

Sargon Exploration Update

ASX RELEASE

1 July 2020

ASX: PEC

CORPORATE DIRECTORY

Executive Chairman
Julian Babarczy

Managing Director
Robert Benussi

**Non -Executive Director &
Company Secretary**
George Karafotias

Projects

Beharra Silica Sands Project,
Sargon Silica Sands,
Eneabba Silica Sands &
Eneabba North Silica Sands

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SARGON NORTH

- Exploration Licence Application 70/5376 (“Sargon North”) has now been formally granted
- *As previously indicated, the Sargon Hub (comprising Sargon and Sargon North) shows potential for construction quality sand*
- *Exploration program at the Sargon Hub has now commenced, including completion of a reconnaissance augur drilling program*

Commencement of Exploration at Sargon

On 29th April 2020, PEC announced the purchase on an Option Agreement over Sargon North. With the Exploration License covering Sargon North now granted, PEC is pleased to announce that exploration activities have now commenced.

Initial exploration activities include a 18 hole augur drilling program (now completed), with drilling samples to be submitted for laboratory analysis in coming weeks.

The aim of the Sargon exploration activities is to assess the suitability of the Sargon Hub to host construction quality sand, suitable for either the domestic or export markets.

The Sargon Hub is located approximately 40 km via road from Geraldton Port.



Figure 1: Commencement of auger drilling exploration at Sargon North



Figure 2: Initial auger drilling exploration at Sargon North

UPDATE ON BEHARRA'S JORC RESOURCE:

Assay samples from the air core drilling program at Beharra have been submitted for analysis at Intertek Genalysis in Perth using ICP analyses, while Snowden's are commencing the Mineral Resource estimation. The Company anticipates the pending results to be released prior to July 15.

MANAGEMENT CHANGE

George Karafotias, with the support of the Board, has changed his role to a Non-Executive Director as at June 18th, George maintains his role as the Company Secretary.

About Perpetual Resources Limited:

Perpetual Resources Limited (Perpetual) is a focussed explorer of silica sands, aiming to produce high purity silica and construction sands for domestic and international markets.

Perpetual's flagship asset, the Beharra Project is located 300km north of Perth and is 96km south of the port town of Geraldton in Western Australia. Access to the Project from Geraldton (to the north) and Perth (to the South) is via the sealed Brand Highway, thence the Mt Adams unsealed road providing access to the centre of the tenure.



Figure 4: Mt Adams Road (above) & Proximal Rail (below)

Rail is about 10km from the Beharra Project and accessible via the Mt Adams Road, with the rail line potentially providing access directly to the Port of Geraldton. Rail distance from the road access point adjacent to the Beharra Project is approximately 91km. The port of Geraldton is utilised as a bulk materials handling facility and is currently utilised for the export of bulk materials, minerals and concentrates. Grains, copper concentrates, zinc concentrates, nickel concentrates, mineral sands, talc, and iron ore are currently being exported from the port. Extensive heavy mineral sands mining occurs to the south of the Project area, lime sands mining to the west and natural gas production to the south of the Project.

The Beharra Project comprises of a single exploration licence, E70/5221, covering an effective land area of 56.8km². Auger drilling has confirmed the presence of extensive, high purity silica sands. Air core resource definition drilling has been completed and assay results and Mineral Resource estimate are presently awaited.

Silica Sands Market

Silica sands have an extensive range of uses including lower purity and grade applications such as construction sand, proppant sand used in well fracturing, and foundry sand. With increasing purity (>99.5% SiO₂) uses includes glass making including clear glass. Uses for purity >99.8% includes semi-conductor fillers, LCD screens, and optical glass.

The information in this announcement that relates to the Exploration Results for the Beharra Project and is based on information compiled and fairly represented by Mr. Colin Ross Hastings, who is a Member of the Australian Institute of Mining & Metallurgy and consultant to Perpetual Resources Ltd. Mr. Hastings is also a shareholder of Perpetual Resources Ltd. Mr. Hastings has sufficient experience relevant to the style of mineralisation and type of deposits under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Hastings consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

-ENDS-

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