



ASX ANNOUNCEMENT

29 September 2021

Grace Drilling EIS Hole Completed

HIGHLIGHTS

- **880m EIS diamond drill hole completed at the Grace Project**
- **Wide intervals of pyrite and quartz veining intersected.**
- **Intensely altered and brecciated rocks surrounding a granitic unit intersected at depth spatially associated with the targeted magnetic anomaly.**
- **RC drilling of the Grace Bemm Shear zone commenced.**
- **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 the completion of the deep EIS co-funded drill hole (PDD0001) at the Grace project. The hole tested an interpreted magnetic anomaly at depth and for the presence of Grace/Bemm style mineralization beneath the known shallow zone. The hole intersected broad zones of pyrite/quartz/carbonate veining (Figure 1 and 2) before a strongly altered and brecciated zone at depth which included a granitic intrusive (Figures 3 and 4).

Existing drilling at the Grace project has so far only tested the shallow extent of shear hosted gold mineralisation which remains open at depth. Paterson believes the deep drillhole will provide invaluable information about the mineralised body at Grace and may provide evidence for a larger deeper zone of mineralisation.

The drill core has been sent to Perth for assay and results will be released as soon as they become available. Along with detailed lithological logging, structural and petrophysical analysis will also be undertaken particularly over the encouraging widespread zones of alteration, veining and brecciation.



Figure 1: Core from PDD0001 showing quartz-carbonate veining and pyrite associated with the Grace/Bemm fault zone from 202.95m to 209.85m.



Figure 2: Core from PDD0001 showing quartz-carbonate veining and pyrite associated with the Grace/Bemm fault zone from 216.8m to 223.89m.



Figure 3: Core from PDD0001 showing minor quartz-carbonate-pyrite veining and a brecciated contact between altered sediments and a granitic unit. from 761.88m to 771m.



Figure 4: Core from PDD0001 showing intensely brecciated and altered core from 788.82m to 797.98m.

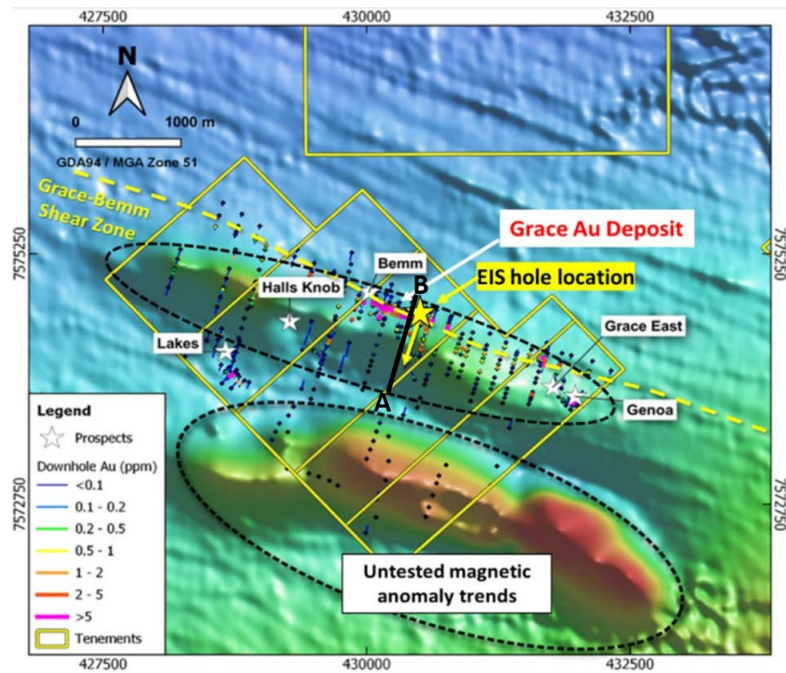


Figure 5: Magnetic intensity map covering the Grace and Bemm Shear zone trend, showing two large untested magnetic anomaly trends, the location of the completed EIS co-funded deep diamond drillhole, historical gold drilling, and the outline of the Company's 100% owned mineral prospecting tenements. Section A-B shown in Figure 6.

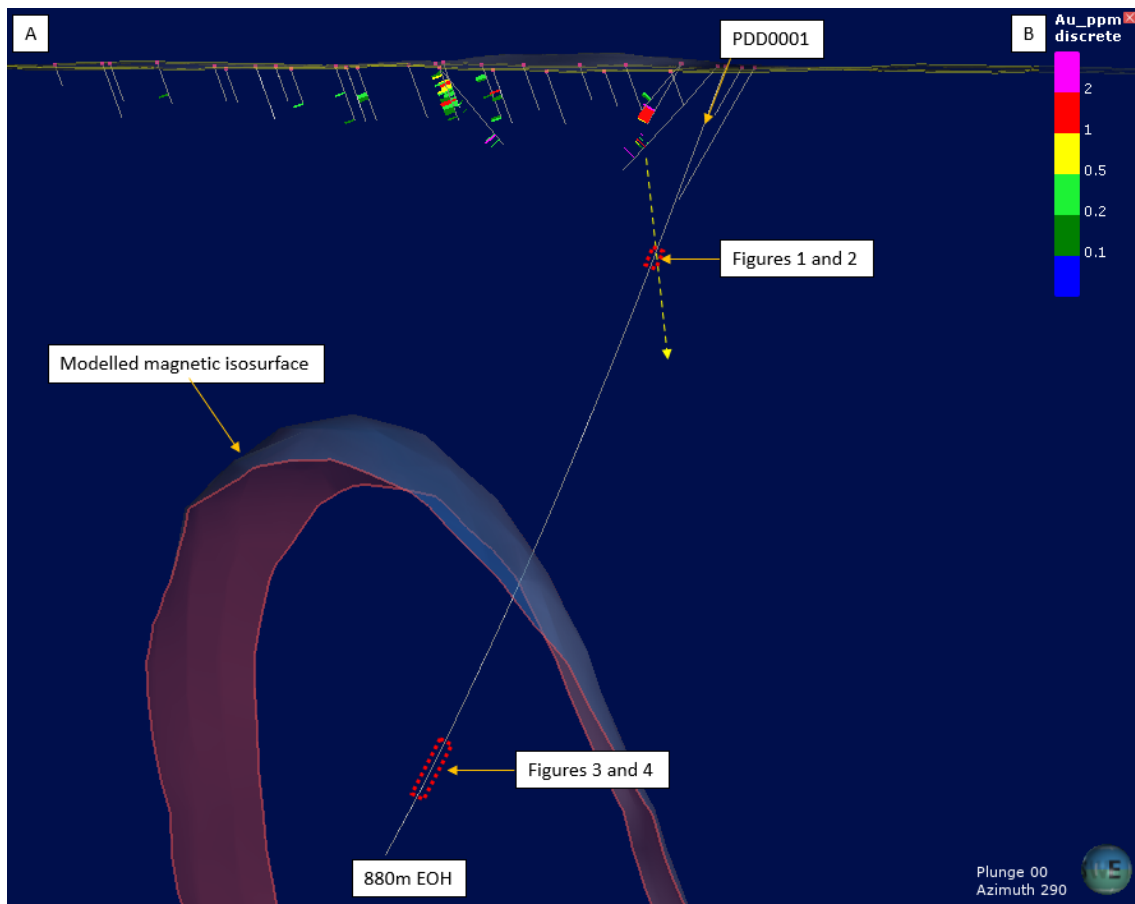


Figure 6: Section A-B. Drill hole trace of EIS diamond drillhole PDD0001 showing the approximate location of the photographs in Figures 1-4.

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 7** shows the Grace tenements and the significant regional discoveries and mines.

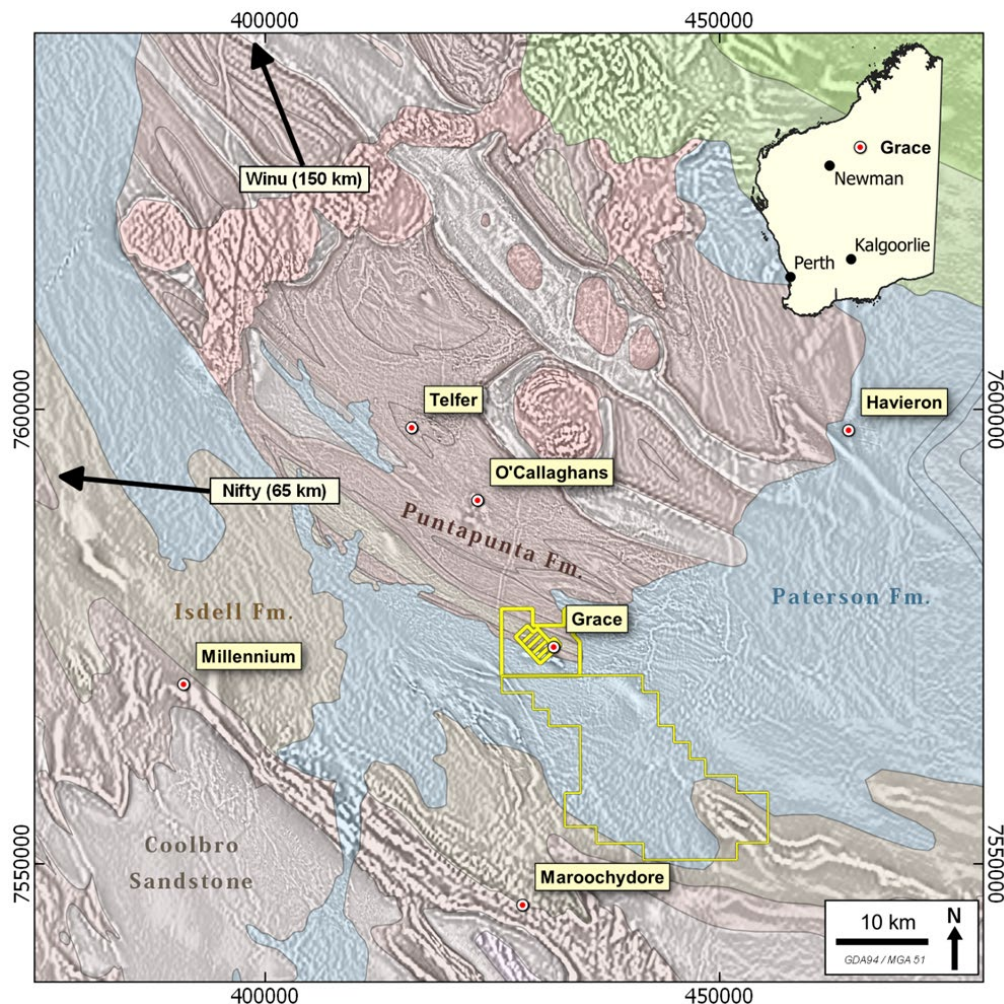


Figure 7: Map showing the location of the Grace Project and Paterson Resources tenements (yellow outline), and nearby significant copper-gold deposits over an image of Paterson Province geology draped over a filtered magnetic anomaly image.

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.

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