ASX ANNOUNCEMENT 25th August 2022

Grace Project Drilling Update - Amended

Further to the announcement released on the ASX platform on 25 August 2022 titled "Grace Project Drilling Update", the Company attaches an amended announcement to report this information in accordance with the AIG guidance. Specifically, the following has now been included in the announcement:

- JORC Table 1 (section 1 and 2);
- relevant cautionary language; and
- the mineral species present, their relative abundances (%) and the form in which they occur.

Matthew Bull
Executive Director

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Grace Project Drilling Update

HIGHLIGHTS

- **A total of 15 reverse circulation (RC) holes have been completed for 2,248 metres.**
- **Eight holes have been completed testing for gold mineralisation along the Parallel Fault.**
- **Early geological visual observations are encouraging exhibiting many similarities with known gold mineralisation hosted within the Grace-Bemm shear zone.**
- **Rig has moved to test the strike and depth extensions of high-grade gold mineralisation along the Grace-Bemm Shear.**
- **More than 1,572 samples are awaiting analysis at ALS Laboratory in Perth**

Paterson's Executive Director Matt Bull commented on the results, *"The reverse circulation drilling program at grace is progressing rapidly and safely. The drilling crew is consistently reaching and exceeding our daily metre targets, with a steady stream of samples being mobilized off site for delivery to the laboratory in Perth. Early visual observations of the drilling chips are encouraging, and I look forward to updating the market as assay results are returned."*

Paterson Resources Limited ("Paterson" or "the Company") (ASX: PSL); is pleased to provide an update on drilling progress at the Company's Grace gold-copper project near Telfer.

The aim of the program is to prove up existing deposits at Grace discovered by previous drilling, testing known mineralisation along the Grace-Bemm shear zone along strike and at depth. In addition, the Company will explore for new deposits using recent geophysics with an improved understanding of the geology and ore-forming models in the highly prospective Paterson Province (Figure 1).

Drilling commenced with nine holes for 1,317m targeting the Parallel Range fault in the Isdell and Malu formations proximal to a known granite intrusion. The drill rig has now moved to test the continuation of mineralisation along the Grace-Bemm shear where five holes have now been completed for 832m.

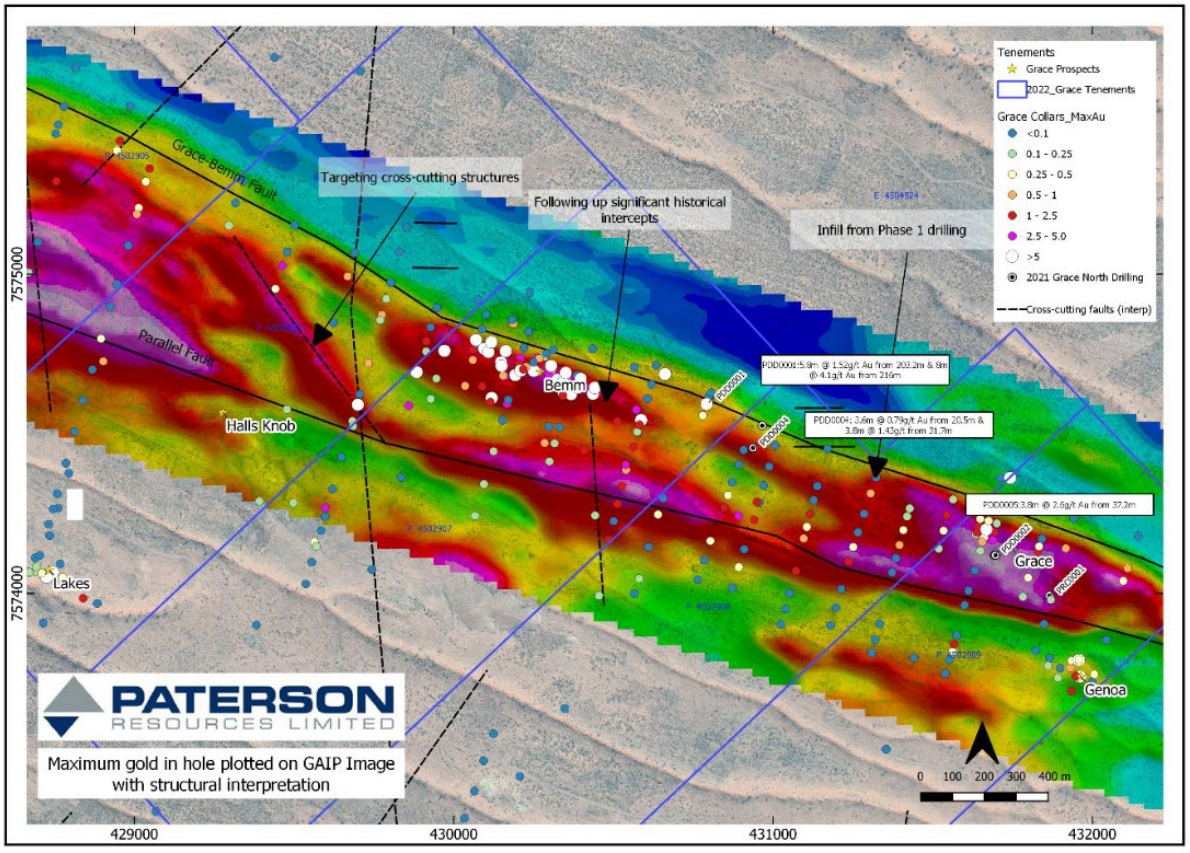


Figure 1: Maximum gold down hole plotted on GAIP image. Phase 2 drilling targeting extensions to known mineralisation envelope and testing prospective cross-cutting structure

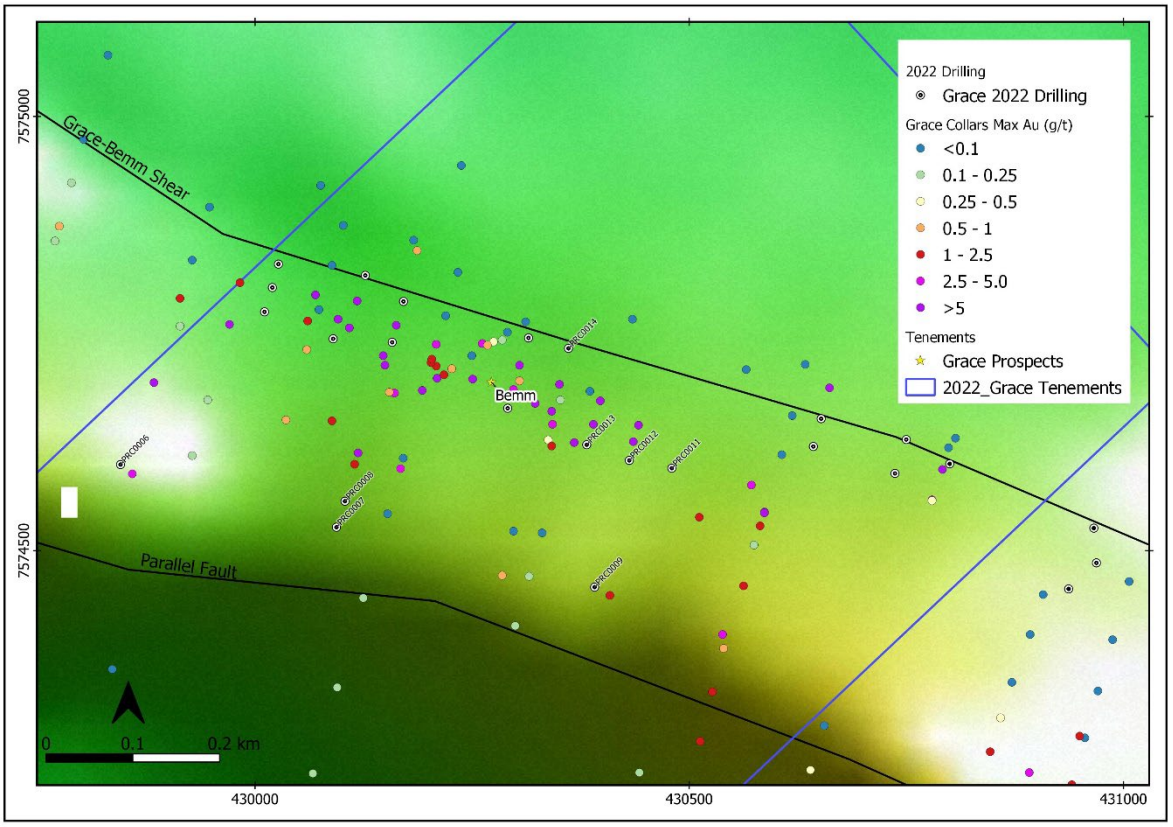


Figure 2: Completed RC drillholes to date at the Grace project

Early observations demonstrate Paterson is on the right track:

The first indications from the drill holes targeting the Parallel Fault are highly encouraging. All drill holes targeting the Parallel Fault have intercepted extensive shallow zones of quartz-carbonate veining with evidence of relic sulphides weathered to goethite and limonite. The rocks show disruption by potentially mineralising fluids resulting in extensive quartz-carbonate-pyrite veining, brecciation and alteration. This mineral assemblage is a key signature of gold mineralisation at the Telfer gold-copper deposit.

Additionally, in drill hole PRC0009, an intermediate intrusive was intersected between 88-102m with the lower contact containing highly disseminated sulphides (**approximately 30% abundance - predominantly pyrite**) in pervasively silicified siltstones extending from 102m to 114m down hole (Figure 3). These observations are consistent with an Intrusive Related Gold System ore-forming model that is evolving in the Paterson Province.

Collar information pertaining to the drillhole containing the sample from Figure 1 is contained in Table 1.

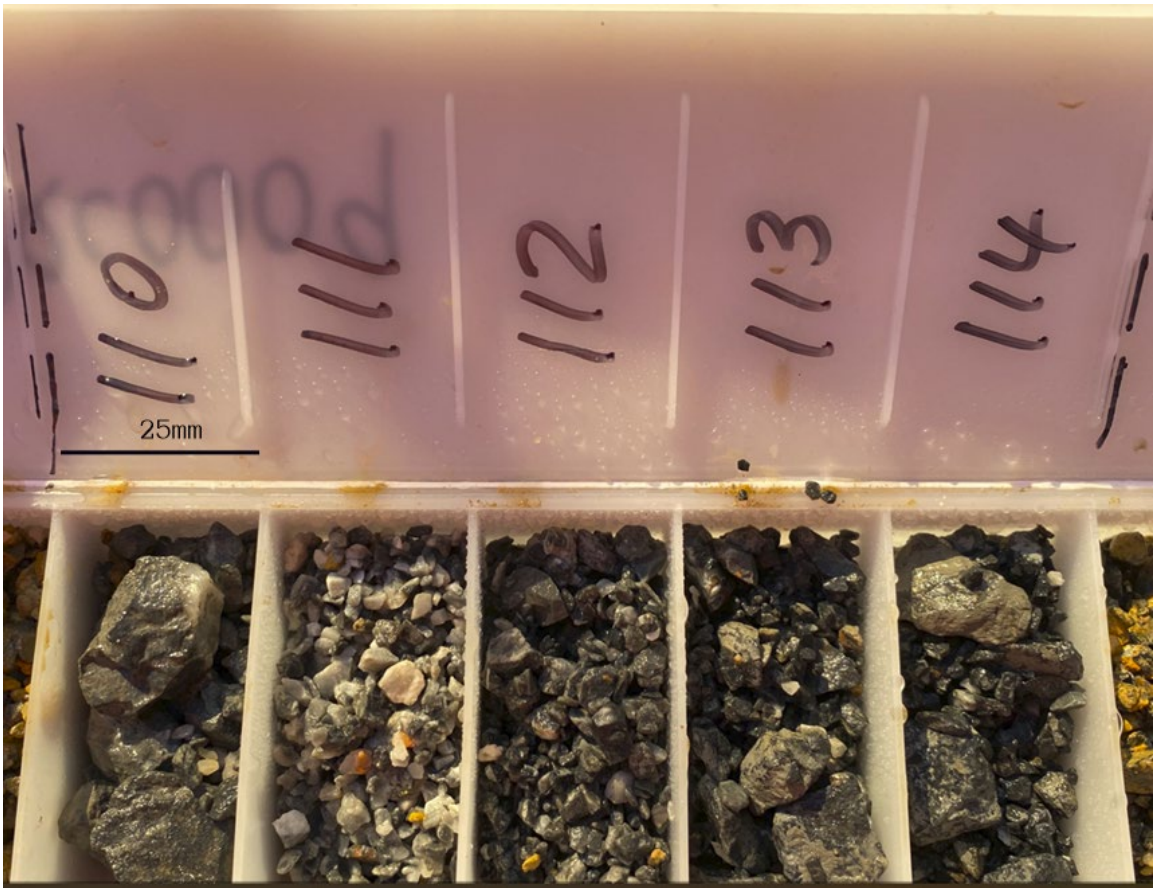


*Figure 3: RC chips from PRC0009 exhibiting **heavily disseminated sulphides (~30% - predominantly pyrite**) with strong silicic alteration*

Cautionary Statement: Determination of the alteration, deformation, vein features and mineralisation discussed above is based on visual observations by suitably qualified geologists. Features by their very nature may or may not contain gold mineralisation due to the multi-phase veining, deformation and veining events present in the geological terrane being explored. Observations are based on a ~50g subsample of >2mm chips taken from approximately 6kg of material generated from each metre of drilling. These observations therefore may not be representative of the sample as a whole.

Table 1: Drillhole Collar Details (all co-ordinates are MGA94 Zone 51)

TARGET	Hole ID	Easting	Northing	RL	Azimuth	Dip	Depth
Parallel Fault	PRC0002	429122	7574793	299	196	-60	100
	PRC0003	429133	7574832	299	196	-60	167
	PRC0004	429709	7574636	299	196	-60	166
	PRC0005	429718	7574676	298	196	-60	190
	PRC0006	429845	7574599	299	196	-55	214
	PRC0007	430094	7574527	299	196	-60	142
	PRC0008	430104	7574557	299	196	-55	178
	PRC0009	430391	7574458	302	196	-60	160
Genoa	PRC0010	431919	7573755	300	16	-60	99
Grace-Bemm Shear	PRC0011	430480	7574595	300	196	-60	150
	PRC0012	430431	7574604	300	196	-60	150
	PRC0013	430382	7574622	300	196	-60	118
	PRC0014	430349	7574707	300	196	-60	200
	PRC0015	430295	7574662	300	196	-60	214
	PRC0016	430312	7574743	300	196	-60	ongoing

Samples are regularly being dispatched from the Grace Project for analysis at the ALS Laboratory in Canning Vale (Perth), with results expected to be available for reporting in the December Quarter.

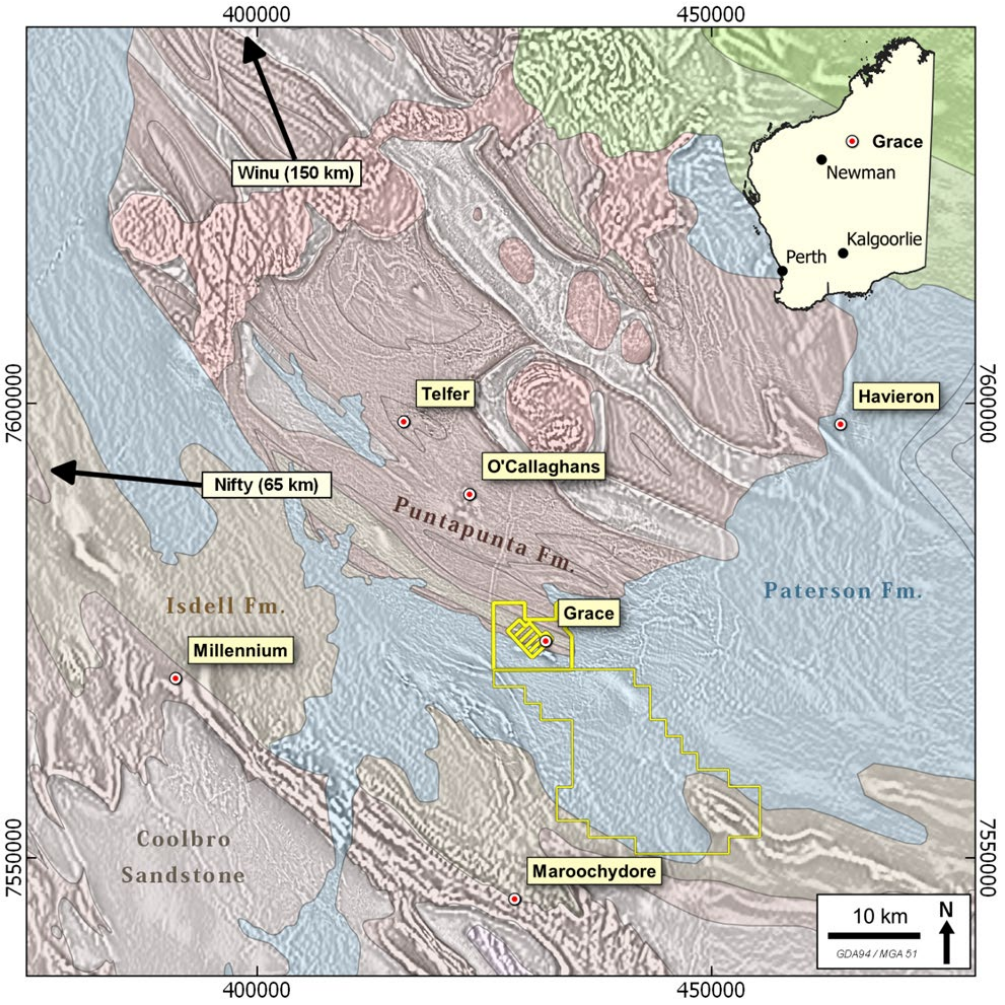
This announcement has been authorised by the Board of Paterson Resources Ltd.

Matthew Bull

Executive Director

The Paterson Province

The Grace Gold-Copper Project is in the heart of the highly prospective 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.



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.

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Section 1 – Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	For each one metre drilled, the RC rig-mounted cone splitter collected the bulk of sample into plastic bags, these were placed onto the ground in rows of 30 to 50 samples. A smaller, representative 1m split sample was collected from the splitters second port into a numbered calico bag. The rig-split calico bags from individual one metre samples of geologically prospective zones, as determined by the site geologist, were submitted for analysis. An Ezy gyro survey was completed once drilling reached approximately 30m for each hole to ensure the hole azimuth and dip were on target. Upon completion of drilling a hole, the Ezy gyro down hole survey tool surveyed the dip and azimuth of the entire hole at 30m increments.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• A nominal 136mm diameter face sampling reverse circulation percussion hammer bit was used.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The sample quality, in terms of degree of wetness and an estimate of the recovery, was recorded routinely by the field geologist. • The cyclone was regularly cleaned, at the end of each drilling rod as a minimum, to ensure sample quality. • A relationship between recovery and grade has not been established for the first pass RC drilling.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill metre samples had a grab sample sieved, washed, logged and stored by a suitably qualified and experienced geologist. • Logging was qualitive with semi-quantitative estimates made of relevant features such as percentage of quartz veins or sulphides. • 100% of the samples were geologically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All samples are 1m RC chip samples, duplicates and standards and duplicate are inserted every 20m for QA/QC purposes.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• RC samples were submitted securely to an accredited laboratory in Perth. • A set of duplicates, commercial standards and commercial blanks were inserted into the composite assay stream, nominally at every 20 samples. • No assays have yet been returned and no comment can be made at this point on the nature, quality and appropriateness of the assaying and laboratory procedures.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All data collected in the field is checked by the responsible and qualified geologist and digitally transferred to Perth. Microsoft Access is used as the database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar location was surveyed by handheld GPS to a stated accuracy of +/-3m. • Rig was initially aligned on surface and direction of drilling was collected and checked on regular 30m intervals using a single shot Axis North Seeking Gyro. • Datum GDA94 and projected MGA Zone 51 • Topographic data was also achieved using the North Seeking Gyro.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was designed to intersect target within the modelled geophysical anomalies. • The drilling is part of a first pass program, at depths in this area not previously explored. • The data obtained will not be used for any resource calculations at present.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drill hole was orientated approximately 90 degrees to the Grace-Bemm shear zones as defined by both the VTEM and the IP survey's
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected on site under supervison of a responsible geologist. The samples are delivered to a haulage company in Port Hedland for delivery to the laboratory in Perth, Western Australia.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data has not been audited as it is not required at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time*	• P45/2905-2909, E45/4524 & E45/5310 are held directly or by entities controlled by Paterson Resources. • All tenements are contained completely within land where the Martu People have been determined to hold native title rights. To the Company's knowledge no historical or environmentally sensitive sites • The tenements are in good standing and no known

Criteria	JORC Code explanation	Commentary
	of reporting along with any known impediments to obtaining a licence to operate in the area.	impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration was completed by Newcrest Mining Limited (Newcrest), including its predecessor Newmont Mining Australia, owners of the Telfer Gold Mine. • Exploration completed included geological mapping, geophysical surveys (IP, ground magnetics and ground gravity), rock chip sampling and drilling (RAB, RC and diamond core drilling). • WAMEX reports reviewed and utilised to complete the data compilation include A29118, A30479, A31642, A34922, A37495, A43922, A46877, A50323, A53741, and A79774. • Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geological setting is the Paterson Province Proterozoic aged meta-sediment hosted hydrothermal shear, fault and strata/contact controlled precious and/or base metal mineralisation which is typically sulphide bearing. The mineralisation in the region is interpreted to be granite intrusion related. The Paterson is a low grade metamorphic terrane, but local hydrothermal alteration and/or contact metamorphic mineral assemblages and styles are indicative of a high-temperature local environment. Mineralisation styles include vein, stockwork, breccia and skarns. • The Grace Gold-Copper Project, gold-copper mineralisation is hosted by laminated and banded carbonaceous pyritic dolomitic siltstones and micritic dolomite. Intrusive dolerite sill units are also known to be associated with mineralisation within the sequence, but granitic intrusion could occur at depth below the project area. The host rocks are variably contorted and brecciated with intense albite alteration. High grade gold, chalcopyrite, +/-arsenopyrite, +/- pyrite occurs as veins which appear linear features and are spaced up to 50m apart. Based on recent Leapfrog modelling of past work undertaken by Criterion, there appears to be ore shoots associated with secondary structures cutting the veins that have a plunge and have not been adequately tested. • Two principal targets are being targeted. Stacked reefs associated with domal structure similar to the Telfer Gold–Copper Mine. The second target is gold mineralisation associated with shear zones cross cutting dolerite units intruding the sedimentary sequence.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception*	

Hole ID	Easting	Northing	RL	Azimuth	Dip	Depth
PRC0002	429122	7574793	299	196	-60	100
PRC0003	429133	7574832	299	196	-60	167
PRC0004	429709	7574636	299	196	-60	166
PRC0005	429718	7574676	298	196	-60	190
PRC0006	429845	7574599	299	196	-55	214
PRC0007	430094	7574527	299	196	-60	142
PRC0008	430104	7574557	299	196	-55	178
PRC0009	430391	7574458	302	196	-60	160
PRC0010	431919	7573755	300	16	-60	99

Criteria	JORC Code explanation	Commentary
	○ *depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	

PRC0011	430480	7574595	300	196	-60	150
PRC0012	430431	7574604	300	196	-60	150
PRC0013	430382	7574622	300	196	-60	118
PRC0014	430349	7574707	300	196	-60	200
PRC0015	430295	7574662	300	196	-60	214
PRC0016	430312	7574743	300	196	-60	Ongoing

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Data was not aggregated for this announcement
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable at this point. Comment will be made when assay results are received.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included in announcement
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results of the drilling are preliminary in nature and the samples have been sent to Perth for analysis
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All results to date reported, assay results will be reported as they are received

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work is planned to include assaying of the samples and further RC drilling of other targets in the project area