



ASX ANNOUNCEMENT

18 August 2021

Grace Drilling Program Extended \$1.2m Capital Raising Completed

HIGHLIGHTS

- Drilling Program at Grace to be extended from 3,500m to 6,000m
- Drilling to commence in August with additional high impact drilling targets identified along strike from historic shallow high-grade intercepts
- \$1.2m raised at 5.4c, being a discount of 4% to the 5 day VWAP of 5.6c
- Capital Raise was strongly supported by the existing Top 20 shareholders, HNWI and Sophisticated Investors.
- Grace Gold Project located 25km to the southeast of Newcrest's world class Telfer Mine and 40km to the southwest of the Havieron gold deposit in the Paterson province of WA

Paterson Resources Limited ("Paterson" or "the Company") (ASX:PSL) is pleased to announce that the 2021 drilling program at the Grace Project is on track to commence in August. The current drilling program is targeting similar styles of mineralisation to the world class Telfer Copper/Gold Deposit 25km to the northwest and the Havieron Project located 40km to the northeast. Historic drilling has produced excellent near surface high-grade gold mineralisation which have not been followed up including:

- 10.0m @ 20.95 g/t Au from 6.0m - GPB0801 (RAB)
- 33.0m @ 1.55 g/t Au from 53.0m - GR124502 (RC)
- 12.0m @ 14.38 g/t Au from 56.0m - GR037 (RC)
- 3.1m @ 8.28 g/t Au from 17.1m - GPC9106 (DDH)
- 22.0m @ 1.31 g/t Au from 71.0m - GR124002 (RC)
- 6.0m @ 5.61 g/t Au from 34.0m - GR128001 (RC)
- 4.0m @ 7.04 g/t Au from 38.0m - GR124501 (RC)
- 16.0m @ 2.64 g/t Au from 34.0m - BR8-5 (RAB)
- 4.0m @ 5.13 g/t Au from 30.0m - HK3-4 (RAB)

(PSL Entitlement Issue Prospectus – ASX Ann 22 May 2020)

Grace Project Location

The Grace Project is located in the heart of the Paterson Province, where multiple major exploration companies, including Rio Tinto, Newcrest and Greatland Gold, are actively exploring within the area. Significant discoveries nearby Paterson Resources 'Grace' project include Havieron to the northeast,

and Maroochydore to the south, with the world-class Telfer mine located 25 km northwest. **Figure 1** shows the Grace tenements and the significant regional discoveries and mines.

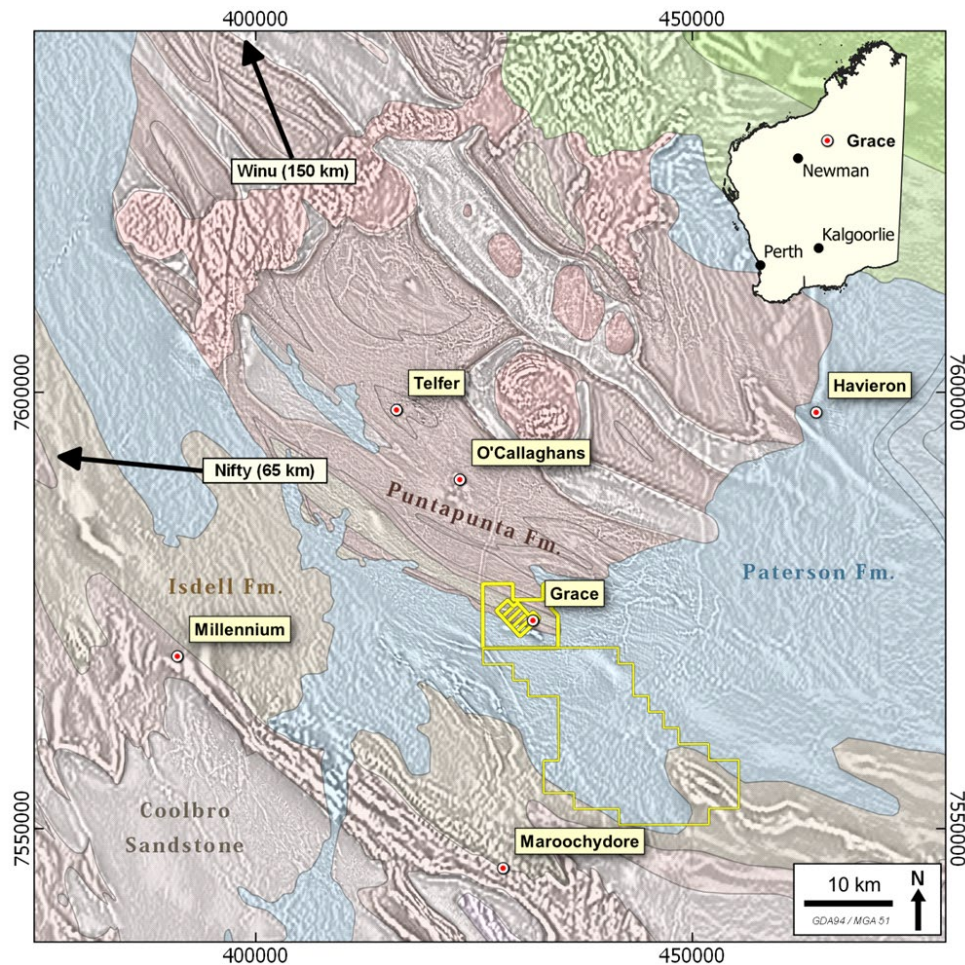


Figure 1: Map showing the location of the Grace Project and Paterson Resources tenements (yellow outline), and nearby significant copper-gold deposits over an image of Paterson Province geology draped over a filtered magnetic anomaly image.

Capital Raising

PSL has received firm commitments to raise approximately \$1.2m by way of a placement of up to 22,222,222 shares (**Placement Shares**) to sophisticated and professional investors (**Placement**) together with one (1) free attaching option for every one (1) Placement Share subscribed for (**Placement Options**). The Placement was strongly supported by the top 20 investors of the Company.

The Placement Shares will be issued at 5.4c per share, representing a 4% discount to the 5 day volume weighted average price (VWAP) of the Company's shares on ASX. The issue of the Placement Shares will be made under the Company's available placement capacity under Listing Rule 7.1. The Placement Shares will rank equally with that of existing fully paid ordinary shares on issue. The Placement Options will have an exercise price of \$0.105 and will expire on 30 September 2023 (ASX: PSLOD). The Company will apply to ASX for quotation of the Placement Options. The Placement Options will be subject to shareholder approval.

The funds raised from the Placement will be used for the following:

- Increasing the drilling program from 3,500m to 6,000m allowing for additional high priority targets to be tested; and
- Costs of the capital raising and to provide ongoing working capital.

The Placement was arranged by the Board and as such, there are no capital raising fees. It is expected that the Placement Shares will be issued on or around 24th August 2021.

This announcement was authorised for release to ASX by the Board of Paterson Resources

COMPETENT PERSON'S STATEMENT:

The information in this announcement that relates to exploration results is based on and fairly represents information reviewed or compiled by Mr Matt Bull, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bull is a Director of Paterson Resources Limited. Mr Bull has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bull has provided his prior written consent to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Paterson operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Paterson Resources (PSL) control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of PSL, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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