

## Beharra Tenement Granted & Transaction Update

### ASX RELEASE

17<sup>th</sup> June 2019

ASX: PEC

#### CORPORATE DIRECTORY

##### Non-Executive Chairman

Julian Babarczy

##### Managing Director

Robert Benussi

##### Executive Director &

##### Company Secretary

George Karafotias

##### Fully Paid Ordinary Shares

247,920,394

##### Unlisted Options

32,500,000

##### Project

Option to acquire 100% of Beharra Sands Project Western Australia

- Potential High Grade Silica Sand

##### CONTACT DETAILS:

Level 47 Gateway

1 Macquarie Place

Sydney NSW2000

##### George Karafotias

Phone | +61 042 086 550

##### Robert Benussi

Phone | +61 410 415 335

#### HIGHLIGHTS:

- Beharra Exploration Licence 70/5221 covering 48.55km<sup>2</sup> was granted on June 13<sup>th</sup>
- Program of works to facilitate extensive air core drilling program to be lodged imminently
- Conditions precedent of grant of the Exploration Licence and shareholder approval of the transaction have been met
- Class A and Class B performance milestones have been achieved

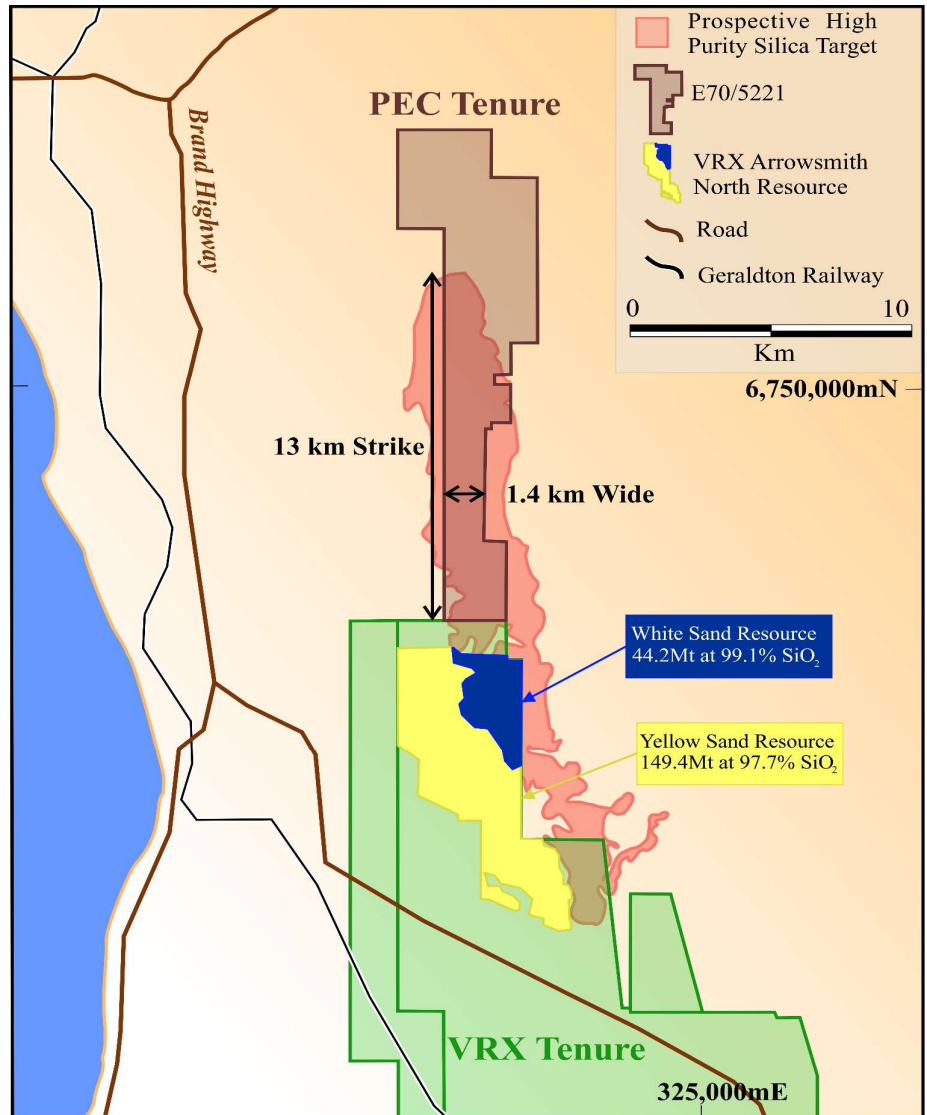
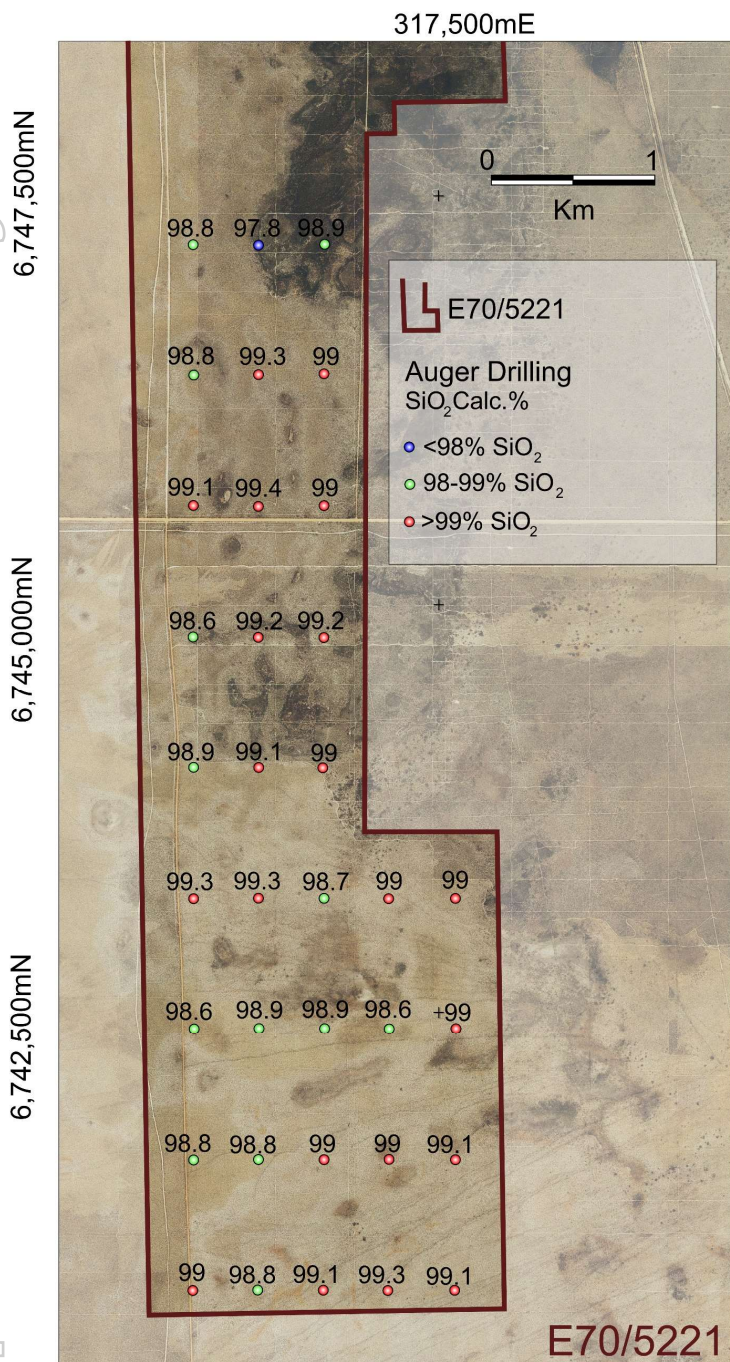


Figure 1: Beharra Tenement

For personal use only



**Figure 2: Auger Drilling Results – 2m intervals, SiO<sub>2</sub> Calc. %**

*Project. The encouraging results returned by auger drilling across a large expanse has provided an increased impetus to rapidly develop the Project. We look forward to commencing the next phase of on ground exploration activities across Beharra.”*

**Perpetual Resources Limited (ASX: PEC, “PEC” or “the Company”)** is pleased to announce that Exploration Licence 70/5221 (“the Licence”) has been granted. This was the final condition precedent with respect to proceeding with acquiring 100% of the Beharra Project. In addition, on the basis of the Licence being granted and four auger drill holes exceeding 99% SiO<sub>2</sub> over 2m (refer to ASX Release “High Grade Silica Assay Results- Beharra Sands Project” 10<sup>th</sup> April 2019), both Class A and Class B Performance Milestones have been achieved.

A program of air core drilling aiming to delineate a maiden silica sands resource across the southern extent of the Beharra Project is in the final stages of being devised. Upon finalising the drilling plan, a program of works to facilitate the permitting of drilling and relevant heritage surveys will be conducted.

PEC’s Managing Director, Rob Benussi commented “*With the grant of the Exploration Licence, PEC is positioned to rapidly explore across the highly prospective Beharra High Purity Silica*

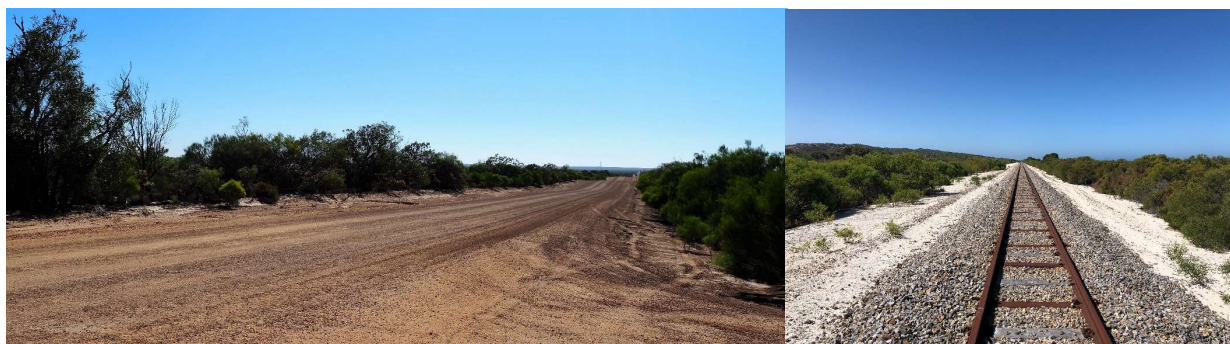
### **Corporate:**

Pursuant to the acquisition announcement “*Perpetual Resources Secures Highly Attractive Option to Acquire Beharra High Grade Silica Sands Project in Western Australia*”, ASX Release, 6<sup>th</sup> February 2019, all conditions precedent relating to the transaction have been met. Following the completion of these conditions, the Board of Perpetual has elected to proceed with the 100% acquisition of the Beharra Project.

The Class A and Class B Performance Milestones of Grant of E70/5221 and delivery of a minimum of four, two-metre composite samples of a minimum 99% SiO<sub>2</sub>, have been achieved. As such 22,500,000 Class A and 37,500,000 Class B Performance Shares have vested respectively. These performance shares are subject to a period of 12 months voluntary escrow from their date of issue.

### **About Beharra Silica Sands Project (100% PEC)**

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 3: Mt Adams Road (Left) & Proximal Rail (Right)**

Rail is 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.

## **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% SiO<sub>2</sub>) uses includes glass making including clear glass. Uses for purity >99.8% includes semi-conductor fillers, LCD screens, and optical glass.

High Purity Quartz (>99.95% SiO<sub>2</sub>) is reserved for solar silicon metal, semiconductors and specialist lamp tubing as well as other high-tech applications. The markets at the high end are small and demand the highest prices ranging from US\$500/t to US\$12,000/t depending on the level of purity.

The Company believes there is potential for the Beharra Project, pending further sampling and testing, to target high purity silica exceeding 99.8% SiO<sub>2</sub>. At these levels of purity, the market is relatively small and typically demands prices in the range of US\$160t-US\$300/t of silica. Some of the main uses for silica of this grade are epoxy moulding compounds (EMC), liquid crystal displays (LCD) and optical glass.

The strategic location of the Project and advantageous existing infrastructure, positions the Project to be able to capitalise upon both local and potentially export markets, pending final product specifications.

**-ENDS-**

**For enquiries regarding this release please contact:**

**Mr George Karafotias**

**Company Secretary**

**Ph +61 421 086 550**

### **References:**

*PEC Secures Option to Acquire Silica Sands Project (ASX Release) 6<sup>th</sup> February 2019*

*Amended Announcement- PEC Commences Work at Beharra (ASX Release) 12<sup>th</sup> February 2019*

*Completion of Field Based Exploration (ASX Release) 1<sup>st</sup> March 2019*

*High Grade Silica Assay Results - Beharra Sands Project (ASX Release) 10<sup>th</sup> April 2019*

### **Competent persons statement**

The information in this announcement that relates to the Exploration Results for the Beharra Project 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 deposit 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.

## Appendix 1: Tenement Schedule

Tenement	Area (Km <sup>2</sup> )	Grant Date
E70/5221	48.55	13 <sup>th</sup> June 2019

For personal use only