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**Perpetual**  
RESOURCES LIMITED

**Perpetual Resources Limited**

**ABN 82 154 516 533**

**Annual Report - 30 June 2020**

**Perpetual Resources Limited**  
**Corporate directory**  
**30 June 2020**

Directors	Mr Julian Babarczy Mr Robert Benussi Mr George Karafotias
Company secretary	Mr George Karafotias
Registered office	Suite 801, Level 8, 84 Pitt Street Sydney, NSW 2000
Share register	Computershare Investor Services Pty Limited Yarra Falls 452 Johnson Street Abbotsford VIC 3067 Phone: 1300 309 739
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Solicitors	K&L Gates Level 25 South Tower 525 Collins Street Melbourne VIC 3000
Bankers	Commonwealth Banking Corporation Limited 499 St Kilda Road Melbourne VIC 3004
Stock exchange listing	Perpetual Resources Limited securities are listed on the Australian Securities Exchange (ASX code: PEC)
Corporate Governance Statement	The 2020 Corporate Governance Statement has been released to ASX on 31 August 2020 and is available on the Company's website at <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
Website	<a href="http://www.perpetualresourceslimited.com.au">www.perpetualresourceslimited.com.au</a>

**Perpetual Resources Limited**  
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**Competent Person Statement**

The information in this report 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.

The information in this report that relates to Exploration Targets and Mineral Resources is based on information compiled by Ms Elizabeth Haren and Dr Andrew Scogings. Ms Haren is Associate Principal Consultant at Snowden Group Mining Industry Consultants, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Dr Scogings is Associate Executive Consultant at Snowden Group Mining Industry Consultants and a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and Registered Professional Geoscientist in the field of Industrial Minerals. Ms Haren and Dr Scogings have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Ms Haren and Dr Scogings consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Perpetual Resources Limited**  
**Chairman's Letter to shareholders**  
**30 June 2020**

Dear Shareholders,

It is my pleasure to present to you the Annual Report of Perpetual Resources Limited ("Perpetual" or the "Company") for the 2020 financial year.

The past year has been an extremely busy one at Perpetual, as we have continued the rapid development of our flagship Beharra silica sands project in Western Australia. We did this, like all companies, against the challenging backdrop of COVID-19, which continues to affect the world despite some easing of conditions here in Australia. I would like to commend all our team for their resilience and hard work through these challenging times as we maintained operational momentum despite the obvious obstacles.

Our notable achievements this year have come from the advancement of Beharra, which remains the Company's primary operational focus given the known quantity and quality of the sand resource. We are also commencing geological reviews of our other potential progress areas although remain cautious about deploying our resources until we have greater certainty that an economic project is likely.

I would like to highlight to you the following key milestones of the past 12 months:

- Completion of a maiden air core drilling program at Beharra, which included 40 holes for 506.7m of drilling (which supported the earlier 38-hole augur program in 2019) and which was announced to the market on 22nd July 2020
- Completion of a maiden Mineral Resource Estimate and an additional Exploration Target at Beharra (prepared by Snowden Mining Industry Consultants Pty Ltd) which was announced to the market on 22nd July 2020
- Finalisation of a capital raising that was strongly supported by existing shareholders and the Board, providing the Company with adequate balance sheet liquidity to maintain our fast pace of development and a cash runway well into 2021

There remains a lot to do across our portfolio in the coming year, but the foundations now appear laid for strong shareholder value creation.

Some of what we expect to be able to report to shareholders in the coming year at our flagship Beharra project include:

- Submission of a Mining License Application
- Completion of a detailed metallurgical program
- Completion of a Pre-Feasibility Study ("PFS")
- Achievement of product marketing validation by way of offtake agreements or LOI's
- Upon delivery of an acceptable PFS, commencement and completion of a Definitive Feasibility Study ("DFS")
- If the DFS outcome warrants, a decision to fund will be rapidly undertaken

We are optimistic about the year ahead for Perpetual, with this optimism grounded in some simple beliefs.

Firstly, we believe our projects are progressing well through the various investment decision "gates" that are required to be passed to prove the economic potential of each project. While no certainty exists, what we have seen to date supports our view that we should have at least one commercial project that we intend to rapidly advance to production.

**Perpetual Resources Limited**  
**Chairman's Letter to shareholders**  
**30 June 2020**

Secondly, we are fortunate to have a very supporting macroeconomic environment for silica sand that is providing a strong tailwind to our efforts. Put simply, sand, the commodity we are looking to sell, is in increasingly short supply. There is a growing chorus of commentary detailing the increasing use of sand for its myriad applications, coinciding with a time when many South-East Asian producing projects are limiting sand mining due to the environmental impacts of the crude mining practices that have been used in the region. This is manifesting itself in rising pricing for the various sand products we will look to sell. A rising commodity price has always been the clearest signal that the supply/demand balance is in favour of raw materials producers.

We firmly believe that Perpetual is developing several projects that could play an important role in servicing the need for this essential commodity that underpins modern life – the humble sand grain.

Thank you for your continuing support as shareholders.

Regards



Julian Babarczy  
Executive Chairman

31 August 2020

**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Perpetual Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2020.

**Directors**

The following persons were directors of Perpetual Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Mr Julian Babarczy (Executive Chairman) (appointed Executive Chairman on 9 April 2020)
- Mr Robert Benussi (Managing Director)
- Mr George Karafotias (Executive Director and Company Secretary) (changing to non-executive on 1 July 2020)

**Principal activities**

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Silica sands exploration of the Beharra Silica Sands Project in Western Australia,
- Silica sands exploration of the Sargon Construction Sands Project in Western Australia, and
- Silica sands exploration of the Eneabba Project in Western Australia.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$640,698 (30 June 2019: \$183,780).

*Financial Position*

The net assets of the consolidated entity increased by \$2,656,794 to \$5,063,169 (30 June 2019: \$2,406,375).

The consolidated entity's working capital, being current assets less current liabilities was \$1,011,148 at 30 June 2020 (2019: \$557,520). During the year the consolidated entity had a negative cash flow from operating activities of \$482,840 and \$322,299 from exploration and evaluation activities (2019: negative \$198,027 from operating activities and negative \$72,128 from exploration and evaluation activities). The consolidated entity has recorded a loss of \$109,555 (2019: gain of \$24,583) from fair value adjustment of unquoted options in Clearvue Technologies Limited (ASX: CPV).

During the financial year, operating expenses increased following an increase in activity. Administrative and corporate expenses were \$541,143 (2019: \$334,857).

**Beharra Silica Sands Project**

The Beharra Silica Sands Project is located 300km north of Perth and is 98km 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, with the Mt Adams unsealed road providing access to the centre of the tenure.

The Beharra Silica Sands Project comprises a single exploration licence application, E70/5221, covering effective land area of 56.8km<sup>2</sup>. Silica sands have an extensive range of uses including lower purity applications such as construction sand, proppant sand used in well fracturing as well as foundry sand. With increasing purity (>99.5% SiO<sub>2</sub>) uses includes glass making applications such as float and plate glass as well as container glass. Uses for purity >99.8% includes semiconductor fillers, LCD screens and optical glass.

**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

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 \$500/t to \$12,000/t depending on the level of purity.

During the year, maiden air core drilling (40 holes, 506.7 metres) was completed at Beharra Silica Sands Project. A maiden JORC resource was announced on 22 July 2020. The resource estimate is 111.3 million tonnes grading 98.6% SiO<sub>2</sub> with a further exploration target of 8-13 million tonnes at 97-99% SiO<sub>2</sub>.

The board is encouraged by these results and further advanced metallurgical work is now underway to further define the upgradability of Beharra silica sands to suit the potential needs of customers.

**Sargon Construction Sands Project**

Sargon Construction Sands Project is about 40km south of Port Geraldton and covers an area of 48km<sup>2</sup>. Sargon Construction Sands Project comprises of Sargon tenement (E70/5227) and Sargon North tenement (E70/5376). Maiden auger drilling of 18 holes were completed and samples were submitted for lab testing.

**Eneabba Project**

Eneabba Project is located directly north of the town Eneabba covers an area of 51km<sup>2</sup>. Eneabba Project comprises of Eneabba tenement (E70/5220) and Eneabba North tenement (E70/5250).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the financial impact to the Company has been minimal up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 22 July 2020, the Company announced Maiden Mineral Resource Estimate of 111.3 million tonnes at 98.6% SiO<sub>2</sub> (inferred category) and a further exploration target of 8 to 13 million tonnes at a grade of 97-99% SiO<sub>2</sub>.

George Karafotias directorship role has changed to non-executive from 1 July 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Likely developments and expected results of operations**

The likely developments in the consolidated entity's operations in future years and the expected result from those operations are dependent on exploration success in the various exploration areas in which the consolidated entity currently holds an interest. The ability of the consolidated entity to fund the ongoing operations also remains a key dependency.

**Environmental regulation**

The consolidated entity holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the consolidated entity has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.



**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

**Information on directors**

Name: Mr Julian Babarczy  
Title: Executive Chairman (appointed Executive Chairman on 9 April 2020)  
Qualifications: CFA, Graduate Diploma in Applied Finance  
Experience and expertise: Mr Babarczy is a successful and experienced finance industry professional, having worked at Regal Funds Management for the past 12 years as a Portfolio Manager for Regal Emerging Companies. Mr Babarczy has extensive experience investing across all areas of the financial markets, with a particular focus on natural resource investments. Mr Babarczy is currently a director of Ioneer Limited.  
Other current directorships: ^ Ioneer Limited (ASX: INR) (Appointed 1 June 2020)  
Former directorships (last 3 years):\* None  
Special responsibilities: None  
Interests in shares: 21,433,295 fully paid ordinary shares (via related entities)  
Interests in performance shares: 10,266,667

Name: Mr Robert Benussi  
Title: Managing Director (appointed Managing Director on 25 February 2019)  
Qualifications: MIPA  
Experience and expertise: Mr Benussi has extensive experience in finance, corporate advisory, stockbroking and business development.  
Other current directorships: ^ None  
Former directorships (last 3 years):\* Silver Heritage Group Limited (ASX: SVH) (resigned 25 October 2018)  
Tawana Resources Limited (ASX: TAW) (resigned December 2018)  
Special responsibilities: None  
Interests in shares: 23,933,334 fully paid ordinary shares (via related entities)  
Interests in performance shares: 7,333,333

Name: Mr George Karafotias  
Title: Executive Director (non-executive director from 1 July 2020), Company Secretary  
Qualifications: B.Comm  
Experience and expertise: Mr Karafotias is an accountant holding a Bachelor of Commerce degree from the University of Adelaide. He also provides corporate advisory services to listed and unlisted companies, focusing on restructuring and refinancing.  
Other current directorships: ^ None  
Former directorships (last 3 years):\* None  
Special responsibilities: None  
Interests in shares: 4,790,000 fully paid ordinary shares  
Interests in performance shares: 4,400,000

^ Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

\*Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board Attended	Held
Mr Julian Babarczy	10	10
Mr Robert Benussi	10	10
Mr George Karafotias	10	10

Held: represents the number of meetings held during the time the director held office.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Relationship between remuneration policy and Company performance
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- achievement of exploration program milestones
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

***Non-executive directors remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. Shareholders approved the maximum amount to be paid to Non-executive Directors to be \$150,000, at the Annual General Meeting of shareholders held on 16 November 2018.

***Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')***

At the 2019 AGM, 99.6% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary & fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Performance shares	
2020	\$	\$	\$	\$	\$	\$	\$	\$
<i>Executive Directors:</i>								
Mr Julian Babarczy *	67,497	-	-	-	-	-	123,200	190,697
Mr Robert Benussi **	99,850	-	-	-	-	90,000	88,000	277,850
Mr George Karafotias ***	39,600	-	-	-	-	-	52,800	92,400
	<u>206,947</u>	-	-	-	-	90,000	264,000	<u>560,947</u>

	Cash salary & fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Performance shares	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>2019</i>								
<i>Executive Directors:</i>								
Mr Robert Benussi	39,600	-	-	-	-	-	-	39,600
Mr George Karafotias	39,600	-	-	-	-	-	-	39,600
<i>Non-Executive Directors:</i>								
Mr Julian Babarczy	39,996	-	-	-	-	-	-	39,996
	<u>119,196</u>	-	-	-	-	-	-	<u>119,196</u>

\* The Company issued 10,266,667 performance shares to Julian Babarczy approved by EGM on 26 May 2020 and \$123,200 was recognised.

\*\* During the 2020 financial year, the Company issued shares to Robert Benussi for outstanding professional fees owed. Total share-based payment expense of \$90,000 was recognised as at 30 June 2020. The Company also issued 7,333,333 performance shares to Mr Benussi approved by EGM on 26 May 2020 and \$88,000 was recognised.

\*\*\* The Company issued 4,400,000 performance shares to George Karafotias approved by EGM on 26 May 2020 and \$52,800 was recognised.

**Service agreements**

There were no service or other terms of employment for key management personnel formalised in service agreements.

**Share-based compensation**

*Issue of shares*

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020 is set out below

Name	Date	Shares	Issue price	\$	Note
Robert Benussi	26/05/2020	6,000,000	0.015	90,000	Settlement of consulting fees

**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

*Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020 and none were held during the year.

*Performance Shares*

Shareholders approved the issue of 22,000,000 Performance Shares to directors on 26 May 2020. The Performance Shares were issued in 4 classes (Class A, B, C & D) of 5,500,000 Performance Shares per class. The details of the Performance Shares are below:

- 5,500,000 Class A Performance Shares will vest and convert Company announcing a JORC Inferred Resource of at least 50mt of white sands (minimum 99%SiO<sub>2</sub>) at Beharra, independently verified by industry expert.
- 5,500,000 Class B Performance Shares will vest and convert on the Board successfully completing a formal study on the Beharra Project at either a Scoping Study or Pre-Feasibility Study level or higher (the "Study"). The Study must have an assessed internal rate of return (IRR) of at least 12% for the Class B Shares to vest.
- 5,500,000 Class C Performance Shares will vest and convert on the Company receiving a Mining License approval on any project within the Company's current or future portfolio.
- 5,500,000 Class D Performance Shares will vest and convert on first trial shipment of silica sand from any project within the Company's current or future portfolio.

The value of the Performance Shares is effectively equal to the share price at approval date (EGM 26 May 2020, \$0.024). The directors have determined the probability of meeting the conditions of Performance Shares is 50% for each class.

The Performance Shares are considered to be non-vesting as directors will still be entitled to the Performance Shares within a year of resignation. When condition is met after one year of resignation by current directors and before expiry date of the Performance Shares, the then board will make a decision on whether the resigned director(s) should be entitled to the Performance Shares. As a result of no-service condition of the Performance Shares, the entire fair value of \$264,000 is brought to account in year ended 30 June 2020.

Name	Issue Date	Performance Shares	Expiry Date	\$
Mr Julian Babarczy	26/05/2020	10,266,667	26/05/2022	123,200
Mr Robert Benussi	26/05/2020	7,333,333	26/05/2022	88,000
Mr George Karafotias	26/05/2020	4,400,000	26/05/2022	52,800

***Relationship between remuneration policy and company performance***

The tables below set out summary information about the Company's earnings and movements in shareholder wealth and key management remuneration for the five years to 30 June 2020.

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Loss before income tax expense	(640,698)	(183,780)	(1,310,010)	(154,999)	(399,138)
Loss after income tax expense	(640,698)	(183,780)	(1,310,010)	(154,999)	(399,138)
Total Key Management Personnel Remuneration	560,947	119,196	227,233	-	-

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at start of the financial year (\$)	0.03	0.02	0.02	0.03	0.06
Share price at end of the financial year (\$)	0.04	0.03	0.02	0.02	0.03
Basic earnings per share (cents per share)	(0.20)	(0.08)	(1.34)	(0.22)	(0.58)
Diluted earnings per share (cents per share)	(0.20)	(0.08)	(1.34)	(0.22)	(0.58)

**Perpetual Resources Limited**  
**Directors' report**  
**30 June 2020**

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Balance at the date of appointment	Additions	Disposals / other	Balance at the end of the year
<i>Ordinary shares</i>						
Mr George Karafotias	4,790,000	-	-	-	-	4,790,000
Mr Julian Babarczy	35,000,000	-	-	21,433,295	(35,000,000)*	21,433,295
Mr Robert Benussi	14,000,000	6,000,000	-	3,933,334	-	23,933,334
	<u>53,790,000</u>	<u>6,000,000</u>	<u>-</u>	<u>25,366,629</u>	<u>(35,000,000)</u>	<u>50,156,629</u>

\*Mr. Babarczy ceased to have a relevant interest in 35,000,000 ordinary shares which were controlled by his previous employer

***This concludes the remuneration report, which has been audited.***

**Shares under option**

There are no ordinary shares of Perpetual Resources Limited under option at the date of this report.

**Performance Shares**

Unissued ordinary shares of Perpetual Resources Limited subject to performance conditions at the date of this report are as follows:

Date of issue	Expiry Date	Exercise price	Number on issue
02/05/2019	02/05/2021	-	100,000,000
26/05/2020	26/05/2022	-	22,000,000

**Shares issued on the exercise of options**

There were 32,500,000 ordinary shares of Perpetual Resources Limited issued on the exercise of options during the year ended 30 June 2020.

**Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Julian Babarczy  
Executive Chairman

31 August 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF PERPETUAL RESOURCES  
LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

*William Buck*

**William Buck Audit (VIC) Pty Ltd**  
ABN 59 116 151 136

*Alan Finnis*

**A. A. Finnis**  
Director

Melbourne, 31 August 2020

**ACCOUNTANTS & ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

**[williambuck.com](http://williambuck.com)**

**Perpetual Resources Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	Note	Consolidated	
		2020 \$	2019 \$
<b>Revenue</b>			
Investment income		-	81,077
Sundry income		10,000	70,000
<b>Expenses</b>			
Administrative and corporate expenses		(541,143)	(334,857)
Loss on fair value of investments		(109,555)	-
<b>Loss before income tax expense</b>		(640,698)	(183,780)
Income tax expense		-	-
<b>Loss after income tax expense for the year attributable to the owners of Perpetual Resources Limited</b>		(640,698)	(183,780)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Perpetual Resources Limited</b>		(640,698)	(183,780)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	19	(0.20)	(0.08)
Diluted loss per share	19	(0.20)	(0.08)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Perpetual Resources Limited**  
**Statement of financial position**  
**As at 30 June 2020**

	Note	Consolidated 2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,089,089	494,255
Trade and other receivables		70,979	3,136
Financial assets at fair value through profit or loss		37,290	146,845
<b>Total current assets</b>		<u>1,197,358</u>	<u>644,236</u>
<b>Non-current assets</b>			
Exploration and evaluation	6	<u>4,052,021</u>	<u>1,848,855</u>
<b>Total non-current assets</b>		<u>4,052,021</u>	<u>1,848,855</u>
<b>Total assets</b>		<u>5,249,379</u>	<u>2,493,091</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	<u>186,210</u>	<u>86,716</u>
<b>Total current liabilities</b>		<u>186,210</u>	<u>86,716</u>
<b>Total liabilities</b>		<u>186,210</u>	<u>86,716</u>
<b>Net assets</b>		<u>5,063,169</u>	<u>2,406,375</u>
<b>Equity</b>			
Issued capital	8	11,055,345	9,572,399
Performance shares reserve	9	2,041,273	246,727
Option reserve	9	20,000	-
Accumulated losses		<u>(8,053,449)</u>	<u>(7,412,751)</u>
<b>Total equity</b>		<u>5,063,169</u>	<u>2,406,375</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Perpetual Resources Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	Issued capital	Performance shares reserve	Accumulated losses	Total equity
<b>Consolidated</b>	\$	\$	\$	\$
Balance at 1 July 2018	8,074,766	-	(7,228,971)	845,795
Loss after income tax expense for the year	-	-	(183,780)	(183,780)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(183,780)	(183,780)
Issue of shares to acquire exploration tenement	150,000	-	-	150,000
Issue of performance shares to acquire exploration tenement	1,380,000	246,727	-	1,626,727
Share buy back	(32,367)	-	-	(32,367)
Balance at 30 June 2019	9,572,399	246,727	(7,412,751)	2,406,375

	Issued capital	Performance shares reserve	Option reserve	Accumulated losses	Total equity
<b>Consolidated</b>	\$	\$	\$	\$	\$
Balance at 1 July 2019	9,572,399	246,727	-	(7,412,751)	2,406,375
Loss after income tax expense for the year	-	-	-	(640,698)	(640,698)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(640,698)	(640,698)
Issue of options to company adviser	-	-	20,000	-	20,000
Issue of director's performance shares	-	264,000	-	-	264,000
Issue of performance shares to purchase tenements	-	1,530,546	-	-	1,530,546
Issue of shares to acquire exploration tenement	19,960	-	-	-	19,960
Issue of shares in lieu of payment for directors and professional fees	90,000	-	-	-	90,000
Issue of shares for conversion of options	650,000	-	-	-	650,000
Issue of shares for share placement	553,516	-	-	-	553,516
Issue of shares for share placement by directors	220,000	-	-	-	220,000
Cost of capital raising	(50,530)	-	-	-	(50,530)
Balance at 30 June 2020	11,055,345	2,041,273	20,000	(8,053,449)	5,063,169

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Perpetual Resources Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	Note	2020 \$	Consolidated 2019 \$
<b>Cash flows from operating activities</b>			
Other receipts		10,000	70,000
Payments to suppliers and employees (inclusive of GST)		<u>(419,492)</u>	<u>(268,027)</u>
Net cash used in operating activities	18	<u>(409,492)</u>	<u>(198,027)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		-	(125,000)
Payments for exploration and evaluation	6	(388,659)	(72,128)
Proceeds from disposal of investments		<u>-</u>	<u>184,827</u>
Net cash used in investing activities		<u>(388,659)</u>	<u>(12,301)</u>
<b>Cash flows from financing activities</b>			
Proceeds from share placement	8	773,515	-
Payments for share buy back		-	(32,367)
Proceeds from conversion of options	8	650,000	-
Share issue transaction costs for prior period	8	<u>(30,530)</u>	<u>(60,500)</u>
Net cash from/(used in) financing activities		<u>1,392,985</u>	<u>(92,867)</u>
Net increase/(decrease) in cash and cash equivalents		594,834	(303,195)
Cash and cash equivalents at the beginning of the financial year		<u>494,255</u>	<u>797,450</u>
Cash and cash equivalents at the end of the financial year		<u><u>1,089,089</u></u>	<u><u>494,255</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. General information**

The financial statements cover Perpetual Resources Limited as a consolidated entity consisting of Perpetual Resources Limited and the entity it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Perpetual Resources Limited and its subsidiary's functional and presentation currency.

Perpetual Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Perpetual Resources Limited  
Suite 801, Level 8,  
84 Pitt Street,  
Sydney NSW 2000

The Company is a for profit entity.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2020. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period in particular AASB 16. There has not been any impact with the adoption of these new Accounting Standards and Interpretations.

**Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention applying the going concern basis of accounting, except for financial assets at fair value through profit or loss.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 15.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Perpetual Resources Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Perpetual Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

**Note 2. Significant accounting policies (continued)**

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

**Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Investments and non-financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**Fair value measurement**

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 2. Significant accounting policies (continued)**

*Performance Shares Reserve*

Performance Shares are recorded in the financial statements based on the probability of the performance conditions being achieved during the relevant financial period. Once the performance criteria have been achieved, the amount recorded is transferred to issued capital.

**Loss per share**

*Basic loss per share*

Basic loss per share is calculated by dividing the profit attributable to the owners of Perpetual Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted loss per share*

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of exploration and development activities, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

*Recovery of royalties*

Royalties are not recognised in the financial results of the consolidated entity until such time as future probable income is identified and the relevant amount of royalties receivable are known. Given that the consolidated entity has yet to commence any mining operations, this amount cannot be reliably measured.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

During the financial year, the consolidated entity did not recognise any impairment of exploration and evaluation assets (2019: impairment of \$0) following a review of the recoverable amount in future periods.

*Financial assets at fair value through profit or loss*

As at 30 June 2020, the consolidated entity holds 1,500,000 options in Clearvue Technologies Limited (ASX: CPV). These options have a strike price of 25 cents and expire on 21 June 2021.

The significant judgments made by the consolidated entity in recording these options as financial assets held at fair value through the profit or loss include the following, as used in the Black-Scholes option pricing model:

- A spot price of 14.5 cents as at 30 June 2020, as referable to the traded share price of Clearvue Technologies Limited;
- A volatility of 109%;
- A risk-free rate of 0.258%;
- An expected exercise date coinciding with the maturity of the options (as the options were out-of-the-money as at 30 June 2020); and a marketability discount of 10%.

*Options issued*

The Company issued 2,500,000 options with a strike price of 2 cents expiring 8 April 2022 to agents as incentive of capital raising work.

The significant judgments made by the consolidated entity in recording these options as expense at fair value through the profit or loss include the following, as used in the Black-Scholes option pricing model:

- A spot price of 2 cents as at 9 April 2020, as referable to the traded share price of the Company;
- A volatility of 89%;
- A risk-free rate of 0.213%;
- An expected exercise date coinciding with the maturity of the options and a marketability discount of 10%;
- Fair value of the options issued is \$20,000.

*Performance Shares Reserve*

The Company issued Performance Shares to the Vendors of the Beherra Sands project in 2019 financial year. The Performance Shares were issued in 3 classes being Class A, B and C. The performance obligations for both Class A and B Performance Shares were achieved last financial year and the value of these shares were recorded against issued capital. The Directors have assessed the probability of the Class C Performance Shares performance criteria being achieved as 100%. The value of the Performance Shares has been recorded in a Performance Shares Reserve in the current financial and will be recognised over the period of the vesting condition. The total value of the Class C Performance Shares is \$2,300,000 and \$1,530,546 (2019: \$246,727) has been accounted for during the period to 30 June 2020.

The Company has also issued Director's Performance Shares during the year. Approval of Director's Performance Shares were done through EGM held on 26 May 2020. The Performance Shares were issued in 4 classes being Class A, B, C and D. The Performance Shares are considered non-vesting and the entire fair value of \$264,000 (2019: \$0) has been accounted for during the period to 30 June 2020.

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 4. Operating segments**

*Identification of reportable operating segments*

The consolidated entity does not have any reportable operating segments as it solely operates in one segment, being the exploration of resources within the Oceania region. The internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining allocation of resources are prepared on the consolidated entity as a whole.

**Note 5. Income tax expense**

Tax losses have not been brought to account as utilisation of these losses is not probable. Income tax losses can only be recovered by the Company deriving future assessable income, conditions for deductibility imposed by law being complied with and no charged in tax legislation adversely affecting the realisation of the benefit from the deductions. Therefore, carry forward losses may not be available to offset future assessable income.

As at 30 June 2020 the consolidated entity had accumulated losses of \$8,053,449 (2019: \$7,412,751), as set out in the statement of financial position that may be applied in its calculation of carry-forward tax losses that may be potentially be offset against future assessable income. It is noted that not all amounts in accumulated losses would be included in carry-forward tax losses which may or may not be available to offset against assessable income which may arise in the future.

**Note 6. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation – Beharra, Sargon & Eneabba Projects	<u>4,052,021</u>	<u>1,848,855</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Beharra High Purity Silica Project (Western Australia)	Sargon Construction Sand Project (Western Australia)	Eneabba Project (Western Australia)	Total
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 30 June 2018	-	-	-	-
Issue of shares to acquire the assets	150,000	-	-	150,000
Issue of performance shares to acquire the assets	1,626,727	-	-	1,626,727
Expenditure during the year	<u>72,128</u>	<u>-</u>	<u>-</u>	<u>72,128</u>
Balance at 30 June 2019	1,848,855	-	-	1,848,855
Issue of shares to acquire the assets	-	9,980	9,980	19,960
Vesting of performance shares to acquire the assets	1,794,546	-	-	1,794,546
Payment for tenements	-	792	13,173	13,964
Expenditure during the year	<u>367,800</u>	<u>4,312</u>	<u>2,583</u>	<u>374,695</u>
Balance at 30 June 2020	<u>4,011,201</u>	<u>15,084</u>	<u>25,736</u>	<u>4,052,021</u>



**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 6. Non-current assets - exploration and evaluation (continued)**

Beharra High Purity Silica Project

The consolidated entity acquired 100% of Beharra High Purity Silica Project in June 2019 upon receiving the Exploration Licence 70/5221.

Sargon Construction Sand Project

The consolidated entity acquired 100% of Sargon Construction Sand Project in financial year 2020 upon receiving the Exploration Licence 70/5227 & 70/5376.

Eneabba Project

The consolidated entity acquired 100% of Eneabba Project in financial year 2020 upon receiving the Exploration Licence 70/5220 & 70/5250.

Performance Shares

Vesting conditions of Vendor Performance Shares Class A & B were met on 17 June 2019 and 60,000,000 new ordinary shares were issued on 8 July 2019.

Director's Performance Shares issued on 28 May 2020 has non-vesting conditions and as such full fair value was capitalised in the current period as a result of all performance conditions being related to exploration and evaluation work.

**Note 7. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
Trade payables	119,832	17,838
Other payables	66,378	68,878
	<u>186,210</u>	<u>86,716</u>

Refer to note 10 for further information on financial instruments.

**Note 8. Equity - issued capital**

	<b>Consolidated</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>398,653,403</u>	<u>247,920,394</u>	<u>11,055,345</u>	<u>9,572,399</u>

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	30-Jun-18	240,078,076		8,074,766
Share buy back	3-Sep-18	(2,157,682)	\$0.015	(32,367)
issue of shares to secure the option to acquire the Beharra High Purity Silica Project	6-Feb-19	10,000,000	\$0.015	150,000
Issue of shares following satisfaction of performance criteria of performance shares		-	-	1,380,000
Balance	30-Jun-19	247,920,394		9,572,399

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 8. Equity - issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Issue of shares following satisfaction of performance criteria of performance shares	8-Jul-19	60,000,000	\$0.023	-
Issue of shares to purchase Eneabba and Sargon projects	8-Jul-19	665,333	\$0.030	19,960
Issue of shares from conversion of options	8-Nov-19	8,750,000	\$0.020	175,000
Issue of shares from conversion of options	21-Nov-19	625,000	\$0.020	12,500
Issue of shares for share placement	8-Apr-20	36,901,009	\$0.015	553,516
Issue of shares from conversion of options	27-May-20	7,750,000	\$0.020	155,000
Issue of shares in lieu of directors and professional fees	28-May-20	6,000,000	\$0.015	90,000
Issue of shares to placement by directors	28-May-20	14,666,667	\$0.015	220,000
Issue of shares from conversion of options	5-Jun-20	15,375,000	\$0.020	307,500
Capital raising cost	30-Jun-20	-	-	(50,530)
Balance	30-Jun-20	<u>398,653,403</u>		<u>11,055,345</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. For the year ended 30 June 2020 this was focused on attracting sufficient funds, in order to fund appropriate levels of working capital necessary for ongoing operations. The consolidated entity has an ASX-imposed restriction of 15% of total share capital p.a. on the amount of share capital it can issue under a placement, which may be increased by a further 10% under a special resolution put to shareholders at its general meetings.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

**Note 9. Equity – Options and performance shares reserve**

	Consolidated	
	2020	2019
	\$	\$
Performance shares reserve	<u>2,041,273</u>	<u>246,727</u>

**Note 9. Equity – Options and performance shares reserve (continued)**

*Performance shares reserve*

On 2 May 2019, the Company issued 160,000,000 Performance Shares (in 3 classes) to Vendors of Beharra Sands project

- 22,500,000 Class A Performance Shares to vest and convert of the date on which the Tenement is granted, expiring 8 months from the issue date
- 37,500,000 Class B Performance Shares to vest and convert upon the date on which the Company derives a minimum of for two-metre composite samples (with a maximum sample interval of one metre), with each sample reporting a minimum of 99%SiO<sub>2</sub> (on a length weighted average basis), from the drilling of a minimum of four vertical drill holes on the Tenement, expiring 12 months from the issue date;
- 100,000,000 Class C Performance Shares to vest and convert on the Company announcing a JORC inferred resource of 50 mt of white sands (minimum 99%SiO<sub>2</sub>) on the Tenement or first shipment of a minimum of 20,000t of white sands (minimum 99% SiO<sub>2</sub>), expiring 24 months from the issue date.

The value of the Performance Shares is effectively equal to the share price at grant date (2 May 2019, \$0.023) because the vesting conditions are non-market based. Class A and Class B Performance Shares were vested on 17 June 2019.

The Directors have assessed the probability of the Class C Performance Shares performance criteria being achieved as 100%. The value of the Performance Shares has been recorded in a Performance Shares Reserve in the current financial and will be recognised over the period of the vesting condition. The total value of the Class C Performance Shares is \$2,300,000 and \$1,530,546 has been accounted for during the period to 30 June 2020.

*Directors performance shares reserve*

On 28 May 2020, the Company issued 22,000,000 director's Performance Shares (in 4 classes) approved at EGM held on the 26 May 2020. The Performance Shares will expire 24 months from shareholder approval.

- 5,500,000 Class A Performance Shares will vest and convert Company announcing a JORC Inferred Resource of at least 50mt of white sands (minimum 99%SiO<sub>2</sub>) at Beharra, independently verified by industry expert.
- 5,500,000 Class B Performance Shares will vest and convert on the Board successfully completing a formal study on the Beharra Project at either a Scoping Study or Pre-Feasibility Study level or higher (the "Study"). The Study must have an assessed internal rate of return (IRR) of at least 12% for the Class B Shares to vest.
- 5,500,000 Class C Performance Shares will vest and convert on the Company receiving a Mining License approval on any project within the Company's current or future portfolio.
- 5,500,000 Class D Performance Shares will vest and convert on first trial shipment of silica sand from any project within the Company's current or future portfolio.

The value of the Performance Shares is effectively equal to the share price at approval date (EGM 26 May 2020, \$0.024). The directors have determined the probability of meeting the conditions of Performance Shares is 50% for each class.

The Performance Shares are considered to be non-vesting as directors will still be entitled to the Performance Shares within a year of resignation. When condition is met after one year of resignation by current directors and before expiry date of the Performance Shares, the then board will make a decision on whether the resigned director(s) should be entitled to the Performance Shares. As a result of no-service condition of the Performance Shares, the entire fair value of \$264,000 is brought to account in year ended 30 June 2020.

**Note 9. Equity – Options and performance shares reserve (continued)**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Option reserve	20,000	-

*Promoter's options*

The Company issued 2,500,000 options with a strike price of 2 cents expiring 8 April 2022 to agents as incentive of capital raising work.

**Note 10. Financial instruments**

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks with the only significant risk it is exposed to being liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board') who are responsible for monitoring and managing financial risk exposures.

***Credit risk***

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

***Liquidity risk***

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available convertible note facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and managing repayments of convertible notes by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Remaining contractual maturities***

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 10. Financial Instruments (continued)**

<b>Consolidated - 2020</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables and other payables	-	186,210	-	-	-	186,210
Total non-derivatives		186,210	-	-	-	186,210

<b>Consolidated - 2019</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables and other payables	-	86,716	-	-	-	86,716
Total non-derivatives		86,716	-	-	-	86,716

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 11. Fair value measurement**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2020</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Unquoted options	37,290	-	-	37,290
Total assets	37,290	-	-	37,290

<b>Consolidated - 2019</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Ordinary shares	146,845	-	-	146,845
Total assets	146,845	-	-	146,845

There were no transfers between levels during the financial year.

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 12. Key management personnel disclosures**

*Directors*

The following persons were directors of Perpetual Resources Limited during the financial year:

Mr Julian Babarczy	Executive Chairman (appointed 9 April 2020)
Mr Robert Benussi	Managing Director (appointed Managing Director on 25 February 2019)
Mr George Karafotias	Executive Director and Company Secretary (becoming non-executive on 1 July 2020)

*Compensation*

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	206,947	119,196
Share-based payments	90,000	-
Performance share-based payments	264,000	-
	<u>560,947</u>	<u>119,196</u>

**Note 13. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	<u>26,500</u>	<u>24,000</u>

**Note 14. Related party transactions**

*Parent entity*

Perpetual Resources Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 16.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the directors' report.

*Other transactions with related parties of key management personnel*

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Issue of shares by placement to directors	220,000	-
Share based payments to directors in lieu of services	90,000	-

**Note 14. Related party transactions (continued)**

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 15. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(539,638)	(298,811)
Total comprehensive income/(loss)	(539,638)	(298,811)

*Statement of financial position*

	<b>Parent</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Total current assets	1,067,630	443,599
Total assets	6,385,527	3,444,415
Total current liabilities	(134,832)	(35,338)
Total liabilities	(134,832)	(35,338)
Equity		
Issued capital	11,055,345	9,572,399
Performance shares reserve	2,041,273	246,727
Option reserve	20,000	-
Accumulated losses	(6,865,923)	(6,410,049)
Total equity	<u>6,250,695</u>	<u>3,409,077</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 (2019: Nil).

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 16. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
Neo Resources Limited	Australia	100%	100%

**Note 17. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the financial impact to the Company has been minimal up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continually evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 22 July 2020, the Company announced Maiden Mineral Resource Estimate of 111.3 million tonnes at 98.6% SiO<sub>2</sub> (inferred category) and a further exploration target of 8 to 13 million tonnes at a grade of 97-99% SiO<sub>2</sub>.

George Karafotias directorship role has changed to non-executive from 1 July 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated	
	2020 \$	2019 \$
Loss after income tax expense for the year	(640,698)	(183,780)
Adjustments for:		
Professional fees settled in shares	90,000	-
Net gain on disposal of investments	-	(59,827)
Net fair value loss on financial assets	109,555	(24,583)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(67,843)	29,169
Increase/(decrease) in trade and other payables	99,494	40,994
Net cash used in operating activities	<u>(409,492)</u>	<u>(198,027)</u>



**Perpetual Resources Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 19. Loss per share**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Perpetual Resources Limited	<u>(640,698)</u>	<u>(183,780)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>325,470,662</u>	<u>97,457,413</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>325,470,662</u>	<u>97,457,413</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.20)	(0.08)
Diluted loss per share	(0.20)	(0.08)

**Note 20. Commitments**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration commitments	<u>100,000</u>	<u>20,000</u>

**Perpetual Resources Limited**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Julian Babarczy  
Executive Chairman

31 August 2020

# Perpetual Resources Limited

Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Perpetual Resources Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. The matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

ACQUISITION OF EXPLORATION AND EVALUATION ASSETS	
Area of focus Refer also to Notes 2, 6, 8 and 9	How our audit addressed it
<p>The Group has incurred exploration and evaluation costs for exploration projects in Australia over a number of years.</p> <p>There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable.</p> <p>During the year no impairment charge was recognised in relation to exploration expenditure.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>— Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's renewal in that area of interest at its expiry;</li> <li>— Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan;</li> <li>— Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest;</li> <li>— Verifying the vesting charge capitalised in respect of performance shares issued to the Beharra Sands Vendors; and</li> <li>— From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment.</li> </ul> <p>We also assessed the adequacy of the Group's disclosures in the financial report.</p>

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ISSUE OF PERFORMANCE SHARES TO KEY MANAGEMENT PERSONNEL	
Area of focus	How our audit addressed it
<p><b>Refer also to Notes 2, 9, 12 and the Remuneration Report</b></p> <p>During the year the Group has issued performance shares to the Directors.</p> <p>These performance shares include a number of non-vesting conditions tied to a variety of exploration and evaluation and mining activity milestones.</p> <p>The valuation of such performance shares requires significant judgement and expertise, particularly in determining the likelihood of the non-vesting conditions occurring.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Agreeing the material terms and conditions of each share-based payment arrangement to plan documentation;</li> <li>— Examining the share-based payment arrangements to determine the appropriateness of identifying each share-based payment arrangement and agreeing the grant date;</li> <li>— Assessing the inputs in the calculation of share-based payment arrangements;</li> <li>— Assessing the reasonableness of non-vesting conditions, including achieving the exploration and evaluation and mining targets; and</li> <li>— Reviewing the appropriateness of the disclosure impact of the share-based payment arrangements, particularly for their impact in the Remuneration Report for plan recipients which form part of key management personnel.</li> </ul> <p>We also assessed the adequacy of the Group's disclosures in the financial report.</p>

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Perpetual Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136

*A. A. Finnis*

**A. A. Finnis**

Director

Melbourne, 31 August 2020

**Perpetual Resources Limited**  
**Shareholder information**  
**30 June 2020**

The shareholder information set out below was applicable as at 30 June 2020.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Percentage of Issued Capital %
1 to 1,000	60	-
1,001 to 5,000	36	-
5,001 to 10,000	15	-
10,001 to 100,000	125	1.49
100,001 and over	150	98.49
	<u>386</u>	<u>100</u>
Holding less than a marketable parcel	<u>115</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 a/c>	40,379,218	10.13
Regional Management Pty Ltd <MVC a/c>	29,065,767	7.29
HSBC Custody Nominees (Australia) limited	21,451,795	5.38
Mr Peter Romeo Gianni	20,221,778	5.07
Robert Andrew Jewson	20,221,777	5.07
Kitara Investments Pty Ltd <Kumova family a/c>	20,000,000	5.02
Intrepid Concepts Pty Ltd	16,250,000	4.08
No Bull Health Pty Ltd	14,147,738	3.55
Mr James David William Taylor	12,500,000	3.14
Mr James David William Taylor + Mrs Erin Ann Taylor <Taylor Super Fund a/c>	12,500,000	3.14
Marjack Holdings Pty Ltd <Carolan 2013 a/c>	9,400,000	2.36
Ms Helen Yu	9,000,000	2.26
Blue Mountain Investments Ltd	8,000,000	2.01
Benussi Rovigno Pty Ltd <Benussi SF a/c>	7,683,334	1.93
BCPC Pty Ltd	7,500,000	1.88
Ms Margaret Ann Hastings	6,361,641	1.60
Colin Ross Hastings	6,111,642	1.53
Kitara Investments Pty Ltd	5,555,111	1.39
Mr Robert Andrew Jewson	5,333,333	1.34
Brumby Capital Pty Ltd	5,094,314	1.28
	<u>276,777,448</u>	<u>69.43</u>



**Perpetual Resources Limited**  
**Shareholder information**  
**30 June 2020**

*Unquoted equity securities*

	<b>Number on issue</b>
Director Performance Shares – Class A	5,500,000
Director Performance Shares – Class B	5,500,000
Director Performance Shares – Class C	5,500,000
Director Performance Shares – Class D	5,500,000
Vendor Performance Shares – Class C	100,000,000

**Substantial holders**

Substantial holders in the Company are set out below:

	<b>Number held</b>	<b>Ordinary shares % of total shares issued</b>
CS Third Nominees Pty Limited <HSBC Cust Nom Au Ltd 13 a/c>		
Regional Management Pty Ltd <MVC a/c>	29,065,767	7.29
Robert Andrew Jewson	25,555,110	6.41
Mr James David William Taylor	25,000,000	6.27
Mr Robert Benussi	23,933,334	6.00
HSBC Custody Nominees (Australia) limited	21,451,795	5.38
Mr Peter Romeo Gianni	20,221,778	5.07
Kitara Investments Pty Ltd <Kumova family a/c>	20,000,000	5.02

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**Securities subject to voluntary escrow**

<b>Class</b>	<b>Expiry date</b>	<b>Number of shares</b>
Fully paid ordinary shares	5 July 2020	60,000,000

**Tenements**

<b>Description</b>	<b>Tenement number</b>	<b>Interest owned %</b>
Exploration Licence – WA	E70/5221	100.00
Exploration Licence – WA	E70/5220	100.00
Exploration Licence – WA	E70/5227	100.00
Exploration Licence – WA	E70/5376	100.00
Exploration Licence – WA	E70/5250	100.00