

**Quarterly Activities Report
Quarter Ended 30 September
2022**

HIGHLIGHTS

Grace Gold-Copper Project Paterson Province, Western Australia

- Zone of high-grade sulphide-replacement skarn style gold mineralisation, characteristic of the Havieron gold deposit, discovered along Grace. The mineralisation remains open at depth and along strike.
- Shallow thick gold mineralisation over 800m strike discovered along Parallel Range Fault.

- The most significant intercepts >10m downhole thickness at >1g/t include:
 - 12m @ 1.18g/t Au from 138m including 3m @ 2.3g/t Au from 142m (*PRC0004*)
 - 13m @ 1.43 g/t Au from 174m including 3m @ 5.4 g/t Au from 179m (*PRC0006*)
 - 19m at 1.44 g/t Au from 29m including 1m @ 15.93 g/t Au from 34m (*PRC0010*)
 - 22m @ 1 g/t Au from 110m Inc. 2m @ 6.5 g/t Au (*PRC0016*)
 - 11m @ 1.07g/t Au from 32m including 1m @ 10.1g/t Au from 33m (*PRC0017*)
 - 10m @ 1.2g/t Au from 144m including 1m @ 8.2g/t Au from 144m (*PRC0021*)
 - **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 mineralisation, breccia-hosted gold mineralisation, and vein-hosted gold mineralisation, all key mineralisation styles of the nearby 5.5 million ounce Havieron Gold-Copper Project.

- Thickest down hole intercept:
 - **85m @ 0.64g/t Au from 55m including 3m @ 4.9g/t Au from 55m and 3m @ 3.9g/t Au from 60m (*PRC0014*)**

Historic drilling along the Grace-Bemm shear has intersected shallow, high-grade gold mineralisation, which has yet to be fully tested, including the following intercepts:

- 10m @ 20.95g/t Au from 6m (GPB0801)
- 33m @ 1.55g/t Au from 53m (GR124502)
- 12m @ 14.38g/t Au from 56m (GR037)
- 3.1m @ 8.28g/t Au from 17.1m (GPC9106)
- 22m @ 1.31g/t Au from 71m (GR124002)
- 6m @ 5.61g/t Au from 34m (GR128001)

The Company's maiden drilling program at Grace was designed to follow up several of these significant intercepts, along with testing the source of a large magnetic anomaly at depth. Significant intercepts from the program included:

- 5.8m @ 1.52 g/t Au from 203.2m **including 1m @ 3.84 g/t from 206m (PDD0001)**
- 8m @ 4.10 g/t Au from 216m **including 3m @ 8.32 g/t Au from 221m (PDD0001)**
- 3.6m @ 0.79 g/t Au from 20.5m **(PDD0004)**
- 3.8m @ 1.43 g/t Au from 31.7m **including 0.4m @ 8.15 g/t Au from 35.2m (PDD0004)**
- 3.8m @ 2.60 g/t Au from 37.2m **including 0.7m @ 9.9 g/t Au from 38.2m (PDD0005)**

Phase 2 Drilling Program

The 2022 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 2). Table 1 lists all significant intercepts returned from the drilling program.

Geology

The main rock types intercepted along the Grace-Bemm structure, and the Parallel Range Fault are silicified siltstone, sandstone, shale and quartzite with interbeds of mudrock or arkosic siltstone. Much of the quartzites are sulphidic and contain extensive quartz veining. This is more indicative of the Malu Formation (hosting the Telfer deposit) and not the Isdell Formation of which the formation is presently assigned north of the Parallel Range fault. Thick sequences of mudstone with minor sandstones are observed outcropping northeast of the Grace-Bemm structure. These are more indicative of the Isdell Formation, making the Grace-Bemm structure the possible boundary between the two Formations and not the Parallel Range fault. The Malu Formation sediments are highly mineralized with quartz, carbonate and albite veining with some quartz intercepts up to 20m thick. Goethite and hematite alteration, a common association with gold mineralisation in the oxide zone, is also common as replacement of the original rock or as a bedded unit.

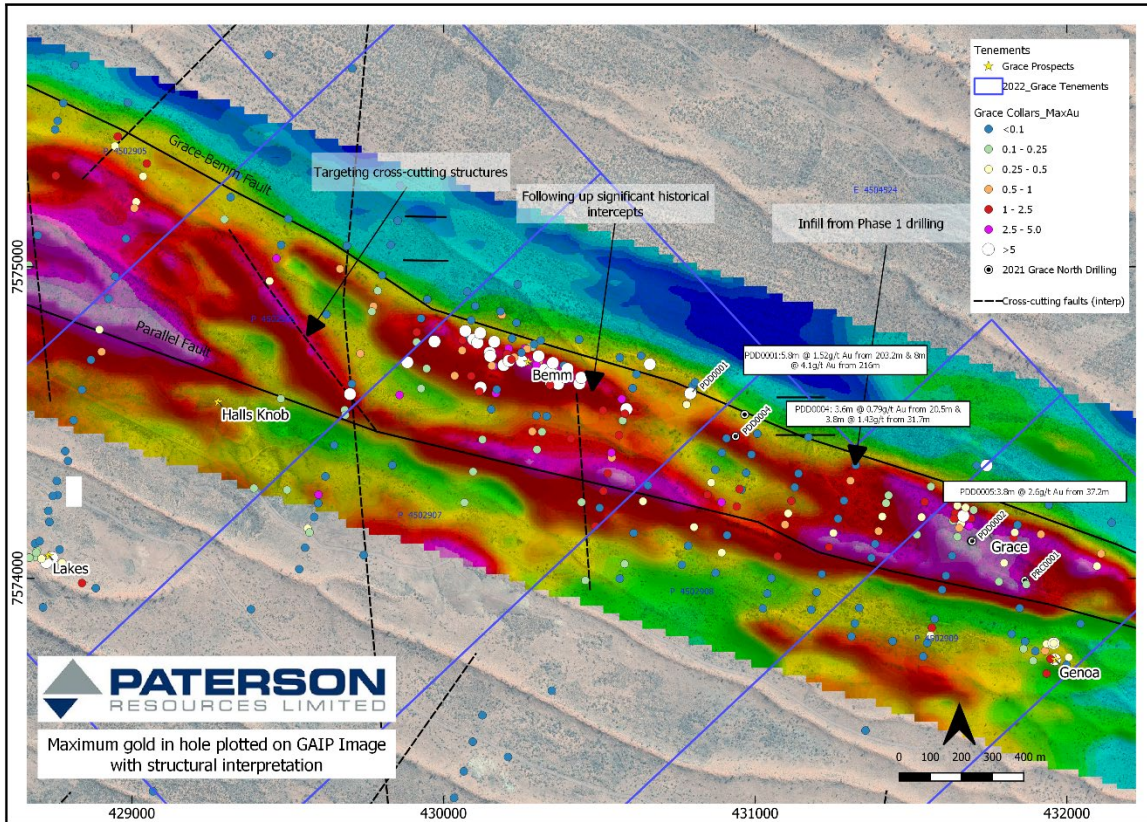


Figure 1. Maximum gold down hole plotted on GAIP image. Phase 1 drilling targeting extensions to known mineralisation envelope and testing prospective cross-cutting structures.

Parallel Range Fault Corridor

The Parallel Range Fault sits just over 380m south of the Grace-Bemm shear zone and strikes in roughly the same orientation. The regional structure remains largely untested by historical drilling. A total of eight drill holes (PRC0002-PRC0009) were designed to test the structure at depth with six of the eight holes hitting significant gold mineralisation over a trend of nearly 800m (Figure 3). PRC0002 and PRC0003 intercepted a felsic-intermediate intrusion which exhibits background gold values between 0.01 and 0.1 g/t Au for almost the entire unit with two samples reaching over 0.1 g/t Au.

Goethite alteration in the last 10 meters of PRC0003 was weakly mineralised with gold. This trend presents a high priority target for future drilling.

PRC0004 and 5 are drilled on the same line. PRC0004 intercepted 22m of gold mineralisation hosted in a stockwork of quartz veins while PRC0005 had no significant intercept. This may be due to the mineralisation dipping steeply. Mineralisation in PRC0004 correlates with gold discovered in historic drill hole GPC9206.

PRC0006 intercepted gold mineralisation on a similar trend with PRC0004 a further 150m along strike to the south-southeast. Shallow gold mineralisation was intercepted along this trend in PRC0007, PRC0008 and PRC0009. If continuous, the trend is 800m in strike in a zone with little or no historical drilling.

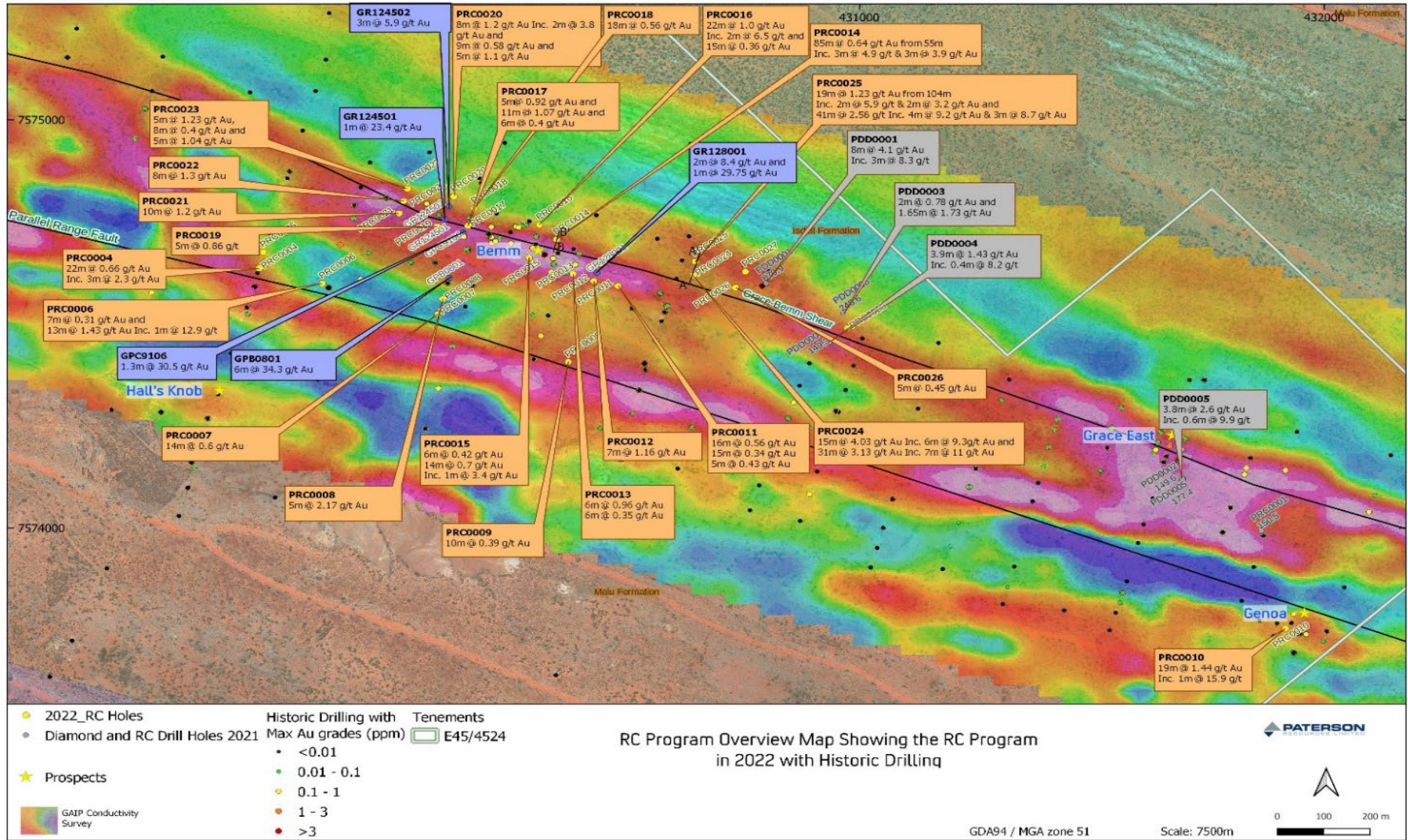


Figure 2. Overview map showing all holes drilled with their significant intercepts with historic drilling. Orange boxes show results of the recent 2022 RC drilling program, Blue boxes contain results of historic drilling and Grey boxes show the 2021 results.

Genoa Prospect

A single hole was designed to test significant wide, shallow gold mineralisation, including 26m at 1.28g/t Au (GPB2205), along strike at the Genoa prospect (Figure 4). Gold intercepted in PRC0010 has extended the known mineralised trend to about 200 meters, remaining open both along strike and at depth. Anomalous shallow gold mineralisation forms in the siltstones and sandstones of the Malu formation associated with quartz veining. The gold appears to be concentrated on the boundaries of these veins in highly weathered zones.

PRC0010 (Figure 4) returned 19m at 1.4 g/t Au within sandstones of the Malu formation with a **peak grade of 15.9g/t Au**. The geometry of the mineralised bodies is not well defined at this stage. Early interpretations indicate gold mineralisation is located in zones of intense veining and brecciation, with associated weak sulphidation, trending north-northwest.

Grace-Bemm Deposit

A total of 17 RC holes were designed to infill known gold mineralisation at the Grace-Bemm deposit (PRC0011-PRC0028 (Figure 3)), along with extending the known mineralised envelope down dip and along strike.

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)**
- **22m @ 1 g/t Au from 110m including 2m @ 6.5 g/t Au (PRC0016)**
- 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)**
- **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)**

Gold mineralisation intercepted in PRC0011, PRC0012 (Figure 5), PRC0013 and PRC0015 extends the mineralized zone to the south and possibly has delineated another parallel structure or the mineralized structure is sub-horizontal in this area. In addition, the strike is extended by up to 200 meters, with the trend remaining open to the southeast. Intercepts returned in PRC0016-PRC0022 have extended mineralisation both up and down dip. Drill hole PRC0014 (Figure 6), lying in the heart of the Grace-Bemm deposit, demonstrates the thickness of the mineralized zone can reach in excess of 80m.

PRC0024-25 confirms and extends the mineralisation intercepted in historic drill hole GC0403 and demonstrates quartz veining with sulphide replacement or massive sulphides growing in voids hosting gold. The highest grades in the drill program can be found here with PRC0024 (Figure 7) containing 7m at 11g/t with a **peak grade of 32.5g/t gold**.

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 limonite 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 mineralisation 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)**

Gold mineralisation at Grace is identified to be hosted in breccias, veins and massive sulphide replacement indicative of a skarn and intrusion-related gold systems and key characteristics of the nearby 5.5 million ounce Havieron Gold-Copper deposit.

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.

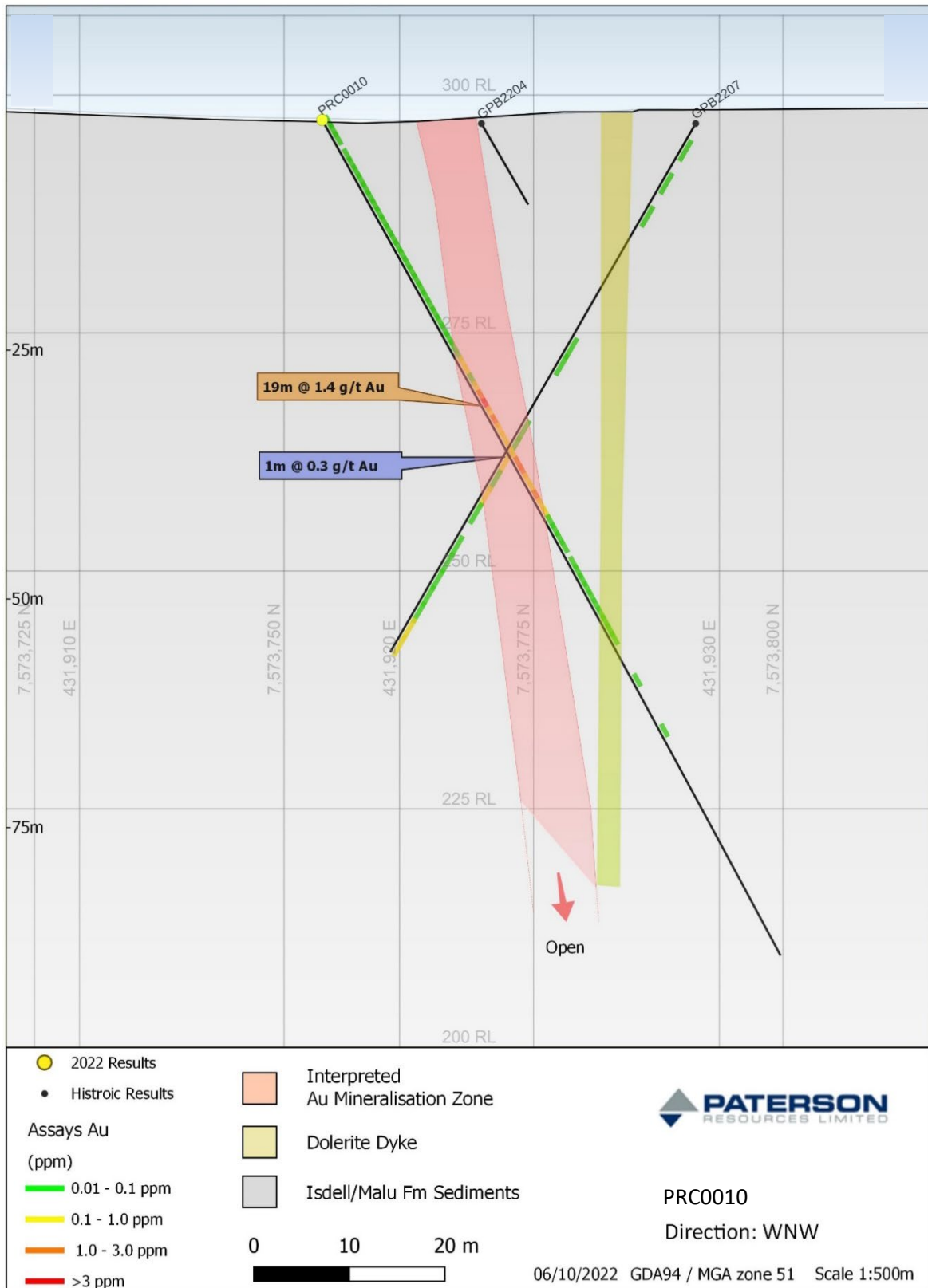


Figure 3. Cross section with PRC0010

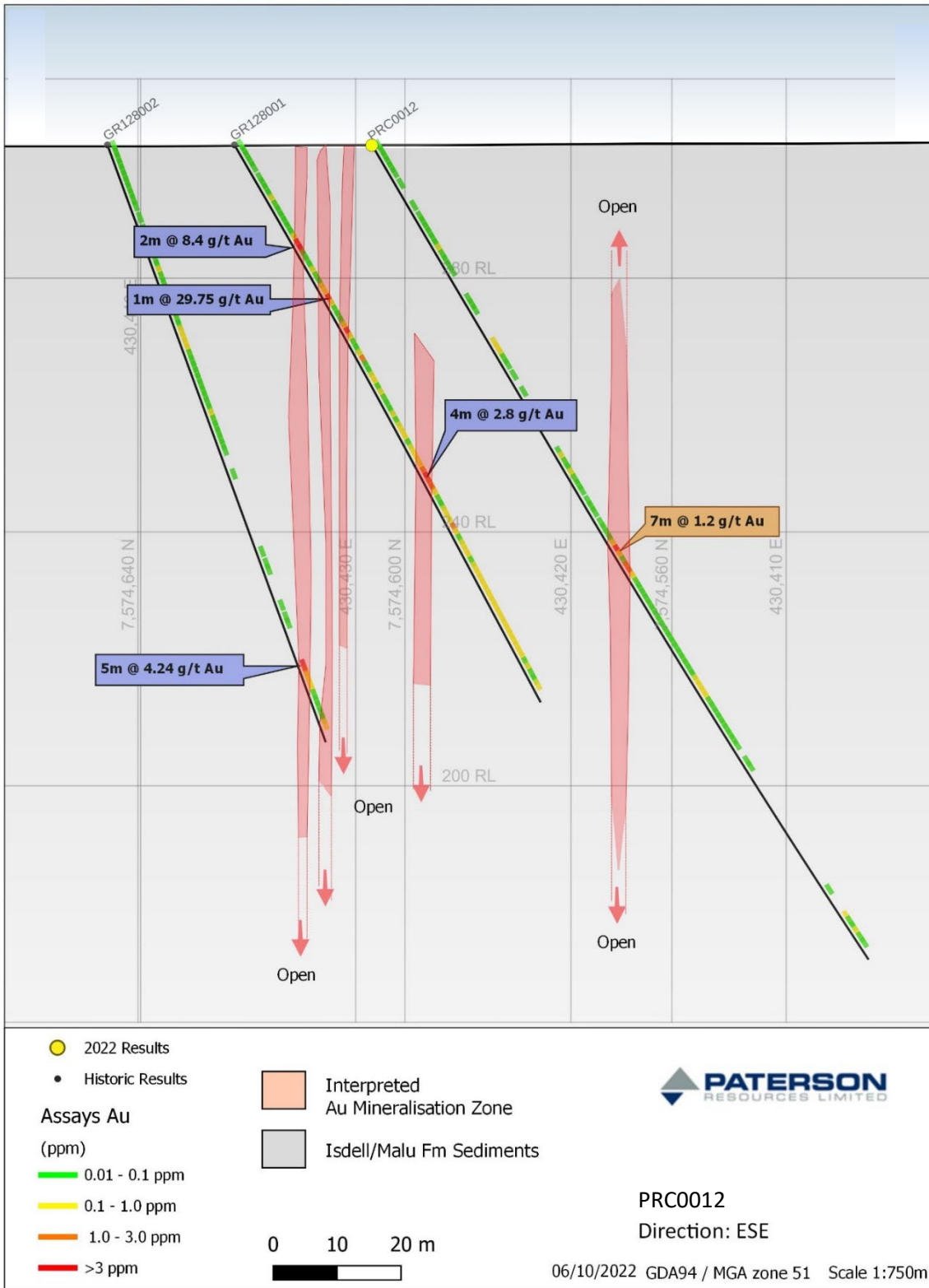


Figure 4. Cross section PRC0012 with historic drilling

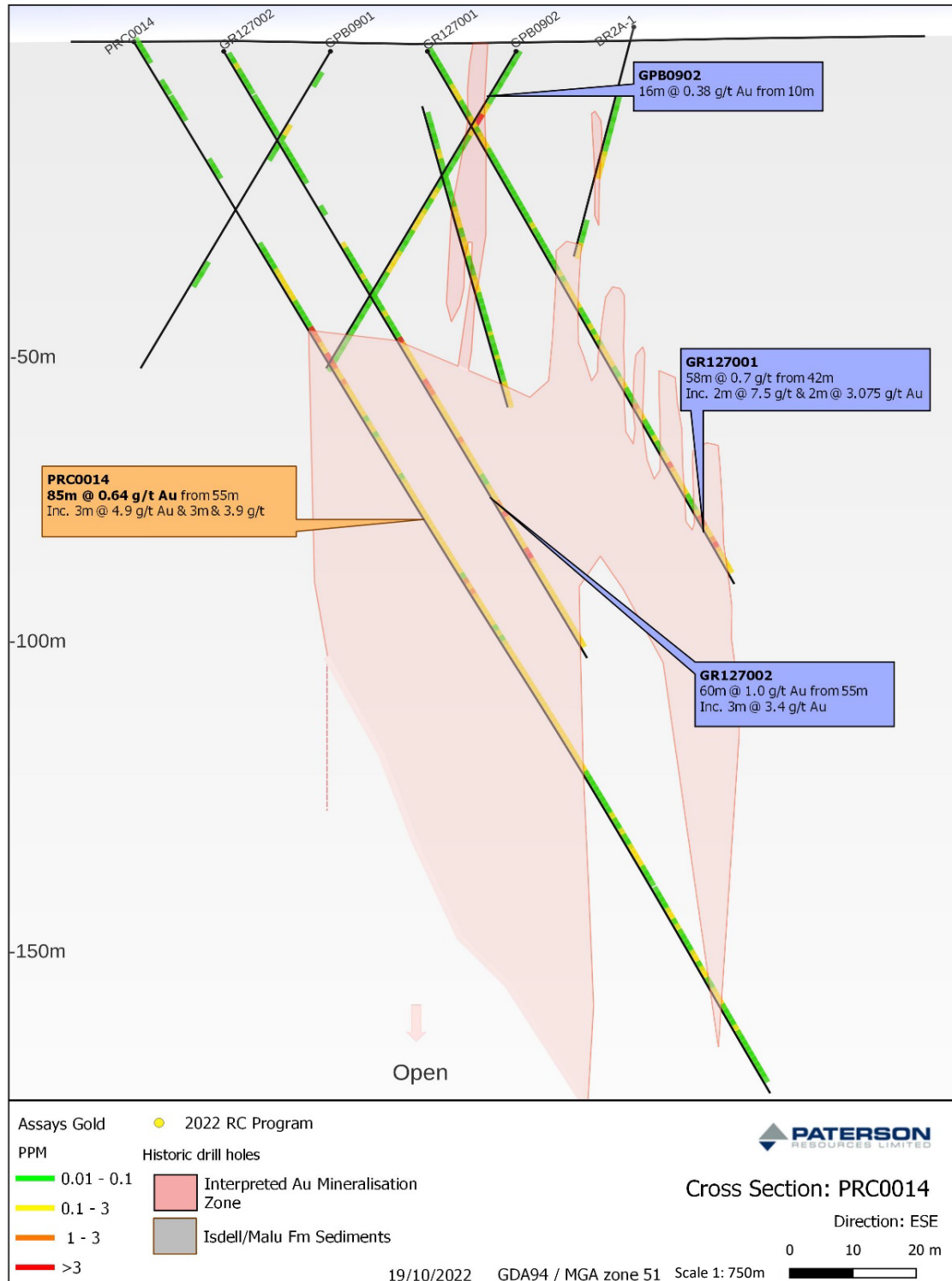


Figure 5. Cross Section with PRC0014 with historic drilling

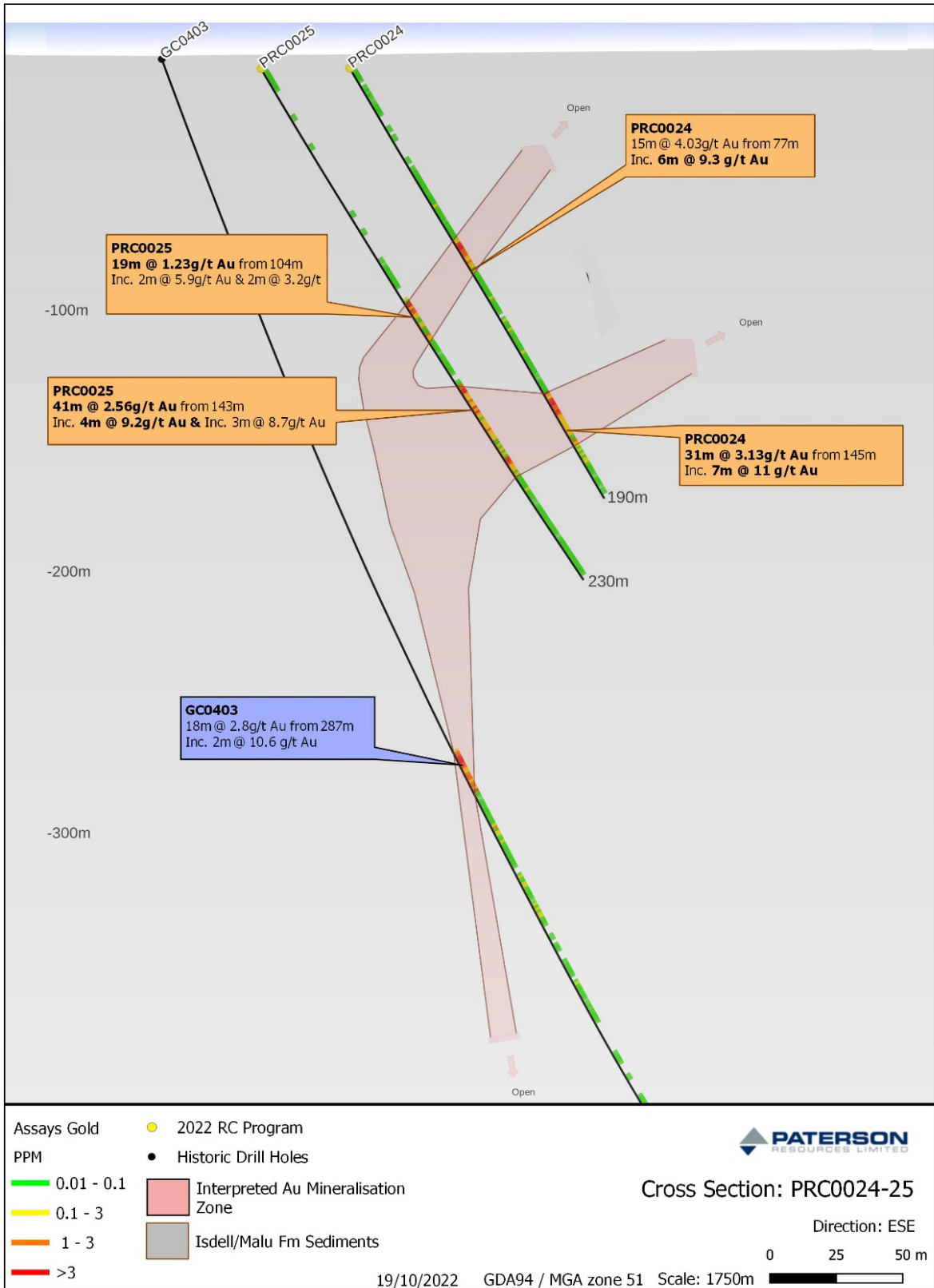


Figure 6. Cross section of PRC0024-25 and historic drill hole GC0403

Table 1. Significant Intercept table for the 2022 RC Program. (intercepts have >5m downhole thickness, an average grade of =>0.3g/t and a maximum of 5m internal dilution of <0.1g/t consecutively. The intercepts with >1 g/t collate those samples that are >1g/t consecutively in the significant intercept.)

Significant Intercepts					Intercepts >1 g/t		
Hole ID	From	To	Metres	Au (g/t)	From	# Samples	Inclusions >1g/t Au
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
					109.0	2	3.2
	143	184	41	2.56	143.0	4	9.2
					176.0	3	8.7

Pilbara Gold & Base Metal Projects – Western Australia

The soil geochemistry sampling survey at the Company’s Pilbara Projects has been completed over high priority targets at the Bellary, Cheela Plains, Hamersley and Elsie North projects. More than 700 samples have been collected to date from all four 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.

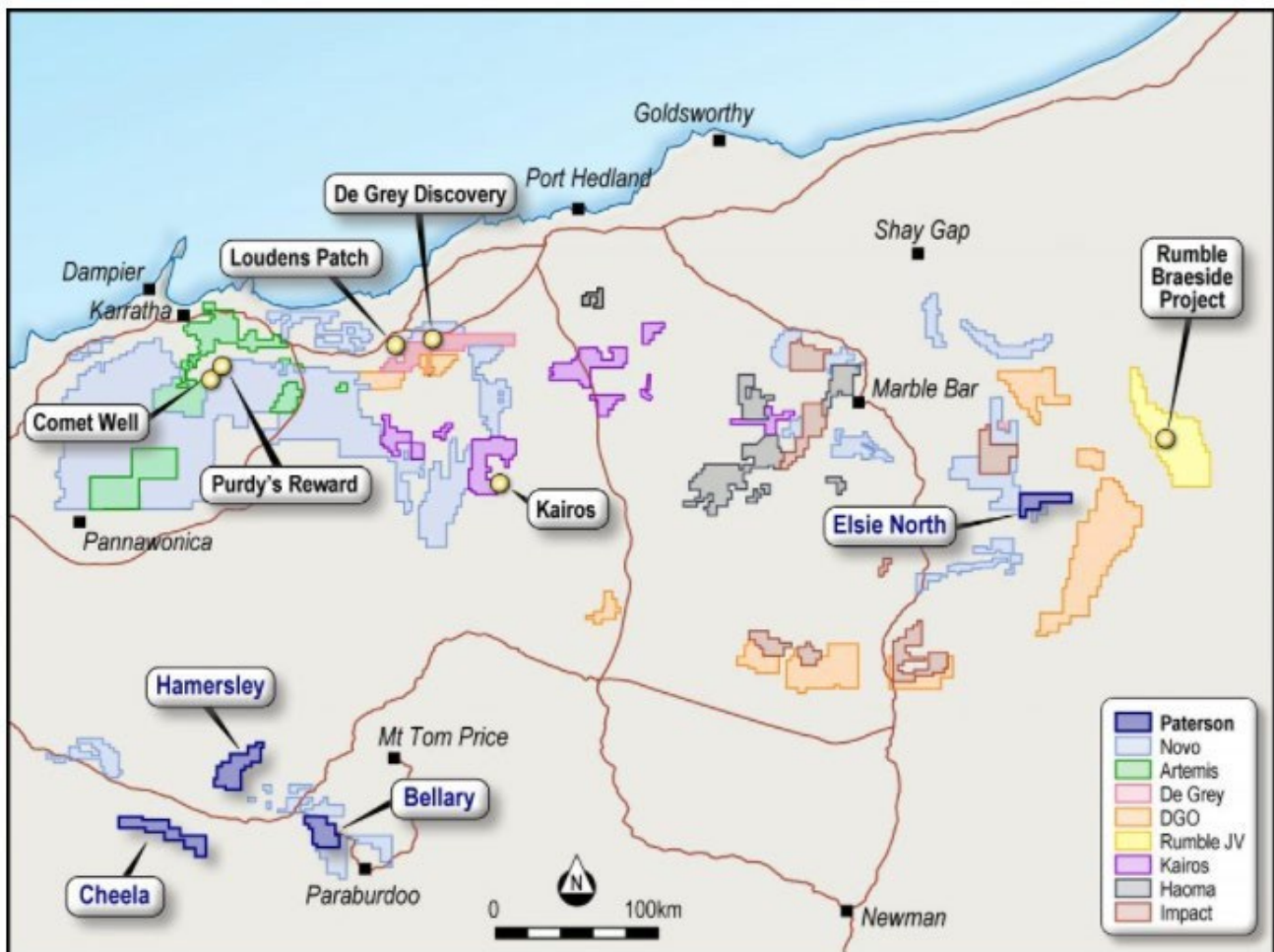


Figure 7. . Location of PSL’s Cheela Plains, Hamersley, Bellary and Elsie North Pilbara Projects

Hamersley Soil Geochemistry

A total of 120 soil samples were collected from the Hamersley (E47/3827) tenure during a reconnaissance geochemical soil survey. Samples were collected on a nominal 200m by 600m broad grid over nine lines to cover an area of almost 2.6km by 4.8km.

The area covered was identified via desktop studies as covering two distinct regional scale structural features cross-cutting the metabasalts of the Bunjinah Formation. One of these structural features, the Kara Well Fault, is interpreted to continue onto Paterson’s Bellary (E47/3827) tenure where anomalous gold has been detected in soil geochemistry.

A geophysical survey is being planned to cover the area of soil sampling and extents of the tenement. Targets from the soil sampling and geophysical survey will be followed up with drill planning in order to prepare for the heritage survey.

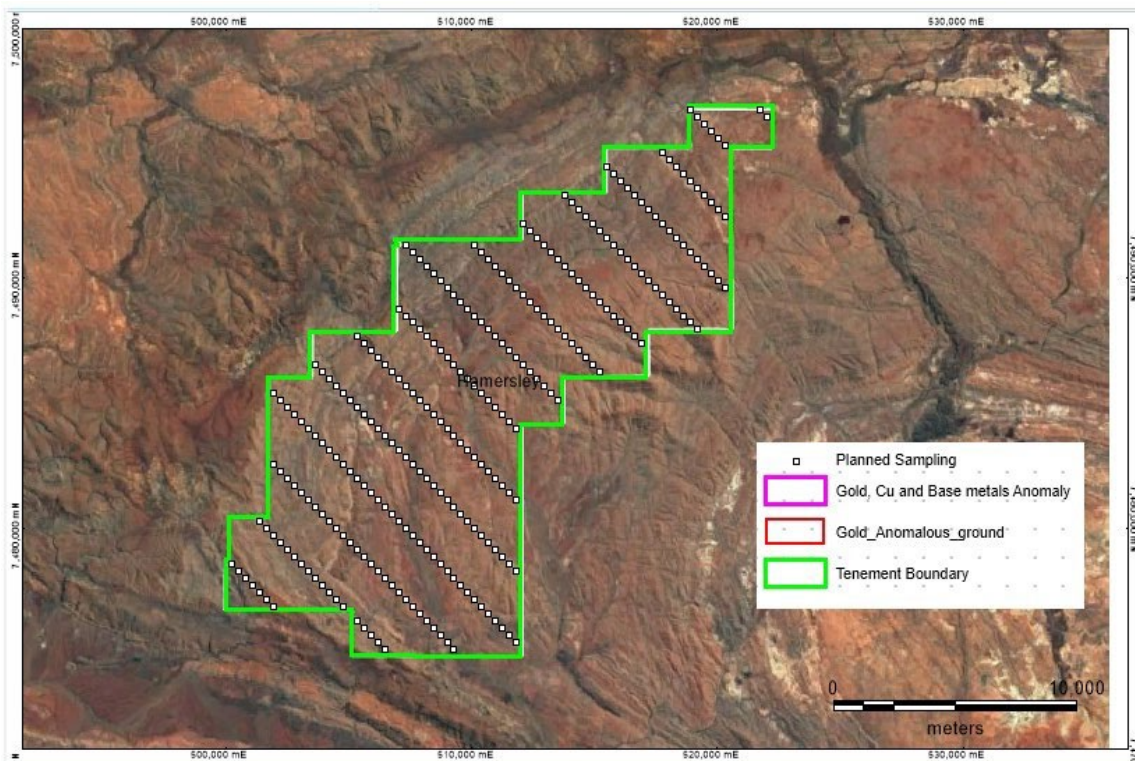


Figure 8. Hamersley Project with soil sample locations covering the tenement

Cheela (Big Sarah) Soil Geochemistry

A total of 123 soil samples were collected from the Big Sarah prospect at the Cheela (E08/2880) tenure during a reconnaissance geochemical soil survey. Samples were collected on a nominal 200m by 600m broad grid over 10 lines to cover an area of almost 2.6km by 5.6km.

The area covered was identified via desktop studies as the north-western strike extent of the Big Sarah gold prospect identified. 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 up to 24.5g/t Au.

Gold mineralisation is thought to be associated with the regional scale Nanjilgardy fault zone and its splays which hosts Kalamazoo’s nearby Mt Olympus gold deposit. The soil survey was designed to follow the trend of this regional structure. While results of the initial program are pending, additional soil sampling programs are being planned as well as geophysical surveys

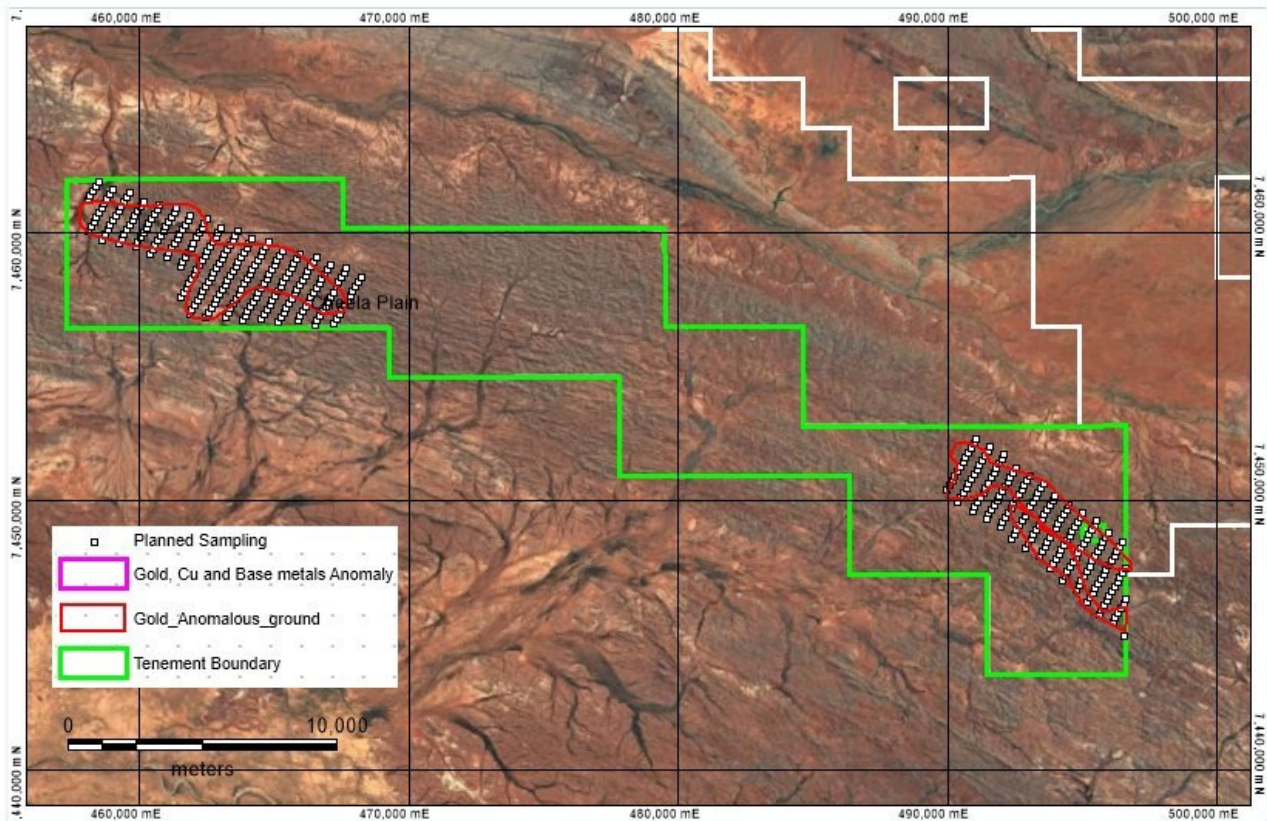


Figure 9. Cheela Plains Project with soil sample locations covering the tenement

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.

Several small gold nuggets 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 mapped 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/tAg. The work at Bellary, Elsie North are ongoing with additional soil sampling and geophysical surveys planned.

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

Burraga Project – Lachlan Fold Belt, NSW

A renewal for a further 6 years was granted on EL6463 which includes Hackneys Creek, Lucky Draw and Lloyds deposits. The Burraga gold deposits and prospects are hosted by sediments & volcanics of Ordovician to Devonian age within the complexly folded and faulted Hill End Trough. These deformed rocks were subsequently locally intruded by granite batholiths of Carboniferous age.

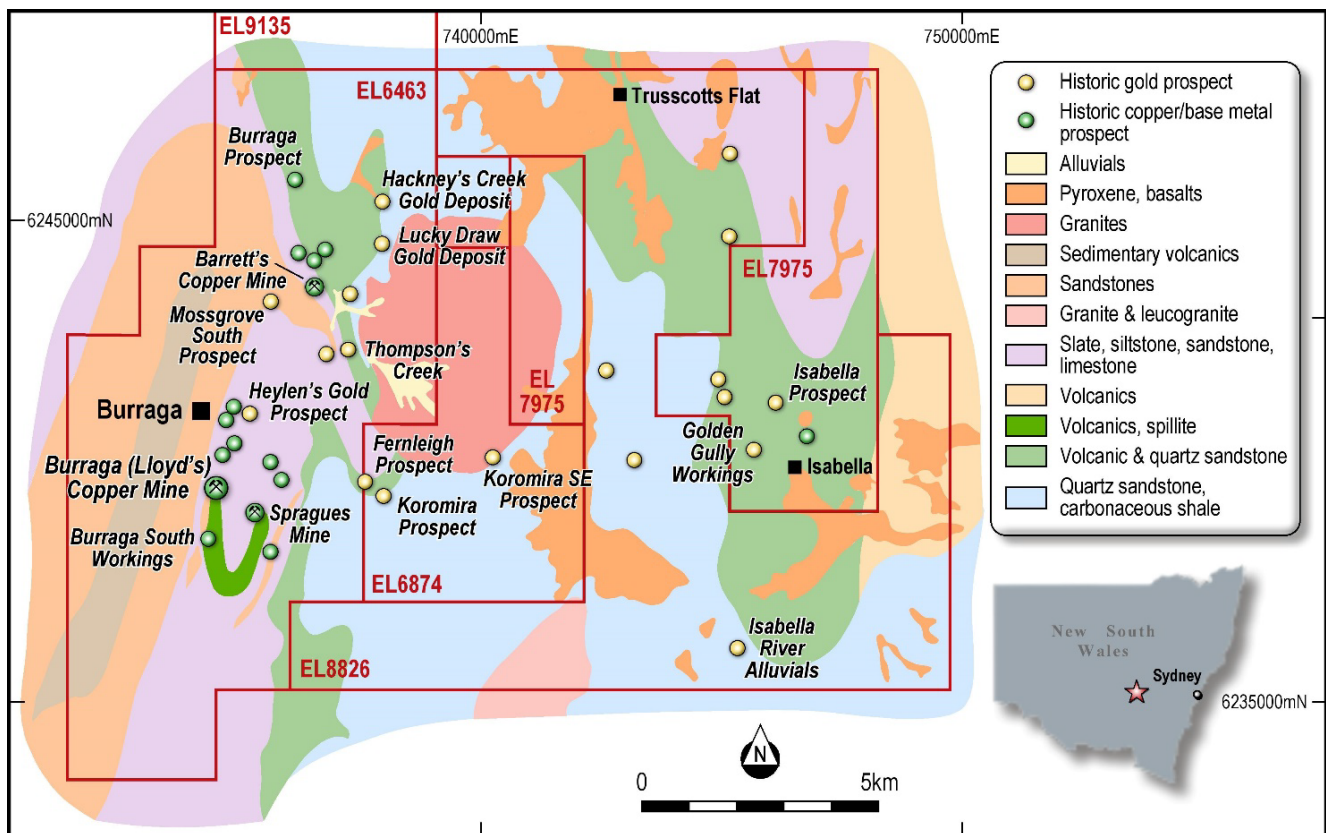


Figure 1. Tenement and Geology map of the Burraga Project

At Lucky Draw and Hackneys Creek (which lie close to the margin of the Burraga granite intrusion), the host rocks are metasomatised and have been described as skarn like.

The McPhillamy's Gold Deposit (located 50 km to the north of Burraga) is considered to be an Orogenic type gold deposit, and lies in a similar geological setting to that at Burraga.

The Lucky Draw deposit comprises multiple 2 m to 15m thick zones within an overall package about 70 m thick. Both the individual zones and the package strike north south and dips gently (20° - 30°) to the west. Gold mineralisation at Lucky Draw has been defined by drilling over a strike length of 400 m and 200 m down dip to a depth of about 100 m below surface.

At Hackney's Creek gold mineralisation also occurs in multiple 2 m to 20m thick zones within an overall package

about 120 m thick. Mineralisation also strikes north and dips 50° to 60° to the west. Drilling has defined gold mineralisation over a strike length of 220 m and 250 m down dip to about 250 m below surface.

Recently geophysical consultants, Resource Potentials completed unconstrained 3D magnetic vector inversion (MVI) modelling of the Burraga 2014 airborne magnetic (AMAG) data using Geosoft’s VOXI modelling algorithm in order to resolve the depth and geometry of these magnetic source bodies.

Using the targets generated by this study field teams on the ground are conducting ground access surveys, collecting surface samples. This together with existing geophysical data will be used to plan drilling in the most prospective areas. Additionally, rehabilitation of the site is ongoing.

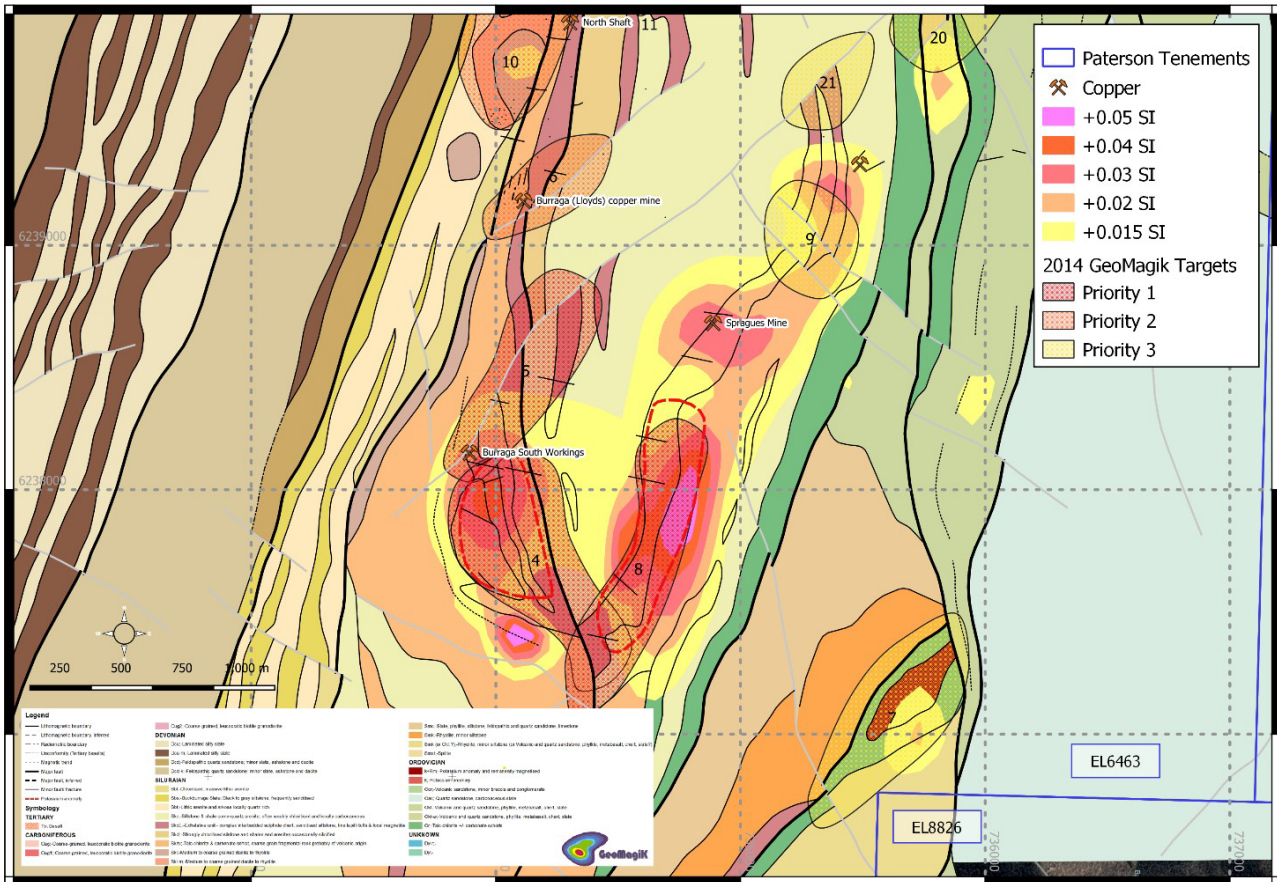


Figure 2. Surface projection of 3D magnetic vector inversion isosurfaces completed by Resource Potentials

Future Work

Historical exploration conducted by previous explorers includes valuable geological mapping and the identification of outcropping gossans in the Burraga South-Sprague’s Mine prospect area. The company is currently in negotiations with local land holders to access the area and validate the mapping. Moving forward the Company will:

- Digitally capture previous mapping to incorporate into the 3D geological model
- Conduct rock chip sampling over gossans to validate results
- Prepare a maiden drilling program to test high priority 3D MVI anomalies

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:

ASX Listing Rule 5.3.1

Exploration and Evaluation expenditure during the quarter was \$270k, the majority of which was spent on the drilling programs at grace project, and tenement renewal costs at Burranga.

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	\$50,125	Periodical fees paid to Directors and/or Director related entities
Director	\$-	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 Plains	WA		E08/2880	100%
Grace	WA		E45/4524	100%
Grace	WA		P45/2905	100%
Grace	WA		P45/2906	100%
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.

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.

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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(44)	(44)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(71)	(71)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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)	-	-
1.9 Net cash from / (used in) operating activities	(114)	(114)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(226)	(226)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(226)	(226)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
	(b) Proceeds from the Less than Marketable Parcel Sale Facility	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,376	1,376
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(114)	(114)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(226)	(226)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,037	1,037

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,037	1,376
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,037	1,376

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(50)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(114)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(226)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(339)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,037
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,037
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3
<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?	
Answer: N/A	
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?	
Answer: N/A	

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: 31 October 2022

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.