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Perpetual
RESOURCES LIMITED

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2022

CORPORATE DIRECTORY

Perpetual Resources Ltd

ABN 82 154 516 533

Directors

Mr Julian Babarczy
Mr Robert Benussi
Mr Brett Grosvenor

Company Secretary

Mr Nicholas Katris

Registered Office

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Subiaco WA 6008

Share Register

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Yarra Falls
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Abbotsford VIC 3067
Phone: 1300 309 739

Auditor

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Melbourne, VIC, 3000

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Bankers

National Australia Bank
239 Murray Street
Perth WA 6000

Stock Exchange Listing

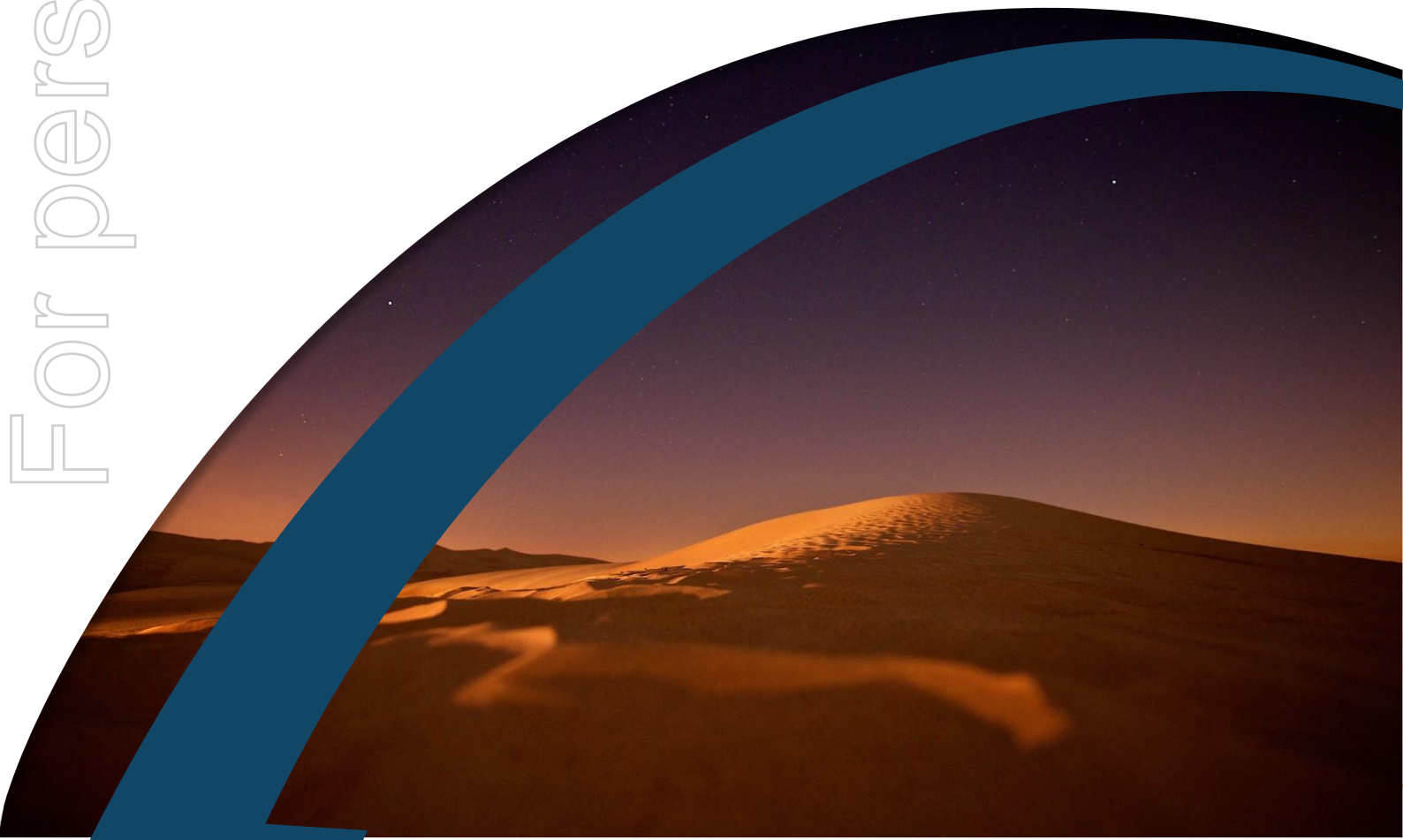
Perpetual Resources Limited securities are listed on the Australian Securities Exchange (ASX code: PEC)

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IMPORTANT NOTICES

Disclaimer

This report has been prepared by the Company based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this half year report, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this half year report. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this half year report including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this half year report, its accuracy, completeness, currency or reliability. This half year report is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This half year report does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

JORC Compliance Statement

This report contains references to Mineral Resources and Ore Reserves estimates which have been extracted from the Company's Announcements. For full details of Exploration Results in this half-year report that have been previously announced, refer to the Company's said announcement or release on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in the said announcements, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

Forward-looking statements

Certain statements contained in this report may be 'forward-looking' and may include, amongst other things, statements regarding production targets, economic analysis, resource trends, pricing, recovery costs, and capital expenditure. These 'forward-looking' statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Perpetual Resources Limited, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as 'believe', 'expect', 'anticipate', 'indicate', 'target', 'plan', 'intends', 'budget', 'estimate', 'may', 'will', 'schedule' and others of similar nature.

Perpetual Resources Limited does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements as they are not a guarantee of future performance.

DIRECTORS' REPORT

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 'Perpetual') and the entity it controlled at the end of, or during, the half-year ended 31 December 2022.

The information in this report should be read in conjunction with the most recent annual financial report, being the report for the year ended 30 June 2022.

DIRECTORS

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

Mr Julian Babarczy (Executive Chairman)

Mr Robert Benussi (Executive Director)

Mr Brett Grosvenor (Non-executive Director)

PRINCIPAL ACTIVITIES

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration for silica sands at the Company's following exploration areas of interest located in Western Australia.

Beharra Silica Sands Project and surrounding tenements in Western Australia,

Sargon Project in Western Australia, and

Eneabba Project in Western Australia.

DIVIDENDS

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

FINANCIAL PERFORMANCE & POSITION

The loss for the consolidated entity after providing for income tax amounted to \$333,670 (31 December 2021: loss \$673,964).

The net assets of the consolidated entity increased during the half-year period by \$1,165,020 to \$9,414,815 (30 June 2022: \$8,249,795).

The consolidated entity's working capital, being current assets less current liabilities was \$1,859,387 at 31 December 2022 (30 June 2022: \$905,148).

REVIEW OF OPERATIONS

During the half-year period, Perpetual continued its exploration, development and market entry activities at the Company's flagship asset, the Beharra Project (Beharra) located in a tier 1 region in Western Australia, which covers approx. 49 square kilometres.

Beharra Project

Beharra is a high purity silica sand project, aiming to produce low impurity silica sand for the Asian high end glass markets. Extensive work has been undertaken and remains ongoing to prepare the project for advancement.

Key milestones achieved to date include:

- Maiden Mineral Resource Estimate delivered mid 2020 (see ASX release 22nd August 2020)
- Pre-Feasibility Study delivered in 1Q 2021 (see ASX release 17th March 2021)
- Maiden Mineral Reserve Estimate delivered 1Q 2021 (see ASX release 17th March 2021)
- Water Licence secured in collaboration with traditional landowners and the WA Government in November 2021 (see ASX release 8th November 2021).
- Ongoing metallurgical test work that has shown a material reduction in key impurities for Beharra end product (see ASX release 15th August 2022)
- Updated Beharra Mineral Resource Estimate (see ASX release 15th December 2022).

KEY ACTIVITIES DURING THE HALF YEAR ENDING 31 DECEMBER 2022

Further metallurgical test work confirms reduction in key impurities

In August, Perpetual announced the finalisation of the white sand sub-domain testing program at Beharra. These results have confirmed Beharra as the lowest known Fe₂O₃ silica sand deposit in the Mid West region of Western Australia.

Individual bulk samples of the various sub domains at Beharra were tested, with results confirm that ore-body chemical zonation has an impact on final product specifications and allow potential for selective processing of white sand horizons to match end user specifications.

Sub Domain	SiO ₂ %	Fe ₂ O ₃ ppm	Al ₂ O ₃ ppm	TiO ₂ ppm	Yield %
Upper White Fine	99.7	195	1270	380	56.2
Upper White Coarse	99.8	165	1085	325	13.7
Upper White Consolidated	99.7	189	1234	369	69.9
Lower White Fine	99.6	180	2355	310	60.0
Lower White Coarse	99.7	155	1730	275	8.4
Lower White Consolidated	99.6	177	2278	306	68.4
Grey Above Fine	98.9	365	5875	325	51.9
Grey Above Coarse	99.4	165	2940	230	8.7
Grey Above Consolidated	99.0	336	5453	311	60.6
Grey Below Fine	98.9	210	6105	265	56.5
Grey Below Coarse	99.3	365	3840	270	10.8
Grey Below Consolidated	98.9	235	5743	266	67.3
Yellow Fine	99.5	565	2165	415	61.2
Yellow Coarse	99.6	465	1850	350	7.0
Yellow Consolidated	99.5	555	2133	408	68.2

Figure 1 - Results for all sub domains at Beharra from recent test work (Fine product 150µm to 500µm, Coarse product 350µm to 800µm)

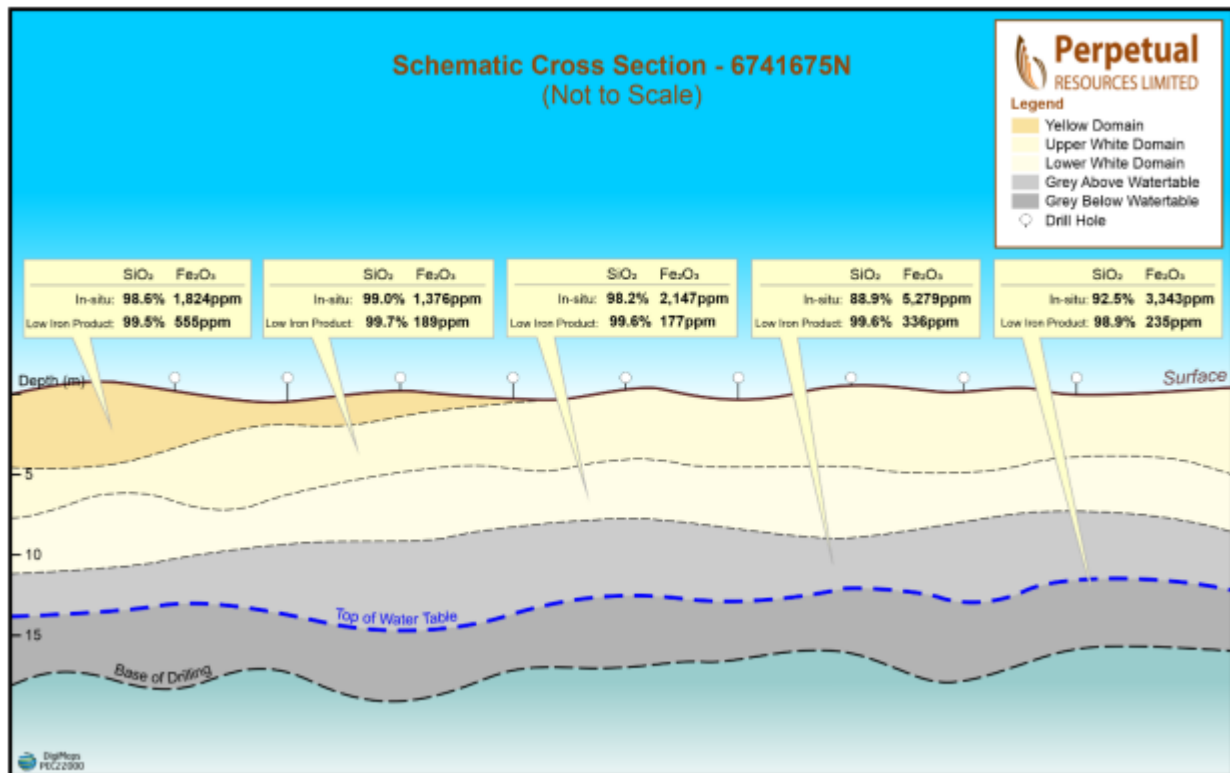


Figure 2 - Schematic Beharra Cross Section showing interpreted domains within the Beharra white sand sequence and received final product results

The aim of the sub domain testing program was to identify the horizons within the Beharra white sand orebody that may present the ability for preferential mining and treatment to optimise the end product quality at Beharra, when reviewing the orebody from a “low iron” end product potential.

What is clear from the results is that the Upper and Lower White sub domains produce a materially lower end product impurity profile (higher end product quality), when optimised for a low iron end product focus. The resultant SiO₂ and Fe₂O₃ content that can be achieved in the final product specifications position Beharra squarely in the high growth clear glass markets in Asia, which are among the fastest growing of all silica sand markets in the region. The outcome of this round of testing provides further insights that additional reductions in iron-oxide levels may be possible, with programs of analysis underway. Notwithstanding the outcome of these ongoing efforts, with further processing and refinement, potential exists for the Upper and Lower sub domains to produce silica sand suitable for the PV-solar cell glass coverings market.

The location of the Upper and Lower White sub domains, being the highest quality and also among the shallowest horizons of the Beharra orebody, has clear positive implications for the economic development of the Beharra orebody.

Updated Mineral resource Estimate at Beharra – 137.8Mt at 98.6% SiO₂

In December, Perpetual announce the results of an updated Mineral Resource Estimate (Updated MRE) for the Company’s flagship Beharra high grade silica sand project in Western Australia.

The Updated MRE was prepared by Snowden Optiro (Snowden). Perpetual has previously released a maiden MRE (please see ASX announcement dated 22nd July 2020), as well as an upgraded MRE (please see ASX announcement dated 9th March 2021), both of which were also undertaken by Snowden.

The updated MRE includes a significant resource classification within the Measured category (previous MRE’s achieved Indicated category only) and covers the high quality Upper and Lower white sub-domains. The Upper and Lower white horizons contain the highest silica and lowest end product impurity profile within the Beharra orebody, with the Updated MRE now specifically covering these high-quality horizons, which will be the focus of future development efforts for the Beharra Project. Further confirming the quality of the

Updated MRE is that the entire 137.8 million tonne MRE has been defined above the water table at Beharra, which provides a true reflection of the mineable area of the deposit. Targeting these high-grade areas will not only ensure the highest quality end product is available to Beharra's eventual customers but will also simplify the mining process as well as removing any environmental concerns that may be associated with a development scenario which interferes with the natural ground water level in mining affected areas.

Class	Sand	Volume (Mm ³)	Density	Tonnes (Mt)	SiO ₂	Al ₂ O ₃	TiO ₂	Fe ₂ O ₃	LOI
Measured	Yellow	1.8	1.64	3.0	98.4	0.56	0.22	0.21	0.39
	White	25.4	1.64	41.7	98.7	0.44	0.33	0.18	0.22
	Total	27.2	1.64	44.7	98.6	0.45	0.33	0.18	0.23
Indicated	Yellow	5.3	1.64	8.7	98.3	0.50	0.23	0.25	0.48
	White	51.5	1.64	84.4	98.6	0.40	0.37	0.26	0.22
	Total	56.8	1.64	93.1	98.6	0.41	0.35	0.26	0.24
Total	Yellow	7.1	1.64	11.6	98.3	0.51	0.23	0.24	0.46
	White	76.9	1.64	126.2	98.6	0.41	0.35	0.23	0.22
	TOTAL	84.0	1.64	137.8	98.6	0.42	0.34	0.24	0.24

Figure 3 - Updated Beharra Mineral Resource Estimate – December 2022 (sum differences due to rounding)

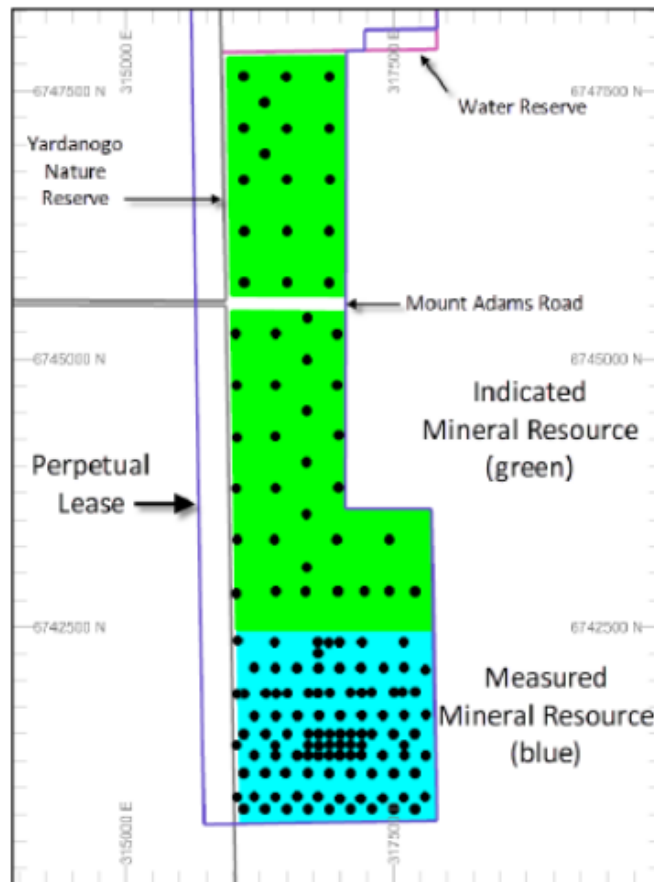
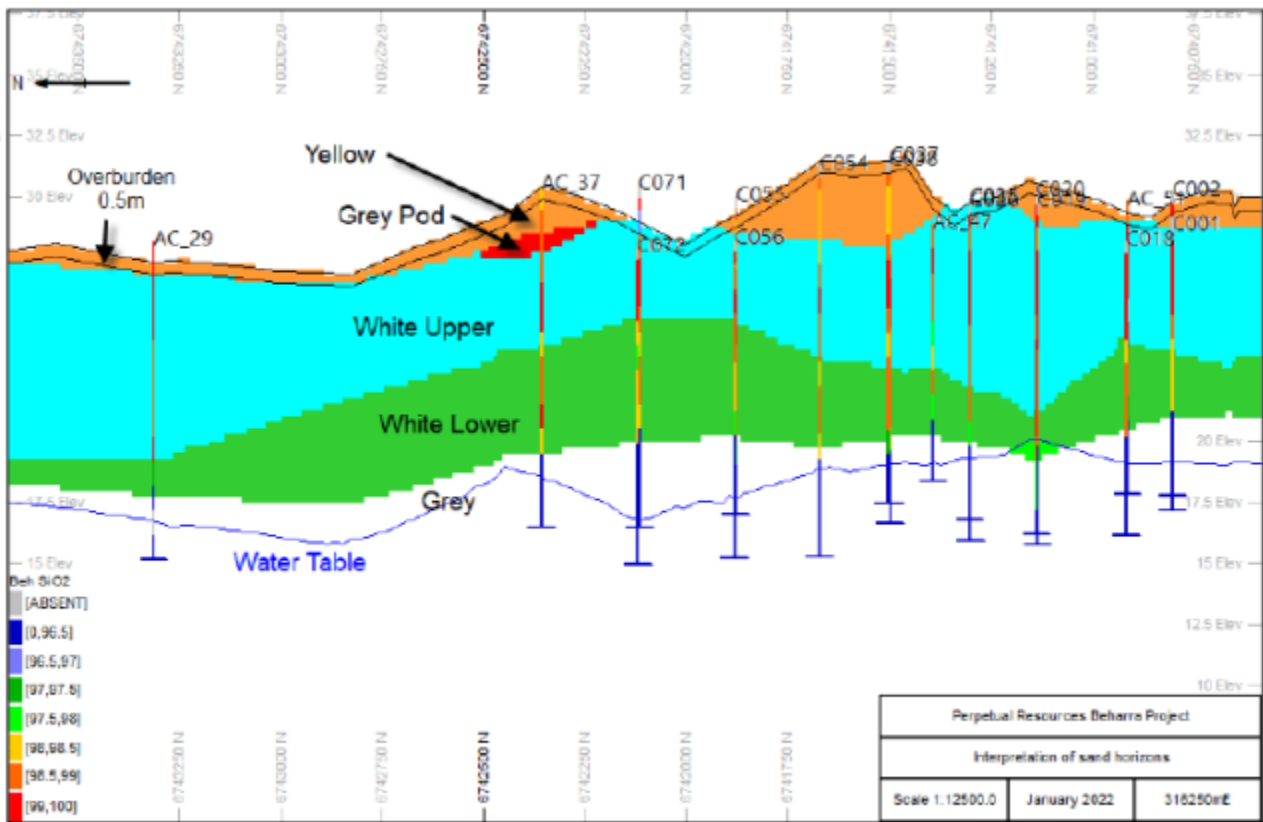


Figure 4 – Plan view of the Updated Mineral Resource Estimate Reporting Area for Beharra

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Of the 137.8 million tonnes in the overall Updated MRE, 126.2 million tonnes, or >90% has been delineated from the Upper and Lower White horizons. Specifically, this MRE excludes those previously reported areas which are at or below the water table and which were found to result in lower quality end product (please refer to Figure 5 below).



Note: Vertical exaggeration x60.

Figure 5 - Beharra Project north-south section showing domain interpretation

This Updated MRE confirms the Beharra high grade silica sand project as a long life and large-scale project that is expected to play a key role in servicing the high growth silica sand markets in Asia for many decades. Perpetual has previously demonstrated the ability to upgrade Beharra silica sand to >99.5%

SiO₂ via the application of straight forward industry standard processing methods, delivering a low impurity end product for sale into the fast-growing Asia Pacific silica sand markets.

Other key events

In addition to those detailed above, Perpetual also completed a number of other major milestones in the half year period:

- Completion of petrological analysis which provided significantly greater understanding of the presence and form of impurities at Beharra, which will aid further investigate work to lower the impurity profile further.
- Completion of a placement, to raise \$1.6 million at 3.0c per share. Notably, the Directors of Perpetual participated in the capital raising, confirming their strong support for the assets and strategic direction of the Company.

Ongoing activities

Activities in the first half of 2023 will focus on:

- Discussions with end users and silica sand trading groups with a view to finalising offtake discussions that will underpin an eventual investment decision for Beharra.
- Further refinement of end product quality based on additional test work by Perpetual and/or our potential off take partners.
- Discussion with potential joint venture partners and the advancement of potential commercial arrangements that may support a DSO production scenario at Beharra.
- Continued progression of the Beharra DSO Scoping Study, which has been largely completed although requires key inputs that are expected to be sourced from the enquiries currently underway with various potential offtake partners
- Advancement of key environmental permitting activities, with significant advancement expected at both the state (Western Australia) and Federal levels.

OTHER EXPLORATION ACTIVITIES

On 5th August 2022, Perpetual reported the completion of an auger drilling program at Beharra North, comprising 25 shallow auger drill holes, located on the northern end of the Beharra exploration license.

Drilling revealed the occurrence of potentially good quality yellow silica construction sand. No light grey or white sand as occurs in the southern part of the license was intercepted.

Given that the drilling did not intercept any white or light grey sands, which are the focus of Perpetual's exploration and development efforts, the results of this drilling program are considered sub-optimal and unlikely to result in the potential development of silica sand that is economic from this location. As a result, further follow up work is not currently scheduled at Beharra North.

While not successful in locating high quality white or light grey sands, the exploration program provides further evidence of the unique nature of the Beharra ore body, which remains, to the Director's knowledge, the highest quality silica sand project in the Mid-West region of Western Australia and a prime candidate to become the first large-scale high-grade export silica sand mine from Geraldton Port in coming years.

CORPORATE

Annual General Meeting

Perpetual held its Annual General Meeting on 25 November 2022, with all resolutions being passed on a poll.

Receipt of AusIndustry R&D Tax Incentive

Perpetual received the AusIndustry R&D tax incentive, totalling \$170,143 which relates to the FY22 financial year. This incentive relates to work undertaken by Perpetual to seek lower impurities in Beharra end product and is a recognition of novel work undertaken.

Review of potential project

Perpetual continued to review additional projects that may add shareholder value as an addition to the Beharra high grade sand project. Commodities of interest include low impurity silica sand, battery minerals, and new energy commodities. The Board remains a very stringent assessment framework for new acquisitions and will only look to execute where a strong valuation case can be articulated.

Capital raising

On the 8th of September 2022, Perpetual announced it had undertaken a placement of \$1.6 million at 3c per share. The proceeds of the raising are to be used for further advancement of the Beharra Project as well as business development opportunities and general working capital.

Demonstrating their strong support for the strategy and outlook for Perpetual, the Directors subscribed for 8,666,667 Shares totalling \$260,000 of the total placement proceeds, which was approved by shareholders at the Annual General Meeting of the Company held in 25 November 2022.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

There were no matters or circumstances that have arisen since 31 December 2022 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.

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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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001. On behalf of the directors



Robert Benussi
Managing Director

15 March 2023

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AUDITOR'S INDEPENDENCE DECLARATION

WilliamBuck

ACCOUNTANTS & ADVISORS

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 half-year ended 31 December 2022 there have been:

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

William Buck

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

A. A. Finnis

A. A. Finnis
Director
Melbourne, 15th March 2023

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**INTERIM FINANCIAL
REPORT STATEMENTS**

FOR THE HALF
YEAR ENDED
31 DECEMBER 2022



Perpetual
RESOURCES LIMITED

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INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	NOTE	31 DEC 2022 \$	31 DEC 2021 \$
Revenue			
R&D tax incentive		170,143	-
Interest received		5,695	-
Sundry income		-	25
Expenses			
Administrative and corporate expenses		(245,953)	(310,461)
Consultants and contractors		(157,538)	(133,450)
Exploration expenditure expensed and written off		(73,918)	(18,925)
Share-based payments expense		(32,099)	(211,153)
Loss before income tax expense		(333,670)	(673,964)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Perpetual Resources Limited		(333,670)	(673,964)
Other comprehensive income for the half-year, net of tax			
Total comprehensive loss for the half-year attributable to the owners of Perpetual Resources Limited		(333,670)	(673,964)
		CENTS	CENTS
Basic loss per share	5	(0.06)	(0.14)
Diluted loss per share	5	(0.06)	(0.14)

The above statement should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	31 DEC 2022 \$	30 JUN 2022 \$
Current assets			
Cash and cash equivalents		1,927,433	1,127,745
Trade and other receivables		27,997	45,585
Other assets		63,935	75,375
Total current assets		2,019,365	1,248,705
Non-current assets			
Exploration and evaluation assets	6	7,555,428	7,344,647
Total non-current assets		7,555,428	7,344,647
Total assets		9,574,793	8,593,352
LIABILITIES			
Current liabilities			
Trade and other payables		159,978	343,557
Total current liabilities		159,978	343,557
Total liabilities		159,978	343,557
Net assets		9,414,815	8,249,795
EQUITY			
Issued capital	7	16,542,681	15,211,044
Reserves	8	1,088,052	1,027,860
Accumulated losses		(8,215,918)	(7,989,109)
Total equity		9,414,815	8,249,795

The above statement should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	NOTE	31 DEC 2022 \$	31 DEC 2021 \$
Operating activities			
Payments for exploration & evaluation (expensed)		-	(12,658)
Payments to suppliers and employees		(391,018)	(447,942)
Interest received		5,695	25
R&D tax incentive		170,143	-
Net cash flows used in operating activities		(215,180)	(460,575)
Investing activities			
Payments for exploration and evaluation		(454,106)	(674,973)
Net cash flows used in investing activities		(454,106)	(674,973)
Financing activities			
Proceeds from issue of shares		1,600,000	-
Share issue transaction costs		(131,026)	(10,938)
Net cash flows (used in)/from financing activities		(1,468,974)	(10,938)
Net increase/(decrease) in cash and cash equivalents		799,688	(1,146,486)
Cash and cash equivalents at the beginning of the period		1,127,745	3,417,884
Cash and cash equivalents at the end of the period		1,927,433	2,271,398

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

1. GENERAL INFORMATION

The consolidated financial statements of Perpetual Resources Limited and its subsidiaries (collectively, the “consolidated entity”) for the half-year ended 31 December 2022.

Perpetual Resources Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange.

The nature of operations and principal activities of the consolidated entity are described in the directors’ report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

R&D tax incentive

Revenue from credits received from the ATO for research and development activities is recognised when it can be reliably measured and the probability of meeting the criteria for receipt of these credits is probable.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of these standards is not expected to have a material impact on the consolidated entity.

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.

3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity has continued to operate under one segment being the exploration, evaluation and development of resources within the Australasia 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.

4. LOSS PER SHARE

	31 DEC 2022 \$	31 DEC 2021 \$
Net loss after income tax attributable to the owners of Perpetual Resources Limited	(333,670)	(673,964)
Weighted average number of ordinary shares used in calculating basic earnings per share	519,403,820	489,113,835
	Cents	Cents
Basic loss per share	(0.06)	(0.14)
Diluted loss per share	(0.06)	(0.14)

The balance of unexercised options at the end of the period are 30,000,000 (2021: 20,000,000). The balance of performance rights that have not been exercised at the end of the period are 12,000,000 (2021: 27,400,000). As the Company incurred a loss for each year presented, these options and performance rights are anti-dilutive and are not used in the determination of diluted earnings per share for the current and comparative periods.

5. EXPLORATION AND EVALUATION ASSETS

	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Balance at the beginning of the period	7,344,647	5,836,556
Acquisition of exploration tenement	-	30,248
Capitalised expenditure at cost	277,714	1,477,843
Expenditure written off	(66,933)	-
Balance at the end of the period	7,555,428	7,344,647

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest.

6. ISSUED CAPITAL

	31 DECEMBER 2022 SHARES	30 JUNE 2022 SHARES	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Fully paid ordinary shares	545,483,963	492,150,629	16,542,681	15,211,044

DETAILS	DATE	SHARES	ISSUE PRICE	\$
Balance	1-07-2021	398,653,403		11,055,345
Issue of shares for Acquisition of Arrowsmith West Tenement	07-07-2021	222,227	\$0.125	27,778
Exercise of Directors' performance rights	06-08-2021	10,999,999	\$0.012	132,000
Exercise of Directors' performance rights	06-08-2021	1,760,000	\$0.024	42,240
Exercise of performance rights	06-08-2021	2,640,000	\$0.022	57,024
Capital raising cost		-	-	(9,860)
Balance	30-06-2022	492,150,629		15,211,044
Issue of shares for share placement	15-Sep-22	44,666,667	\$0.03	1,340,000
Issue of shares to placement by directors	7-Dec-22	8,666,667	\$0.03	260,000
Capital raising costs	-	-	-	(268,363)
Balance	31-12-2022	545,483,963		16,542,681

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.

7. RESERVES

Share-based payments reserve

The share-based payments reserve records the fair value of the options and performance rights issued to Directors, consultants and other third-parties.

	31 DEC 2022 \$	30 JUN 2022 \$
Balance at the beginning of the period	1,027,860	522,567
<i>Share-based payment transactions</i>		
Share options	167,052	371,901
Performance rights	-	522,000
<i>Transfer out of reserve upon:</i>		
Exercise of performance rights	-	(231,264)
Expiry of performance rights	(106,860)	(157,344)
Balance at the end of the period	1,088,052	1,027,860

a) Performance rights

The following table illustrates the number of, and movements in, performance rights during the period:

	31 DEC 2022 NUMBER	30 JUN 2022 NUMBER
Outstanding at the beginning of the period	14,640,000	18,800,000
Performance Rights granted during the period	-	12,000,000
Performance Rights converted into shares during the period	-	(16,160,000)
Lapsed/forfeited during the period	(2,640,000)	-
Balance at the end of the period	12,000,000	14,640,000

b) Share Options

The following table illustrates the options movement during the half-year period to 31 December 2022:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE (\$)	BALANCE 1 JULY 2022	GRANTED	EXERCISED	BALANCE 31 DECEMBER 2022	VESTED AND EXERCISABLE
31/10/2020	31/10/2024	0.045	5,000,000	-	-	5,000,000	5,000,000
22/02/2021	22/02/2023	0.130	5,000,000	-	-	5,000,000	5,000,000
29/07/2021	30/07/2023	0.160	10,000,000	-	-	10,000,000	10,000,000
05/09/2022	15/09/2025	0.060	-	10,000,000	-	10,000,000	10,000,000
	TOTAL		10,000,000	10,000,000	-	30,000,000	30,000,000

Set out below are the details of the Options granted during the half-year ended 31 December 2022 and the fair value at grant date which was determined using Black-Scholes valuation methodology, and takes into account the following inputs:

NUMBER	GRANT DATE	EXPIRY DATE	FAIR VALUE OF OPTION AT GRANT DATE (\$)	OPTION EXERCISE PRICE (\$)	RISK FREE INTEREST RATE (%)	EXPECTED VOLATILITY (%)	SHARE PRICE AT GRANT DATE (\$)	TOTAL FAIR VALUE (\$)
10,000,000	05/09/2022	15/09/2025	0.0135	0.06	0.75	80.00	0.035	134,953

The options issued were to the lead manager Evolution Capital for their provision of services in relation to the capital raised on 8th September 2022. Share-based payments recognised during the period within of the consolidated statement of financial position was \$134,953. As these costs related directly to capital raising activities they were taken as a deduction from issued capital in accordance with accounting standards.

8. EVENTS AFTER THE REPORTING PERIOD

No events have arisen in the interval between the end of the reporting period and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Robert Benussi
Managing Director

15 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT TO MEMBERS

for the half-year ended 31 December 2022

WilliamBuck
ACCOUNTANTS & ADVISORS

Perpetual Resources Limited Independent auditor's review report

REPORT ON THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the accompanying half-year financial report of Perpetual Resources Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Perpetual Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

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

Alan Finnis

A. A. Finnis
Director
Melbourne, 15th March 2023

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