

ASX ANNOUNCEMENT

17 April 2020

Upcoming expiry of Quoted Options

Paterson Resources Limited (**PSL** or **the Company**) (ASX: PSL) notes the upcoming expiry of the quoted options issued by the Company between 21 July 2017 and 24 August 2018 (ASX:PSLOC) (**Options**).

Notice of upcoming expiry of Options

- The expiry date of the Options is 30 April 2020 (**Expiry Date**).
- There are 930,154,097 Options on issue.
- Each Option entitles the holder to apply for one fully paid ordinary share in the capital of the Company.
- The exercise price payable to exercise the Options by the Expiry Date is \$0.02 per Option. The exercise price must be received by the Company in cleared funds by no later than 30 April 2020.
- if you fail to exercise your Options prior to the Expiry Date, those Options will lapse and you shall have no further right or entitlement to those Options.
- Quotation of the Options on the Australian Securities Exchange (**ASX**) will end at close of trading on 24 April 2020.
- The latest available market price of the Company's shares is \$0.003.
- The Company's shares have been suspended since 10 September 2018.
- No underwriting agreement has been entered into by the Company with respect to the exercise of the Options.

ASX waiver application

As a matter of completeness, the Company notes that it received numerous queries received from optionholders in relation to the upcoming expiry of the Options, in light of the Company's ongoing suspension. In response to these queries, the Company lodged with ASX an application for a waiver of Listing Rule 6.23.3 to permit an extension to the expiry date of the Options, subject to shareholder approval. Listing Rule 6.23.3 prohibits changes to the terms of convertible securities which have the effect of increasing the period for exercise. It was understood by the Company that ASX would be likely to decline the application, and that there is not relevant recent precedents of similar waivers having been granted in these circumstances. Despite the unlikelihood of success, the Company considered it appropriate to lodge the waiver application and seek relief as:

- The Company received multiple complaints and queries from the holders of the Options about their potential loss of opportunity to trade their options whilst the Company is in suspension.
- The holders of the Quoted Options have lost value as a result of the lengthy suspension incurred by the Company as a result of circumstances outside of the control of the holders.
- The Company considered that the proposed amendment to the expiry date of the Options (18 months):
 - was not significant given the period of time is equal to the length of time the Company has been suspended to date;
 - does not undermine the rights of the Company's shareholders;
 - is unlikely to have an impact on the market for the Company's quoted securities, due to the Company's ongoing suspension;
 - does not seek to achieve a different outcome from that which was intended at the time shareholder approval was first sought;
 - does not seek to extract an economic benefit from the Company at the expense of the shareholders;
 - would be fair and reasonable, given the loss of value in the Options suffered by the holders as a result of the lengthy suspension; and
 - would have been subject to shareholder approval.

ASX has today confirmed to the Company that the waiver would not be granted, on the basis that the Options currently represent approximately 23.19% of the Company's issued capital on an undiluted basis (which is not de minimis), and their existence may undermine the integrity of Listing Rule 6.23.3 due to the effect of the adjustments on option holders, shareholders or on the capital structure of the Company.

The Company acknowledges ASX's conclusion, which it understands is consistent with ASX's previously expressed policy position in respect of such waiver applications.

For and on behalf of the Board
 Sarah Smith
 Company Secretary

This announcement has been authorised for release to ASX by the Board of Paterson Resources Limited.

ABOUT PATERSON RESOURCES:

Paterson Resources (ASX: PSL) is a publicly listed, junior mineral resources company focused on the exploration and development of gold and copper projects. Paterson has aggregated a diversified portfolio of assets that are at multiple stages, commodities and jurisdictions. The Grace Gold Project located in the world class Paterson mineral province in Western Australia consists of two granted exploration licences and five granted prospecting licences (E45/4524, E45/5130, P45/2905, P45/2906, P45/2907, P45/2908, and P45/2909). The Company also has an extensive landholding prospective for gold in the Pilbara in Western Australia, with four exploration licences (E08/2880, E47/3578, E47/3827, and E45/5020). The Burruga Copper Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western New South Wales consists of four contiguous exploration licences (EL6463, EL6874, EL7975 and EL8826) covering a total area of approximately 221km². Paterson is an active explorer with the aim of discovering a valuable mineral resource and delivering shareholder value.