

## Quarterly Activities Report Quarter Ended 31 December 2020

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### HIGHLIGHTS

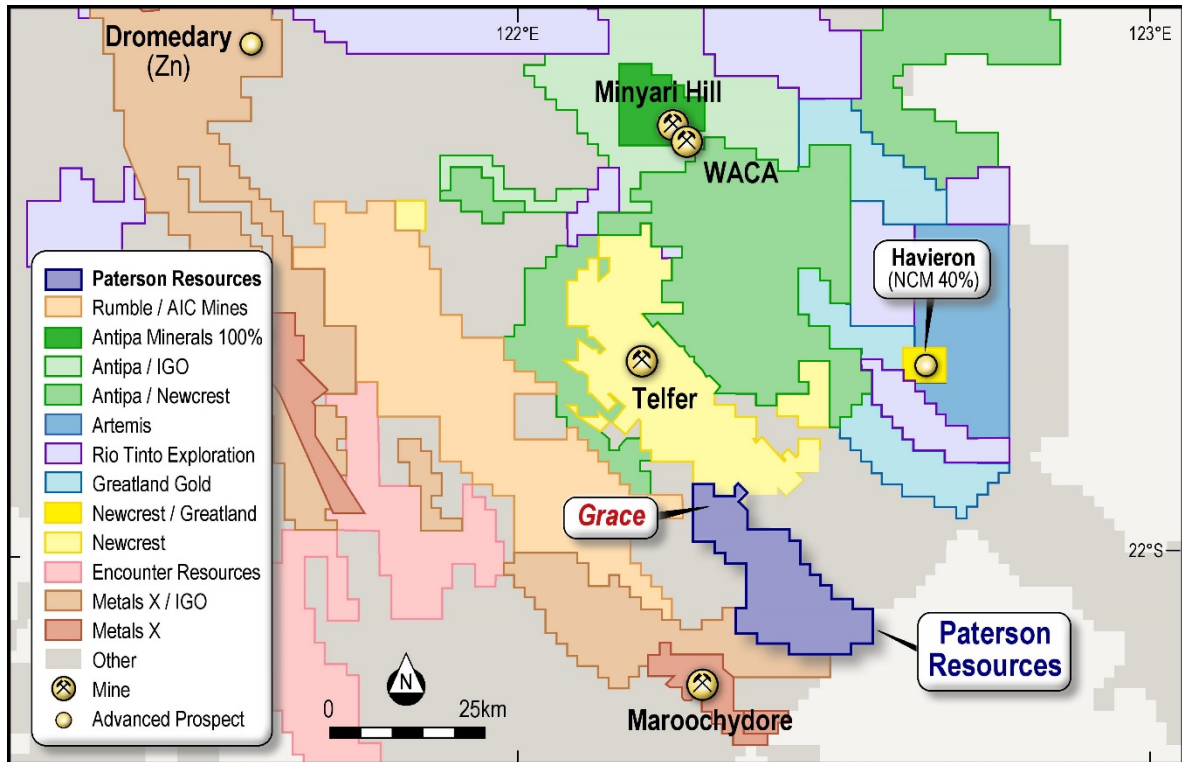
- The Government of Western Australia Department of Mines, Industry Regulation and Safety (DMIRS) awarded the company a co-funded drilling grant of \$200,000 under the Exploration Incentive Scheme (EIS).
- 46km line km of Gradient Array Induced Polarisation (GIAP) surveying completed covering 4.5km strike length over the gold mineralised Grace and Bemm Shear Zones
- Completion of VTEM airborne electromagnetic survey covering 192 survey line km over the Grace Prospect
- The Burruga Project gold prospects (Hackneys Creek & Isabella) are considered to be possible Orogenic gold deposits, & potentially similar to the McPhillamy's gold deposit located 50 km to the north.
- Application for tenure (ELA6162) to cover the extension of the Bi anomalies identified from historic stream sediment sampling, it also contains the Tralee prospect containing a rock chip of 0.93g/t gold with anomalous Gold and Bi soil geochemistry.
- Proposed soil sampling program to cover the Bi anomalous area 3km x700m identified by historic stream sediment samples close to the Isabella Prospect on EL7975 where shallow drilling intercepted 2m @ 10.1 g/t and 7m @ 5.2 g/t

The Board of Paterson Resources Limited (**Paterson** or **the Company**) (ASX: PSL) provides the following commentary and Appendix 5B for the Quarter ended 31 December 2020.

### Exploration Projects

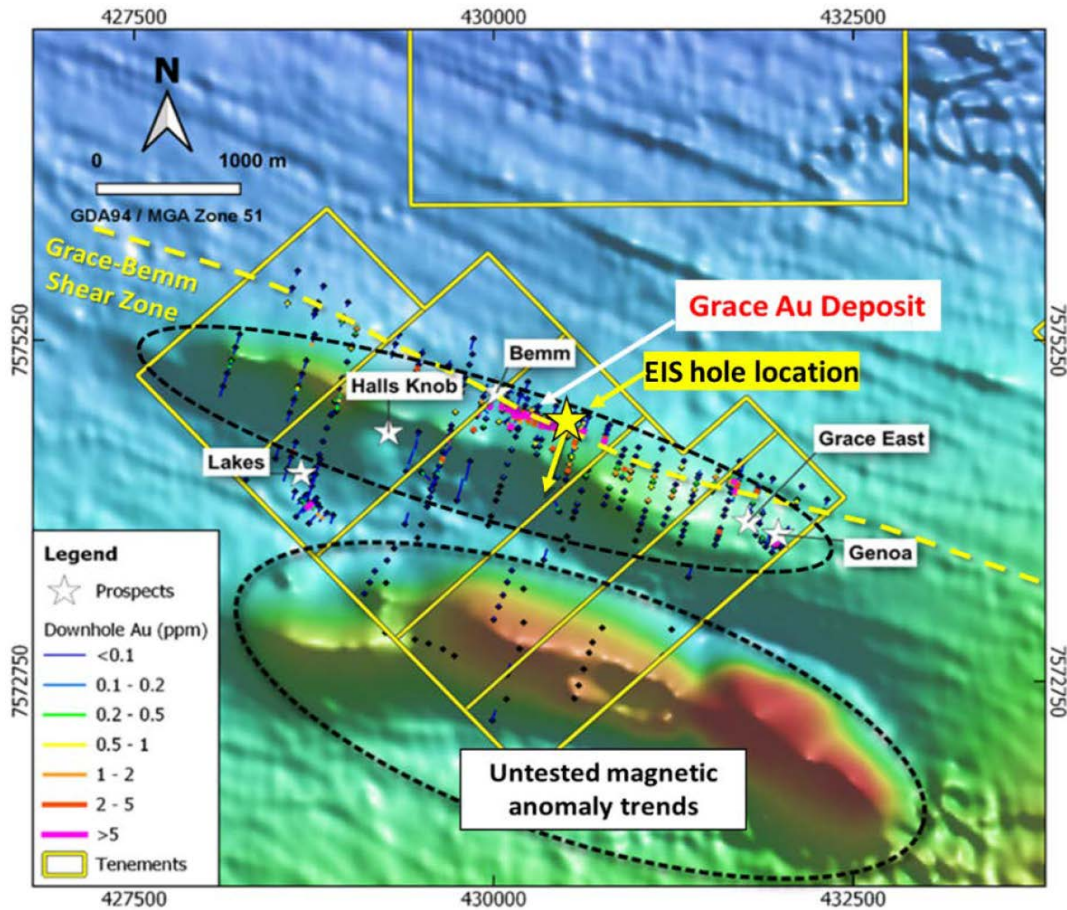
#### Grace Project – Paterson Range, Western Australia

The Government of Western Australia Department of Mines, Industry Regulation and Safety (DMIRS) awarded the company a co-funded drilling grant of \$200,000 under the Exploration Incentive Scheme (EIS).

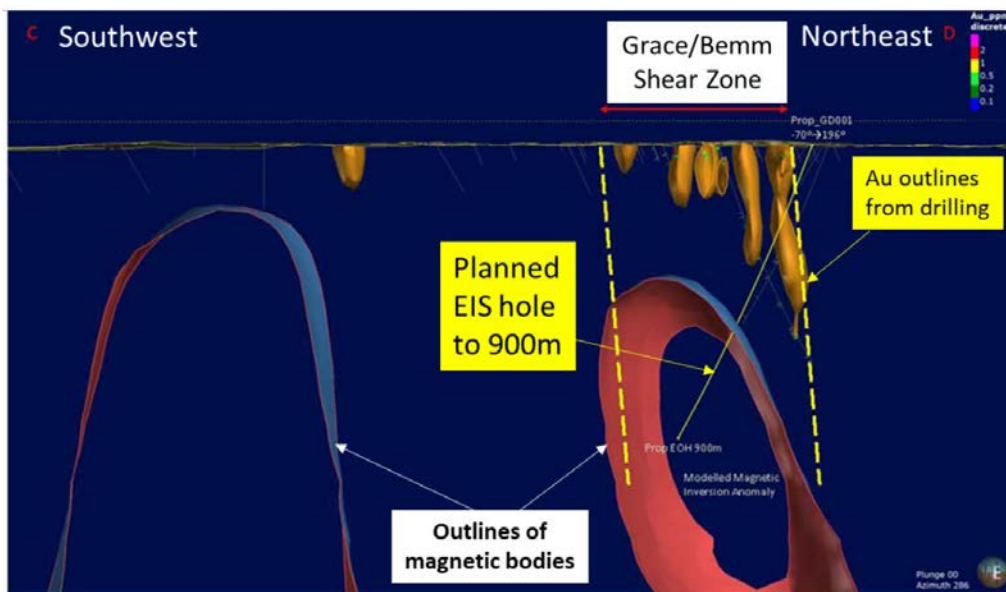


**Figure 1 : Grace Project Tenement Map**

The EIS funds will be used to drill a deep 900m diamond hole South east of the current Grace Mineral Resource into a large magnetic anomaly, below a broad zone of anomalous gold mineralisation at the Grace/Bemm prospect. (figure 2) The magnetic target is approximately 2.5km in length and extends below and along strike from the oxide Grace Mineral Resources. No drilling to significant depth has previously been undertaken to properly test for the source of this northern magnetic anomaly trend. (figure 3)



**Figure 2 : Magnetic intensity map covering the Grace and Bemm Shear zone trend, showing two large untested magnetic anomaly trends, the location of the proposed EIS co funded deep diamond drillhole, historical gold drilling, and the outline of the Company’s 100% owned mineral prospecting tenements.**



**Figure 3 : Cross section showing the planned EIS co-funded deep drillhole crossing the Grace/Bemm shear zone to test the source of the northern magnetic anomaly trend, which sits below anomalous Au and Cu from historical drilling.**

The Grace deposit has been drilled along 450-500m of strike and 90m across strike to an average depth of 73m. High grade shallow oxide gold mineralisation commences from surface and in general transported cover.

The historic drilling has allowed the calculation of an inferred mineral resource of 1.59mt @ 1.35g/t Au for 69,000ozs outlined in table 1 (\*PSL ASX Announcement 22 May 2020 – Entitlement Issue Prospectus)

Class	Type	Tonnes (Mt)	Au (g/t)	Ounces (koz)
Inferred	Oxide / Transitional	1.59	1.35	69
	<b>TOTAL</b>	<b>1.59</b>	<b>1.35</b>	<b>69</b>

**Table 1 : Grace Mineral resource statement (\*PSL ASX Announcement 22 May 2020 – Entitlement Issue Prospectus)**

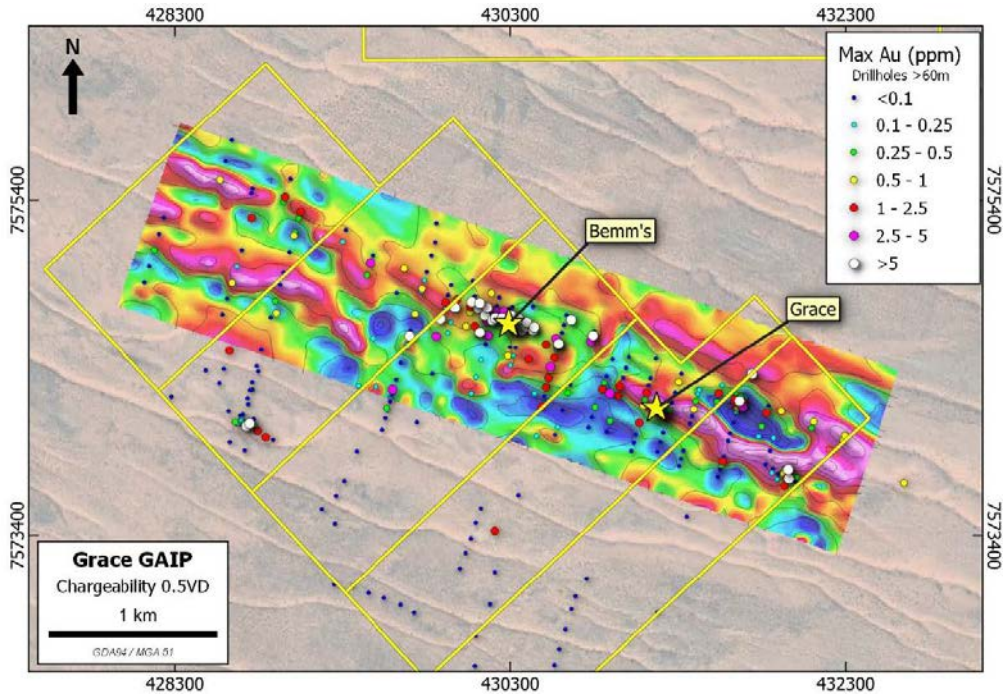
The best intercepts for historic drilling in the Grace Project include:

- 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)

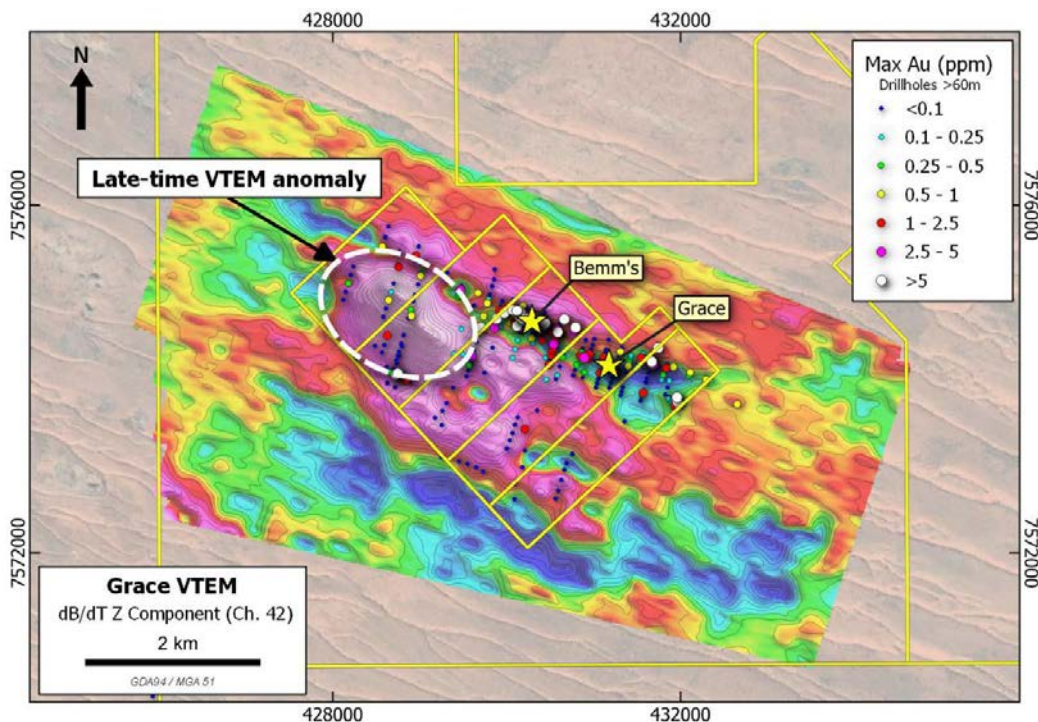
A 46km line km of Gradient Array Induced Polarisation (GIAP) surveying completed covering 4.5km strike length over the gold mineralised Grace and Bemm Shear Zones. (figure 4) Data processing and targeting by the Company’s geophysical consultants Resource Potentials in Perth has commenced, with initial results already clearly showing anomaly trends related to the gold mineralized shear zones that have been missed by historic drilling.





**Figure 4 : Preliminary GAIP chargeability 0.5VD filtered data grid over the Grace and Bemm Shear zone trend, showing maximum gold assays plotted at drillhole collar locations.**

Completion of VTEM airborne electromagnetic survey covering 192 survey line km over the Grace Prospect. Data processing and targeting by the Company's geophysical consultants Resource Potentials in Perth has commenced, with the raw electromagnetic anomaly data, indicating zones of elevated conductivity representing deep weathering or sulphide target areas for drilling below shallow historical drilling in the new target areas. (figure 5)



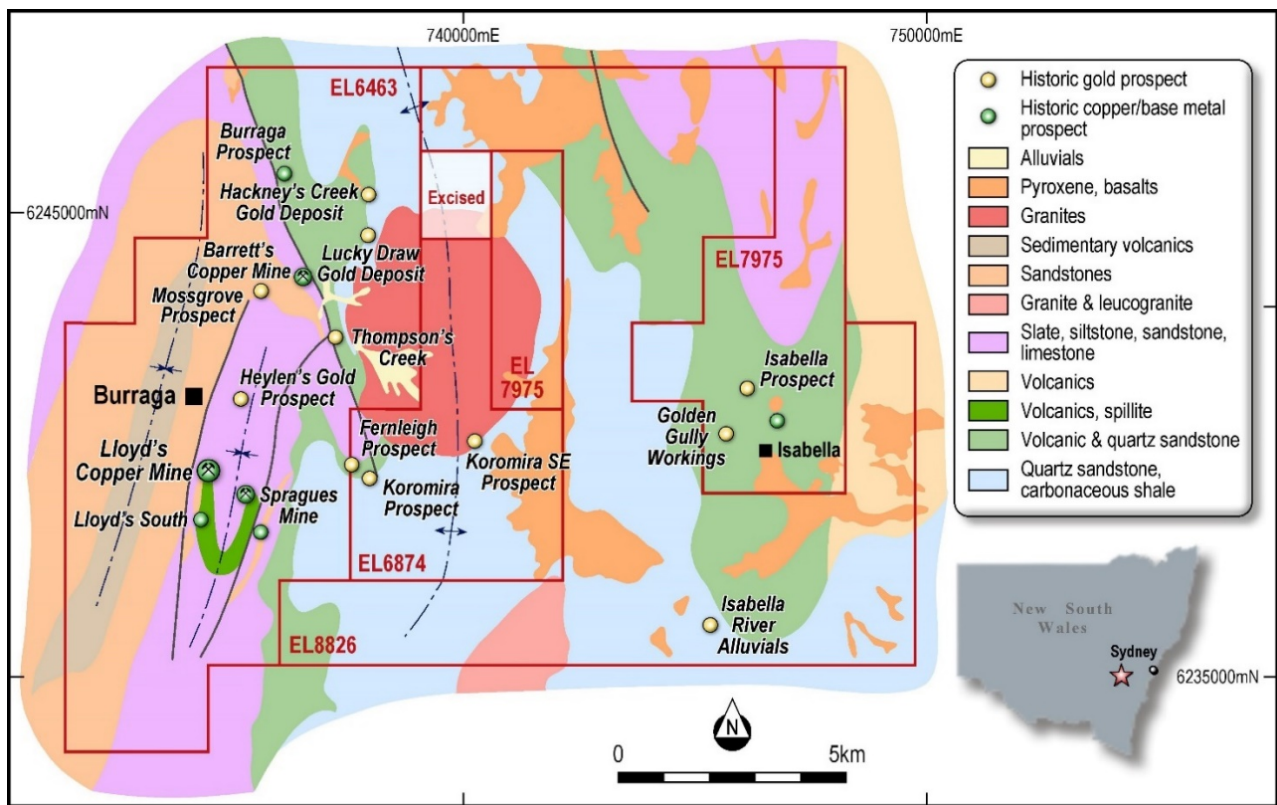
**Figure 5 : VTEM electromagnetic anomaly image of ‘late-time’ Z-coil receiver response as raw data grid from a recently completed survey over the Grace and Bemm shear zones showing maximum gold assays plotted at drill collar locations. A conductive target zone has been identified in the raw VTEM data and is highlighted by a dashed circle.**

**Pilbara Gold Exploration Projects – Pilbara Western Australia**

During the quarter planning for soil geochemical sampling and validation of rock chip sampling programs to identify further drill targets at the Cheela Project. These a scheduled for completion in the Q1 2021 with drilling to follow in Q2 2021.

**Burraga Copper Gold Project – Lachlan Fold Belt, NSW**

Field activity on the Burraga project commenced with relogging of RC drilling at the Lloyds Copper Project and reconnaissance of access to the project areas. Paterson is reviewing the drilling data from this project to develop an updated exploration model to build on the current Inferred Resource of 1.68mt @ 0.9% Cu already identified, (refer ASX release “Burraga Copper Project Resource Estimate” 23 June 2015). Relogging has shown the copper mineralisation is associated with zones of silicious alteration, further work such as spectral scanning on historic drilling may be warranted.



**Figure 7 : Burraga Project Area**

The ongoing review and collection of historic exploration data from by previous explorers has highlighted several undrilled geochemical anomalies similar to the Lucky Draw and Hackneys Creek deposits which are characterised by elevated bismuth stream sampling anomalies in the project

area as well as low tenor gold anomalies. Limited drilling at one of the prospect Isabella intercepted high grade near surface mineralisation which was not followed up.

Historic exploration data for Isabella Prospect shows a significant stream sediment bismuth anomaly above 3ppm cut-off over an area of 3km by 700m. Limited shallow drilling typically 30-40m in depth conducted in 1989 and 1990 by RGC returned encouraging near surface intervals including;

- IRC008 2m @10.1g/t Au from 14 to 16m
- IRC020 7m @ 5.24g/t Au from 3 to 10m
- IRC021 7m@4.76g/t Au from 14m to 21m

As part of the comprehensive geological report for the technical section of the recently released entitlement issue prospectus (PSL ASX Ann 22 May 2020 \*) was a re-statement of the Lloyd's copper gold resource (Table 2) and also a Gold Resources Estimate for the Lucky Draw and Hackney's Creek gold prospects (Table 3).

Model		Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
<b>Lloyds (0.3% Cu cutoff)</b>	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	<b>Total</b>	<b>1,310,000</b>	<b>0.8</b>	<b>0.1</b>	<b>6</b>	<b>0.2</b>	<b>10,090</b>
<b>Tailings</b>	Indicated	280,000	1.2	0.3	9	0.2	3,490
<b>Slag Heaps</b>	Inferred	90,000	1.3	0.2	7	0.7	1,170
<b>Burruga Combined</b>	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	<b>Total</b>	<b>1,680,000</b>	<b>0.9</b>	<b>0.1</b>	<b>7</b>	<b>0.2</b>	<b>15,120</b>

Table 2. Lloyds Copper Mineral Resources by model and resource category

<b>Gold Mineral Resources (above 0.5 g/t Au cutoff)</b>				
		Tonnes	g/t Au	Au Metal ozs
<b>Hackney's Creek</b>	Measured			
	Indicated			
	Inferred	2,210,000	1.4	102,300
	<b>Total</b>	<b>2,210,000</b>	<b>1.4</b>	<b>102,300</b>
<b>Lucky Draw</b>	Measured			
	Indicated			
	Inferred	470,000	2.1	31,700
	<b>Total</b>	<b>470,000</b>	<b>2.1</b>	<b>31,700</b>
<b>Gold Total</b>	Measured			
	Indicated			
	Inferred	2,680,000	1.6	134,000



<b>Total</b>	<b>2,680,000</b>	<b>1.6</b>	<b>134,000</b>
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Table 3. Lucky Draw and Hackney's Creek Mineral Resources by model and resource category

(\* - The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement. All material assumptions and technical parameters pertaining to the resource estimate continue to apply and have not materially changed)

Access agreements with the landholders within the project area are ongoing. Once finalised infill and orientation soil and stream surveys will be commenced in Q1 2021. As soon as all approvals and agreements are in place diamond drilling is planned at Hackneys Creek.

The diamond drilling is designed to validate the existing drill assay data used in the inferred resource estimation at Hackneys Creek by twinning approximately 6 holes. A further 10 diamond drill holes recommended to validate the existing drill assay data at the remnant Lucky Draw inferred resource. Validation of this drill data along with the collection of additional geological and structural information will enable the upgrading of the current resource from inferred to a higher category.

The most promising intercepts returned from past drilling carried out by RGC Exploration at Hackneys Creek that were included in the inferred resource estimation are:

- **21.3m @ 9.19 g/t Au from 89m, including 4m @ 40.38 g/t Au from hole LDD309**
- **33.6m @ 2.27 g/t Au from 71.4m, including 5m @ 5.83 g/t Au from hole LXD283**
- **25.0m @ 3.57 g/t Au from 20m, including 4m @ 7.48 g/t Au from hole LXD359**
- **2.0m @ 11.25 g/t Au from 28m from hole LXD 282**
- **16.0m @ 3.30 g/t Au from 34m from hole LRC 353**

(\* The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements. All material assumptions and technical parameters pertaining to the resource estimate continue to apply and have not materially changed.)

## Corporate

### Share Purchase Plan (SPP)

The Company completed its Share Purchase Plan (SPP) during the quarter which provided shareholders the opportunity to purchase additional shares in the Company at the same price and on the same terms as the September 2020 Placement.

The SPP offer allowed eligible shareholders to subscribe for up to \$30,000 worth of shares at the determined issue price per Share (SPP Shares) being \$0.0035, together with one (1) free attaching option for every one (1) SPP Share subscribed for and issued (SPP Options).

The SPP was intended to raise a total of \$1,500,000, however the Company reserved the right to accept oversubscriptions, and the SPP closed oversubscribed on 9<sup>th</sup> October 2020 with the Company receiving applications for a total of 502,178,606 shares (on a pre-consolidation basis). PSL accepted the oversubscription funds of \$257,625 as announced to ASX on 15<sup>th</sup> October 2020. Allotment of the SPP shares occurred on 16<sup>th</sup> October 2020.



The Company sought and received shareholder approval for the SPP Options at its Annual General Meeting (AGM) held on 11<sup>th</sup> December 2020, and the SPP Options as well as the free attaching Options to the September 2020 Placement were issued on 22 December 2021.

In addition, the Company completed its 1:15 Share Consolidation on 18<sup>th</sup> December 2020 following the grant of shareholder approval at its Annual General Meeting.

### **Less than Marketable Parcel Sale Facility**

Subsequent to the end of the quarter, the Company completed its less than marketable parcel share sale facility announced on 14 September 2020 (**Facility**).

The Facility allowed shareholders with less than a marketable parcel of shares to exit the Company's register without incurring brokerage fees.

A total of 1,684 shareholders with an aggregate of 3,531,438 shares (on a post-consolidation basis, or 52,971,570 shares on a pre-consolidation basis) participated in the Facility. The shares were sold at a price of \$0.0375 each (on a post-consolidation basis, or \$0.0025 each on a pre-consolidation basis).

The Company's share registry, Computershare, arranged for the pro-rata distribution of proceeds to be distributed to each participant in the Facility on 22 January 2021.

The reduction of the Company's shareholder base by 1,684 shareholders as a result of the Facility will significantly reduce the Company's administrative and corporate costs moving forward.

### **Board and Management Changes**

During the quarter, the Company completed a broad restructure of the Board and management following the successful completion of the recently SPP that placed the Company in a secure financial position.

Non-Executive Director Matt Bull became Executive Director, assuming responsibility for the corporate functions in the Company whilst still maintaining a technical oversight of the Company's operations.

To consolidate the operations capability, the Company appointed Daniel McIntyre as the Exploration Manager. Daniel brings a wealth of operational experience in the on-ground management of field programmes plus the ability to maintain a strong compliance culture with the statutory reporting requirements.

Non-Executive Director Brian Thomas tendered his resignation as a Director of the Company effective from the conclusion of the 2020 AGM on 11<sup>th</sup> December. The Company then appointed Mr Kenneth Banks as Non-executive Director of the Company.

Mr Banks is a qualified Chartered Secretary and a Fellow of the Chartered Governance Institute. He has held a number of senior management positions notably; Chief Financial Officer for two previously ASX listed mining companies, and Director of an Australian subsidiary company (TWP Australia) which belonged to an internationally listed multidiscipline Mining Engineering Consultancy.

He has gained experience in Australia, Indonesia, Zimbabwe, and Brazil, by actively participating in the establishment of businesses in all four countries. His most recent position was as General Manager – Corporate, for one of WA’s leading Mining Services Businesses, MLG Oz.

The Board thanked Mr Brian Thomas for his significant contribution to the Company during his tenure.

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.*

**For further information, please visit [www.patersonresources.com.au](http://www.patersonresources.com.au):**

**ASX Listing Rule 5.3.1**

Exploration and Evaluation expenditure during the quarter was \$220k. The majority of this was spent on maintaining the Company’s tenement portfolio in goodstanding including payment of shire rates and tenement rents, as well as expenditure on the Company’s Grace Project.

**ASX Listing Rule 5.3.2**

There were no substantive mining production and development activities during the quarter.

**ASX Listing Rule 5.3.5**

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Directors	\$77,500	Periodical fees paid to Directors and/or Director related entities
Director	\$47,567	Exploration consulting fees paid to a Director/Director related entities

The following table sets out the tenement information reported on a consolidated basis as required by ASX Listing Rule 5.3.3.

**Mining tenements held at the end of the Quarter and their location**

Project Name	Location		Tenement Licences	Interest held by Group
Bellary	WA		E47/3578	100%
Hamersley	WA		E47/3827	100%
Elsie North	WA		E45/5020	100%
Cheela	WA		E08/2880	100%
Grace	WA		E45/4524	100%
Grace	WA		P45/2905	100%
Grace	WA		P45/2906	100%

Project Name	Location		Tenement Licences	Interest held by Group
Grace	WA		P45/2907	100%
Grace	WA		P45/2908	100%
Grace	WA		P45/2909	100%
Grace	WA		E45/5130	100%
Burruga	NSW		EL6463	100%
Burruga	NSW		EL6874	100%
Burruga	NSW		EL7975	100%
Burruga	NSW		EL8826	100%

**1. The mining tenement interests acquired during the quarter and their location**

Not applicable.

**2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**

Not applicable.

**3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**

Not applicable.

**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 221km<sup>2</sup>. Paterson is an active explorer with the aim of discovering a valuable mineral resource and delivering shareholder value.

**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.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by PSL. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Paterson Resources Limited

ABN

45 115 593 005

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(4)	(10)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(339)	(717)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(343)</b>	<b>(727)</b>
1.2(e) Administration and corporate costs includes costs associated with the Placement, Share Purchase Plan and Less than Marketable Parcel Sale Facility conducted during the period.		
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(216)	(403)
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2 Proceeds from the disposal of:	-	-
(a) entities		
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(216)</b>	<b>(403)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,858	2,358
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 (a) Payment of interest from the issue of convertible debt securities	(18)	(18)
(b) Proceeds from the Less than Marketable Parcel Sale Facility	131	131
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,971</b>	<b>2,471</b>
3.9(b) Proceeds received from the Less than Marketable Parcel Sale Facility which was completed on 20 January 2021.		

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,885	1,956
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(343)	(727)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(216)	(403)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,971	2,471
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,297</b>	<b>3,297</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,297	1,885
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,297</b>	<b>1,885</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(78)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(48)

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(343)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(216)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(559)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,297
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,297
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: The Board of Paterson Resources Limited  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.