

ASX ANNOUNCEMENT

11 August 2022

Drilling Commences at the Grace Project

HIGHLIGHTS

- **Drilling has now commenced at the Grace project in the Paterson Province Western Australia**
- **8,000 to 10,000m of reverse circulation drilling planned to extend gold-copper mineralisation along the Grace-Bemm shear zone, as well as testing multiple under-explored nearby targets sited on prospective structural trends.**
- **The first 5 holes for 842m have now been completed and samples from the first 2 holes sent to the lab in Perth**

Paterson's Executive Director Matt Bull said today, *"We are excited to have commenced the phase 2 drilling program at the Grace Project. Historic results at the Grace project show the potential for a significant mineralized system with numerous high-grade near surface gold intercepts returned. The Company looks forward to receiving the results on the drilling."*

Grace Project – Drilling Commences

Drilling has now commenced at the Grace Copper Gold Project with the first 3 holes now completed. The Grace Project hosts gold deposits similar to the world class Telfer gold deposit just 25 km north. The aim of the program is to prove up existing deposits at Grace discovered by previous drilling, test the deposit for extensions along strike and at depth along the Grace-Bemm shear zone. In addition, the Company will explore for new deposits using recent geophysics with an improved understanding of the geology.

Drilling commenced with holes targeting the Parallel Range fault in the Isdell and Malu formations proximal to a granite intrusion. Drilling is progressing well with five holes completed for 842m and 295 samples from the first two holes are already on their way to the lab.

The program will continue with holes planned to test the Grace-Bemm shear, known to host gold mineralisation and the Lakes prospect to the southwest.



Figure 1. RC Drilling Rig commencing drilling at the Grace Project

The Grace Gold-Copper Project is in the heart of the Paterson Province, where multiple major exploration groups including Rio Tinto, Newcrest and Greatland Gold are actively exploring within the region. Significant discoveries proximal to Paterson's Grace Project include the Havieron gold-copper deposit to the north-east where Greatland Gold recently reported a 5.5 million ounce gold resource, Cyprium Metal's Maroochydore copper prospect to the south and the world-class 30-plus million ounce Telfer Gold-Copper Mine, owned by Newcrest, located 25km northwest. Figure 1 shows the Grace tenements and the significant regional discoveries and mines.

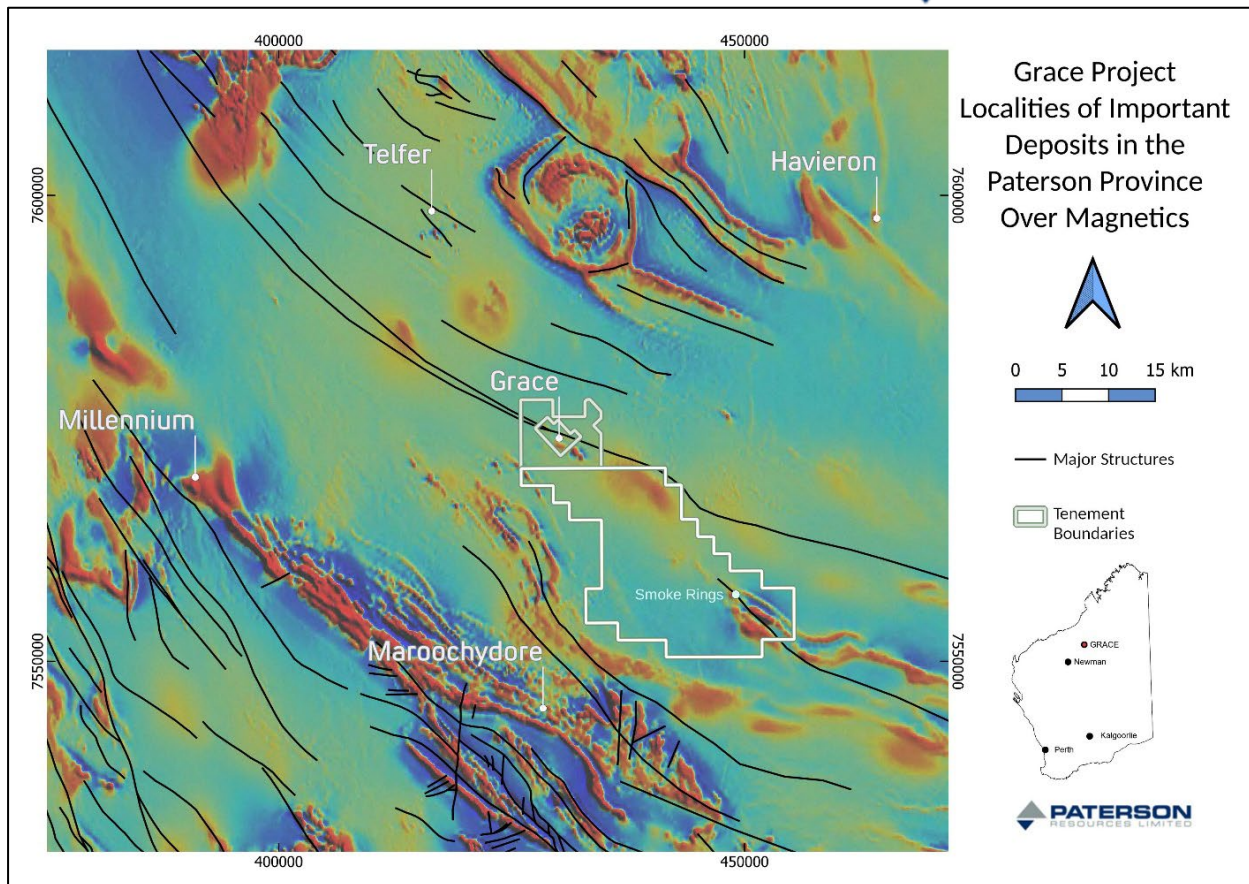


Figure 2. Locality map showing prominent gold and copper deposits in the Paterson Province near Paterson's tenements

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 Australian Institute of Geoscientists. 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

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