and ready for disclosure under Listing Rule 3.1 at 4:13pm (AEST) on Wednesday, 19 July 2023 when the Agreement was entered into.

3.3 Noting the significant price rise prior to the release of the Announcement, is PEC of the view that all incomplete information remained confidential until the release of the Announcement? If so, please provide the basis for that view.

As far as PEC was aware, at all times the existence and terms of the Agreement was kept confidential between all parties until the Announcement was released. PEC had no knowledge of any breach of confidentiality and therefore had no reason to believe that confidentiality of the Information had been lost prior to release of the Announcement, or that the increase in the price of its securities was attributable to the Information that had not yet been announced.

3.4 Does PEC have any other explanation for the increase in the price of its securities immediately prior to the release of the Announcement?

No.

4. Please confirm that PEC is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that PEC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PEC with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the response to the above questions have been authorised and approved by its Board.

Yours sincerely

Nick Katris

Company Secretary

24 July 2023

Reference: 76591

Mr Nicholas Katris
Company Secretary
Perpetual Resources Limited
Level 2, Suite 16, 420 Bagot Road
Subiaco WA 6008

By email: nick.k@pecsilica.com

Dear Mr Katris

Perpetual Resources Limited ('PEC'): General – Aware Query

ASX refers to the following:

A. PEC's announcement entitled "PEC to Acquire Highly Prospective Brazilian Lithium Project" lodged on the ASX Market Announcements Platform and released at 10:23:13 AM AEST on 21 July 2023 (the 'Announcement'), disclosing PEC's signing of a binding option agreement with RTB Geologia E Mineração LTDA. ('RTB') to acquire a 100% interest in four lithium exploration permits held by RTB, located in Brazil and covering an area totalling 3,643.99 hectares ('Information').

B. The change in the price of PEC's ordinary shares from a low of $0.009 to a high of $0.015, and the significant increase in the volume of PEC's ordinary shares traded, from 18 July 2023 to 19 July 2023, prior to the trading halt placed for PEC's securities at 11:48:34 AM AEST on 19 July 2023, at the request of PEC.

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

   "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

   "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

   3.1A.1 One or more of the following applies:

   - *It would be a breach of a law to disclose the information;*
   - *The information concerns an incomplete proposal or negotiation;*
   - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
   - *The information is generated for the internal management purposes of the entity; or*
   - *The information is a trade secret; and*

> *3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
>
> *3.1A.3 A reasonable person would not expect the information to be disclosed."*

F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Request for information

Having regard to the above, ASX asks PEC to respond separately to each of the following questions and requests for information:

1. Does PEC consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes":
   - 3.1 Please outline the status of negotiations with RTB at the time of PEC's securities entering a trading halt. In your answer, please specifically address the material terms which had already been agreed at the time of the trading halt, and what steps remained to be agreed at that time.
   - 3.2 When does PEC consider the Information was complete and ready for disclosure under Listing Rule 3.1? Please explain the basis for that view.
   - 3.3 Noting the significant price rise prior to the release of the Announcement, is PEC of the view that all incomplete information remained confidential until the release of the Announcement? If so, please provide the basis for that view.
   - 3.4 Does PEC have any other explanation for the increase in the price of its securities immediately prior to the release of the Announcement?
4. Please confirm that PEC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PEC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PEC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Thursday, 27 July 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PEC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PEC to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PEC's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PEC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PEC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PEC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Dale Wang
Adviser, Listings Compliance