Perpetual
RESOURCES LIMITED
ABN: 82 154 516 533

Annual Report 2023

CORPORATE DIRECTORY

Perpetual Resource Ltd

ABN 82 154 516 533

Directors

Julian Babarczy
Robert Benussi
Brett Grosvenor

Company Secretary

Nicholas Katris

Registered Office

Level 2, Suite 16, 420 Bagot Road,
Subiaco WA 6008

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

Nova Legal Corporate Lawyers
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)

Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at https://perpetualresourceslimited.com.au/corporate-governance/

Website

www.perpetualresourceslimited.com.au

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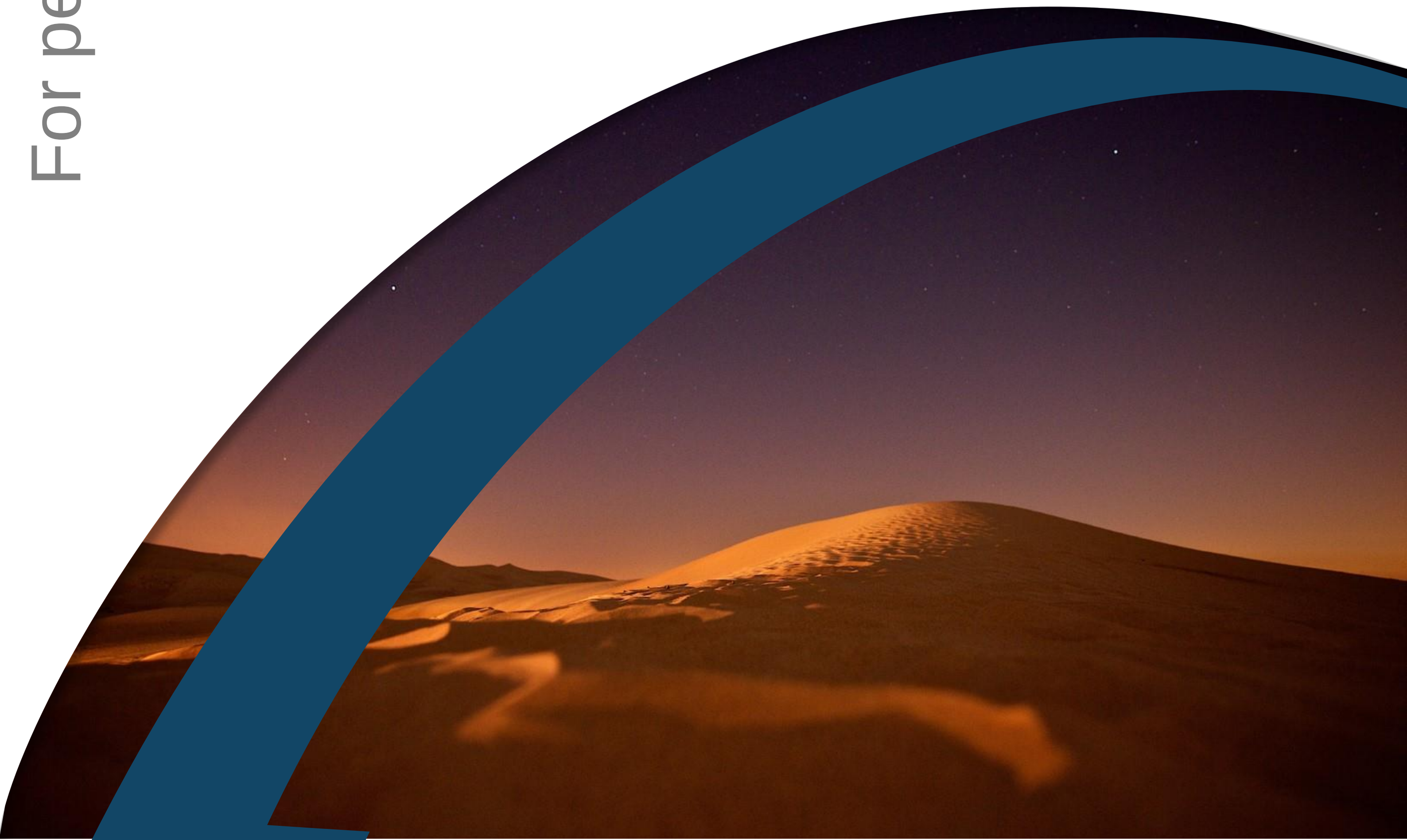


CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

Over the past 12 months our focus has mostly remained on progression of the Beharra Silica Sand Project (Beharra), which has continued to advance albeit at a slower pace than we had originally forecast.

Our efforts at Beharra have previously been focussed on resource delineation and metallurgical testing and refinement, with the result being an almost 30-year mine life at a product specification that will satisfy many of the standard glass applications in the Asian region.

While this outcome has been satisfactory, we believe to optimally position our ultimate end product and to maximise the economic outcome for Perpetual shareholders, further attention was needed regarding testing the impurity reduction limits of Beharra silica sand, which has required significant additional testing and market dialogue.

As we successfully transitioned our efforts from resource and product delineation to commercialisation, we have naturally dedicated significant time and resources to two additional important aspects.

The first relates to offtake, where Perpetual continues to undertake multiple parallel discussions with interested silica sand buying groups, with the key area of focus remaining the identification of the limits of Beharra silica sand impurity removal, specifically iron oxide (Fe_2O_3). The process to identify Beharra's lowest impurity product has involved a comprehensive pathway, with testing having been undertaken by a range of potential counterparties on numerous product samples, including raw sand, direct-shipping-ore (DSO), through to intermediate and final processed product. Each potential off take partner and strategic interest group has undertaken their own bespoke impurity removal process, including the application of a range of different processing equipment. As with any industrial minerals project, the ability to identify the precise offtake partner that uniquely values the specifications of our output, will be key to a successful conclusion of this process.

The other key area of focus has been environmental permitting, where the Beharra Project has now progressed through several important milestones at both the state and federal level. A satisfactory outcome will add significant value and certainty to Beharra and we look forward to concluding this process in conjunction with the relevant government departments.

Given the slightly slower development timeframe at Beharra, a strategic decision was made during the year to broaden the Perpetual project portfolio, with the aim of including a broader set of strategic and critical minerals, which we think sits comfortably along-side Beharra and should add significant shareholder value.

After a disciplined review of a significant number of potential projects and assets, which lasted many months, Perpetual entered into two option agreements covering multiple prospects in the preeminent spodumene region of Minas Gerais in Brazil. Initial reconnaissance work has demonstrated encouraging early signs, and we look forward to undertaking further high impact exploration activities in this exciting region.

I would like to also thank all our hard-working team for all their combined efforts over the past 12 months, efforts which we believe have set Perpetual up for an extremely bright future and thanks also to all our shareholders for their ongoing support.

Kind Regards

Julian Babarczy
Executive Chairman

15 September 2023

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 'Perpetual', the 'Company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2023.

REVIEW OF OPERATIONS

OPERATING RESULTS

The consolidated entity net loss for the year ended 30 June 2023 after providing for income tax amounted to $4,839,128 (30 June 2022: $1,676,194).

The loss included the following items:

- Exploration and evaluation expenditure impairment of $3,904,370 (2022: Nil)
- Exploration and evaluation expenditure written off totalling $260,396 (2022: $13,733)

Financial position

At 30 June 2023, the consolidated entities cash balance totalled $1,295,311 (2022: $1,127,745) and net assets totalling $4,909,356 (2022: $8,249,795).

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of exploration and evaluation of the Beharra Silica Sands Project in Western Australia. Subsequent to the end of the financial year, Perpetual entered into two option agreements covering multiple prospects in the preeminent spodumene region of Minas Gerais, Brazil. This broadening of Perpetual's project portfolio is consistent with the Board's aim to enhance shareholder returns.

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. In addition the Company is committed to implementing a strategy to seek out further exploration, and acquisition opportunities The ability of the consolidated entity to fund the ongoing operations also remains a key dependency.

Dividends

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

BEHARRA SILICA SANDS PROJECT

The Beharra Silica Sand 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 Sand Project comprises a single mining licence application, M70/1406, covering effective land area of 56.8km^2. 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_2) uses includes glass making applications such as float and plate glass, container glass and glass coverings for PV-sola cell applications. Uses for purity >99.8% includes semiconductor fillers, LCD screens and optical glass.

Updated Mineral Resource Estimate

During the year, Perpetual announced the results of an updated Mineral Resource Estimate (Updated MRE) for the Beharra high grade silica sand project in Western Australia.

The Updated MRE was prepared by Snowden Optiro (Snowden). Perpetual had 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_2O_3	TiO_2	Fe_2O_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 1 – Updated Beharra Mineral Resource Estimate – December 2022

(sum differences due to rounding)

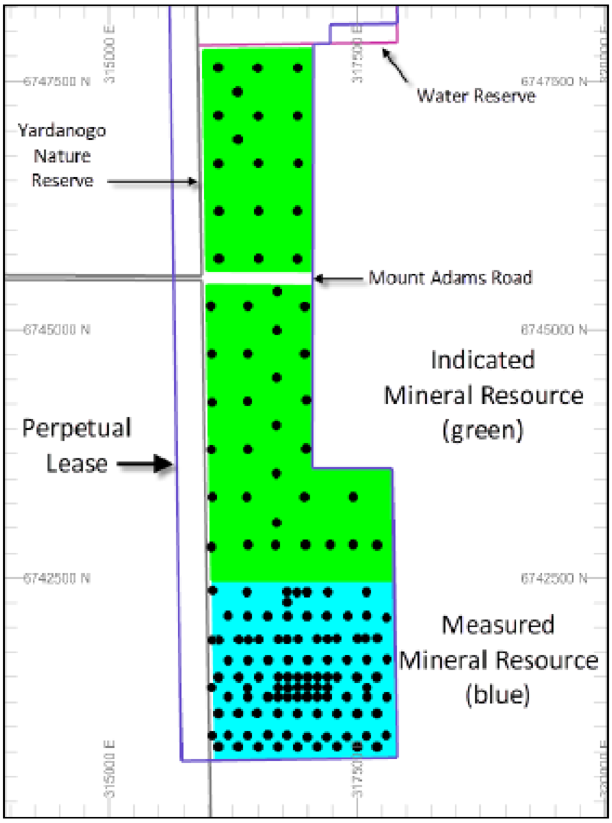
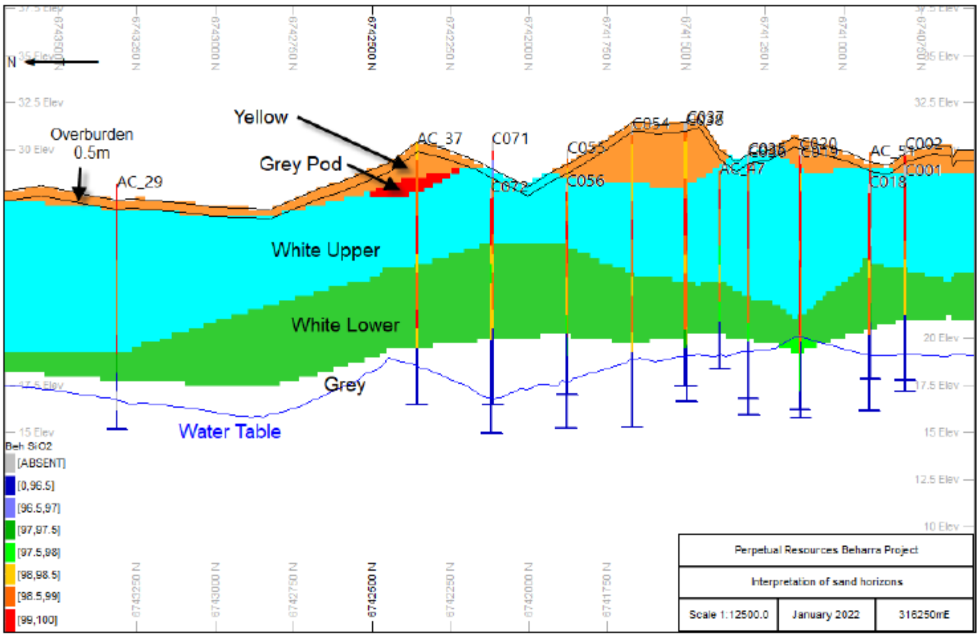


Figure 2 – Plan view of the Updated Mineral Resource Estimate Reporting Area for Beharra

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 3 below).



Note: Vertical exaggeration x60.

Figure 3 – 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% SiO_2 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.

Beharra Environmental Approvals Process

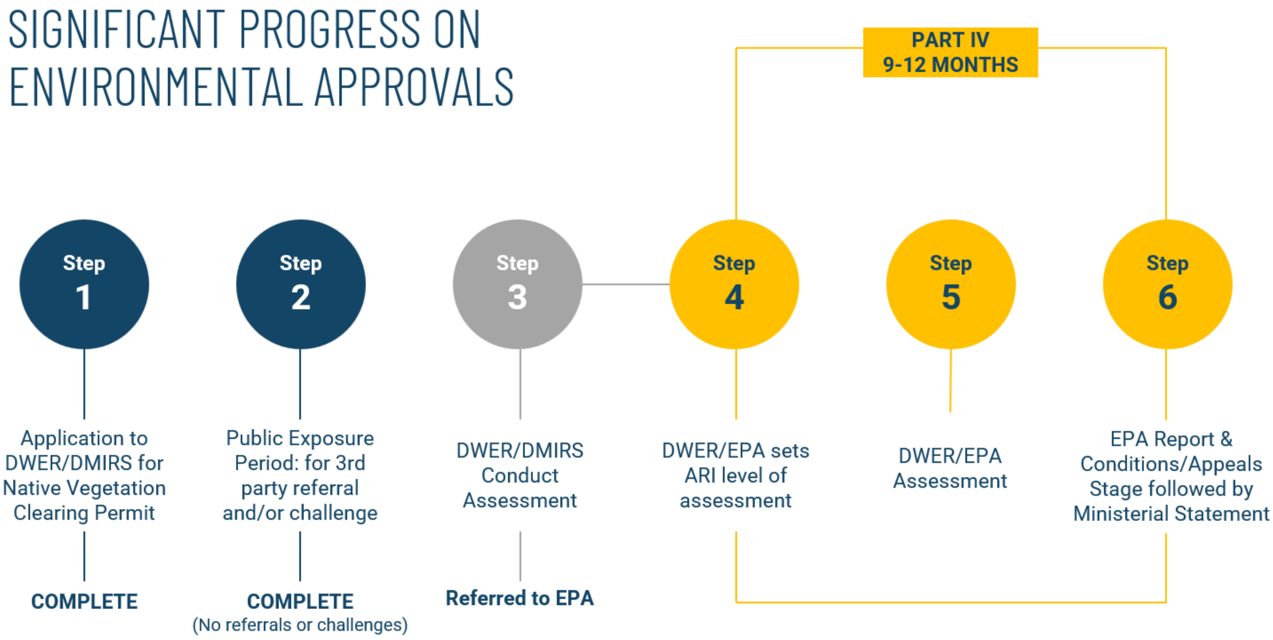


Figure 4 – Confirmed Environmental Approval Processes for Beharra

Perpetual also progressed its environmental permitting activities over the course of the year, having now received formal confirmation from the Government of Western Australia Environmental Protection Authority (WA EPA) that pursuant to s. 38G(1) of the Environmental Protection Act 1986 (EP Act), the WA EPA has decided to assess the Beharra Silica Sand Project proposal. The level of assessment is Referral Information, with additional information required under s.40(2)(a) in addition to an associated 4-week public review under s.40 (5) of the EP Act.

The notice of decision to assess confirms that the WA EPA has selected a Part IV approval process to assess the Beharra project, which is expected to take until 2024 to conclude.

Perpetual had previously updated shareholders that the Beharra Project has been deemed a Controlled Action under the Environmental Protection and Biodiversity Conservation Act (EPBC Act), with the project requiring assessment and approval under the EPBC Act prior to final approval. Perpetual has made meaningful progress on the EPBC Act approvals, with several responses and submission already provided in response to additional information requests. The expected timeline for EPBC Act approval should be in advance of the Western Australia state-based Part IV approvals process.

Progress on Offtake Discussions

Perpetual continued to advance discussions with interested silica sand buying groups. Recent activities have continued to involve the provision by Perpetual of additional product samples, with a focus on determining the extent of additional impurity removal that is capable from Chinese end users when provided with raw (in-situ) or direct-shipping-ore (DSO) feedstock.

The advancement of offtake discussions continues to take longer than initially expected, due mainly to the requirement for multiple rounds of product testing and the occurrence of some variability in final product quality achieved.

Perpetual believes it is worthwhile to explore the impurity reduction limits for Beharra silica sand to determine the lowest impurity potential and likely highest value markets that could potentially be serviced.

Multiple Site Visits Undertaken from Interested Parties

Perpetual also hosted a number of site visits to Beharra, including tours of the planned logistics solution and various key stakeholders of the project. The site visits were attended by parties that are in active dialogue regarding off take for silica sand from the Beharra project (discussed in the previous section).

Discussions with the various parties relate to a range of possible off-take scenarios, including off-take from an Australian-based processing plant (as contemplated in the Company's Pre-Feasibility Study) as well as off-take from a DSO operation (as contemplated in the as yet incomplete DSO Scoping Study).

Discussions and efforts with potential offtake partners are aimed at exploring the potential for additional processing of Beharra silica sand in China, where potential remains for further impurity reduction which would allow the sale of Beharra silica sand into the higher value PV-solar cell glass covering markets. While Beharra sand comfortably satisfies the markets for general flat glass applications, maximum project economics and interest will be achieved through exploring potential for even higher priced markets with more robust profit margins and more structurally supportive supply/demand fundamentals.

Ongoing Activities

Activities will focus on:

- Further explore end product optimization and detailed revenue maximisation analysis.
- Continue environmental activities to achieve permitting approvals

OTHER EXPLORATION ACTIVITES

BEHARRA WEST PROJECT

Located directly west of E70/5221 on the western side of the Yardanogo Nature Reserve and covers an area of 45km^2. Beharra West Project comprises of Beharra West tenement (E70/5951). Beharra West and Beharra make up the Beharra Silica Sand Project.

PROJECT GENERATION AND REVIEW

Our priority on servicing the clean energy markets places us in a unique position to potentially enhance our portfolio of assets in coming periods, with several potential new projects already under review. This strategy during the year was to enhance our already exciting Beharra project with other clean energy related projects has potential to deliver strong investor interest and ultimately enhance shareholder returns. Refer to matters subsequent to the end of the financial year for full details.

CORPORATE

PLACEMENT

On the 8th of September 2022, the Company successfully concluded a share placement totalling $1.6 million (prior to expenses), directed towards professional and sophisticated investors. This placement entailed the issuance of 44,666,667 shares at a rate of $0.03 per share, resulting in a sum of $1,340,000.

Additionally, 8,666,667 shares were allocated to the directors, for a total of $260,000 from the proceeds of the placement, which was approved by shareholders in November 2022.

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.

CHANGE OF COMPANY ADDRESS AND REGISTERED OFFICE

On 5th September, Perpetual announced that it had changed it's principal place of business and registered office, which is now at Level 2, Suite 16, 420 Bagot Road, Subiaco WA 6008

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

PLACEMENT

On 18th August 2023, the Company successfully completed a $1.5 million share placement (before cost) to professional and sophisticated investors at $0.022 per share. In addition, the company issued 7.5 million unlisted options to GBA Capital at an exercise price of 4 cents expiring 2 years from issue.

ENTRY INTO TWO OPTION AGREEMENTS TO ACQUIRE HIGHLY PROSPECTIVE BRAZILIAN LITHIUM EXPLORATION TENEMENT PACKAGES

Paraiso & Itinga Prospects – Option agreement one

In July 2023, Perpetual announced the signing of a binding option agreement with RTB Geologia E Mineração LTDA. (**RTB**), a Limited Liability Company incorporated and existing under the laws of Brazil, pursuant to which Perpetual has the exclusive option (**Option**) to acquire a 100% interest in four lithium exploration permits held by RTB, located in Brazil.

Through this agreement, Perpetual gains access to four exploration permits situated in the mining friendly state of Minas Gerais, Brazil. A key advantage lies in the tenement's strategic location within the renowned 'Eastern Brazilian Pegmatite District' (EBPD), a globally recognised hub for hard-rock lithium spodumene deposits. Notably, this region accounts for 100% of all officially recognised lithium reserves in Brazil, making it highly valued for its abundant spodumene pegmatites.

Perpetual has commenced planning for a range of legal and technical due diligence, in addition to drafting of definitive agreements, that are required to be completed prior to Perpetual confirming its intention to proceed with exercising the Option to acquire the relevant exploration permits.

Transaction structure and consideration

In accordance with the Option Agreement, Perpetual now has from the date of execution of the Option Agreement until 18 September 2023 to complete due diligence and to elect to either exercise the Option or terminate the Option Agreement at no additional cost to Perpetual.

A summary of the material terms and conditions of the Option Agreement is set out below:

(a) RTB grants Perpetual an exclusive option until 30 September 2024 (**Option**) to acquire a 100% interest in exploration permits held by RTB in respect of four exploration tenements located in Brazil (**Exploration Permits**).

(b) Perpetual will be entitled to conduct due diligence investigations from the date of execution of the Option Agreement until 18 September 2023 (**Due Diligence Period**) by making an initial cash payment of $25,000, which has been paid by Perpetual.

(c) Prior to expiry of the Due Diligence Period, Perpetual may (in its sole and absolute discretion) elect to continue with the transaction and conduct exploration activities by making the following payments and issues:

  (i) a cash payment of $50,000 within 5 days after the Due Diligence Period;

  (ii) issue 5,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period;

  (iii) issue 5,000,000 unlisted options exercisable at $0.025 and 5,000,000 unlisted options exercisable at $0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period;

  (iv) a cash payment of $50,000 within 6 months after the expiry of the Due Diligence Period; and

  (v) contribute $100,000 towards the work and development of the project within 1 year after the expiry of the Due Diligence Period.

(d) RTB will transfer its 100% interest in the Exploration Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.

(e) RTB will be entitled to the following deferred consideration:

  (i) a 2% net smelter return royalty over minerals produced that are the subject of the Exploration Permits. Perpetual will have the right to buy-back half of the royalty for $500,000;

  (ii) in the event Perpetual reports at least 6 rock chips above 1% Li_20 (Spodumene) prior to 30 September 2024, Perpetual will pay RTB a cash payment of $50,000 and issue 5,000,000 shares to RTB (or its nominees); and

  (iii) in the event Perpetual reports a 10m or greater continuous intercept at 1% Li_20 (Spodumene) within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares.

Ponte Nova Prospects – Option agreement two

On the 9 August 2023, Perpetual announced it had entered into an additional binding option agreement to acquire a further three highly prospective exploration permits (**Permits**), covering approximately 5,000 hectares in Brazil's "Lithium Valley" region, within Brazil's the mining friendly state of Minas Gerais.

These additional three Permits (known as the Ponte Nova Prospects) are situated in an interpreted extension of the modelled pegmatite corridor which runs from the Latin Resources **Salinas** Lithium Project, through the **Colina** deposit and potentially further Northeast into these Permits.

The Permits are located only ~40km from Latin Resources' Colina Deposit, which recently announced the intersection of multiple pegmatites in exploration drilling programs.

Transaction structure and consideration

In accordance with the Option Agreement, Perpetual now has from the date of execution of the Option Agreement until 29 September 2023 to complete due diligence and to elect to either continue with the transaction or terminate the Option Agreement at no additional cost to Perpetual.

GBA Capital has acted as a facilitator to the transaction, as well as the transaction announced on 21st July 2023.

A summary of the material terms and conditions of the Option Agreement is set out below:

(a) RTB grants Perpetual an exclusive option until 7th October 2024 (**Option**) to acquire a 100% interest in exploration permits held by RTB in respect of three exploration permits located in Brazil (**Permits**).

(b) Perpetual will be entitled to conduct due diligence investigations from the date of execution of the Option Agreement until 29 September 2023 (**Due Diligence Period**) by making an initial cash payment of $25,000, which has been paid by Perpetual.

(c) Prior to expiry of the Due Diligence Period, Perpetual may (in its sole and absolute discretion) elect to continue with the transaction and conduct exploration activities by making the following payments and issues:

   (i) a cash payment of $150,000 within 5 days after the Due Diligence Period;

   (ii) issue 10,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period; and

   (iii) issue 12,500,000 unlisted options exercisable at $0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period.

(d) RTB will transfer its 100% interest in the Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.

(e) RTB will be entitled to the following deferred consideration:

   (i) a 2% net smelter return royalty over minerals produced that are the subject of the Permits. Perpetual will have the right to buy-back half of the royalty for $500,000;

   (ii) in the event Perpetual reports a 10m or greater continuous intercept at 1% $Li_2 0$ (Spodumene) on the Permits within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares; and

   (iii) in the event Perpetual reports a JORC Compliant Inferred Resource (or greater) of 10 million tonnes @ 1% on the Permits within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares.

No other matters or circumstance has arisen since 30 June 2023 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.

For personal use only

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 Mineral Resources is based on information compiled by Elizabeth Haren, 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. Elizabeth Haren is employed as an associate Principal Geologist by Snowden Mining Consultants Pty Ltd, who was engaged by Perpetual Resources Limited. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Andrew Scogings, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Scogings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ANNUAL MINERAL RESOURCES AND ORE RESERVES REPORT

In accordance with ASX Listing Rule 5.21, Perpetual reviews and reports its Mineral Resource and Ore Reserve Estimates at least annually.

BEHARRA PROJECT MINERAL RESOURCES

Class	Sand	Volume (Mm^3)	Density	Tonnes (Mt)	SiO_2	Al_2O_3	TiO_2	Fe_2O_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**

The Beharra Mineral Resource Estimate table above is as of 15 December 2022 (sum differences due to rounding)

There has been no change in the Company's Ore Reserves since 15 December 2022.

MATERIAL ASSUMPTIONS UNDERPINNING MINERAL RESOURCES

The Company's governance and internal controls in place with respect to estimates of mineral resources and ore reserves involve the use of external consultants where required refer Competent Person Statement above, in conjunction with input by management and review by the Board.

MATERIAL BUSINESS RISKS

The following describes the material business risks that could affect the Company, including any material exposure to economic, environmental and social sustainability risks, and how the Company seeks to manage them.

FUTURE CAPITAL REQUIREMENTS AND MARKET RISKS

As an exploration entity, the Company is not generating net cash flow, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. The Company will require further funding in the future.

The Company is exposed to external market forces that impact on specific commodity prices and overarching market sentiment that may restrict the Company's access to new flows of capital if the Company's project pipeline is not ascribed value in the market at any given time. The Company manages this risk by ensuring a constant focus on the Company's current financial position and forecast working capital requirements. Discretionary exploration activities are focused on commodities and in jurisdictions that will ensure access to higher levels of capital in times of broader market depression.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing (while not currently a focus), if available, may involve restrictions on financing and operating activities.

Although the Company believes that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

TENURE, ACCESS AND GRANT OF LICENCES / PERMITS

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences / permits for the proposed operations, additional licences / permits for any possible future changes to operations, or additional permits associated with new legislation.

Prior to any development on any of its properties, subsidiaries of the Company must receive licences / permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences / permits necessary to develop or continue operating at any particular property.

LAND ACCESS RISK

Land access is critical for exploration and exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Minerals rights may be negotiated and acquired. In all cases, the acquisition of prospective exploration and mining licences is a competitive business in which proprietary knowledge or information is critical, and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it owns or seeks to acquire.

Access to land for exploration and evaluation purposes can be obtained by:

(i) private access and compensation agreement with the landowner;

(ii) purchase of surface rights; or

(iii) through judicial rulings.

However, access rights to licences can be affected by many factors, including:

(i) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdictions in which the Company operates;

(ii) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions in which the Company operates; and

(iii) natural occurrences, including inclement weather, volcanic eruptions, lahars and earthquakes.

All of these issues have the potential to delay, curtail and preclude the Company's operations. While the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, it is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact the Company's operations.

ACCESS TO SUFFICIENT USED AND NEW EQUIPMENT

The Company is dependent on access to used and new mining equipment. In the event that the Company has difficulty in securing adequate supplies of mining equipment at appropriate prices, or if the quality of the equipment is not acceptable or suitable, its ability to perform or commence new projects may be adversely affected. This difficulty may have an adverse impact on the financial performance and financial position of the Company.

DATA MANAGEMENT

The risk of retaining or managing the Company's corporate data in a way that is inconsistent with the Company's regulatory obligations. This is considered to be a growing risk as the Company and related data volumes grow and cyber-security threats become more sophisticated. Failure to properly manage the Company's corporate data could result in significant financial and regulatory implications.

The Company has implemented a number of company-wide controls to manage this risk, including the continuous review and updating of security controls on the Company's network based on known security threats and the latest intelligence.

REGULATORY ENVIRONMENT

The risk of failing to adapt and adhere to rapidly evolving regulatory environments in Australia and abroad. This can result in the increased complexity and cost of doing business and the risk of forfeiture of exploration and mining claims from the failure of complying with these complex regulatory environments.

In Australia, significant compliance risk may arise from emerging changes to regulatory frameworks, including the Work Health and Safety (Mines) Regulations 2022.

The Company's risk management strategy is designed to monitor and limit the adverse consequences of existing and new regulations in a way that is efficient and minimises compliance costs.

PEOPLE CAPABILITY

The risk that the Company fails to attract and retain the talent and leadership required to execute the Company's strategies and objectives, including the technical expertise to explore for and discover economic mineral deposits, and the corporate talent to achieve value for shareholders via corporate activities, including project acquisitions, project divestments and joint venture activities.

The intention of the Company's remuneration framework is to ensure remuneration and reward structures are aligned with shareholders' interests by being market competitive to attract and retain high calibre individuals, rewarding superior individual performance, recognising the contribution of each executive to the continued growth and success of the Company, and linking long-term incentives to shareholder value.

GENERAL ECONOMIC CLIMATE

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors.

CLIMATE CHANGE

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the ability of the Company to access and utilise its tenements and therefore the Company's ability to carry out operations.

Changes in policy, technological innovation, and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company is committed to protecting and respecting the environment and local communities within which it operates and looks forward to enhancing its positive impact in these areas.

As the Company advances its strategies, it will be sharing its ESG efforts and impact regularly, in line with its annual reporting cycle.

DIRECTORS

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

NAME:	Mr Julian Babarczy (appointed 7 June 2018)
TITLE:	Executive Chairman
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 many years as a Portfolio Manager for the Regal Emerging Companies Strategy. Mr Babarczy has extensive experience investing across all areas of the financial markets, with a particular focus on natural resource investments.
OTHER CURRENT DIRECTORSHIPS: ^	IXUP Limited (ASX: IXU) (Appointed 10 November 2020)
FORMER DIRECTORSHIPS (LAST 3 YEARS):*	Ioneer Limited (ASX: INR) (Resigned 4 July 2022)
SPECIAL RESPONSIBILITIES:	None
INTERESTS IN SHARES:	37,801,270 fully paid ordinary shares (via related entities)
INTERESTS IN PERFORMANCE RIGHTS:	5,000,000

NAME:	Mr Robert Benussi (appointed 7 June 2018)
TITLE:	Managing Director
QUALIFICATIONS:	MIPA
EXPERIENCE AND EXPERTISE:	Mr Benussi has extensive experience as a mining executive, finance, corporate advisory and business development.
OTHER CURRENT DIRECTORSHIPS: ^	None
FORMER DIRECTORSHIPS (LAST 3 YEARS):*	None
SPECIAL RESPONSIBILITIES:	None
INTERESTS IN SHARES:	31,216,666 fully paid ordinary shares (via related entities)
INTERESTS IN PERFORMANCE RIGHTS:	5,000,000

NAME:	Mr Brett Grosvenor (appointed 10 September 2020)
TITLE:	Non-executive Director
QUALIFICATIONS:	B Eng. MBA
EXPERIENCE AND EXPERTISE:	Mr Grosvenor is an experienced executive with experience in the development of projects from an initial concept through to contract delivery and operation.
OTHER CURRENT DIRECTORSHIPS: ^	Firebird Metals Limited (ASX: FRB) (appointed 1 March 2022) Firetail Resources Limited (ASX: FTL) (appointed 5 April 2022) Carbine Resources Limited (ASX: CRB) (appointed 7 September 2023)
FORMER DIRECTORSHIPS (LAST 3 YEARS):*	Primero Group Limited (ASX: PGX) (delisted 26 February 2021)
SPECIAL RESPONSIBILITIES:	None
INTERESTS IN SHARES:	2,760,000 fully paid ordinary shares
INTERESTS IN PERFORMANCE RIGHTS:	1,000,000

^'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.*

Company Secretary

Nicholas Katris (B,Bus, CA) has held the role of Company Secretary since December 2021. Mr. Katris is a Chartered Accountant with over 16 years' of experience in the resources sector, operating in Australia, Canada, Europe and Africa.

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

Due to the current size of the Company, it is more efficient and effective for the functions otherwise undertaken by a remuneration committee to be performed by the Board. All directors are therefore responsible for determining and reviewing compensation arrangements for key management personnel, including periodically assessing the appropriateness of the nature and amount of remuneration by reference to relevant market conditions and prevailing practices.

From time to time the directors seek independent external advice on the appropriateness of the remuneration framework and remuneration arrangements for key management personnel.

During the year ended 30 June 2023, the Board did not engage the services of remuneration advisors.

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 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 93.91% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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 Cash salary & fees	**Share-based payments** Performance rights	**Post-employment benefits** Super-annuation	**Total remuneration**	**Performance related**
		$	$	$	$	%
Executive Directors:						
Mr Julian Babarczy	**2023**	**226,244**	**-**	**23,756**	**250,000**	**-**
	2022	227,273	217,500	22,727	467,500	47
Mr Robert Benussi	**2023**	**203,620**	**-**	**21,380**	**225,000**	**-**
	2022	225,000	217,500	20,455	442,500	49
Non-executive Directors:						
Mr Brett Grosvenor	**2023**	**49,998**	**-**	**-**	**49,998**	**-**
	2022	39,996	43,500	-	83,496	52
Mr George Karafotias*	**2023**	**-**	**-**	**-**	**-**	**-**
	2022	19,800	43,500	-	63,300	69
Total remuneration	**2023**	**479,862**	**-**	**45,136**	**524,998**	
	2022	534,796	522,000	43,182	1,056,796	

** Resigned 31 December 2021*

SERVICE AGREEMENTS

NAME:	Julian Babarczy
TITLE:	Executive Chairman
TERM OF AGREEMENT:	Agreement began 1 March 2021 and is ongoing by mutual agreement between the executive and the Company.
DETAILS:	Annual remuneration of $250,000 including superannuation (if applicable). 3 month notice period and 3 month termination payment.

NAME:	Robert Benussi
TITLE:	Managing Director
TERM OF AGREEMENT:	Agreement began 1 March 2021 and is ongoing by mutual agreement between the executive and the Company.
DETAILS:	Annual remuneration of $225,000 including superannuation (if applicable). 3 month notice period and 3 month termination payment.

SHARE-BASED COMPENSATION

Issue of shares

There were no ordinary shares issued to directors and other key management personnel as part of compensation during the year.

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 2023 and none were held during the year.

Performance Rights

There were no Performance Rights over ordinary shares issued to directors and other key management personnel as part of compensation in the 2023 financial year.

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 2023.

The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Loss for the year	(4,839,128)	(1,676,194)	(716,810)	(640,698)	(183,780)
Closing share price at 30 June	0.009	0.04	0.12	0.04	0.03
Loss per share	0.91	0.34	0.16	0.20	0.08
Market capitalisation	4,909,355	21,162,477	57,183,408	15,946,136	7,437,612

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 ON THE EXERCISE OF PERFORMANCE RIGHTS	BALANCE AT THE DATE OF APPOINTM-ENT	ADDITIONS	HELD AT CESSATION	BALANCE AT THE END OF THE YEAR
Ordinary shares						
Mr Julian Babarczy	30,866,328	-	-	6,934,942	-	37,801,270
Mr Robert Benussi	29,716,666	-	-	1,000,000	-	30,716,666
Mr Brett Grosvenor	1,760,000	-	-	1,000,000	-	2,760,000
	62,342,994	**-**	**-**	**8,934,942**	**-**	**71,277,936**

Performance Rights

The table below shows the number of performance rights that were granted, vested and forfeited during the year.

	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR	VESTED DURING THE YEAR	NO. LAPSED DURING YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND CONVERTIBLE 30 JUNE 2023
Mr Julian Babarczy	5,000,000	-	-	-	5,000,000	5,000,000
Mr Robert Benussi	5,000,000	-	-	-	5,000,000	5,000,000
Mr Brett Grosvenor	3,640,000	-	-	2,640,000	1,000,000	1,000,000
	13,640,000	**-**	**-**	**2,640,000**	**11,000,000**	**11,000,000**

Each performance right converts, at the holder's election, to one ordinary share in the Company upon satisfaction of the performance and service conditions linked to the rights. The rights do not carry any other privileges. The determination of the fair value of the performance rights granted is outlined in note 8.

This concludes the remuneration report, which has been audited.

Shares under option

There are 22,500,000 ordinary shares of the Company under option at the date of this report.

NUMBER	EXPIRY DATE	OPTION EXERCISE PRICE ($)
5,000,000	31/10/2024	0.045
7,500,000	17/08/2025	0.04
10,000,000	15/09/2025	0.06

Performance Rights

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

DATE OF ISSUE	EXPIRY DATE	EXERCISE PRICE	NUMBER ON ISSUE
29/11/2021	29/11/2024	-	11,000,000

Shares issued on the exercise of options

There were no ordinary shares of The Company issued on the exercise of options during the year ended 30 June 2023 and to the date of this report.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	FULL BOARD	
	Attended	Held
MR JULIAN BABARCZY	3	3
MR ROBERT BENUSSI	3	3
MR BRETT GROSVENOR	3	3

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

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.

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

Robert Benussi
Managing Director

15 September 2023

William Buck
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 year ended 30 June 2023 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

A. A. Finnis
Director
Melbourne, 15 September 2023

ANNUAL REPORT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Perpetual
RESOURCES LIMITED

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

	NOTES	CONSOLIDATED 2023 $	2022 $
Revenue			
Interest income		21,996	220
Research and development tax credit		170,143	-
Expenses			
Administrative and corporate expenses		(528,610)	(505,766)
Legal and consulting expenses		(305,792)	(263,014)
Exploration expenditure written off		(260,396)	(13,733)
Impairment exploration and evaluation asset	5a	(3,904,370)	-
Share-based payments expenses		(32,099)	(893,901)
Loss before income tax expense		**(4,839,128)**	**(1,676,194)**
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of the Company		**(4,839,128)**	**(1,676,194)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the Company		**(4,839,128)**	**(1,676,194)**
Loss per share attributable to equity holders of the Company:			
Basic loss per share (cents per share)	16	(0.91)	(0.34)
Diluted loss per share (cents per share)	16	(0.91)	(0.34)

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

STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	NOTES	CONSOLIDATED 2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents		1,295,311	1,127,745
Trade and other receivables		19,734	45,585
Prepayments		32,867	75,375
Total current assets		**1,347,912**	**1,248,705**
Non-current assets			
Exploration and evaluation	5	3,917,947	7,344,647
Total non-current assets		**3,917,947**	**7,344,647**
Total assets		**5,265,859**	**8,593,352**
LIABILITIES			
Current liabilities			
Trade and other payables	6	356,503	343,557
Total current liabilities		**356,503**	**343,557**
Total liabilities		**356,503**	**343,557**
Net assets		**4,909,356**	**8,249,795**
EQUITY			
Issued capital	7	16,542,681	15,211,044
Reserves	8	1,088,052	1,027,860
Accumulated losses		(12,721,377)	(7,989,109)
Total equity		**4,909,356**	**8,249,795**

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

STATEMENT OF CHANGES IN EQUITY
as at 30 June 2023

CONSOLIDATED	ISSUED CAPITAL $	PERFORMANCE RIGHTS RESERVE $	OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 30 June 2021	**14,961,862**	**451,968**	**70,599**	**(6,470,259)**	**9,014,170**
Loss after income tax expense for the year	-	-	-	(1,676,194)	(1,676,194)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,676,194)**	**(1,676,194)**
Transactions with owners in their capacity as owners:					
Issue of shares to acquire exploration tenement	27,778	-	-	-	27,778
Performance rights exercised	231,264	(231,264)	-	-	-
Lapse of performance rights	-	(157,344)	-	157,344	-
Share-based payments	-	522,000	371,901	-	893,901
Cost of capital raising	(9,860)	-	-	-	(9,860)
Balance at 30 June 2022	**15,211,044**	**585,360**	**442,500**	**(7,989,109)**	**8,249,795**
Loss after income tax expense for the year	-	-	-	(4,839,128)	(4,839,128)
Other comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(4,839,128)**	**(4,839,128)**
Transactions with owners in their capacity as owners:					
Shares issued	1,600,000	-	-	-	1,600,000
Share-based payments	-	-	167,052	-	167,052
Lapse of performance rights	-	(106,860)	-	106,860	-
Costs of capital raising	(268,363)	-	-	-	(268,363)
Balance at 30 June 2023	**16,542,681**	**478,500**	**609,552**	**(12,721,377)**	**4,909,356**

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	NOTES	CONSOLIDATED 2023 $	2022 $
Cash flows from operating activities			
Payments for exploration & evaluation (expensed)		-	(13,722)
Payments to suppliers and employees (inclusive of GST)		(783,466)	(878,954)
Interest received		21,996	220
Other income		170,143	-
Net cash used in operating activities	**15**	**(591,327)**	**(892,456)**
Cash flows from investing activities			
Payments for exploration and evaluation (capitalised)		(707,696)	(1,387,825)
Net cash used in investing activities		**(707,696)**	**(1,387,825)**
Cash flows from financing activities			
Proceeds from share placement	7	1,600,000	-
Share issue transaction costs	7	(133,411)	(9,858)
Net cash (used in)/from financing activities		**1,466,589**	**(9,858)**
Net increase in cash and cash equivalents		**167,566**	**(2,290,139)**
Cash and cash equivalents at 1 July		1,127,745	3,417,884
Cash and cash equivalents at 30 June		**1,295,311**	**1,127,745**

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2023

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 for profit entity, listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Perpetual Resources Limited
Level 2, Suite 16, 420 Bagot Road, Subiaco WA 6008.

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 15 September 2023. The directors have the power to amend and reissue the financial statements.

2. 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.

a) 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 recognise any impairment of exploration and evaluation assets $3,904,370 (2022: impairment of $0) following a review of the recoverable amount in future periods.

b) Share based Payments

The fair value of Options and Performance Rights granted are recognised as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the service period.

The fair value of the Options and Performance Rights at grant date is determined using various option valuation model appropriate to the instrument. Assumptions into the model excludes the impact of any non-market vesting conditions and are instead included in assumptions about the number of Options and Performance Rights that are expected to vest.

At reporting date, the consolidated entity revises the estimate of the number of Options and Performance Rights that are expected to vest.

3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group currently operates in one operating segment being mineral exploration and evaluation in Western Australia.

4. 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 2023 the consolidated entity had accumulated losses of $12,721,377 (2022: $7,989,109), 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.

5. EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2023 $	**2022 $**
Exploration and evaluation	**3,917,947**	7,344,647

a) Reconciliations

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

	30 JUNE 2023 $	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	742,892	1,491,576
Expenditure written off	(260,396)	(13,733)
Impairment exploration and evaluation assets	(3,904,370)	-
Balance at the end of the period	**3,917,947**	**7,344,647**

Impairment testing

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective tenement exploration licence.

Where the expenditure is not expected to be recouped, the recoverable amount of the Company's capitalised mineral exploration and evaluation asset is determined using the Fair Value Less Costs to Dispose (FVLCD) method.

Other than impairment expenses recognised in the current reporting period tenements that were relinquished during the period has been recognised and have been written off.

Impairment calculations

The FVLCD of the exploration and evaluation assets are determined using the Company's market value, less the net asset value at 30 June 2023.

If the carrying amount of the exploration and evaluation assets exceeds its recoverable amount determined using FVLCD, the exploration and evaluation assets are written down to their recoverable amount and an impairment loss is recognised in the income statement.

For assets previously impaired, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Recognised impairment are as follows:

Management has assessed that the current market capitalisation as at 30 June 2023 accurately reflects the fair value of our exploration and evaluation assets. The value of Net Assets at 30 June 2023 was $8,813,726, less the market capitalisation of $4,909,356, results in an impairment of $3,904,370.

The impairment loss of $3,904,370 has been recognised in the Statement of Comprehensive Income.

6. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2023 $	2022 $
Trade payables	284,426	251,622
Other payables	51,379	51,379
Accrued expenses	20,698	40,556
	356,503	**343,557**

Refer to note 9 for further information on financial instruments.

7. EQUITY - ISSUED CAPITAL

	CONSOLIDATED			
	2023 SHARES	2022 SHARES	2023 $	2022 $
Ordinary shares - fully paid	545,483,963	492,150,629	16,542,681	15,211,044

Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE	$
Balance	**30-06-2021**	**476,528,403**		**14,961,862**
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
Share issue costs		-	-	(9,860)
Balance	**30-06-2022**	**492,150,629**		**15,211,044**
Issue of shares for share placement	15-09-2022	44,666,667	$0.030	1,340,000
Issue of shares to placement by directors	07-12-2022	8,666,667	$0.030	260,000
Share issue costs		-	-	(268,363)
Balance	**30-06-2023**	**545,483,963**		**16,542,681**

a) 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.

b) 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 2023 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.

8. RESERVES

	CONSOLIDATED 2023 $	2022 $
Performance rights reserve	478,500	585,360
Option reserve	609,552	442,500
Balance at the end of the year	**1,088,052**	**1,027,860**

a) 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.

	2023 $	2022 $
Balance at the beginning of the period	**1,027,860**	**522,567**
Share-based payment transactions		
Share options	167,052	371,901
Performance rights	-	522,000
Transfer out of reserve upon		
Exercise of performance rights	-	(231,264)
Lapse of performance rights	(106,860)	(157,344)
Balance at the end of the year	**1,088,052**	**1,027,860**

b) Performance Rights

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

	30 JUN 2023 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	-	(14,400,000)
Lapsed/forfeited during the period	(3,640,000)	(1,760,000)
Balance at the end of the period	**11,000,000**	**14,640,000**

There were no Performance Rights granted during the year ended 30 June 2023.

Lapsed rights, amounting to $106,860 during the year (30 June 2022: $157,344), were transferred to retained earnings and did not affect the statement of profit and loss for the fiscal year 2023.

c) Share options

The following table illustrates the options movement during the year ending 30 June 2023:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE ($)	BALANCE 1 JULY 2022	GRANTED	LAPSED	BALANCE 30 JUNE 2023	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	-	-
29/07/2021	30/07/2023	0.160	10,000,000	-	-	10,000,000	10,000,000
15/09/2022	15/09/2025	0.060	-	10,000,000		10,000,000	10,000,000
		TOTAL	**20,000,000**	**10,000,000**	**5,000,000**	**25,000,000**	**25,000,000**

Set out below are the details of the Options granted during the year ended 30 June 2023 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	15/09/2022	15/09/2025	0.0135	0.06	0.75	80	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.

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	29/07/2021	30/07/2023	0.0404	0.16	0.01	73.33	0.125	404,000

The options issued were to corporate advisors Canaccord Genuity Ltd and Evolution Capital Advisors Pty Ltd for their provision of services. Share-based payments recognised during the period within the consolidated statement of profit or loss was $32,099.

9. FINANCIAL INSTRUMENTS

a) 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.

b) Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) 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 by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

c) 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.

	1 YEAR OR LESS $	BETWEEN 1 AND 2 YEARS $	BETWEEN 2 AND 5 YEARS $	OVER 5 YEARS $	TOTAL $
30 JUNE 2023					
Non-derivatives financial liabilities					
Trade and other payables	356,503	-	-	-	356,503
30 JUNE 2022					
Non-derivatives financial liabilities					
Trade and other payables	343,557	-	-	-	343,557

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

d) Fair value of financial instruments

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

10. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors

The following persons were directors of the Company during the financial year:

Mr Julian Babarczy	Executive Chairman
Mr Robert Benussi	Managing Director
Mr Brett Grosvenor	Non-executive Director

b) Compensation

	2023 $	2022 $
Short-term employee benefits	479,862	491,614
Performance share-based payments	-	522,000
Post-employment benefits	45,136	43,182
Total	**524,998**	**1,056,796**

11. RELATED PARTY TRANSACTIONS

a) Parent entity

Perpetual Resources Limited is the parent entity.

b) Subsidiaries

Interests in subsidiaries are set out in note 14.

c) Key management personnel

Disclosures relating to key management personnel are set out in note 10 and the remuneration report included in the directors' report.

d) Other transactions with related parties of key management personnel

There were no other transactions with related parties at the current and previous reporting date.

e) 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.

f) Loans to/from related parties

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

g) Terms and conditions

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

12. 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:

	CONSOLIDATED	
	2023 $	2022 $
Audit services - William Buck		
Audit or review of the financial statements	32,200	28,756

13. PARENT ENTITY INFORMATION

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

a) Statement of profit or loss and other comprehensive income

	PARENT	
	2023 $	2022 $
Loss after income tax for the year	(4,837,762)	(1,674,061)
Total comprehensive loss for the year	(4,837,762)	(1,674,061)

b) Statement of financial position

	PARENT	
	2022 $	2022 $
Total current assets	1,314,052	1,215,418
Total assets	**5,214,480**	**8,404,155**
Total current liabilities	(305,124)	(292,178)
Total liabilities	**(305,124)**	**(292,178)**
Equity		
Issued capital	16,542,681	15,211,044
Performance rights reserve	-	585,360
Option reserve	1,088,052	442,500
Accumulated losses	(12,721,377)	(7,9989,109)
Total equity	**4,909,356**	**8,249,795**

c) 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 2023 (2022: Nil).

d) Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

e) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 19, 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.

14. 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 19:

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2023 %	2022 %
Neo Resources Limited	Australia	100%	100%

15. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	CONSOLIDATED 2023 $	2022 $
Loss after income tax expense for the year	(4,839,128)	(1,676,194)
Adjustments for:		
Share-based payment expense	32,099	893,901
Impairment of exploration & evaluation	3,904,370	-
Exploration & evaluation written off	260,396	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	25,851	(54,859)
(Increase)/decrease in other assets	42,508	-
Increase/(decrease) in trade and other payables	(17,423)	(55,304)
Net cash used in operating activities	**(591,327)**	**(892,456)**

16. LOSS PER SHARE

	CONSOLIDATED 2023 $	2022 $
Loss after income tax attributable to the owners of the Company	(4,839,128)	(1,676,194)
Weighted average number of ordinary shares used in basic and diluted earnings per share	532,372,243	490,623,889
	CENTS	CENTS
Basic loss per share	(0.91)	(0.34)
Diluted loss per share	(0.91)	(0.34)

17. COMMITMENTS

In order to maintain current rights of tenure to mining and exploration tenements, the consolidated entity will be required to perform exploration work to meet the minimum expenditure requirements. This expenditure will only be incurred should the consolidated entity retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations, which may include exploration and evaluation activities.

The estimated exploration expenditure commitment for the ensuing years, but not recognised as a liability in the statement of financial position is as follows:

	CONSOLIDATED	
	2023 $	2022 $
Exploration commitments within one year	**164,428**	**213,600**

18. EVENTS SUBSEQUENT TO REPORTING DATE

On 18th August 2023, the Company successfully completed a $1.5 million share placement (before cost) to professional and sophisticated investors at $0.022 per share. In addition, the company issued 7.5 million unlisted options to GBA Capital at an exercise price of 4 cents expiring 2 years from issue.

Entry into two option agreements to acquire highly prospective Brazilian lithium exploration tenement packages

Paraiso & Itinga Prospects – Option agreement one

In July 2023, Perpetual announced the signing of a binding option agreement with RTB Geologia E Mineração LTDA. (**RTB**), a Limited Liability Company incorporated and existing under the laws of Brazil, pursuant to which Perpetual has the exclusive option (**Option**) to acquire a 100% interest in four lithium exploration permits held by RTB, located in Brazil.

Through this agreement, Perpetual gains access to four exploration permits situated in the mining friendly state of Minas Gerais, Brazil. A key advantage lies in the tenement's strategic location within the renowned 'Eastern Brazilian Pegmatite District' (EBPD), a globally recognised hub for hard-rock lithium spodumene deposits. Notably, this region accounts for 100% of all officially recognised lithium reserves in Brazil, making it highly valued for its abundant spodumene pegmatites.

Perpetual has commenced planning for a range of legal and technical due diligence, in addition to drafting of definitive agreements, that are required to be completed prior to Perpetual confirming its intention to proceed with exercising the Option to acquire the relevant exploration permits.

Transaction structure and consideration

In accordance with the Option Agreement, Perpetual now has from the date of execution of the Option Agreement until 18 September 2023 to complete due diligence and to elect to either exercise the Option or terminate the Option Agreement at no additional cost to Perpetual.

GBA Capital has acted as a facilitator to the transaction.

A summary of the material terms and conditions of the Option Agreement is set out below:

(a) RTB grants Perpetual an exclusive option until 30 September 2024 (**Option**) to acquire a 100% interest in exploration permits held by RTB in respect of four exploration tenements located in Brazil (**Exploration Permits**).

(b) Perpetual will be entitled to conduct due diligence investigations from the date of execution of the Option Agreement until 18 September 2023 (**Due Diligence Period**) by making an initial cash payment of $25,000, which has been paid by Perpetual.

(c) Prior to expiry of the Due Diligence Period, Perpetual may (in its sole and absolute discretion) elect to continue with the transaction and conduct exploration activities by making the following payments and issues:

(i) a cash payment of $50,000 within 5 days after the Due Diligence Period;

(ii) issue 5,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period;

(iii) issue 5,000,000 unlisted options exercisable at $0.025 and 5,000,000 unlisted options exercisable at $0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period;

(iv) a cash payment of $50,000 within 6 months after the expiry of the Due Diligence Period; and

(v) contribute $100,000 towards the work and development of the project within 1 year after the expiry of the Due Diligence Period.

(d) RTB will transfer its 100% interest in the Exploration Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.

(e) RTB will be entitled to the following deferred consideration:

(i) a 2% net smelter return royalty over minerals produced that are the subject of the Exploration Permits. Perpetual will have the right to buy-back half of the royalty for $500,000;

(ii) in the event Perpetual reports at least 6 rock chips above 1% Li_20 (Spodumene) prior to 30 September 2024, Perpetual will pay RTB a cash payment of $50,000 and issue 5,000,000 shares to RTB (or its nominees); and

(iii) in the event Perpetual reports a 10m or greater continuous intercept at 1% Li_20 (Spodumene) within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares.

The agreement to issue the above securities is not subject to shareholder approval and made using Perpetual's existing 15% capacity under Listing Rule 7.1.

Ponte Nova Prospects – Option agreement two

On the 9 August 2023, Perpetual announced it had entered into an additional binding option agreement to acquire a further three highly prospective exploration permits (**Permits**), covering approximately 5,000 hectares in Brazil's "Lithium Valley" region, within Brazil's the mining friendly state of Minas Gerais.

Transaction structure and consideration

In accordance with the Option Agreement, Perpetual now has from the date of execution of the Option Agreement until 29 September 2023 to complete due diligence and to elect to either continue with the transaction or terminate the Option Agreement at no additional cost to Perpetual.

GBA Capital has acted as a facilitator to the transaction, as well as the transaction announced on 21st July 2023.

A summary of the material terms and conditions of the Option Agreement is set out below:

(a) RTB grants Perpetual an exclusive option until 7th October 2024 (**Option**) to acquire a 100% interest in exploration permits held by RTB in respect of three exploration permits located in Brazil (**Permits**).

(b) Perpetual will be entitled to conduct due diligence investigations from the date of execution of the Option Agreement until 29 September 2023 (**Due Diligence Period**) by making an initial cash payment of $25,000, which has been paid by Perpetual.

(c) Prior to expiry of the Due Diligence Period, Perpetual may (in its sole and absolute discretion) elect to continue with the transaction and conduct exploration activities by making the following payments and issues:

 (i) a cash payment of $150,000 within 5 days after the Due Diligence Period;

 (ii) issue 10,000,000 shares to RTB (or its nominees) within 5 days after the Due Diligence Period; and

 (iii) issue 12,500,000 unlisted options exercisable at $0.03 with a 2-year expiry date, to RTB (or its nominees) within 5 days after the Due Diligence Period.

(d) RTB will transfer its 100% interest in the Permits to Perpetual upon Perpetual completing the payments and share/option issues contemplated above.

(e) RTB will be entitled to the following deferred consideration:

 (i) a 2% net smelter return royalty over minerals produced that are the subject of the Permits. Perpetual will have the right to buy-back half of the royalty for $500,000;

 (ii) in the event Perpetual reports a 10m or greater continuous intercept at 1% Li_20 (Spodumene) on the Permits within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares; and

 (iii) in the event Perpetual reports a JORC Compliant Inferred Resource (or greater) of 10 million tonnes @ 1% on the Permits within 5 years, Perpetual will issue RTB (or its nominees) 10,000,000 shares.

The agreement to issue the above securities is subject to shareholder approval.

No others matter or circumstance has arisen since 30 June 2023 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.

19. 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.

a) 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 and future reporting periods will not have a material impact.

New or amended Accounting Standards or Interpretations that are material to the consolidated entity but not yet mandatory have not been early adopted and are discussed below.

b) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting period ended 30 June 2023.

c) 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.

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 2.

d) 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 13.

e) 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 2023 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'.

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.

f) 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.

g) 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.

h) 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. 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, it's carrying value is written off.

i) 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.

j) 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.

k) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to executives & employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to executives and employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company, executives or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company, executives or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Performance rights reserve

Performance rights 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.

l) 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.

m) Exploration and evaluation assets

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises direct and indirect costs but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

a. The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
b. Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount the impairment loss will be measured and disclosed in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.

n) 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.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is offset against the related asset.

DIRECTORS' DECLARATION

30 June 2023

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 19 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 2023 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

Robert Benussi
Managing Director

15 September 2023

William Buck
ACCOUNTANTS & ADVISORS

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 subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 and of its financial performance for the year ended on that date; 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. These matters were 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 these matters.

CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS	
Area of focus **Refer also to Notes 2, 5 and 19**	**How our audit addressed it**
The Group has incurred exploration and evaluation costs for exploration projects in Australia over a number of years. 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. During the year an impairment charge was recognised in relation to exploration expenditure for a total amount of $3.9 million. The capitalisation of exploration and evaluation assets was deemed a key area of focus for our audit.	Our audit procedures included the following: — 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; — 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; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; — 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. We also assessed the adequacy of the Group's disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, 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 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 2023.

In our opinion, the Remuneration Report of Perpetual Resources Limited, for the year ended 30 June 2023 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
Director
Melbourne, 15 September 2023

SHAREHOLDER INFORMATION

30 June 2023

The shareholder information set out below was applicable as at 7 September 2023.

COMPANY SECRETARY

Nicholas Katris

CORPORATE GOVERNANCE STATEMENT

In accordance with Listing Rule 4.10.3, the Company's Corporate Governance Statement can be found on the Company's website. Refer to https://www.perpetualresourceslimited.com.au/corporate-governance.

ON-MARKET BUY BACK

The Company has not initiated an on-market buy back.

TOP 20 HOLDERS OF ORDINARY SHARES

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

	NUMBER HELD	% HELD
DEUTSCHE BALATON AKTIENGESELLSCHAFT	40,100,000	6.53
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,258,650	6.23
KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	35,100,548	5.72
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	21,906,987	3.57
CITICORP NOMINEES PTY LIMITED	17,094,258	2.79
INTREPID CONCEPTS PTY LTD	17,083,333	2.78
UBS NOMINEES PTY LTD	15,550,000	2.53
BENUSSI ROVIGNO PTY LTD <BENUSSI SF A/C>	13,133,333	2.14
ADMARK INVESTMENTS PTY LTD <THE PINTO FAMILY A/C>	11,561,304	1.88
EVOLUTION CAPITAL PTY LTD	10,836,801	1.77
REGIONAL MANAGEMENT PTY LTD <MVC A/C>	10,000,000	1.63
MS CHUNYAN NIU	9,545,455	1.56
MARJACK HOLDINGS PTY LTD <CAROLAN 2013 A/C>	9,350,000	1.52
MR ANTANAS GUOGA	9,031,819	1.47
CANELA HOLDINGS PTY LTD <CHARLES CASKEY SUPERFUND A/C>	8,500,000	1.39
BLUE MOUNTAIN INVESTMENTS LTD	8,000,000	1.30
BCPC PTY LTD	7,500,000	1.22
JV WONG INVESTMENTS PTY LTD (JV WONG FAMILY A/C)	7,336,054	1.20
AEE GOLD AG	7,000,000	1.14
TAYLOR SUPER FUND A/C	5,280,968	1.07
Total	**284,260,384**	**49.52**

SUBSTANTIAL HOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Deutsche Balaton Aktiengesellschaft (40,100,000 Ordinary Shares) AEE Gold Ag (7,000,000 Ordinary Shares) Delphi Unternehmensberatung Aktiengesellschaft (21,906,987 Ordinary Shares)	69,006,987	11.25
Julian Barbaczy	38,258,650	6.23
Tolga Kumova	35,100,548	5.72
Robert Benussi	31,216,666	5.09

DISTRIBUTION OF EQUITABLE SECURITIES

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

	NUMBER OF HOLDERS OF ORDINARY SHARES	UNITS	PERCENTAGE OF ISSUED CAPITAL %
1 to 1,000	76	17,489	0.00
1,001 to 5,000	56	192,128	0.03
5,001 to 10,000	102	784,906	0.13
10,001 to 100,000	486	20,953,117	3.41
100,001 and over	387	591,718,144	96.43
	1,107	**613,665,784**	**100**
Holding less than a marketable parcel based on a share price of $0.02.	393	3,671,237	-

PERFORMANCE RIGHTS

	NUMBER OF HOLDERS OF PERFORMANCE RIGHTS	UNITS	PERCENTAGE OF ISSUED CAPITAL %
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	3	11,000,000	100
	3	**11,000,000**	**100**

OPTIONS

	NUMBER OF HOLDERS OF OPTIONS	UNITS	PERCENTAGE OF ISSUED CAPITAL %
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	3	22,500,000	100
	3	**22,500,000**	**100**

UNQUOTED EQUITY SECURITIES

PERFORMANCE RIGHTS

	NUMBER ON ISSUE	NO. OF HOLDERS
Expiry 29-11-24 Director Performance Rights – Tranche 1	5,500,000	3
Expiry 29-11-24 Director Performance Rights – Tranche 2	2,750,000	3
Expiry 29-11-24 Director Performance Rights – Tranche 3	2,750,000	3

Details of holders of securities issued under an employee incentive scheme are exempt from disclosure under Chapter 4 of the Listing Rules.

OPTIONS

DATE OF EXPIRY	EXERCISE PRICE ($)	NO. OF OPTIONS	NO. OF HOLDERS
31/10/2024	0.045	5,000,000*	1
17/08/2025	0.040	7,500,000**	1
15/09/2025	0.060	10,000,000***	1

OPTION HOLDER	NO. OF OPTIONS
Argonaut Investments Pty Ltd <Argonaut Invest No 3 A/C>*	5,000,000
Albury Capital Pty Ltd**	7,500,000
Evolution Capital***	10,000,000

VOTING RIGHTS

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

ORDINARY SHARES

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. 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.

PERFORMANCE RIGHTS & OPTIONS

Performance rights & Options do not carry a right to vote.

RESTRICTED AND ESCROWED SECURITIES

The Company does not have any restricted securities or securities subject to voluntary escrow on issue.

TENEMENTS

HOLDER	LOCATION	TENEMENT NUMBER	INTEREST OWNED %
Perpetual Resources Limited	Western Australia	E70/5221	100.00
Perpetual Resources Limited	Western Australia	E70/5798	100.00
Perpetual Resources Limited	Western Australia	E70/5951	100.00
Perpetual Resources Limited	Western Australia	M70/1406	100.00
Perpetual Resources Limited	Western Australia	L70/219	100.00

Perpetual
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