

Acquisition of option over highly prospective Raptor Rare Earth Project within the Caldeira REE Complex

HIGHLIGHTS

- Perpetual has entered into a binding Term Sheet to acquire (subject to due diligence) a low-cost option over the “Raptor” project which includes REE, Niobium and Scandium mineral rights within a strategic tenement package located in the prolific Tier 1 Caldeira Rare Earth complex in Minas Gerais, Brazil.
- Option agreement comprises 4 licenses, which cover a strategic area of 380 hectares all located proximal to Meteoric Resources (ASX:MEI) Tier 1 Caldeira ionic clay REE project, which boasts a JORC Mineral Resource Estimate of 545 million tonnes @ 2,561ppm TREO comprising 24.1% MREO¹.
 - Multiple of the Raptor Project licenses have active mining rights and exhibit near surface bauxite mining operations and are not located within any environmental protection zones.
- Perpetual to immediately commence due diligence, with plans to undertake sampling and drilling activities after an initial reconnaissance program in May.
- Perpetual intends on undertaking an aggressive exploration campaign should the option exercise be completed.
- All tenements are situated nearby established infrastructure, water access and existing mining activities.
- The option agreement is considered highly strategic for Perpetual, which has built an enviable multi-commodity footprint now spanning Lithium and Rare Earths in a jurisdiction that is experiencing a rapid escalation in interest from mining exploration companies seeking exposure to critical minerals projects.
- Perpetual remains in discussions with other landowners to further strategically expand its existing highly prospective critical minerals portfolio in Brazil.

Perpetual Resources Limited (“Perpetual” or “the **Company**”) (ASX: PEC), is pleased to announce that it has entered into a binding Term Sheet (Binding Term Sheet) for an option to acquire 100% of the rare earth elements, niobium and scandium mineral rights located on four (4) tenements (Exploration Tenements) with Mineracao Serra Do Sao Domingos Ltda (Sao Domingos).

¹ For additional information, please refer to Meteoric Resources (ASX:MEI) ASX Announcement dated 14th May 2024, titled “150% Increase in Soberbo Mining Licence Mineral Resource”.

Perpetual Resources Ltd

T: 08 6256 5390

E: info@perpetualresources.co

W: perpetualresources.co

ACN: 154 516 533

Principal & Registered Office:

Suite 2, 68 Hay Street, Subiaco, Western Australia 6008



The Binding Term Sheet allows Perpetual to undertake due diligence for an initial 90-day period, for the payment of US\$30,000, with Perpetual also holding the right for an additional 90-day due diligence extension period for an additional US\$30,000, if required.

Tenement Overview

Perpetual considers the location of the Exploration Tenement package it has secured exposure to as being in one of the most prospective geological settings for REE exploration in the world, evidenced by the high quality of the nearby projects.

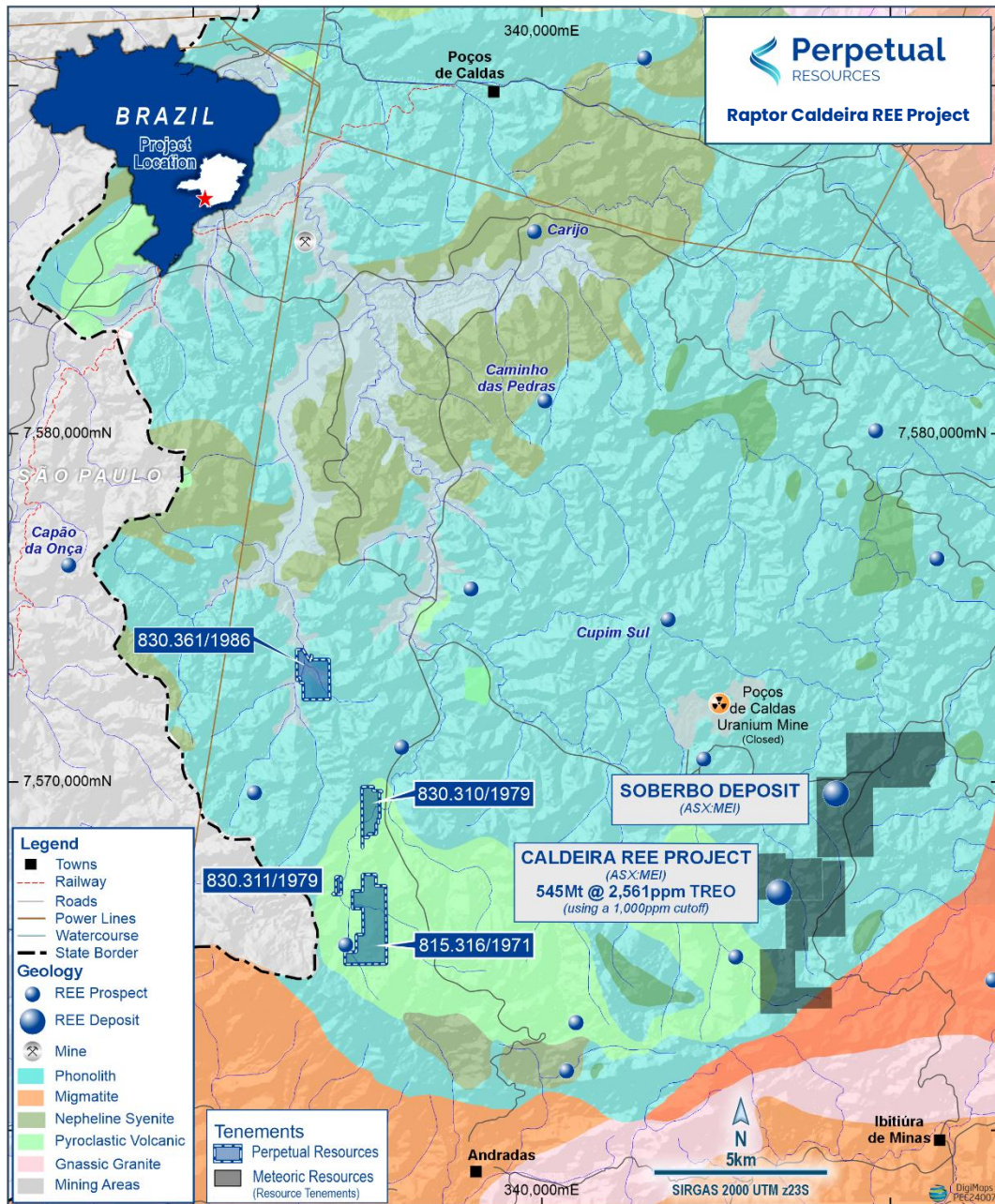


Figure 1 – Regional map showing location of Perpetual’s Raptor Caldeira tenements, located within the Alkaline Complex of Poços de Caldas, Minas Gerais.

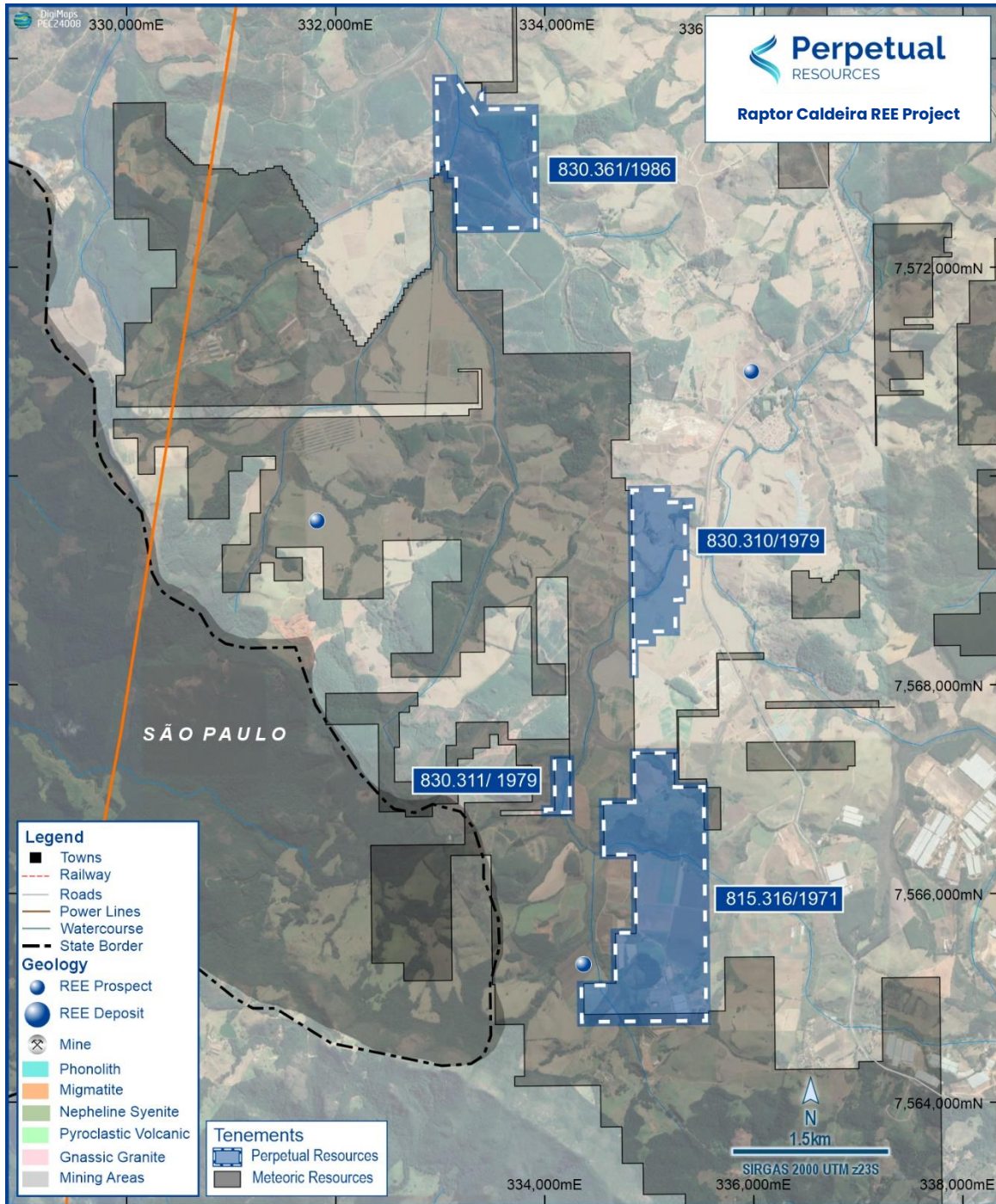


Figure 2 – Close up map showing location of Perpetual’s Raptor Caldeira tenements, located within the Alkaline Complex of Poços de Caldas, Minas Gerais

The “Raptor” Tenements are located proximal to and on the same geological formation as Meteoric Resources (ASX:MEI) Tier 1 Caldeira ionic clay REE project, which boasts a JORC Mineral Resource Estimate of 545 million tonnes @ 2,561ppm TREO comprising 24.1% MREO² which is considered one of the world’s highest grade ionic adsorption clay REE deposits.

² For additional information, please refer to Meteoric Resources (ASX:MEI) ASX Announcement dated 14th May 2024, titled “150% Increase in Soberbo Mining Licence Mineral Resource”.

Geologically, the area situated within the Cretaceous (80 Ma) Alkaline Complex of Poços de Caldas, covers approximately 800km² being the largest Alkaline Complex in Brazil. The project's optioned region hosts various minerals, including Rare Earth Elements (REE). The complex primarily comprises nepheline syenite system rocks, with primary mineralization such as, Zirconium, and REE confined to the intrusive formed during the magmatic events.

Intense weathering has resulted in the development of extensive clay regolith above the syenites, with historical mining activities primarily focused on clay for various purposes. Notably, mineralization in nearby proximal projects has been found on the surface, with drill depths reaching <8m, indicating shallow subsurface systems.

Executive Chairman of Perpetual, Mr. Julian Babarczy, commented:

“This agreement represents a highly strategic move for Perpetual, securing for us, at an extremely low cost, the mineral rights to such a prospective tenement package in an area which is highly sought after for rare earth exploration. The success of the nearby Meteoric Resources ionic clay REE project demonstrates the geological prospectivity of the mineral rights and we look forward to commencing due diligence immediately.

This agreement also represents a further extension of our now considerable exploration activities in the prolific Minas Gerais region of Brazil, which hosts an increasing number of Tier 1 orebodies spanning rare earth and lithium in a highly supportive regulatory environment for mining exploration companies.

Planned Due Diligence Activities

Perpetual has commenced due diligence activities, including detailed planning for the commencement of on-ground reconnaissance program planned for May. Following this initial reconnaissance activity, it is planned to undertake a more comprehensive drilling and sampling program that will seek to validate the presence of rare earth elements or other valuable mineral occurrences on the Exploration Tenements.

Binding Term Sheet Key Terms & Conditions

The Binding Term Sheet entered into by Perpetual represents an exclusive option to acquire 100% of the mineral rights relating to rare earth elements, niobium and scandium, across four (4) discrete tenements in the Caldeira Rare Earth Complex in Minas Gerais, Brazil.

Key details of the Binding Term Sheet are summarised below:

Vendor: Mineracao Serra Do Sao Domingos Ltda (Sao Domingos)

Tenements: The exploration tenements are located in the State of Minas Gerais, Brazil embodied in the Mineral Processes of the Brazilian National Mining Agency (ANM) ns. 830.310/1979, covering 64,21 hectares; 830.311/1979, covering 7.47 hectares; 830.361/1986, covering 104.22 hectares; and 815.816/1971, covering 204.1 hectares, (together, the "Exploration Tenements").

Option Period: Perpetual has secured Initial option period of 90-days after agreeing to pay in initial option fee of US\$30,000 to Sao Domingos. Perpetual also has the right to extend the exclusive option period by an additional 90-day period, through the payment of a second option payment fee of US\$30,000 to Sao Domingos.

Exclusive Due Diligence: During the first and (if necessary) the second option period, Sao Domingos has granted Perpetual the exclusive right to undertake due diligence on the Exploration Tenements for rare earth elements, niobium and scandium.

Conversion of Option: Should Perpetual elect to convert the exclusive option and move to 100% ownership of the mineral rights on the Exploration Tenements, it agrees to pay Sao Domingos a one-off fee equivalent to US\$1,200 per hectare, representing a total of approximately US\$456,000, less any option fees previously paid, in addition to a facilitation fee of approximately A\$57,000 to the introducing party.

Performance Rights: Should Perpetual convert the option, it has also agreed to issue Sao Domingos a total of 20,000,000 performance rights in the capital of Perpetual, in three separate classes, as shown below:

- i. 10,000,000 Performance Rights which each convert into one (1) fully paid ordinary share in the capital of Perpetual upon Perpetual announcing to ASX that it has achieved a 30 million tonne JORC compliant resource with a grading of at least 2,000 ppm TREO on the Exploration Tenements, within two (2) years from the date of issue of the Performance Rights;
- ii. 5,000,000 Performance Rights which each convert into one (1) fully paid ordinary share in the capital of Perpetual upon Perpetual announcing to ASX that it has achieved a 30 million tonne JORC compliant resource with a grading of at least 2,200 ppm TREO on the Exploration Tenements, within two (2) years from the date of issue of the Performance Rights; and
- iii. 5,000,000 Performance Rights which each convert into one (1) fully paid ordinary share in the capital of Perpetual upon Perpetual announcing to ASX that it has achieved a 30 million tonne JORC compliant resource with a grading of at least 2,600 ppm TREO on the Exploration Tenements, within two (2) years from the date of issue of the Performance Rights.

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

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KEY CONTACT

Robert Benussi
Managing Director

E info@perpetualresources.co

About Perpetual Resources Limited

Perpetual Resources Limited (Perpetual) is an ASX listed company pursuing exploration and development of critical minerals essential to the fulfillment of global new energy requirements.

Perpetual is active in exploring for lithium, rare earth elements (REE) and other critical minerals in the Minas Gerais region of Brazil, where it has secured approximately 12,500 hectares of highly prospective lithium and REE exploration permits, within the pre-eminent lithium (spodumene) and REE bearing region that has become known as Brazil's "Lithium Valley".

Perpetual also operates the Beharra Silica Sand development project, which is located 300km north of Perth and is 96km south of the port town of Geraldton in Western Australia.

Perpetual continues to review complementary acquisition opportunities to augment its growing portfolio of exploration and development projects consistent with its critical minerals focus.

Brazilian Projects



Western Australian Projects

