

## ASX RELEASE

10th May 2021

ASX:PEC

### CORPORATE DIRECTORY

#### Executive Chairman

Julian Babarczy

#### Managing Director

Robert Benussi

#### Non-Executive Director

Brett Grosvenor

#### Non-Executive Director & Company Secretary

George Karafotias

### PROJECTS

Beharra Silica Sands

Sargon Hub

Eneabba Hub

### CONTACT

Suite 801 Level 8  
84 Pitt Street  
Sydney NSW 2000

#### George Karafotias

+61 042 086 550

#### Robert Benussi

+61 410 415 335

We wish to acknowledge the Traditional Custodians of the land (Yamatji Southern Regional) on which we are developing the Beharra Project, and pay our respects to their Elders past, present and emerging.

## MOU for Silica Sand Offtake Signed with Guangdong Qinyin New Material Technology Co., Ltd

### HIGHLIGHTS:

- MOU for offtake signed with China based Guangdong Qinyin New Material Technology Co., Ltd (Qinyin)
- MOU with Qinyin covers indicative interest to purchase 400,000 tons per annum of high grade silica sand from Beharra
- Qinyin is a purchaser, upgrader and supplier of silica sand (among many other specialist commodities) and is a significant supplier of end product inputs to a range of high end glass producers in China

**Perpetual Resources Limited (ASX: PEC, "PEC", "Perpetual" or "the Company")** is pleased to announce the signing of a Memorandum of Understanding ("MOU") with Guangdong Qinyin New Material Technology Co., Ltd (Qinyin), with indicative interest from Qinyin for the purchase of 400,000 tons per annum of high grade silica sand from Perpetual's Beharra Project.

Qinyin is a supplier of finished products to the high end glass industry in China, having developed long term relationships with many industry participants.

PEC's Executive Chairman, Mr. Julian Babarczy commented on the MOU, "We are extremely pleased to be entering into discussions with Qinyin regarding potential offtake for Beharra, particularly as Qinyin represents such a well-positioned and active participant in the silica sand and glass raw material input market in China. Demand from the photovoltaic/photoelectric glass industry in China is anticipated to grow significantly in coming years and our recent metallurgical test results show strong potential for Beharra to be a key participant in this exciting market".

## Key details of the MOU with Qinyin

- Contemplates the purchase of 400,000 tons per annum of high-grade silica sand from the Beharra Project
- Parties agree to negotiate the terms of a legally binding Offtake Agreement, which will contain specific terms in respect of pricing and payment structure, by no later than 30th June 2022.
- MOU is binding on both parties, although non-exclusive until such time as a definitive offtake agreement is entered into.

Negotiations around final product attributes, product pricing and payment terms will progress in coming months, with more definitive pricing discussions subject to the outcomes of the recently announced white-sand testing program, for which a drilling program is currently being finalized. Results of the white sand only bulk metallurgical testing program that will underpin these product and pricing discussions is expected to be finalized in July 2021.

Perpetual notes that there is no certainty that a binding Offtake Agreement will be reached as the finalization of such an agreement is the subject of ongoing negotiations.

Perpetual looks forward to updating shareholders when discussions develop.

## About Qinyin

Guangdong Qinyin New Material Technology Co, Ltd. (Qinyin) is located in Guangzhou Economic and Technological Development Zone.

Qinyin's business includes the production of silver nitrate, silver sulfate, silver oxide, silver hydride and other silver salt chemicals, with sales of silver salt chemicals of around 360 tons per year, and annual sales revenue of approximately 1.26 billion Yuan (US\$200 million).

Qinyin also produces various materials for the Chinese glass industry including silica sand, limestone, soda ash, sodium nitrate, and anhydrous sodium. Qinyin is a key and long term supplier to the high-end glass industry in China.

## About Perpetual Resources Limited

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

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



**Mt Adams Road which Intersects the Beharra Tenement**



**Brand Highway Proximal to Beharra**

The port of Geraldton is utilised as a bulk material handling facility and is currently utilised for the export of bulk materials, minerals and concentrates. Grains, copper concentrates, zinc concentrates, nickel concentrates, mineral sands, talc, and iron ore are currently being exported from the port. Extensive heavy mineral sands mining occurs to the south of the Project area, lime sands mining to the west and natural gas production to the south of the Project.

The Beharra Project comprises of a single exploration license, E70/5221, covering an effective land area of 56.8km<sup>2</sup>.

Auger and air core drilling has confirmed the presence of extensive, high purity silica sands, with a maiden Mineral Resource Estimate completed in July 2020. A detailed Pre-Feasibility Study and Maiden Ore Reserve for Beharra was released to the ASX on March 17th, 2021.

### **Silica Sands Market**

Silica sands have an extensive range of uses including lower purity and grade applications such as construction sand, proppant sand used in well fracturing, and foundry sand. With increasing purity (>99.5% SiO<sub>2</sub>) uses includes glass making including clear glass. Uses for purity >99.8% includes semi-conductor fillers, LCD screens, and optical glass.

This announcement has been approved for release by the Board of Perpetual.

---

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

Mr George Karafotias  
*Company Secretary*  
+61 421 086 550