ASX ANNOUNCEMENT 24 October 2022

# New high-grade gold zone discovered at Grace

## HIGHLIGHTS

- **Thick high-grade sulphide-repalcement skarn style gold mineralisation intersected in PRC0024 and PRC0025, along with high grade breccia-hosted mineralisation. Significant intercepts include:**
  - 15m @ 4.03g/t Au from 77m **including 6m @ 9.3g/t Au from 79m *(PRC0024)***
  - 31m @ 3.13g/t Au from 145m **including 7m @ 11.0g/t Au from 148m *(PRC0024)***
  - 19m @ 1.23g/t Au from 104m **including 2m @ 5.9g/t Au from 106m *(PRC0025)***
  - 41m @ 2.56g/t Au from 143m **including 4m @ 9.2g/t Au from 143m and 3m @ 8.7g/t Au from 176m *(PRC0025)***
- **Mineralisation model rapidly evolving with key elements of an intrusive related gold system now confirmed including the sulphide replacement skarn gold mineraliastion, breccia-hosted gold mineraliastion, and vein-hosted gold mineraliastion, all key mineralisation styles of the nearby 5.5 million ounce Havieron Gold-Copper Project.**
- **Further thick, shallow gold mineralisation has also been intercepted in infill and extensional drilling targeting extensions to the known Grace-Bemm mineralised resource envelope. Significant intercepts include:**
  - 85m @ 0.64g/t Au from 55m **including 3m @ 4.9g/t Au from 55m and 3m @ 3.9g/t Au from 60m *(PRC0014)***
  - 11m @ 1.07g/t Au from 32m **including 1m @ 10.1g/t Au from 33m *(PRC0017)***
  - 8m @ 1.2g/t Au from 72m **including 2m @ 3.8g/t Au from 77m *(PRC0020)***
  - 10m @ 1.2g/t Au from 144m **including 1m @ 8.2g/t Au from 144m *(PRC0021)***
  - 8m @ 1.3g/t Au from 146m **including 1m @ 6.3 g/t Au from 147m *(PRC0022)***
- **Grace Gold-Copper Project located in Western Australia's highly prospective Paterson Province which hosts the world class 30+ million ounce Telfer gold deposit just 25km north.**

**Paterson's Executive Director Matt Bull said today,** *"We are excited about the latest results that have been returned from our flagship Grace Gold-Copper project. The discovery of thick high-grade sulphide replacement skarn gold mineralisation intersected in both PRC0023 and PRC0024 confirm our evolving conceptual model that Grace is a large intrusive gold related system. The sulphide hosted and breccia hosted styles of mineralisation we are observing are characteristic of the nearby Havieron Gold-Copper deposit. The discovery is significant in our growing understanding of the bigger picture at Grace, the style of gold-copper mineralisation in the Paterson Province, and the magnitude of the deposit we have latched onto. The results are truly outstanding."*

**Paterson Resources Limited ("Paterson" or "the Company") (ASX: PSL);** is pleased to provide an update on the results of the Company's RC drilling program at its flagship Grace Gold-Copper Project in the highly prospective Paterson Province.

Assay results have been received for a further 12 holes. The drilling program was designed to target dip and strike extensions of the mineralised resource envelop at the Grace-Bemm deposit, extend known mineralisation at the Genoa prospect, along with testing the highly prospective Parallel Range Fault (Figure 1). Of the 25 holes with assays received, 22 holes have returned significant gold mineralisation.

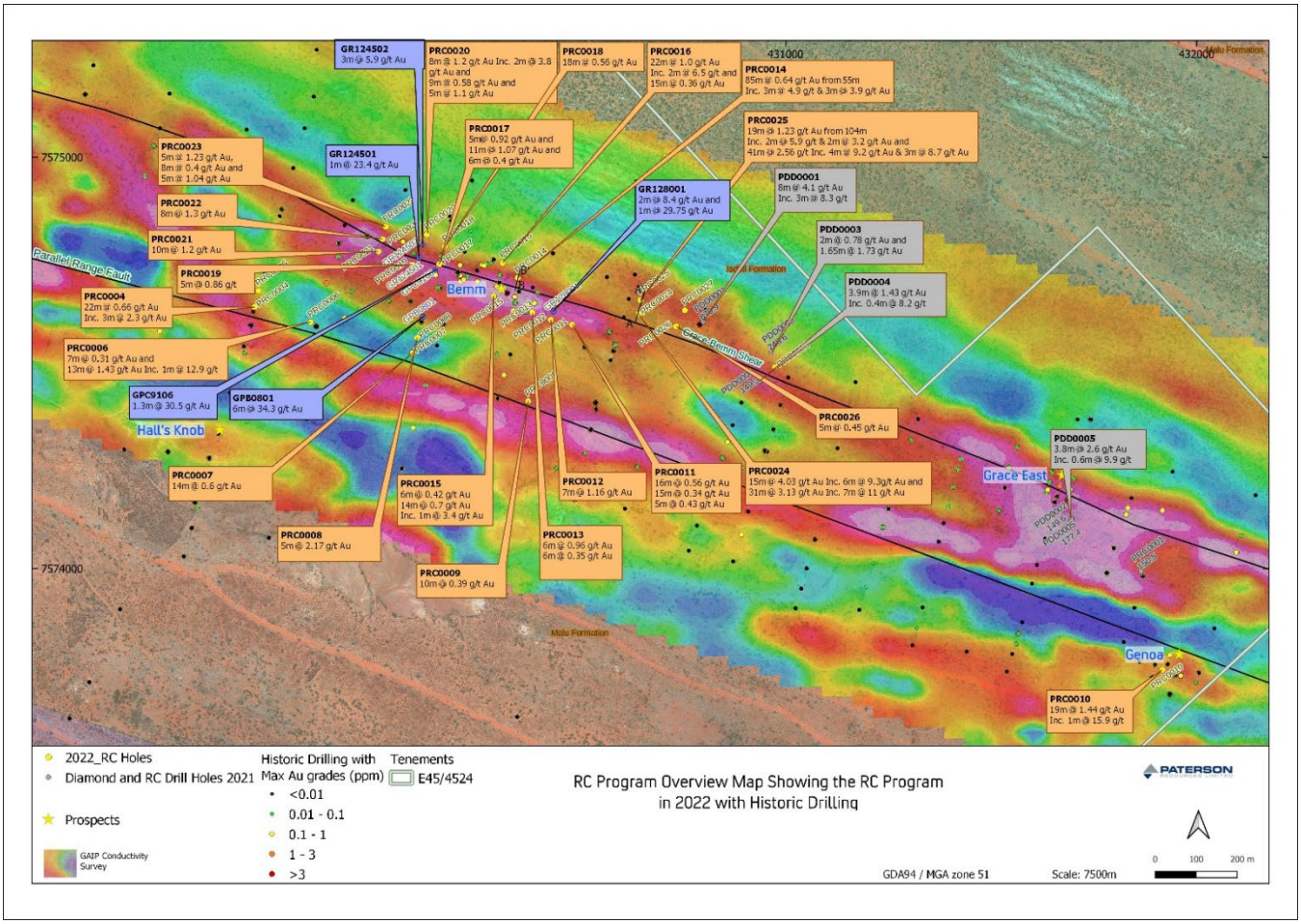



*Figure 1. Overview of RC drilling completed this year*

**Evolving Grace-Bemm Gold-Copper Deposit Model**

An EIS co-funded diamond drilling hole was completed at the Grace Gold-Copper project in August 2021 designed to test the source of a large magnetic feature at depth interpreted to be a felsic intrusion. The hole intercepted thick breccia hosted gold mineralisation within a metasedimentary sequence and was pushed through to hit a large felsic intrusion at about 761m. Significant intercepts from the hole (*see ASX announcement dated 15th December 2021*) included:

- 20.8m at 2.0g/t Au from 203.2m including 2m at 3.6g/t Au from 216m and 3m at 8.38g/t from 221m.
- 15.7m at 0.4g/t Au from 762.3m including 0.3m at 3.14g/t Au from 762m

The hole confirmed the presence of a large felsic intrusion at depth, responsible for the magnetic anomaly, thought to be the likely source of gold-copper mineralised fluids penetrating the overlying sedimentary sequence forming breccia-hosted gold rich zones. Whilst only weakly anomalous gold mineralisation was intersected at the contact with the felsic intrusion, pervasive limonitic noted throughout the intrusion alluded to the presence of sulphide-rich fluids permeating through the intrusion.

Drilling to date at the Grace Gold-Copper Project has intersected gold mineralsiation hosted mostly within quartz-carbonate breccias and vein stockworks cross-cutting the metasedimentary sequence.

The intersection of thick sulphide-replacement skarn gold mineralisation in drill holes PRC0024 and PRC0025 is a significant development in the evolution of understanding of the ore-forming model at Grace as an extensive intrusive related gold related system. Significant intercepts are listed in Table 1 and include:

- 15m @ 4.03g/t Au from 77m **including 6m @ 9.3g/t Au from 79m *(PRC0024)***
- 31m @ 3.13g/t Au from 145m **including 7m @ 11.0g/t Au from 148m *(PRC0024)***
- 19m @ 1.23g/t Au from 104m **including 2m @ 5.9g/t Au from 106m *(PRC0025)***
- 41m @ 2.56g/t Au from 143m **including 4m @ 9.2g/t Au from 143m and 3m @ 8.7g/t Au from 176m *(PRC0025)***

Preliminary interpretations (Figure 3) suggest the flat lying sulphide mineralisation is plunging steeply to the east-southeast. Whilst PRC0026 hit a zone of shallow vein hosted gold mineralisation from 61m, it appears the hole was terminated too early prior to hitting the thick, high-grade sulphide horizon at depth.

Gold mineralisation at Grace has now been identified to be hosted in breccias, veins and massive sulphide replacement skarn style typical of intrustion-related gold systems and key characteristics of the nearby Havieron Gold-Copper deposit.

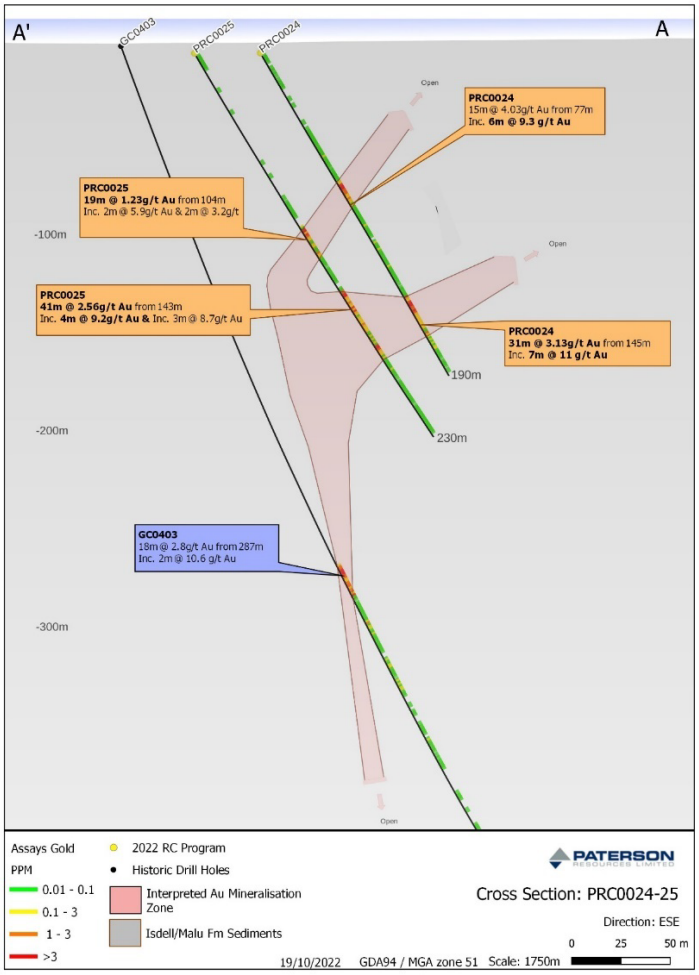



*Figure 2. Section illustrating intercept through PRC0024 and PRC0025*

**Grace-Bemm Gold-Copper Deposit**

Infill and extensional drilling along the Grace-Bemm Shear has been successful in further delineating gold mineralisation along strike and down dip. Significant intercepts are listed in Table 1 and include:

- 85m @ 0.64g/t Au from 55m **including 3m @ 4.9g/t Au from 55m and 3m @ 3.9g/t Au from 60m *(PRC0014)***
- 11m @ 1.07g/t Au from 32m **including 1m @ 10.1g/t Au from 33m *(PRC0017)***
- 8m @ 1.2g/t Au from 72m **including 2m @ 3.8g/t Au from 77m *(PRC0020)***
- 10m @ 1.2g/t Au from 144m **including 1m @ 8.2g/t Au from 144m *(PRC0021)***
- 8m @ 1.3g/t Au from 146m **including 1m @ 6.3 g/t Au from 147m *(PRC0022)***

The Company is highly encouraged by the intercept in PRC0014 indicating a thick, shallow zone of gold mineralisation remains open at depth. Mineralisation is hosted in a stockwork of extensive quartz-carbonate veining and brecciation within a sequence of metasedimentary rocks of the Isdell and Malu formations. This presents a high-priority target for future drilling.

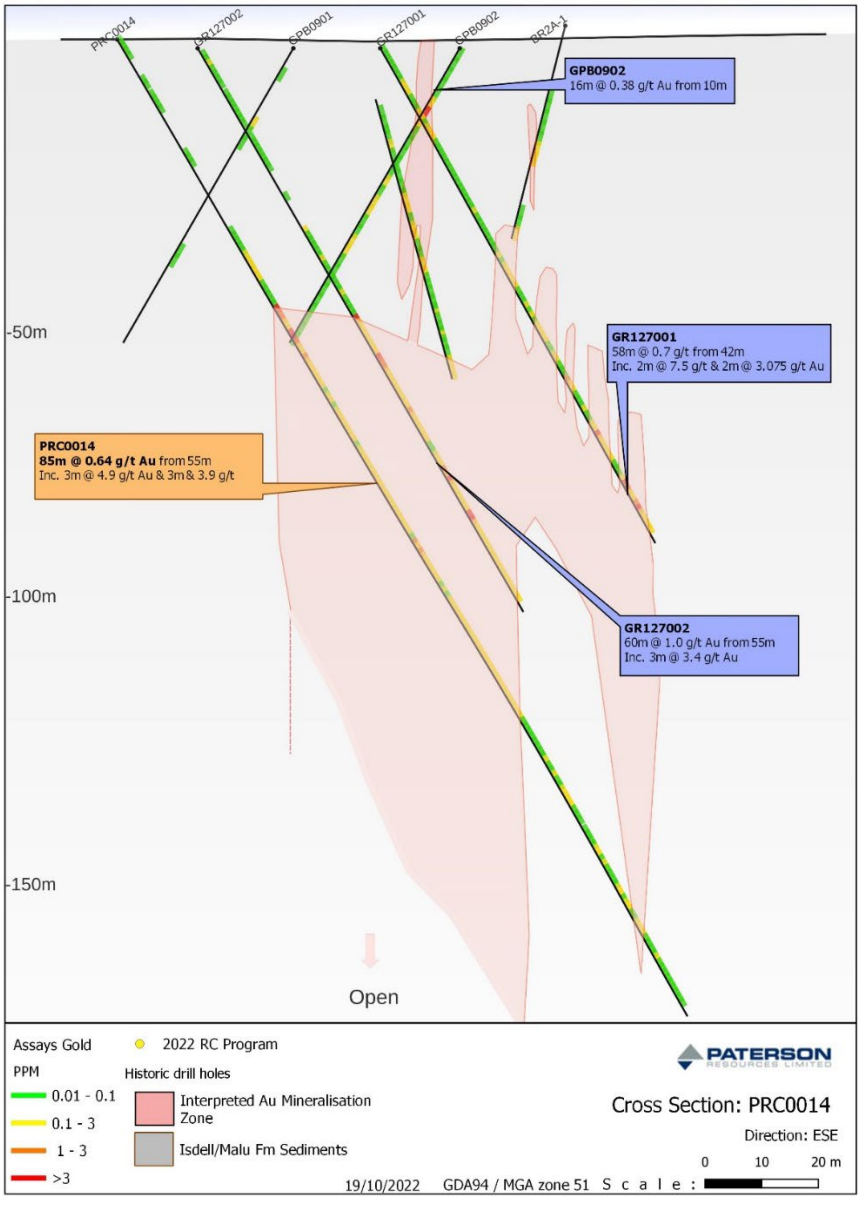



*Figure 3. Section illustrating intercept through PRC0014*

## Next Steps

All 1m drill samples were assayed at ALS laboratories for gold only via Fire Assay to expedite the assaying process and develop a greater understanding on the controls of gold mineralisation. The technical team at Paterson are in the process of identifying select samples for further base metal analysis, including copper. These will be resubmitted to the laboratory prior to the end of the year.

Following on from the successful RC drilling campaign at the Grace Gold-Copper Project, Paterson will:

- Conduct a detailed technical review of all results in conjunction with historical drilling results,
- Integrate assaying and logging into 3D model incorporating geophysical and geochemical data to identify priority drilling targets.
- Commence obtaining regulatory government and heritage approvals for drilling activities to recommence in the first quarter of 2023.

**Table 1. Significant gold (g/t) intercepts**

| Hole ID | From | To | Intercept | Au (g/t) | Max Gold Intercept (>1g/t) | | |
|---|---|---|---|---|---|---|---|
| | | | | | From | Intercept | Au (g/t) |
| PRC0002* | No Significant Intercepts | | | | | | |
| PRC0003* | No Significant Intercepts | | | | | | |
| PRC0004* | 138 | 160 | 22 | 0.66 | 142 | 3 | 2.3 |
| PRC0005* | No Significant Intercepts | | | | | | |
| PRC0006* | 141 | 148 | 7 | 0.31 | 179 | 3 | 5.4 |
| | 174 | 187 | 13 | 1.43 | | | |
| PRC0007* | 11 | 23 | 12 | 0.70 | 16 | 1 | 3.7 |
| PRC0008* | 41 | 46 | 5 | 2.17 | 42 | 1 | 9.7 |
| PRC0009* | 108 | 118 | 10 | 0.35 | 108 | 1 | 1.0 |
| PRC0010* | 29 | 48 | 19 | 1.44 | 33 | 2 | 8.5 |
| PRC0011* | 16 | 32 | 16 | 0.56 | 23.0 | 2 | 2.7 |
| | 82 | 97 | 15 | 0.34 | 85.0 | 1 | 1.2 |
| | 120 | 125 | 5 | 0.43 | 122.0 | 1 | 1.5 |
| PRC0012* | 73.0 | 80.0 | 7 | 1.16 | 77.0 | 2 | 1.5 |
| PRC0013 | 72 | 78 | 6 | 0.96 | 72.0 | 2 | 2.4 |
| | 83 | 89 | 6 | 0.35 | | | |
| PRC0014 | 55 | 140 | 85 | 0.64 | 55.0 | 3 | 4.9 |
| | | | | | 60.0 | 3 | 3.9 |
| | | | | | 105.0 | 1 | 2.0 |
| PRC0015* | 15 | 21 | 6 | 0.42 | 17.0 | 1 | 1.1 |
| | 99 | 113 | 14 | 0.70 | 102.0 | 2 | 2.3 |
| PRC0016* | 110 | 132 | 22 | 1.00 | 117.0 | 2 | 6.5 |
| | | | | | 121.0 | 2 | 1.5 |
| | 161 | 176 | 15 | 0.36 | 171.0 | 1 | 2.9 |
| PRC0017 | 18 | 23 | 5 | 0.92 | 20.0 | 1 | 4.0 |
| | 32 | 43 | 11 | 1.07 | 33.0 | 1 | 10.1 |
| | 133 | 139 | 6 | 0.40 | | | |
| PRC0018 | 47 | 65 | 18 | 0.56 | 51.0 | 2 | 2.4 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PRC0019 | 47 | 52 | 5 | 0.86 | 47.0 | 1 | 3.8 |
| PRC0020 | 72 | 80 | 8 | 1.20 | 77.0 | 2 | 3.8 |
| | 136 | 145 | 9 | 0.58 | 136.0 | 1 | 2.7 |
| | | | | | 143.0 | 1 | 2.0 |
| | 155 | 160 | 5 | 1.10 | 155.0 | 1 | 4.1 |
| PRC0021 | 144 | 154 | 10 | 1.20 | 144.0 | 1 | 8.2 |
| | | | | | 150.0 | 2 | 1.2 |
| PRC0022 | 146 | 154 | 8 | 1.30 | 147.0 | 1 | 6.3 |
| PRC0023 | 44 | 49 | 5 | 1.23 | 44.0 | 1 | 2.2 |
| | | | | | 47.0 | 1 | 2.4 |
| | 111 | 119 | 8 | 0.40 | 113.0 | 1 | 1.4 |
| | 205 | 210 | 5 | 1.04 | 205.0 | 1 | 4.5 |
| PRC0024 | 77 | 92 | 15 | 4.03 | 79.0 | 6 | 9.3 |
| | 145 | 176 | 31 | 3.13 | 148.0 | 7 | 11.0 |
| PRC0025 | 104 | 123 | 19 | 1.23 | 106.0 | 2 | 5.9 |

**Table 2 cont. Significant gold (g/t) intercepts**

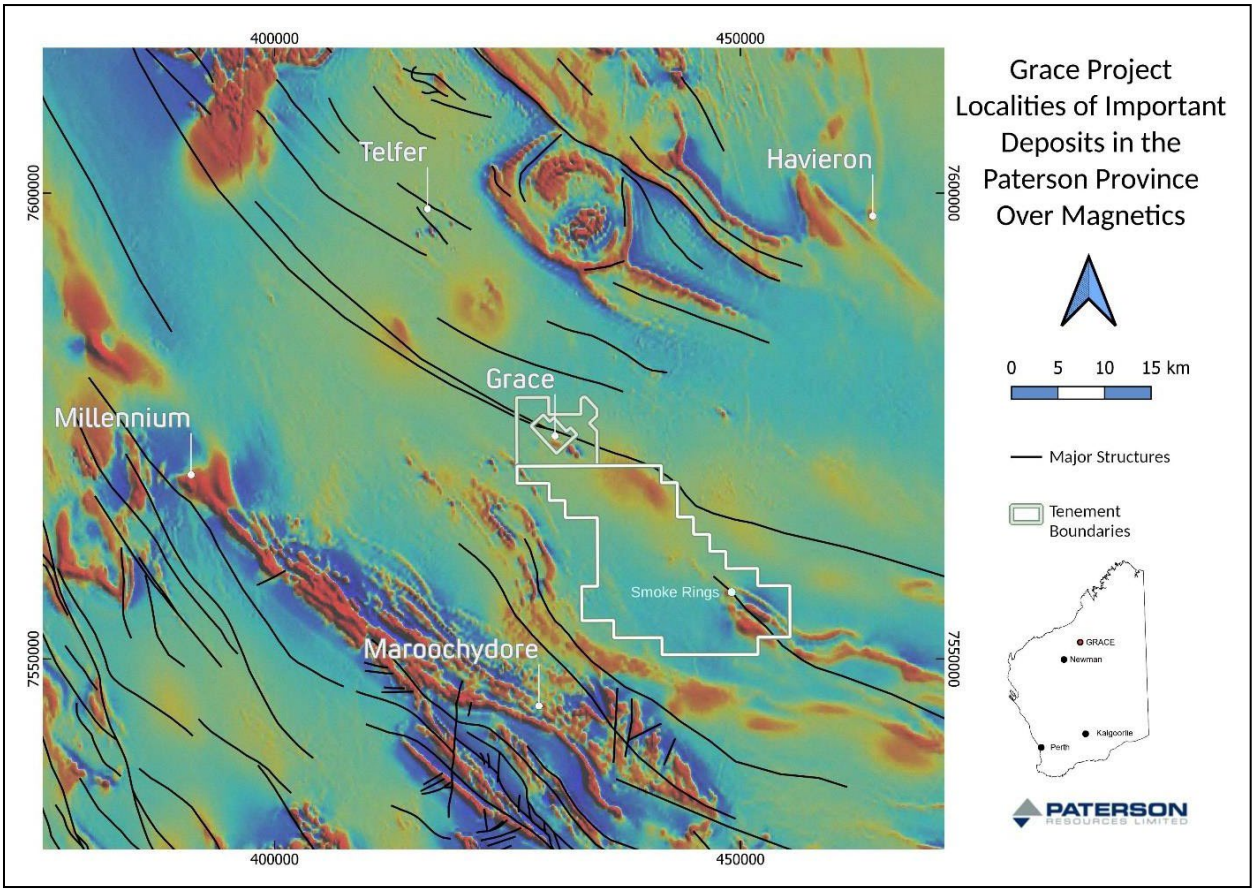
| Hole ID | From | To | Intercept | Au (g/t) | Max Gold Intercept (>1g/t) | | |
|---|---|---|---|---|---|---|---|
| | | | | | From | Intercept | Au (g/t) |
| PRC0026 | 61 | 66 | 5 | 0.45 | 62.0 | 1 | 1.5 |
| PRC0027 | *Waiting for assays* | | | | | | |
| PRC0028 | *Waiting for assays* | | | | | | |

**Table2. Drilling program details**

| Hole ID | Easting | Northing | Elevation | Azimuth | Dip | Depth |
|---|---|---|---|---|---|---|
| PRC0002 | 429122 | 7574793 | 299 | 202 | -60.25 | 100 |
| PRC0003 | 429133 | 7574832 | 299 | 200 | -61.07 | 167 |
| PRC0004 | 429709 | 7574636 | 299 | 200 | -59.09 | 172 |
| PRC0005 | 429718 | 7574676 | 298 | 197 | -61.11 | 190 |
| PRC0006 | 429845 | 7574599 | 299 | 200 | -53.62 | 214 |
| PRC0007 | 430093 | 7574527 | 299 | 196 | -55.82 | 142 |
| PRC0008 | 430103 | 7574557 | 299 | 197 | -55.26 | 178 |
| PRC0009 | 430391 | 7574458 | 302 | 195 | -59.62 | 160 |
| PRC0010 | 431919 | 7573755 | 297 | 17 | -61.27 | 100 |
| PRC0011 | 430480 | 7574595 | 301 | 196 | -58.06 | 150 |
| PRC0012 | 430431 | 7574604 | 301 | 197 | -58.69 | 150 |
| PRC0013 | 430382 | 7574622 | 301 | 199 | -58.59 | 118 |
| PRC0014 | 430360 | 7574721 | 300 | 197 | -59.79 | 200 |
| PRC0015 | 430291 | 7574664 | 299 | 196 | -58.57 | 214 |
| PRC0016 | 430315 | 7574745 | 299 | 197 | -57.64 | 250 |
| PRC0017 | 430158 | 7574740 | 296 | 199 | -60.36 | 154 |
| PRC0018 | 430171 | 7574787 | 296 | 199 | -57.08 | 150 |
| PRC0019 | 430090 | 7574744 | 296 | 198 | -60.55 | 154 |
| PRC0020 | 430127 | 7574817 | 296 | 197 | -59.11 | 200 |
| PRC0021 | 430011 | 7574775 | 297 | 198 | -59.18 | 160 |
| PRC0022 | 430020 | 7574803 | 296 | 197 | -60.93 | 200 |
| PRC0023 | 430027 | 7574830 | 296 | 197 | -60.97 | 250 |
| PRC0024 | 430643 | 7574620 | 300 | 197 | -59.7 | 190 |
| PRC0025 | 430652 | 7574652 | 300 | 201 | -57.98 | 230 |
| PRC0026 | 430737 | 7574589 | 300 | 200 | -58.66 | 170 |
| PRC0027 | 430750 | 7574628 | 300 | 200 | -59.04 | 196 |
| PRC0028 | 430969 | 7574486 | 299 | 200 | -60.25 | 202 |

**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 located nearby.



**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.

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

## 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple* | • Drilling was completed using Reverse Circulation (RC) Drilling.<br>• 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.<br>• A smaller, representative 1m split sample of roughly 2.5kg was collected from the splitters second port into a numbered calico bag.<br>• The rig-split calico bags from individual one meter samples of geologically prospective zones, as determined by the site geologist, were submitted to ALS Laboratories for analysis.<br>• 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *(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.* | 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).* | • RC drilling using T685/KWL700 truck mounted drill rig with onboard 500PSI/1350cfm compressor and truck mounted support booster and auxiliary unit.<br>• A nominal 5¼ inch face sampling reverse circulation percussion hammer bit was used. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.<br>• The cyclone was regularly cleaned, at the end of each drilling rod as a minimum, to ensure sample quality.<br>• Based on the sampling method and sample weight no bias in the 1m sampling process has been identified.<br>• 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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All drill meter samples had a grab sample sieved, washed, logged and stored by a suitably qualified and experienced geologist.<br>• Logging was qualitive with semi-quantitative estimates made of relevant features such as percentage of quartz veins or sulphides.<br>• 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.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • The 1m samples were collected from a cone splitter via the cyclone directly into pre-numbered calico bags, creating a nominal 2.5kg sample.<br>• All samples were submitted to ALS laboratories in Perth. Most samples were dry with some moisture present at depth in some holes.<br>• Sample preparation for drill samples involved drying the whole sample, pulverising to 85% passing 75 microns. A 50g sample charge was then used for the fire assay.<br>• Field Duplicate samples were taken as per Paterson's QAQC sample procedure at a rate of 1:25.<br>• Sample sizes are considered appropriate for the grain size of material sample. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *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.*<br>• *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.*<br>• *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.<br>• A 50g sample was used to analyse gold by fire assay.<br>• The fire assay analysis undertaken is considered to be a total analysis method.<br>• Paterson QAQC procedures collect field duplicates and insert certified reference materials (CRMs). Standards were inserted at a rate of 1:20, duplicate samples were taken every 1:25 samples and blanks were inserted at 1:50.<br>• Laboratory CRMs and repeats have been received and used to assess laboratory reproducibility and accuracy.<br>• The assaying techniques and quality control protocols used are considered appropriate for the material tested and for the data to be used for reporting exploration drilling results.<br>• No geophysical tools were used in determining element concentrations. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • No independent verification of results has been conducted.<br>• All sampling and assay data are stored in a secure database with restricted access.<br>• Twinned holes are not considered necessary at this stage.<br>• All data collected in the field is checked by the responsible and qualified geologist and digitally transferred to Perth. Logging data was validated by geological staff and then imported into the Paterson Microsoft Access 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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Drill collar location was surveyed by handheld GPS to a stated accuracy of +/-3m.<br>• Rig was initially aligned on surface and direction of drilling was collected and checked on regular 30m intervals using the Ezy Gyro downhole survey.<br>• Datum GDA94 and projected MGA Zone 51. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drill holes were variably spaced to test the strike and depth extents of historical intercepts, along with testing priority regional targets identified by geophysical methods.<br>• The drilling is part of a first pass program, at depths in this area not previously explored.<br>• Data density is appropriately indicated in the presentation with all sample positions shown in the plans provided.<br>• 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.*<br>• *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.* | • Drillholes were orientated approximately 70-80 degrees to the Grace-Bemm shear zone and Parallel fault as defined by previously drilling and 3D-modelled VTEM and the IP geophysical surveys.<br>• No sampling bias from the orientation of the drilling is believed to exist.<br>• Assay results are reported as downhole widths. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *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.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • P45/2905-2909, E45/4524 & E45/5310 are held directly or by entities controlled by Paterson Resources.<br>• 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 have been recorded.<br>• The tenements are in good standing and no known 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.<br>• Exploration completed included geological mapping, geophysical surveys (IP, ground magnetics and ground gravity), rock chip sampling and drilling (RAB, RC and diamond core drilling).<br>• WAMEX reports reviewed and utilised to complete the data compilation include A29118, A30479, A31642, A34922, A37495, A43922, A46877, A50323, A53741, and A79774.<br>• Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed.<br>• Paterson acquired the project in 2020 |
| *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.<br>• 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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.<br>• 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 and 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:<br>o easting and northing of the drill hole collar<br>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>o dip and azimuth of the hole<br>o down hole length and interception depth<br>o hole length.<br>• 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. | • Included in the announcement. |
| *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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Lithology is aggregated based on the primary lithological unit logged.<br>• Reported intercepts are compiled intervals showing average grades. No top cuts have been applied and a maximum 2m of internal dilution is used as defined by < 0.1 g/t.<br>• Higher grade intervals are included separately next to the reported intervals.<br>• No metal equivalent values are used. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | • The trend of the mineralization is understood at this time to be NNW-SSE<br>• Drilling aimed to intersect the mineralisation perpendicularly either in the direction SSW or NNE<br>• Down hole lengths are reported and true widths are not known. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts* | • Refer to figures in body for spatial context of the drilling. A plan view and sectional view is provided. |

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|---|---|---|
| | *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.* | • Significant results are tabulated in the annexures. |
| *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.* | • All relevant data to targets is discussed and included on plans, sections and tables. |
| *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.* | • No other information is considered material for this presentation. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *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 assay results are awaited.<br>• Compilation and assessment of work. |