



ASX ANNOUNCEMENT

14 June 2022

## **Western Australian Exploration Update**

*Paterson completes soil geochemical surveys over Pilbara Projects and heritage clearance at Grace Project*

### **HIGHLIGHTS**

- Extensive soil geochemistry surveys testing for gold and base metals have been completed over the Company's Pilbara tenements with samples at the laboratory awaiting assaying.
- Gold nuggets discovered at surface at the Bellary Project, located about 20km from Paraburdoo, coinciding with a prospective regional structure and covered by the surface geochemical sampling survey.
- Heritage work program clearance completed at the Grace Project, located 25km southeast of the world-class Telfer gold-copper deposit, ahead of the Company's upcoming Phase 2 drilling program.
- MMI soil geochemical survey completed over the Smoke Rings target, 25km south of the Grace prospect.
- Up to 8,000m 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. Drilling set to commence in July this year.

*Paterson's Executive Director Matt Bull said today, "The geochemical sampling surveys have been completed over our Pilbara and Paterson tenements without incident and in timely fashion. We are heartened by the discovery of gold nuggets at Bellary in an area identified by our technical team prospective for gold that has never been systematically explored or previously drilled. At Grace, we anticipate receiving heritage clearance by the end of this month in preparation for drilling in July. These are exciting times for Paterson and we look forward to releasing a steady stream of news in the coming months."*

**Paterson Resources Limited ("Paterson" or "the Company") (ASX: PSL);** is pleased to provide an update on progress of the Company's exploration efforts at its West Australian projects.

## Pilbara Gold & Base Metal Projects

The soil geochemistry sampling survey at the Company's Pilbara Projects has been completed over high priority targets at the Bellary, Cheela Plains and Hamersley projects (Figure 1). More than 400 samples have been collected to date from all three projects. The sampling patterns are based on the results of previous grab sampling programs and regional geological trends and are planned to infill previously identified gold and base metal soil anomalies.

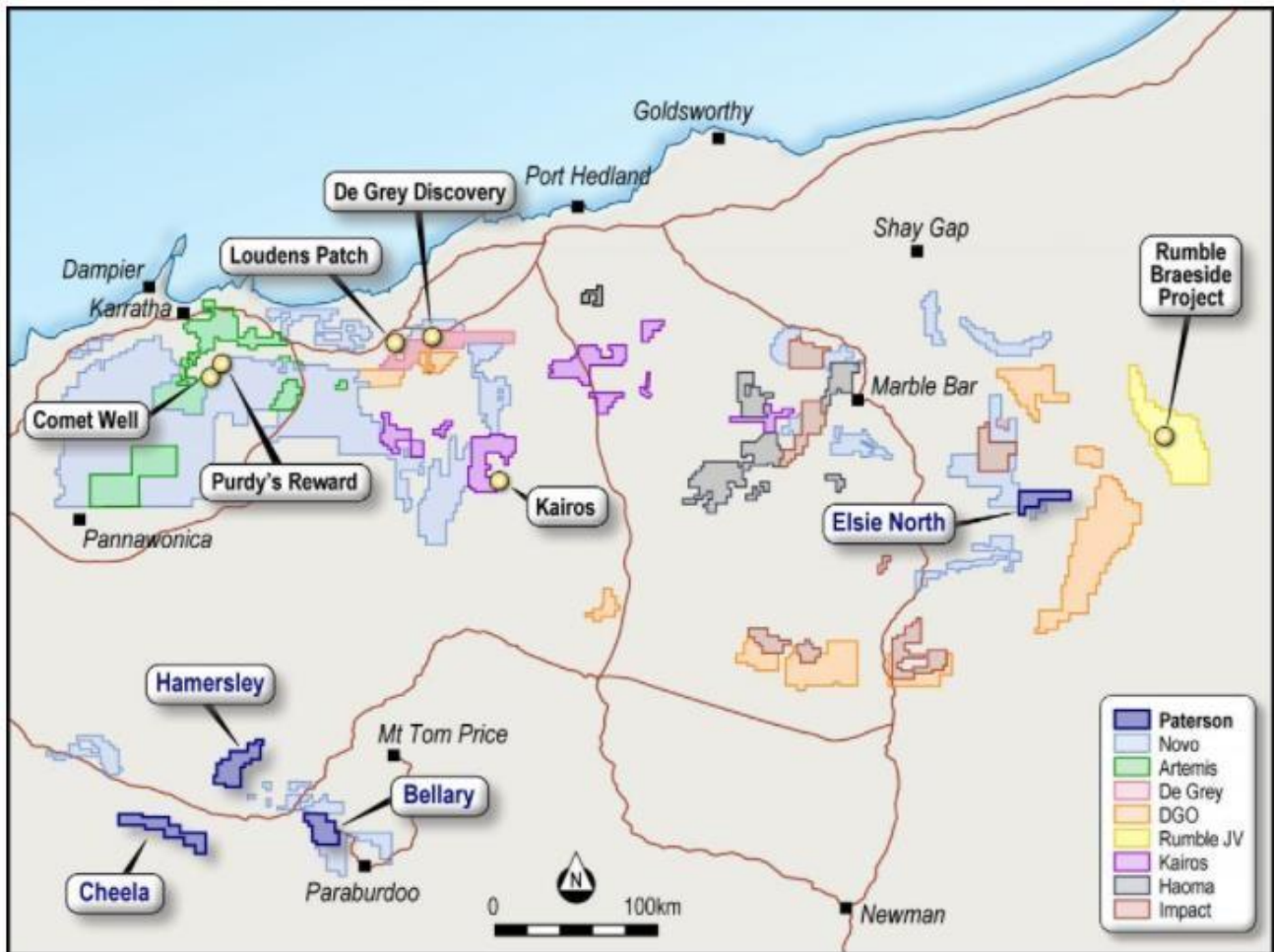


Figure 1: Location of PSL's Cheela Plains, Hamersley, Bellary and Elise North Pilbara Projects

### Bellary Gold and Base Metals Project (E47/3578)

The Bellary Project is located about 20km northwest of Paraburdoo and 40km southwest of Tom Price in the Shire of Ashburton. Sporadic exploration dates back to 1989, with historical soil sampling identifying a suite of targets prospective for gold, copper, silver, platinum, palladium, nickel, lead and zinc.

Much of the Bellary tenement is underlain by rocks of the Fortescue Group including the Pyradie, Boongal and Hardey Formations. The Hardey Formation is highly prospective for conglomerate gold mineralisation, characterised by Novo Resources' 900,000 ounce Beatons Creek Gold Project and discovery at Purdy's Reward.

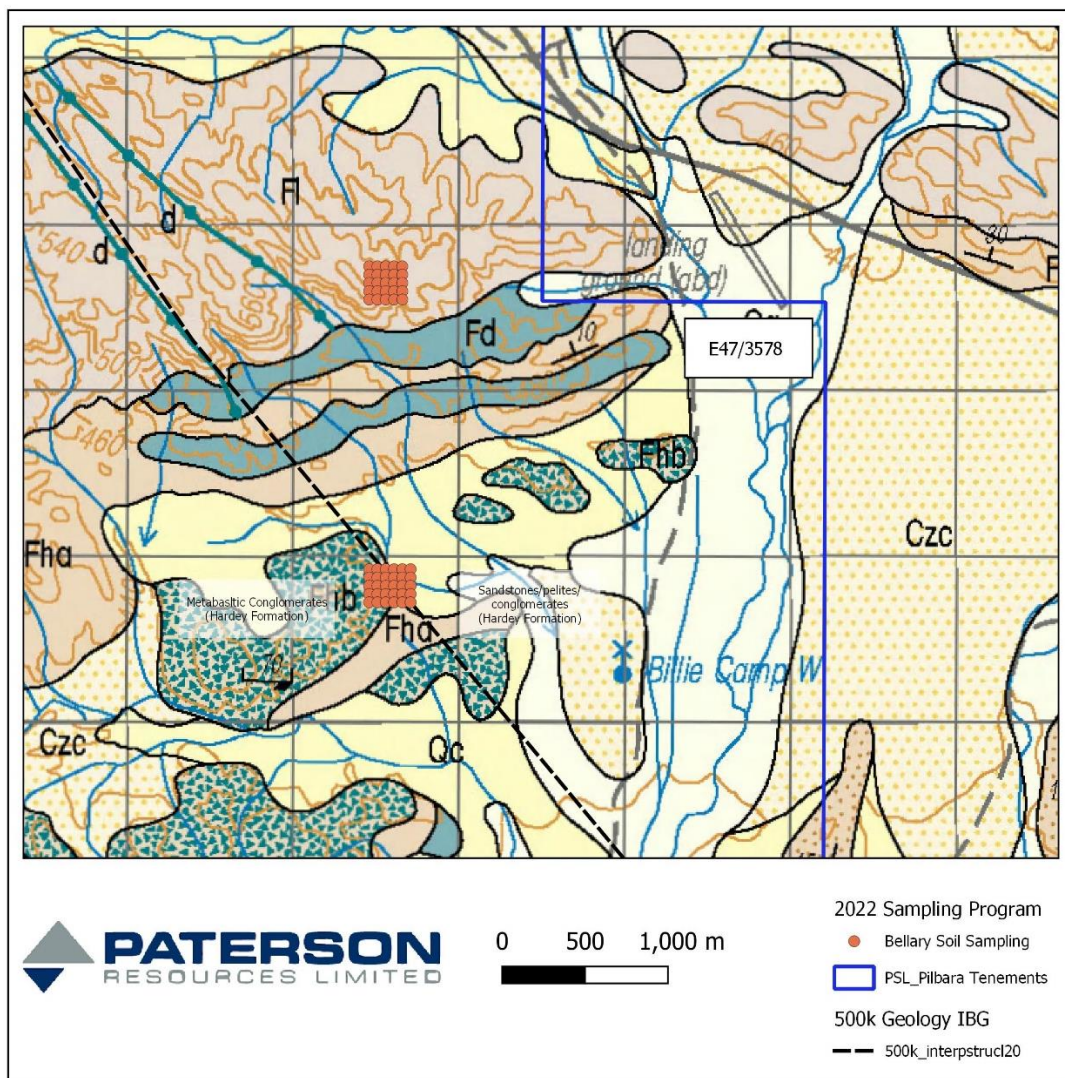
Previous reconnaissance field sampling undertaken by the Company over historical gold and base metal soil geochemical anomalies identified two high priority targets – Kara Well and Billie Camp.

At the Billie Camp Prospect, a total of 115 samples were collected over 2 areas on a 50m by 50m grid (Figure 2).

Several small gold nuggets (Figure 3) were discovered at Billie Camp using metal detectors from an exposed quartz vein outcropping at surface, coinciding with a regional northwest trending structure and located at the base of a mopped metabasaltic conglomerate from the Hardey Formation. Surprisingly, very little historical exploration has been conducted over this area and is limited to sporadic rock chip sampling.

A total of 49 soil samples were collected over the Kara Well Prospect on a nominal 200m by 600m grid spacing. The program has been designed to infill historical soil geochemical sampling and further define gold and base metal anomalism, along with gaining a better understanding of the underlying geology.

Previous rock chip samples at the Kara Well Prospect have returned values up to 27% Cu, 75ppb Au and 358g/t Ag.



**Figure 3: Soil sampling locations at Billie Camp Prospect at Patersons' Bellary Project**





*Figure 3: Gold nuggets discovered at the Billie Camp Prospect*

#### ***Cheela Plains Gold and Base Metals Project (E08/2880)***

The Cheela Plains Project is located about 80km northwest of Paraburdoo on Cheela Plains Station. Small scale mining dates back to the 1930's with several small pits observed at the Slate Bore Prospect. No production records are available but outcrops of malachite and galena suggest mining was targeting copper and lead resources.

Historical exploration has defined a major gold, arsenic and lead anomaly that strikes for over 4.5km over the Big Sarah Prospect with reconnaissance rock chip sampling undertaken by the Company in 2019 returning samples grading upto 24.5g/t Au.

A total of 297 soil samples were collected over the Slate Bore and Big Sarah Prospects on a nominal 200m by 600m grid spacing. The program was designed to extend historical soil geochemical sampling and further define gold and base metal anomalism, along with gaining a better understanding of the underlying geology.

#### ***Hamersley Gold and Base Metals Project (E47/3827)***

The Hamersley Project is located about 65km west of Tom Price. Very little historical exploration has been undertaken over the tenement with a small number of stream sediment geochemical samples being taken by previous explorers.

The Company's technical team have identified multiple regional scale northwest trending structures in favourable geological settings warranting preliminary reconnaissance soil geochemical testing. A total of 129 samples were collected on a nominal 200m by 600m grid.

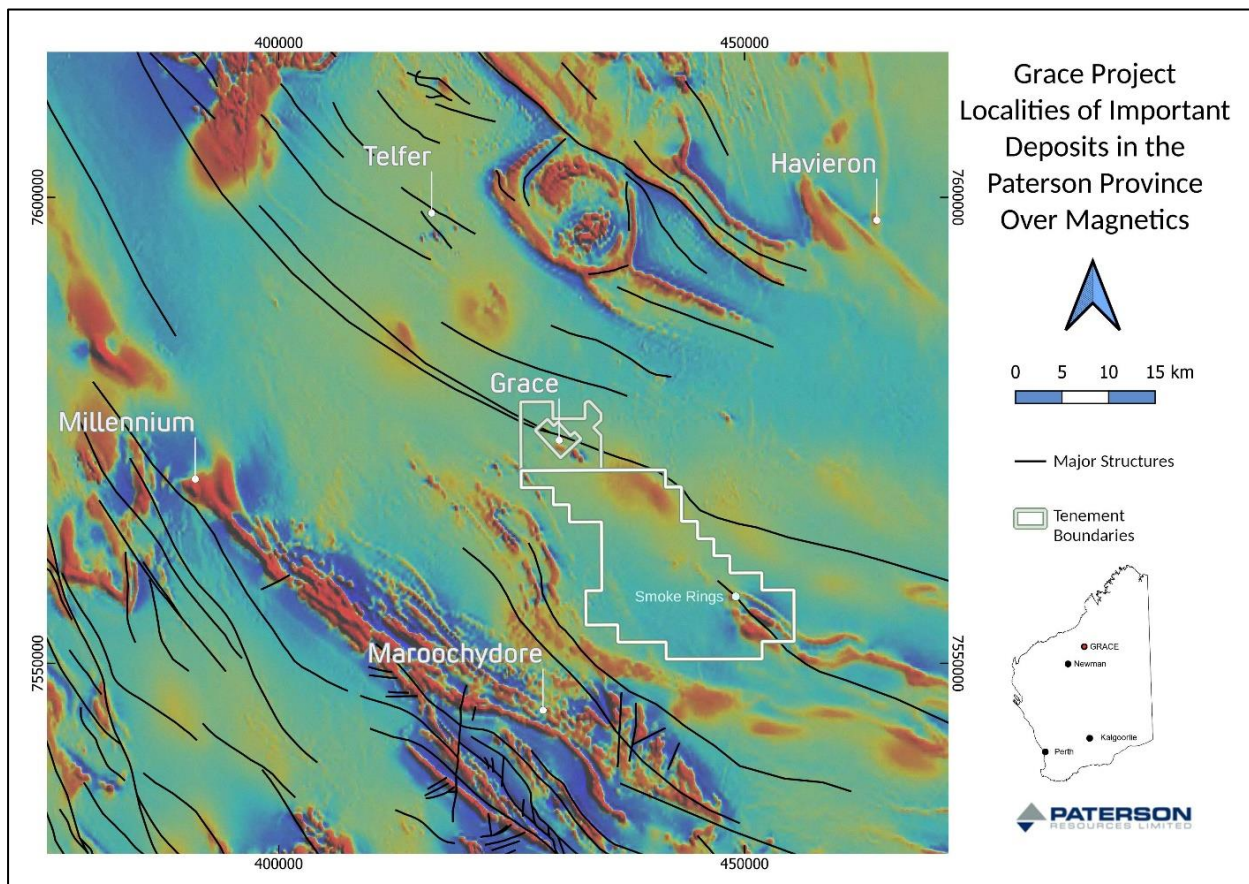
### Next Steps

Paterson's priority at its Pilbara Projects is to focus on advancing targets towards drill-ready status which will include the following:

- Target definition and infill soil sampling
- Ground geophysical surveys
- Planning and design of an exploration drilling program to test identified high priority targets
- Heritage clearances and all requisite permitting

### Paterson Province

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 4 shows the Grace tenements and the significant regional discoveries and mines.



**Figure 4: Locality map showing prominent gold and copper deposits in the Paterson Province near Paterson's tenements**

***Heritage Work Program Clearance – Grace Project***

The heritage survey crew completed the work program clearance last week. The Company expects program clearance to be received by the end of June in preparation for drilling of the Phase 2 program at Grace, set to commence in July.

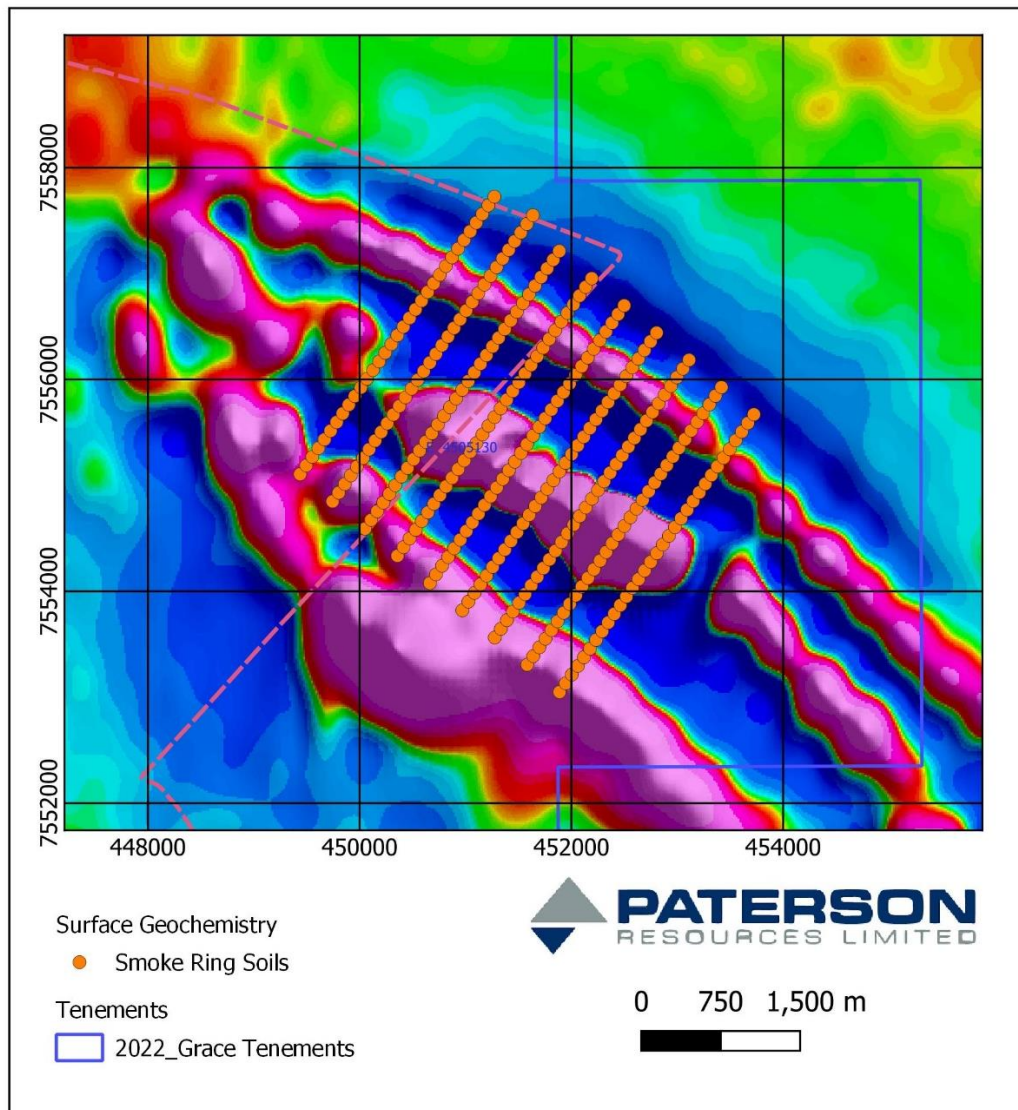
The Company has planned an extensive reverse circulation drilling program of up to 8,000 metres designed to follow up multiple high priority targets located along the prospective Grace-Bemm shear zone, along with several under-explored regional targets highlighted by airborne geophysical surveys and anomalous gold and copper intersected in historical drilling.

***Soil Geochemistry Sampling Survey – Smoke Rings***

The technical team at Paterson Resources continues to expand on its understanding of the mineralised system at the Grace Project recently completing an additional review of historical data over its tenure. The review identified previous drilling over the regional Gandy's Folly and Smoke Rings prospects on the Company's 100% owned contiguous E45/5130 tenure (Figure 4) that had not been included in the geological database.

Anomalous values of up to 0.98 g/t gold and 0.06 per cent copper have been highlighted in historical drilling at Smoke Rings coincident with a significant aeromagnetic anomaly. Paterson has completed a mobile metal ion – or "MMI" surface geochemical soil survey program on a 100m by 400m grid to traverse the distinct geophysical anomaly close to historical drilling. The MMI technology is a proven advanced geochemical technique well suited for areas under transported cover and especially well-suited for deeply buried mineral deposits. A total of 298 samples have been collected and sent to SGS Australia in Perth for MMI analysis





*Figure 5: Location of soil samples at the Smoke Rings target in the Paterson Province*

#### 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**

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.

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