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Perpetual  
RESOURCES LIMITED

# ANNUAL REPORT

FOR THE  
YEAR ENDED  
30 JUNE 2022

# 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

Steinepreis Paganin Lawyers & Consultants  
Level 4, The Read Building  
16 Milligan Street  
Perth WA 6000

### 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/>

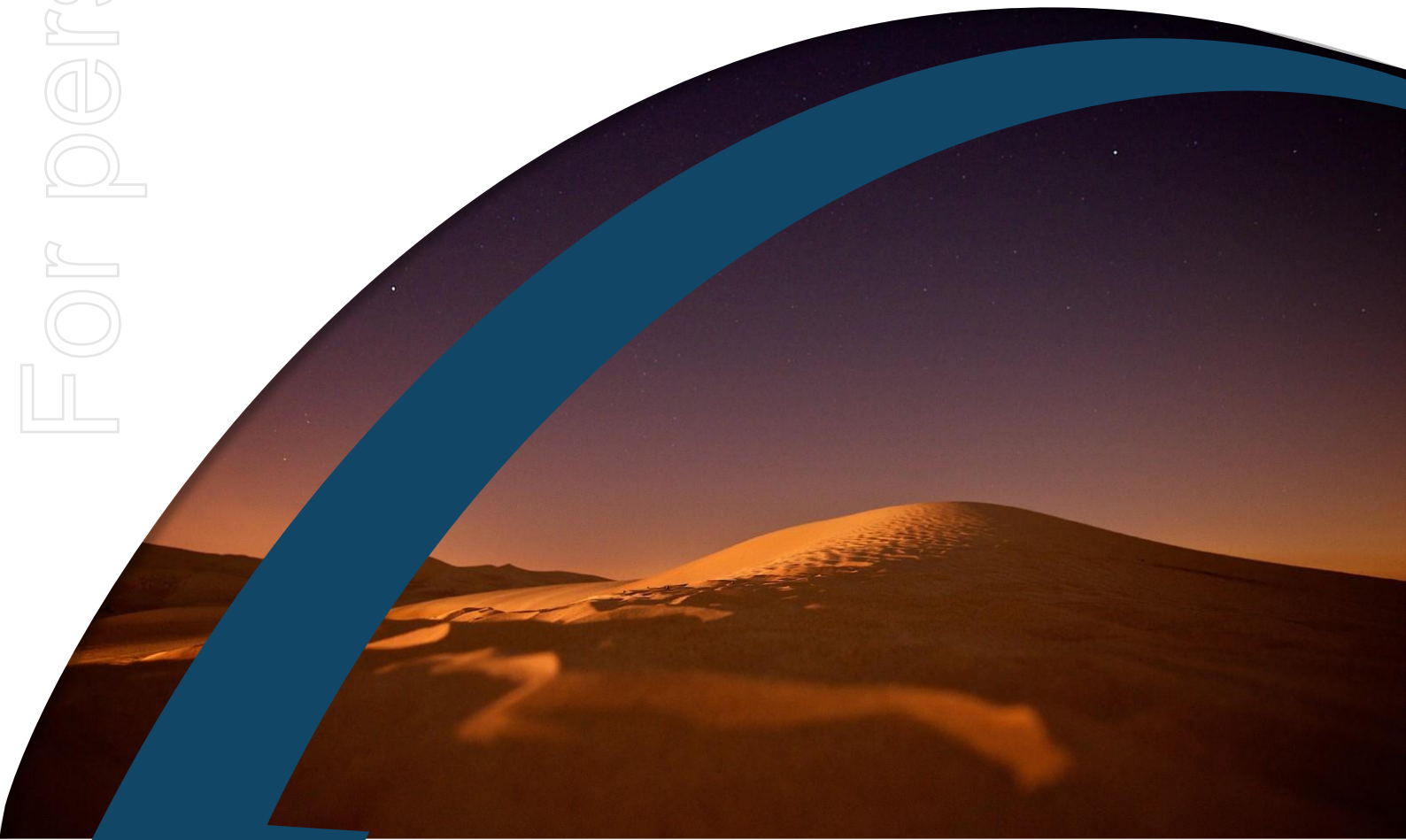
### Website

[www.perpetualresourceslimited.com.au](http://www.perpetualresourceslimited.com.au)

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# COMPETENT PERSON STATEMENT

The information in this report that relates to the Exploration Results for the Beharra Project is based on information compiled and fairly represented by Mr Colin Ross Hastings, who is a Member of the Australian Institute of Mining & Metallurgy and consultant to Perpetual Resources Ltd. Mr Hastings is also a shareholder of Perpetual Resources Ltd. Mr Hastings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hastings consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Exploration information for the Beharra Project is based on information compiled and fairly represented by Mr John Doepel, who is a Member of the Australian Institute of Mining and Metallurgy and consultant to Perpetual Resources Limited. Mr Doepel 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 Doepel consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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

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# CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

Despite the challenging market conditions for smaller mining project developers in the past year, Perpetual Resources Limited (Perpetual) has continued to deliver to plan.

Our focus has remained steadfastly on progression of our flagship Beharra Project (Beharra), which we feel has developed into the leading high grade silica sand development project in the Mid West region of Western Australia. The impurity levels within the end product at Beharra has been tested numerous times and have continued to produce results that show ongoing improvements in quality.

The depth of technical data we have compiled at Beharra, as well as the strategy to utilize multiple representative samples should position us well in future discussions with off take parties.

There is significant nuance in a silica sand deposit. The in-situ grade does not tell the whole story, nor does simply the impurity grades (although lower is almost always better). Different end users demand different product specifications. Selling silica sand is not like selling a standardized commodity, as the product you end up producing is in many respects unique and the negotiation around the sale of that product is almost always bespoke.

What this means for Beharra is that as we advance the project, the more data we compile the better. We feel we have done a solid job at compiling significant representative data sets that have shown improving results, often through innovative thinking. An example of this was our decision to undertake representative bulk samples on multiple sub-domains, the outcome of which has allowed us to isolate that the Upper and Lower White horizons of the Beharra orebody are likely the best and most likely to lead to a commercial outcome for the project.

Logistics is always an essential element of any industrial minerals project and we are proud to say that during the year we have advanced discussions with Geraldton Port to the point where we now have a Joint Co-operation Agreement to explore accessing the 1.5 million tonnes per annum of capacity that we think will represent our peak start up output level. We also continue to work closely with many other stakeholders and are honoured to be working so closely and constructively with the Yamatji Southern Regional Corporation, the original custodians of the land on which Beharra is located.

My thanks for the past year continue to go to all our hard-working employees and consultants, who continue to work hard every day for our patient shareholders who have provided strong support in the recent challenging macroeconomic times.

Kind Regards



**Julian Babarczy**  
Executive Chairman

23 September 2022

# 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 2022.

## 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:

- Mr Julian Babarczy (Executive Chairman)
- Mr Robert Benussi (Executive Director)
- Mr Brett Grosvenor (Non-executive Director)
- Mr George Karafotias (Non-executive Director & Company Secretary) (retired 31 December 2021)

## PRINCIPAL ACTIVITIES

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

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

## DIVIDENDS

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

## REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax amounted to \$1,676,194 (30 June 2021: \$716,810).

## FINANCIAL POSITION

The net assets of the consolidated entity increased by \$764,375 to \$8,249,795 (30 June 2021: \$9,014,170).

The consolidated entity's working capital, being current assets less current liabilities was \$905,148 at 30 June 2022 (2021: \$3,177,614). During the year the consolidated entity had a negative cash flow from operating activities of \$892,954 and \$1,387,825 from exploration and evaluation activities (2021: negative \$614,998 from operating activities and negative \$1,115,024 from exploration and evaluation activities).

During the financial year, operating expenses increased following an increase in activity. Administrative and corporate expenses were \$505,766 (2021: \$572,801).

## 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 exploration licence application, E70/5221, covering effective land area of 56.8km<sup>2</sup>. Silica sands have an extensive range of uses including lower purity applications such as construction sand, proppant sand used in well fracturing as well as foundry sand. With

increasing purity (>99.5% SiO<sub>2</sub>) uses includes glass making applications such as float and plate glass, container glass and glass coverings for PV-sola cell applications. Uses for purity >99.8% includes semiconductor fillers, LCD screens and optical glass.

Key milestones achieved to date include:

- Maiden Mineral Resource Estimate delivered mid 2020 (see ASX release 22<sup>nd</sup> August 2020)
- Pre-Feasibility Study delivered in 1Q 2021 (see ASX release 17<sup>th</sup> March 2021)
- Maiden Mineral Reserve Estimate delivered 1Q 2021 (see ASX release 17<sup>th</sup> March 2021)
- Water Licence secured in collaboration with traditional landowners and the WA Government in November 2021 (see ASX release 8<sup>th</sup> November 2021).

## KEY ACTIVITIES DURING THE YEAR ENDING 30 JUNE 2022

### Infill Drilling Results

Results from the Beharra, Phase 3 air core drill program completed during the half-year confirmed high grade white silica sand intersections, supporting a white sand only development scenario. These encouraging results have been the focus for advancing the updated Mineral Resource and Ore Reserve Estimates which continues to progress.

In August Phase 3 Air Core infill drilling results confirmed high grade white silica Sand at Beharra with 86 drillholes confirming high grade intersections from 0.5m below surface (Refer ASX release 30<sup>th</sup> August 2021):

- C1: 10.5m @ 98.2% SiO<sub>2</sub> from 0.5m, incl. 3.5m @ 99.2% SiO<sub>2</sub> from 0.5m
- C11: 13.5m @ 98.2% SiO<sub>2</sub> from 0.5m
- C20: 13.5m @ 98.2% SiO<sub>2</sub> from 0.5m, incl. 10.5m @ 99.1% SiO<sub>2</sub> from 0.5m
- C27: 9.5m @ 98.8% SiO<sub>2</sub> from 0.5m, incl. 3.5m @ 99.2% SiO<sub>2</sub> from 0.5m
- C34: 8.5m @ 98.8% SiO<sub>2</sub> from 0.5m, incl. 4.0m @ 99.1% SiO<sub>2</sub> from 2.0m
- C37: 11.5m @ 98.6% SiO<sub>2</sub> from 0.5m
- C44: 8.5m @ 98.7% SiO<sub>2</sub> from 0.5m, incl. 2.0m @ 99.1% SiO<sub>2</sub> from 2.0m
- C54: 11.5m @ 98.5% SiO<sub>2</sub> from 0.5m
- C62: 8.5m @ 98.8% SiO<sub>2</sub> from 0.5m, incl. 4.5m @ 99.0% SiO<sub>2</sub> from 0.5m
- C67: 11.5m @ 98.6% SiO<sub>2</sub> from 0.5m
- C71: 9.5m @ 98.6% SiO<sub>2</sub> from 0.5m, incl. 2.0m @ 99.1% SiO<sub>2</sub> from 3.0m
- C74: 7.5m @ 99.1% SiO<sub>2</sub> from 0.5m, incl. 4.5m @ 99.3% SiO<sub>2</sub> from 0.5m

Every drillhole returned intersections of >98.0% SiO<sub>2</sub> with thick white sand horizons. Furthermore, in October the Company announced the commencement of white sand only representative metallurgical testing on Phase 3 white sand drill samples. The goal is to replicate the initial white sand metallurgical testing to demonstrate that the extremely low potential impurities in Beharra end product extends across a large portion of the Beharra orebody.

### Scoping Study for DSO

After inbound interest relating to the potential sales of Direct Shipping Ore (DSO) from Beharra, a DSO scoping study was commenced in September which was aimed at providing the Company with a strong economic understanding of this potential production scenario. This will also aid in ongoing negotiations and discussions around potential innovative commercial profit-sharing models. Whilst there has been significant development on the study, final outcomes remain undetermined and dependent on the outcome of commercial discussion with potential offtake partners.

## Beharra White Sand Only Pre-Feasibility Study Update

In December the Board approved formal commencement of the Beharra Pre-Feasibility Study Update (PFSU) after white sand only metallurgical test work success confirming that Beharra can consistently produce a low impurity end product specification (99.6% SiO<sub>2</sub> with Fe<sub>2</sub>O<sub>3</sub> impurity levels of only 173ppm) (refer ASX release 8<sup>th</sup> December 2021). Building on top of the previously delivered Pre-Feasibility Study (PFS) from March 2021, PFSU will provide a side-by-side analysis between the previously studied comingled white and yellow sand production scenario.

### White Sand Horizon

Beharra white sand test work confirmed a 173ppm Fe<sub>2</sub>O<sub>3</sub> end product with potential for a higher quality white sand domain (refer ASX release 2<sup>nd</sup> December 2021).

Beharra White Sand Only	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub> ppm	Al <sub>2</sub> O <sub>3</sub> ppm	TiO <sub>2</sub> ppm	Mass
Beharra Special White	99.6%	173	1986	342	100%
Beharra Premium White Coarse	99.6%	160	1620	290	14%
Beharra Premium White Fine	99.6%	175	2045	350	86%

**Table 1: Results of December 2021 bulk metallurgical test work which targeted the white sand only horizon at Beharra.**

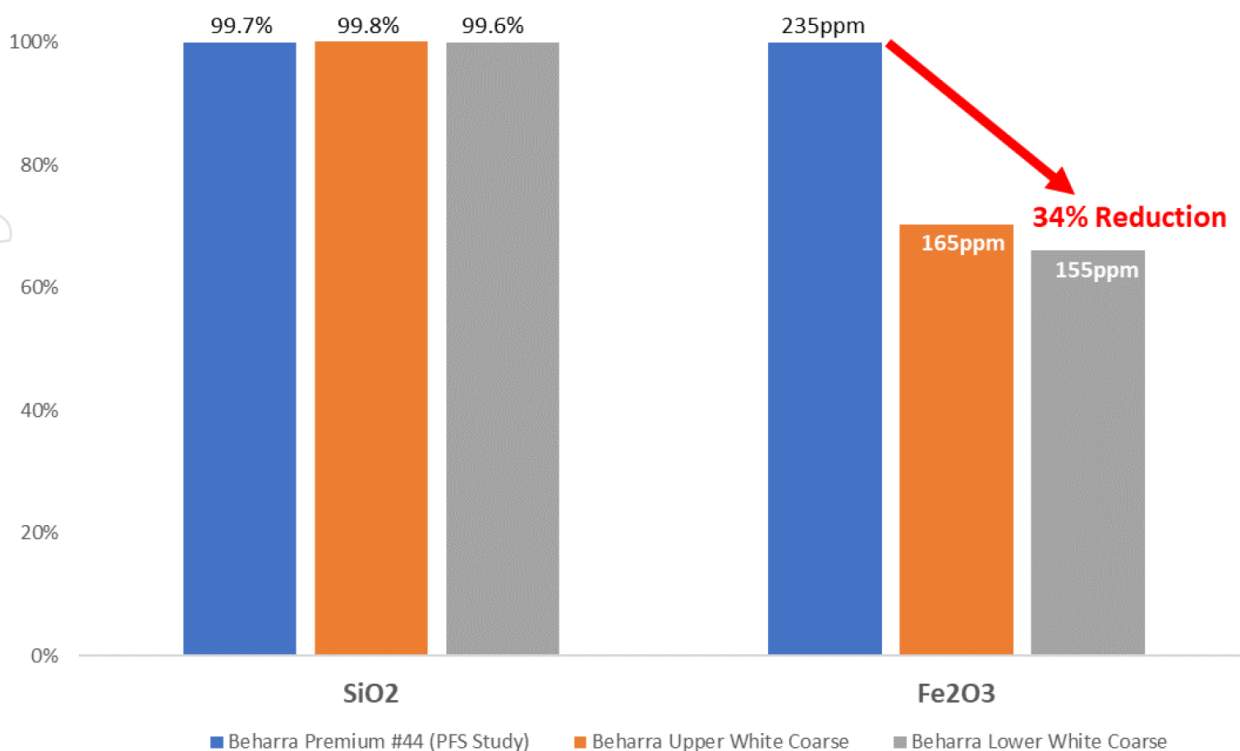
The white sand horizon at Beharra shows clear chemical and lithological/mineralogical zonation between an upper and lower sub-unit, where the upper unit appears to contain higher SiO<sub>2</sub> content and a lower impurity profile suggesting a premium Beharra final product may be possible

This geological discovery requires additional test work to confirm, which is now being undertaken to assess the separate sub-domains. In August 2022, metallurgical testing delivered bulk sample test results from each distinct sub-domain within the white sand sequence, were extremely encouraging. Upper and Lower White geological units contain the same or higher SiO<sub>2</sub> content but with materially lower Fe<sub>2</sub>O<sub>3</sub> impurity profile (when compared to the PFS test results). These results, including the extent of representative bulk metallurgical test work undertaken, positions Beharra as the pre-eminent silica sand project in the Mid West region of Western Australia.

Sub Domain	SiO <sub>2</sub> %	Fe <sub>2</sub> O <sub>3</sub> ppm	Al <sub>2</sub> O <sub>3</sub> ppm	TiO <sub>2</sub> ppm	Yield %
Upper White Fine	99.7	195	1270	380	56.2
<b>Upper White Coarse</b>	<b>99.8</b>	<b>165</b>	<b>1085</b>	<b>325</b>	<b>13.7</b>
Upper White Consolidated	99.7	189	1234	369	69.9
Lower White Fine	99.6	180	2355	310	60.0
<b>Lower White Coarse</b>	<b>99.7</b>	<b>155</b>	<b>1730</b>	<b>275</b>	<b>8.4</b>
Lower White Consolidated	99.6	177	2278	306	68.4

**Figure 1 (above) – Upper and Lower White Sub Domain Test Results (Fine product 150µm to 500µm, Coarse product 350µm to 800µm)**





**Figure 2 – Confirmed reduction in Fe<sub>2</sub>O<sub>3</sub> from coarse fraction of Upper and Lower White sub domains only (as highlighted in Figure 1)**

### Landmark Water Agreement

The Company achieved a landmark collaboration agreement in October 2021 with the West Australian Government and traditional landowners, Yamatji Southern Regional Corporation (YSRC) to secure water licence requirements for Beharra over an initial 10 years. This agreement covers 560,000 kL of water per annum which covers Beharra's base case production scenario of 1.5 million tons per annum. The Company and YSRC have also agreed to work closely to develop additional initiatives that will directly benefit the Yamatji Nation and Perpetual (see ASX release 8<sup>th</sup> November 2021).

### Environmental Surveys

Activities to support the Environmental submissions for Beharra have continued, with numerous surveys having been completed involving desktop studies and field surveys and impact assessments in support of the primary Beharra environmental permitting submissions. Results to date identify no significant impact to environment and heritage values.

### Ongoing Activities

Activities will focus on:

- Further explore end product optimization and detailed revenue maximization analysis.
- Scoping studies for DSO production scenario to continue.
- Continued work on the PFSU to include the 'white only horizons' sand development (see ASX release 27th January 2022)
- Continue environmental activities to achieve permitting approvals (see ASX release 20th May 2022)

## OTHER EXPLORATION ACTIVITIES

The Board will continue to focus on the following Projects and seek to enhance the value of these through exploration and development activities.

### BEHARRA WEST PROJECT

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

### SARGON CONSTRUCTION SANDS PROJECT

Sargon Construction Sands Project is about 40km south of Port Geraldton and covers an area of 48km<sup>2</sup>. Sargon Construction Sands Project comprises of Sargon tenement (E70/5227) and Sargon North tenement (E70/5376).

### ENEABBA PROJECT

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

### ARROWSMITH WEST PROJECT

Located 3.2km west and immediately south of consolidated entity's flagship Beharra Mining Lease and is traversed by the sealed Brand Highway and the Geraldton-Eneabba railway line and covers an area of 27km<sup>2</sup>. Arrowsmith West Project comprises of one tenement (E70/5798).

## 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 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.

## 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

On 8<sup>th</sup> September 2022, the Company successfully completed a \$1.6 million share placement (before cost) to professional and sophisticated investors at \$0.03 per share.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

## ENVIRONMENTAL REGULATION

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

## INFORMATION ON DIRECTORS

<b>NAME:</b>	Mr Julian Babarczy (appointed 7 June 2018)
<b>TITLE:</b>	Executive Chairman
<b>QUALIFICATIONS:</b>	CFA, Graduate Diploma in Applied Finance
<b>EXPERIENCE AND EXPERTISE:</b>	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.
<b>OTHER CURRENT DIRECTORSHIPS: ^</b>	IXUP Limited (ASX: IXU) (Appointed 10 November 2020)
<b>FORMER DIRECTORSHIPS (LAST 3 YEARS):*</b>	Ioneer Limited (ASX: INR) (Resigned 4 July 2022)
<b>SPECIAL RESPONSIBILITIES:</b>	None
<b>INTERESTS IN SHARES:</b>	30,866,328 fully paid ordinary shares (via related entities)
<b>INTERESTS IN PERFORMANCE SHARES:</b>	5,000,000

<b>NAME:</b>	Mr Robert Benussi (appointed 7 June 2018)
<b>TITLE:</b>	Managing Director
<b>QUALIFICATIONS:</b>	MIPA
<b>EXPERIENCE AND EXPERTISE:</b>	Mr Benussi has extensive experience as a mining executive, finance, corporate advisory and business development.
<b>OTHER CURRENT DIRECTORSHIPS: ^</b>	None
<b>FORMER DIRECTORSHIPS (LAST 3 YEARS):*</b>	None
<b>SPECIAL RESPONSIBILITIES:</b>	None
<b>INTERESTS IN SHARES:</b>	29,716,666 fully paid ordinary shares (via related entities)
<b>INTERESTS IN PERFORMANCE SHARES:</b>	5,000,000

<b>NAME:</b>	Mr Brett Grosvenor (appointed 10 September 2020)
<b>TITLE:</b>	Non-executive Director
<b>QUALIFICATIONS:</b>	B Eng. MBA
<b>EXPERIENCE AND EXPERTISE:</b>	Mr Grosvenor is an experienced executive with experience in the development of projects from an initial concept through to contract delivery and operation.
<b>OTHER CURRENT DIRECTORSHIPS: ^</b>	Firebird Metals Limited (ASX: FRB) (appointed 1 March 2022) Firetail Resources Limited (ASX: FTL) (appointed 5 April 2022)
<b>FORMER DIRECTORSHIPS (LAST 3 YEARS):*</b>	Primero Group Limited (ASX: PGX) (delisted 26 February 2021)
<b>SPECIAL RESPONSIBILITIES:</b>	None
<b>INTERESTS IN SHARES:</b>	1,760,000 fully paid ordinary shares
<b>INTERESTS IN PERFORMANCE SHARES:</b>	3,640,000

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

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

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	FULL BOARD	
	Attended	Held
MR JULIAN BABARCZY	7	7
MR ROBERT BENUSSI	7	7
MR GEORGE KARAFOTIAS	4	4
MR BRETT GROSVENOR	7	7

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

## REMUNERATION REPORT (AUDITED)

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

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

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

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

### PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

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

- competitiveness and reasonableness
- acceptability to shareholders

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

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

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

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

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 2022, 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 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 99.78% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. 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			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		Total
	Cash salary & fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Performance shares	
2022	\$	\$	\$	\$	\$	\$	\$	\$
<i>Executive Directors:</i>								
Mr Julian Babarczy	250,000	-	-	-	-	-	217,500	467,500
Mr Robert Benussi	225,000	-	-	-	-	-	217,500	442,500
<i>Non-executive Directors:</i>								
Mr George Karafotias*	19,800	-	-	-	-	-	43,500	63,300
Mr Brett Grosvenor	39,996	-	-	-	-	-	43,500	83,496
	<b>534,796</b>	-	-	-	-	-	<b>522,000</b>	<b>1,056,796</b>

\* Resigned on 31 December 2021

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		Total
	Cash salary & fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Performance shares	
2021	\$	\$	\$	\$	\$	\$	\$	\$
<i>Executive Directors:</i>								
Mr Julian Babarczy	180,833	-	-	-	-	-	-	180,833
Mr Robert Benussi	175,000	-	-	-	-	-	-	175,000
<i>Non-Executive Directors:</i>								
Mr George Karafotias	39,600	-	-	-	-	-	-	39,600
Mr Brett Grosvenor	32,331	-	-	-	-	-	105,600	137,931
	<b>427,764</b>	-	-	-	-	-	<b>105,600</b>	<b>533,364</b>

## SERVICE AGREEMENTS

<b>NAME:</b>	Julian Babarczy
<b>TITLE:</b>	Executive Chairman
<b>TERM OF AGREEMENT:</b>	Agreement begins 1 March 2021 and is ongoing by mutual agreement between the executive and the Company.
<b>DETAILS:</b>	Annual remuneration of \$250,000 including superannuation (if applicable). 3 month notice period and 3 month termination payment. Prior to this agreement, Mr Babarczy's annual remuneration was \$250,000.

<b>NAME:</b>	Robert Benussi
<b>TITLE:</b>	Managing Director
<b>TERM OF AGREEMENT:</b>	Agreement begins 1 March 2021 and is ongoing by mutual agreement between the executive and the Company.
<b>DETAILS:</b>	Annual remuneration of \$225,000 including superannuation (if applicable). 3 month notice period and 3 month termination payment. Prior to this agreement, Mr Benussi's annual remuneration was \$255,000.

## 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 2022 and none were held during the year.

### Performance Shares

At the Company's AGM held on 29 November 2021, shareholders approved three tranches of Director's Performance Rights. Each performance right represents a right to be issued the same number of shares on conversion, subject to the participant remaining an employee, office-bearer or consultant of the Company for 3 years from grant date and the satisfaction of the following performance milestones:

- Tranche 1 – 6,000,000 will vest and convert when a feasibility study at any Project of the Company with an assessed internal rate of return of >20% is delivered;
- Tranche 2 – 3,000,000 will vest and convert upon securing binding offtakes for at least 750,000 tonnes per annum;
- Tranche 3 – 3,000,000 will vest and convert when the Company achieves the first sales of product from any project of the Company

Management has assessed that non-market conditions are more than probable to be achieved by the expiry date and therefore the total value of the rights incorporates all rights awarded. The expense recorded as share-based payments is recognised to the service period end date on a straight-line basis as the service conditions are inherent in the award.

Each performance right converts to one ordinary share in the consolidated entity upon satisfaction of the performance conditions linked to the rights.

The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the consolidated entity on the date awarded, after taking into consideration time value of money and share price volatility.

The value of the Performance Shares is effectively equal to the share price at approval date (AGM 29 November 2021, \$0.113). The directors have determined the probability of meeting the conditions of Performance Shares is 50% for each class.

The Performance Shares are considered to be non-vesting as director will still be entitled to the Performance Shares within a year of resignation. When condition is met after one year of resignation by current director and before expiry date of the Performance Shares, the then board will make a decision on whether the resigned director(s) should be entitled to the Performance Shares. As a result of no-service condition of the Performance Shares, the entire fair value of \$522,000 is brought to account in year ended 30 June 2022.

NAME	ISSUE DATE	PERFORMANCE SHARES	EXPIRY DATE	\$
Mr Julian Babarczy	29/11/2021	5,000,000	29/11/2024	217,500
Mr Robert Benussi	29/11/2021	5,000,000	29/11/2024	217,500
Mr George Karafotias	29/11/2021	1,000,000	29/11/2024	43,500
Mr Brett Grosvenor	29/11/2021	1,000,000	29/11/2024	43,500

## 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 2022.

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Loss for the year	(1,676,194)	(716,810)	(640,698)	(183,780)	(1,310,010)
Closing share price at 30 June	0.04	0.12	0.04	0.03	0.02
Loss per share	0.34	0.16	0.20	0.08	1.34
Market capitalisation	21,162,477	57,183,408	15,946,136	7,437,612	4,801,561



## 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 APPOINTMENT	ADDITIONS	HELD AT CESSATION	BALANCE AT THE END OF THE YEAR
Ordinary shares						
Mr George Karafotias	4,790,000	2,200,000	-	-	6,990,000	-
Mr Julian Babarczy	24,732,995	5,133,333	-	1,000,000	-	30,866,328
Mr Robert Benussi	25,050,000	3,666,666	-	1,000,000	-	29,716,666
Mr Brett Grosvenor	-	1,760,000	-	-	-	1,760,000
	<b>54,572,995</b>	<b>12,759,999</b>	<b>-</b>	<b>2,000,000</b>	<b>6,990,000</b>	<b>62,342,994</b>

This concludes the remuneration report, which has been audited.

## SHARES UNDER OPTION

There are 30,000,000 ordinary shares of The Company under option at the date of this report.

## PERFORMANCE SHARES

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	-	12,000,000
30/11/2020	30/11/2022	-	2,640,000

## 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 2022.

## 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

23 September 2022

# AUDITOR'S INDEPENDENCE DECLARATION

**WilliamBuck**

ACCOUNTANTS & ADVISORS

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

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

*William Buck*

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

*Alan Finnis*

**A. A. Finnis**  
Director  
Melbourne, 23 September 2022

Level 20, 181 William Street, Melbourne VIC 3000

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William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.

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**ANNUAL  
REPORT  
FINANCIAL  
STATEMENTS**

**FOR THE  
YEAR ENDED  
30 JUNE 2022**



**Perpetual**  
**RESOURCES LIMITED**

For personal use only

# FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

	NOTES	CONSOLIDATED	
		2022 \$	2021 \$
<b>Revenue</b>			
Investment income		-	145,749
Sundry income		220	-
<b>Expenses</b>			
Administrative and corporate expenses		(505,766)	(572,801)
Legal and consulting expenses		(263,014)	(225,083)
Exploration expenditure expensed and written off		(13,733)	(23,491)
Share-based payments expenses		(893,901)	(41,184)
<b>Loss before income tax expense</b>		<b>(1,676,194)</b>	<b>(716,810)</b>
Income tax expense	4	-	-
<b>Loss after income tax expense for the year attributable to the owners of the Company</b>		<b>(1,676,194)</b>	<b>(716,810)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of the Company</b>		<b>(1,676,194)</b>	<b>(716,810)</b>
<b>Loss per share attributable to equity holders of the Company:</b>			
Basic loss per share (cents per share)	16	(0.34)	(0.16)
Diluted loss per share (cents per share)	16	(0.34)	(0.16)

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

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	NOTES	CONSOLIDATED	
		2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,127,745	3,417,884
Trade and other receivables		45,585	66,102
Prepayments		75,375	-
<b>Total current assets</b>		<b>1,248,705</b>	<b>3,483,986</b>
<b>Non-current assets</b>			
Exploration and evaluation	5	7,344,647	5,836,556
<b>Total non-current assets</b>		<b>7,344,647</b>	<b>5,836,556</b>
<b>Total assets</b>		<b>8,593,352</b>	<b>9,320,542</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	343,557	306,372
<b>Total current liabilities</b>		<b>343,557</b>	<b>306,372</b>
<b>Total liabilities</b>		<b>343,557</b>	<b>306,372</b>
<b>Net assets</b>		<b>8,249,795</b>	<b>9,014,170</b>
<b>EQUITY</b>			
Issued capital	7	15,211,044	14,961,862
Reserves	8	1,027,860	522,567
Accumulated losses		(7,989,109)	(6,470,259)
<b>Total equity</b>		<b>8,249,795</b>	<b>9,014,170</b>

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

## STATEMENT OF CHANGES IN EQUITY

as at 30 June 2022

	ISSUED CAPITAL \$	PERFORMANCE SHARES RESERVE \$	OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
<b>CONSOLIDATED</b>					
<b>Balance at 1 July 2020</b>	<b>11,055,345</b>	<b>2,042,273</b>	<b>20,000</b>	<b>(8,053,449)</b>	<b>5,063,169</b>
Loss after income tax expense for the year	-	-	-	(716,810)	(716,810)
Other comprehensive income for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(716,810)</b>	<b>(716,810)</b>
Transactions with owners in their capacity as owners:					
Issue of options	-	-	70,599	-	70,599
Issue of shares for conversion of options	70,000	-	(20,000)	-	50,000
Issue of performance shares	-	187,968	-	-	187,968
Vesting of performance shares	-	522,727	-	-	522,727
Expiry of performance shares	-	(2,300,000)	-	2,300,000	-
Issue of shares for share placement	3,975,000	-	-	-	3,975,000
Issue of shares to promoters	80,000	-	-	-	80,000
Cost of capital raising	(218,483)	-	-	-	(218,483)
<b>Balance at 30 June 2021</b>	<b>14,961,862</b>	<b>451,968</b>	<b>70,599</b>	<b>(6,470,259)</b>	<b>9,014,170</b>

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

**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

as at 30 June 2022

	ISSUED CAPITAL \$	PERFORMANCE SHARES RESERVE \$	OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
<b>CONSOLIDATED</b>					
<b>Balance at 1 July 2021</b>	<b>14,961,862</b>	<b>451,968</b>	<b>70,599</b>	<b>(6,470,259)</b>	<b>9,014,170</b>
Loss after income tax expense for the year	-	-	-	(1,676,194)	(1,676,194)
Other comprehensive income for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,676,194)</b>	<b>(1,676,194)</b>
Transactions with owners in their capacity as owners:					
Issue of shares to acquire exploration tenement	27,778	-	-	-	27,778
Transfer from reserve upon exercise of performance rights	231,264	(231,264)	-	-	-
Lapse of performance rights	-	(157,344)	-	157,344	-
Share-based payments expensed	-	522,000	371,901	-	893,901
Cost of capital raising	(9,860)	-	-	-	(9,860)
<b>Balance at 30 June 2022</b>	<b>15,211,044</b>	<b>585,360</b>	<b>442,500</b>	<b>(7,989,109)</b>	<b>8,249,795</b>

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



**STATEMENT OF CASH FLOWS**

for the year ended 30 June 2022

	NOTES	CONSOLIDATED	
		2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Payments for exploration & evaluation (expensed)		(13,722)	-
Payments to suppliers and employees (inclusive of GST)		(878,954)	(614,998)
Interest received		220	-
<b>Net cash used in operating activities</b>	<b>15</b>	<b>(892,456)</b>	<b>(614,998)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investment		-	183,039
Payments for exploration and evaluation (capitalised)		(1,387,825)	(1,115,024)
<b>Net cash used in investing activities</b>		<b>(1,387,825)</b>	<b>(931,985)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share placement	7	-	3,975,000
Proceeds from conversion of options	7	-	50,000
Share issue transaction costs for prior period	7	(9,858)	(149,222)
<b>Net cash (used in)/from financing activities</b>		<b>(9,858)</b>	<b>3,875,778</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2,290,139)</b>	<b>2,328,795</b>
Cash and cash equivalents at 1 July		3,417,884	1,089,089
<b>Cash and cash equivalents at 30 June</b>		<b>1,127,745</b>	<b>3,417,884</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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 23 September 2022. 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) Coronavirus (COVID-19) pandemic

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

### b) Recovery of royalties

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

### c) Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to

be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

During the financial year, the consolidated entity did not recognise any impairment of exploration and evaluation assets (2021: impairment of \$0) following a review of the recoverable amount in future periods.

#### **d) 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**

#### **a) Identification of reportable operating segments**

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

### **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 2022 the consolidated entity had accumulated losses of \$7,989,109 (2021: \$6,470,259), 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	
	2022 \$	2021 \$
Exploration and evaluation	7,344,647	5,836,556

### a) Reconciliations

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

	BEHARRA HIGH PURITY SILICA PROJECT \$	BEHARRA WEST PROJECT \$	SARGON CONSTRUCTION SAND PROJECT \$	ENEABBA PROJECT \$	TOTAL \$
<b>CONSOLIDATED</b>					
<b>Balance at 30 June 2020</b>	<b>4,011,201</b>	-	<b>15,084</b>	<b>25,736</b>	<b>4,052,021</b>
Vesting of performance shares	669,511	-	-	-	669,511
Capitalise expenditure at cost	1,115,024	-	-	-	1,115,024
<b>Balance at 30 June 2021</b>	<b>5,795,736</b>	-	<b>15,084</b>	<b>25,736</b>	<b>5,836,556</b>
Acquisition of exploration tenement	30,248	-	-	-	30,248
Capitalised expenditure at cost	1,354,636	12,757	63,682	46,768	1,477,843
<b>Balance at 30 June 2022</b>	<b>7,180,620</b>	<b>12,757</b>	<b>78,766</b>	<b>72,504</b>	<b>7,344,647</b>

## 6. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2022 \$	2021 \$
Trade payables	251,622	237,494
Other payables	51,379	68,878
Accrued expenses	40,556	-
	<b>343,557</b>	<b>306,372</b>

Refer to note 9 for further information on financial instruments.

## 7. EQUITY - ISSUED CAPITAL

	CONSOLIDATED			
	2022 SHARES	2021 SHARES	2022 \$	2021 \$
Ordinary shares - fully paid	492,150,629	476,528,403	15,211,044	14,961,862
<b>Movements in ordinary share capital</b>				
DETAILS	DATE	SHARES	ISSUE PRICE	\$
<b>Balance</b>	<b>1-07-2020</b>	<b>398,653,403</b>		<b>11,055,345</b>
Issue of shares for share placement	19-10-2020	46,250,000	\$0.04	1,850,000
Issue of shares to placement by directors	30-11-2020	3,125,000	\$0.04	125,000
Issue of shares from conversion of options	18-01-2021	2,500,000	\$0.02	50,000
Issue of shares for share placement	22-02-2021	25,000,000	\$0.08	2,000,000
Issue of shares to promoters	9-04-2021	1,000,000	\$0.08	80,000
Transfer of vesting charge from options reserve	-	-	-	20,000
Capital raising cost	-	-	-	(218,483)
<b>Balance</b>	<b>30-06-21</b>	<b>476,528,403</b>		<b>14,961,862</b>
Issue of shares for Acquisition of Arrowsmith West Tenement	07-07-2021	222,227	\$0.125	27,778
Exercise of Directors' performance rights	06-08-2021	10,999,999	\$0.012	132,000
Exercise of Directors' performance rights	06-08-2021	1,760,000	\$0.024	42,240
Exercise of performance rights	06-08-2021	2,640,000	\$0.022	57,024
Capital raising cost	-	-	-	(9,860)
<b>Balance</b>	<b>30-06-2022</b>	<b>492,150,629</b>		<b>15,211,044</b>

### 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 2022 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	
	2022 \$	2021 \$
Performance shares reserve	585,360	451,968
Option reserve	442,500	70,599
<b>Balance at the end of the year</b>	<b>1,027,860</b>	<b>522,567</b>

### 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.

	2022 \$	2021 \$
<b>Balance at the beginning of the period</b>	<b>522,567</b>	<b>2,061,273</b>
<i>Share-based payment transactions</i>		
Share options	371,901	70,599
Performance rights	522,000	710,695
<i>Transfer out of reserve upon</i>		
Exercise of share options	-	(20,000)
Exercise of performance rights	(231,264)	-
Expiry of performance rights	(157,344)	(2,300,000)
<b>Balance at the end of the year</b>	<b>1,027,860</b>	<b>522,567</b>

### b) Performance Shares

The following table shows performance rights issued during the year ended 30 June 2022 for no consideration and the value attributed to each performance right granted, by the category holder:

HOLDER	NUMBER OF PERFORMANCE RIGHTS	SHARE PRICE ON DATE OF GRANT (\$)	TOTAL VALUE (\$)	EXPIRY DATE
Julian Babarczy	5,000,000	0.113	565,000	29/11/2024
Robert Benussi	5,000,000	0.113	565,000	29/11/2024
Brett Grosvenor	1,000,000	0.113	113,000	29/11/2024
George Karafotias	1,000,000	0.113	113,000	29/11/2024

At the Company's AGM held on 29 November 2021, shareholders approved three tranches of Director's Performance Rights. Each performance right represents a right to be issued the same number of shares on conversion, subject to the participant remaining an employee, office-bearer or consultant of the Company for 3 years from grant date and the satisfaction of the following performance milestones:

- Tranche 1 – 6,000,000 will vest and convert when a feasibility study at any Project of the Company with an assessed internal rate of return of >20% is delivered;
- Tranche 2 – 3,000,000 will vest and convert upon securing binding offtakes for at least 750,000 tonnes per annum;
- Tranche 3 – 3,000,000 will vest and convert when the Company achieves the first sales of product from any project of the Company
- Share-based payments recognised during the period within the consolidated statement of profit or loss was \$522,000.

Management has assessed that non-market conditions are more than probable to be achieved by the expiry date and therefore the total value of the rights incorporates all rights awarded. The expense recorded as share-based payments is recognised to the service period end date on a straight-line basis as the service conditions are inherent in the award.

Each performance right converts to one ordinary share in the consolidated entity upon satisfaction of the performance conditions linked to the rights.

The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the consolidated entity on the date awarded, after taking into consideration time value of money and share price volatility.

The value of the Performance Shares is effectively equal to the share price at approval date (AGM 29 November 2021, \$0.113). The directors have determined the probability of meeting the conditions of Performance Shares is 50% for each class.

The Performance Shares are considered to be non-vesting as director will still be entitled to the Performance Shares within a year of resignation. When condition is met after one year of resignation by current director and before expiry date of the Performance Shares, the then board will make a decision on whether the resigned director(s) should be entitled to the Performance Shares. As a result of no-service condition of the Performance Shares, the entire fair value of \$522,000 is brought to account in year ended 30 June 2022.

### c) Share options

The following table illustrates the options movement during the year ending 30 June 2022:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE (\$)	BALANCE 1 JULY 2021	GRANTED	EXERCISED	BALANCE 30 JUNE 2022	VESTED AND EXERCISABLE
31/10/2020	31/10/2024	0.045	5,000,000	-	-	5,000,000	5,000,000
22/02/2021	22/02/2023	0.130	5,000,000	-	-	5,000,000	5,000,000
29/07/2021	30/07/2023	0.160		10,000,000	-	10,000,000	10,000,000
		<b>TOTAL</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>20,000,000</b>	<b>20,000,000</b>

Set out below are the details of the Options granted during the year ended 30 June 2022 and the fair value at grant date which was determined using Black-Scholes valuation methodology, and takes into account the following inputs:

NUMBER	GRANT DATE	EXPIRY DATE	FAIR VALUE OF OPTION AT GRANT DATE (\$)	OPTION EXERCISE PRICE (\$)	RISK FREE INTEREST RATE (%)	EXPECTED VOLATILITY (%)	SHARE PRICE AT GRANT DATE (\$)	TOTAL FAIR VALUE (\$)
10,000,000	29/07/2021	29/07/2022	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 \$371,901.

## 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 \$
<b>30 JUNE 2022</b>					
Non-derivatives financial liabilities					
Trade and other payables	343,557	-	-	-	343,557
<b>30 JUNE 2021</b>					
Non-derivatives financial liabilities					
Trade other payables	306,372	-	-	-	306,372

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 George Karafotias	Non-executive Director (Resigned 31 December 2021)
Mr Brett Grosvenor	Non-executive Director

**b) Compensation**

	2022 \$	2021 \$
Short-term employee benefits	534,796	427,764
Performance share-based payments	522,000	105,600
	<b>1,056,796</b>	<b>533,364</b>

**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**

	2022 \$	2021 \$
Issue of shares by placement to directors	-	125,000

**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	
	2022 \$	2021 \$
<b>Audit services - William Buck</b>		
Audit or review of the financial statements	28,756	27,500

## 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	
	2022 \$	2021 \$
Loss after income tax for the year	(1,674,061)	(862,499)
Total comprehensive loss for the year	(1,674,061)	(862,499)

### b) Statement of financial position

	PARENT	
	2022 \$	2021 \$
Total current assets	1,215,418	3,450,404
<b>Total assets</b>	<b>8,404,155</b>	<b>10,311,001</b>
Total current liabilities	(292,178)	(254,994)
<b>Total liabilities</b>	<b>(292,178)</b>	<b>(254,994)</b>
<b>Equity</b>		
Issued capital	15,211,044	14,961,862
Performance shares reserve	585,360	451,968
Option reserve	442,500	70,599
Accumulated losses	(7,9989,109)	(5,428,422)
<b>Total equity</b>	<b>8,249,795</b>	<b>10,056,007</b>

### 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 2022 (2021: Nil).

### d) Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

**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	
		2022 %	2021 %
Neo Resources Limited	Australia	100%	100%

**15. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES**

	CONSOLIDATED	
	2022 \$	2021 \$
Loss after income tax expense for the year	(1,676,194)	(716,810)
<b>Adjustments for:</b>		
Professional fees settled in shares	-	121,184
Disposal of CVP options	-	(145,749)
Share-based payment expense	893,901	-
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(54,859)	4,877
Increase/(decrease) in trade and other payables	(55,304)	121,500
<b>Net cash used in operating activities</b>	<b>(892,456)</b>	<b>(614,998)</b>

## 16. LOSS PER SHARE

	CONSOLIDATED	
	2022 \$	2021 \$
Loss after income tax attributable to the owners of the Company	(1,676,194)	(716,810)
Weighted average number of ordinary shares used in calculating diluted earnings per share	490,623,889	442,974,978
	CENTS	CENTS
Basic loss per share	(0.34)	(0.16)
Diluted loss per share	(0.34)	(0.16)

## 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	
	2022 \$	2021 \$
<b>Exploration commitments</b>	<b>213,600</b>	<b>204,000</b>

## 18. EVENTS SUBSEQUENT TO REPORTING DATE

On 8<sup>th</sup> September 2022, the Company successfully completed a \$1.6 million share placement (before cost) to professional and sophisticated investors at \$0.03 per share. In addition, the company issued 10 million options to Evolution Capital at an exercise price of 6 cents expiring 3 years from issue.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## 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 prior reporting periods.

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 2022.

### 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, except for financial assets at fair value through profit or loss.

#### Critical accounting estimates

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

estimates are significant to the financial statements, are disclosed in note 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 2022 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, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

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

**Financial assets at fair value through profit or loss**

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

**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 Shares Reserve

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

### 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:

- 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
- 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.



# DIRECTORS' DECLARATION

30 June 2022

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 2022 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

23 September 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERPETUAL RESOURCES LIMITED

for the year ended 30 June 2022

**WilliamBuck**  
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 2022, 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 2022 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.

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**CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS**

Area of focus Refer also to Notes 2, 5 and 19	How our audit addressed it
<p>The Group has incurred exploration and evaluation costs for exploration projects in Australia over a number of years.</p> <p>There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable.</p> <p>During the year no impairment charge was recognised in relation to exploration expenditure.</p> <p>The capitalisation of exploration and evaluation assets was deemed a key area of focus for our audit.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>– Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group’s renewal in that area of interest at its expiry;</li> <li>– Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan;</li> <li>– Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest;</li> <li>– From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment.</li> </ul> <p>We also assessed the adequacy of the Group’s disclosures in the financial report.</p>

**ISSUE OF PERFORMANCE SHARES TO KEY MANAGEMENT PERSONNEL**

Area of focus Refer also to Notes 2, 7, 8, 10, 19 and the Remuneration Report	How our audit addressed it
<p>During the year the Group has issued performance shares to members of Key Management Personnel and other employees.</p> <p>These performance shares include a number of non- vesting conditions tied to a variety of exploration and evaluation and mining activity milestones.</p> <p>The valuation of such performance shares requires significant judgement and expertise, particularly in determining the likelihood of the non-vesting conditions occurring.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>– Agreeing the material terms and conditions of each performance share arrangement to plan documentation;</li> <li>– Examining the performance share arrangements to determine the appropriateness of identifying each arrangement and agreeing the grant date;</li> <li>– Assessing the inputs in the calculation of performance share arrangements; and</li> <li>– Assessing the reasonableness of non-vesting conditions, including achieving the exploration and evaluation and mining targets.</li> </ul> <p>Reviewing the appropriateness of the disclosure impact of the performance share arrangement, particularly for their impact in the Remuneration Report for plan recipients which form part of key management personnel.</p>

## 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 2022, 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](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 2022.

In our opinion, the Remuneration Report of Perpetual Resources Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

*William Buck*

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

ABN 59 116 151 136

*A. A. Finnis*

**A. A. Finnis**

Director

Melbourne, 23 September 2022

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# SHAREHOLDER INFORMATION

30 June 2022

The shareholder information set out below was applicable as at 23 August 2022.

## 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
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	47,481,269	9.65
KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	30,555,111	6.21
DEUTSCHE BALATON AKTIENGESELLSCHAFT	29,100,000	5.91
CS THIRD NOMINEES PTY LTD <HSBC CUST NOM AU LTD 13 A/C>	21,369,400	4.34
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	19,906,987	4.04
INTREPID CONCEPTS PTY LTD	16,250,000	3.30
MR PETER ROMEO GIANNI	14,838,929	3.02
BENUSSI ROVIGNO PTY LTD <BENUSSI SF A/C>	12,466,666	2.53
ADMARK INVESTMENTS PTY LTD <THE PINTO FAMILY A/C>	11,000,000	2.24
REGIONAL MANAGEMENT PTY LTD <MVC A/C>	10,000,000	2.03
MARJACK HOLDINGS PTY LTD <CAROLAN 2013 A/C>	9,350,000	1.90
BLUE MOUNTAIN INVESTMENTS LTD	8,000,000	1.63
HUNTER CAPITAL ADVISORS P/L	7,700,000	1.56
UBS NOMINEES PTY LTD	7,550,000	1.53
BCPC PTY LTD	7,500,000	1.52
AEE GOLD AG	7,000,000	1.42
MR GEORGE KARAFOTIAS	6,975,000	1.42
JV WONG INVESTMENTS PTY LTD (JV WONG FAMILY A/C)	6,536,054	1.33
CANELA HOLDINGS PTY LTD <CHARLES CASKEY SUPERFUND A/C>	5,400,000	1.10
TAYLOR SUPER FUND A/C	5,280,968	1.07
	<b>284,260,384</b>	<b>57.76</b>

## SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	47,481,269	9.01
KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	30,555,111	5.80
DEUTSCHE BALATON AKTIENGESELLSCHAFT	29,100,000	5.52
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	21,369,400	4.06

## DISTRIBUTION OF EQUITABLE SECURITIES

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

	NUMBER OF HOLDERS OF ORDINARY SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 to 1,000	69	-
1,001 to 5,000	61	0.04
5,001 to 10,000	116	0.18
10,001 to 100,000	455	3.73
100,001 and over	292	96.05
	<b>993</b>	<b>100</b>
Holding less than a marketable parcel based on a share price of \$0.0360.	297	-

## UNQUOTED EQUITY SECURITIES

### PERFORMANCE RIGHTS

	NUMBER ON ISSUE	NO. OF HOLDERS
Expiry 30-11-22 Director Performance Shares – Class A	880,000	1
Expiry 30-11-22 Director Performance Shares – Class D	880,000	1
Expiry 30-11-22 Director Performance Shares – Class E	880,000	1
Expiry 29-11-24 Director Performance Shares – Tranche 1	6,000,000	4
Expiry 29-11-24 Director Performance Shares – Tranche 2	3,000,000	4
Expiry 29-11-24 Director Performance Shares – Tranche 3	3,000,000	4

## OPTIONS

DATE OF EXPIRY	EXERCISE PRICE (\$)	NO. OF OPTIONS	NO. OF HOLDERS
31/10/2024	0.045	5,000,000*	1
22/02/2023	0.130	5,000,000**	2
30/07/2023	0.160	10,000,000***	3

OPTION HOLDER	NO. OF OPTIONS
Argonaut Investments Pty Ltd <Argonaut Invest No 3 A/C>*	5,000,000
Delphi Unternehmensberatung Aktiengesellschaft**	2,500,000
Deutsche Balaton Aktiengesellschaft**	2,500,000
CG Nominees (Australia) Pty Ltd***	5,000,000
LTL Capital Pty Ltd***	4,000,000

## 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	E70/5220	100.00
Perpetual Resources Limited	Western Australia	E70/5227	100.00
Perpetual Resources Limited	Western Australia	E70/5376	100.00
Perpetual Resources Limited	Western Australia	E70/5250	100.00
Perpetual Resources Limited	Western Australia	M70/1406	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	L70/219	100.00



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For

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