ASX ANNOUNCEMENT 28 April 2023

Quarterly Activities Report
Quarter Ended 31 March 2023

HIGHLIGHTS

Grace Gold-Copper Project, Paterson Province, Western Australia

- Comprehensive pXRF analysis of drill hole assay pulps to assist with ore characterization and alteration modelling.
- Ongoing detailed geological interpretation 3D modelling.
- Drill program preparation continued.
- Field activities were delayed due to the prolonged wet season.

Burraga Copper-Gold Project, Lachlan Fold Belt, New South Wales

- Soil sampling survey and field mapping completed across three high-priority targets on the Lloyds tenement (EL6463).
- Samples submitted to ALS Global Laboratory in Orange and due by the end of June Quarter 2023.

Pilbara Gold & Base Metal Projects, Western Australia

- Final assays received from Bellary and Elsie projects in late March. Full results to be reported in the June Quarter 2023 report.

Grace Gold-Copper Project, Paterson Province, Western Australia

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.

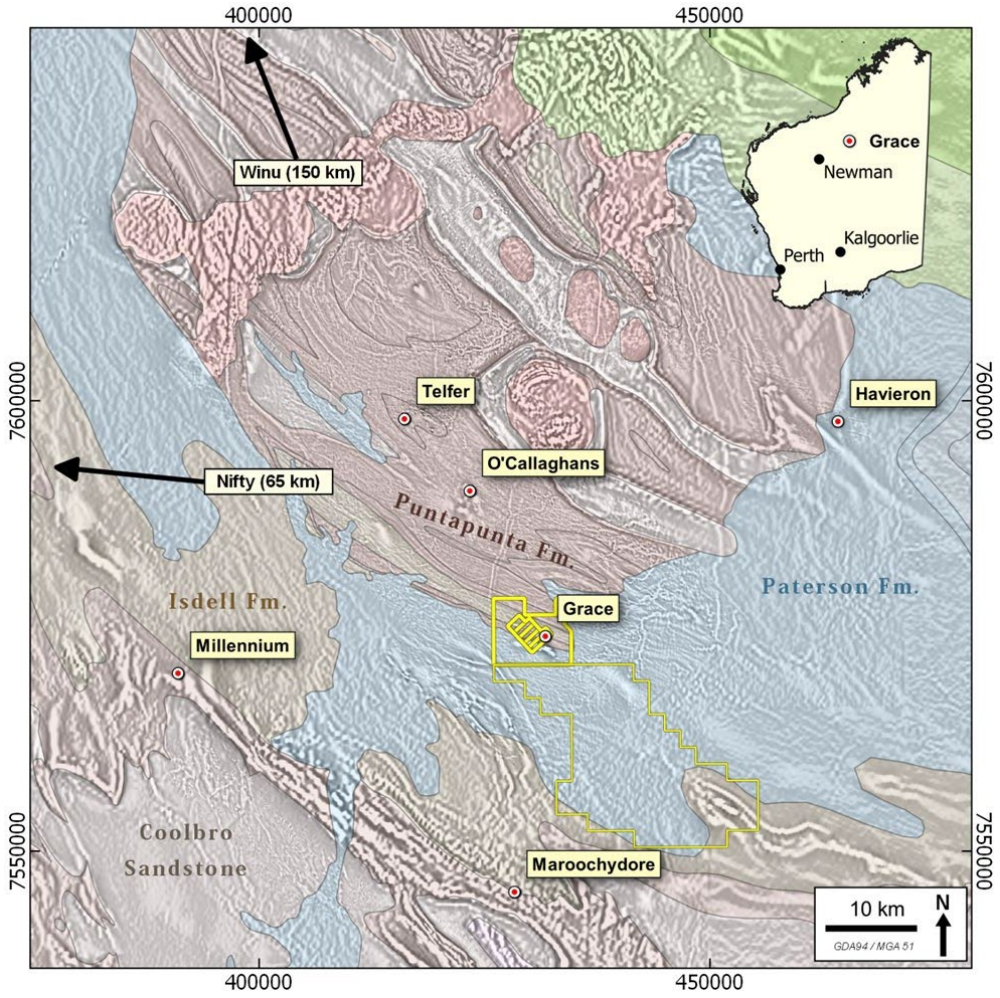

Figure 1: Locality map shopping prominent gold and copper deposits in the Paterson Province

During the reporting period, Paterson's technical team has undertaken a comprehensive handheld pXRF analysis of the assay pulps from the Phase 2 RC drilling program to gain a greater understanding of the ore-forming processes at Grace and determine associated quantitative element abundances and depletions around the ore zones.

A total of 2,287 samples have been analysed with the pXRF and compiled with the Grace database to be used in ongoing geological interpretation and 3D modeling.

Geological interpretation of available data sets and drilling information indicates the Grace prospect area hosts a felsic granitic body that has intruded a sedimentary unit in a collisional setting. These intrusive bodies are thought to originate during the Miles Orogeny resulting in regional metamorphism and fracturing of the surrounding sedimentary rock. This has led to the formation of a meta-sedimentary

aureole, that is pockmarked by pyrite, which is likely derived from the sedimentary rock.

Gold and copper mineralisation at Grace is sited within fractures, stockworks, veins, and breccias that are proximal to the felsic intrusions, and is thought to be primarily influenced by hydrothermal fluids originating from the intrusion. The characteristics of the mineralisation at Grace have elements of both reduced intrusions related (RIR) and oxidized sediment hosted intrusion related (OIR) styles. RIR's (Figure 2) are identified by a Au-Bi-Te-As metal association with low base metals and occur with low sulphide with a reduced mineral assemblage including arsenopyrite, pyrrhotite, and pyrite and lacks haematite and magnetite. RIR's occur in close proximity to, and coeval with, felsic-intermediate instrusions between the magnetite and ilmenite series.

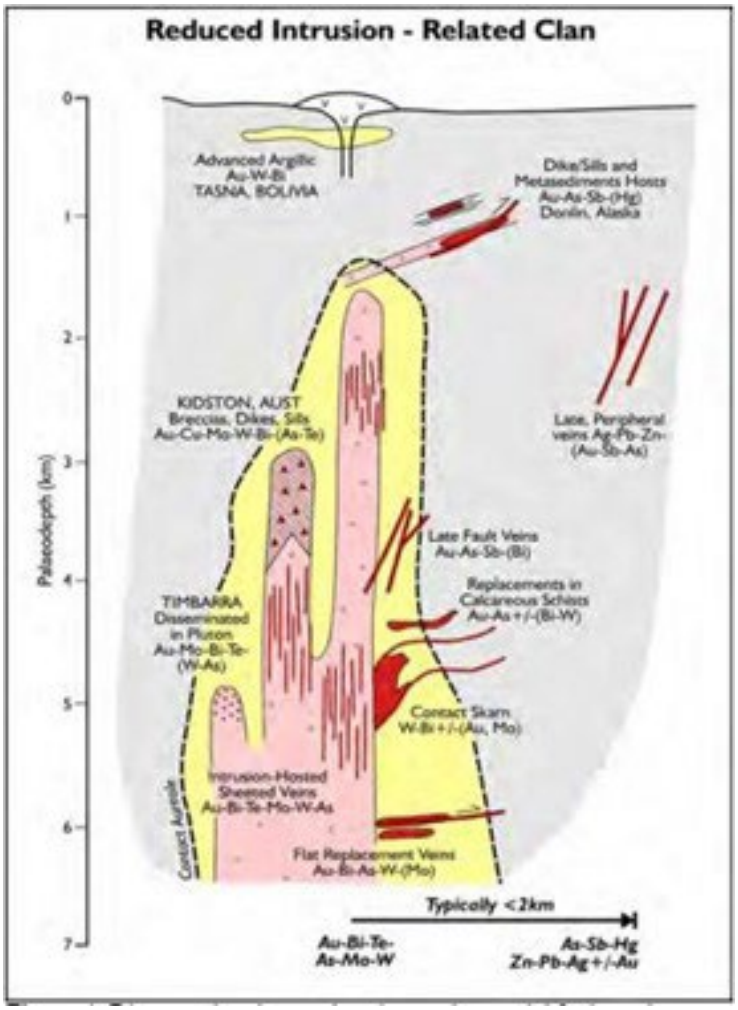

Figure 2: Ore Model of Reduced Intrusion Related Gold and Copper Mineralisation

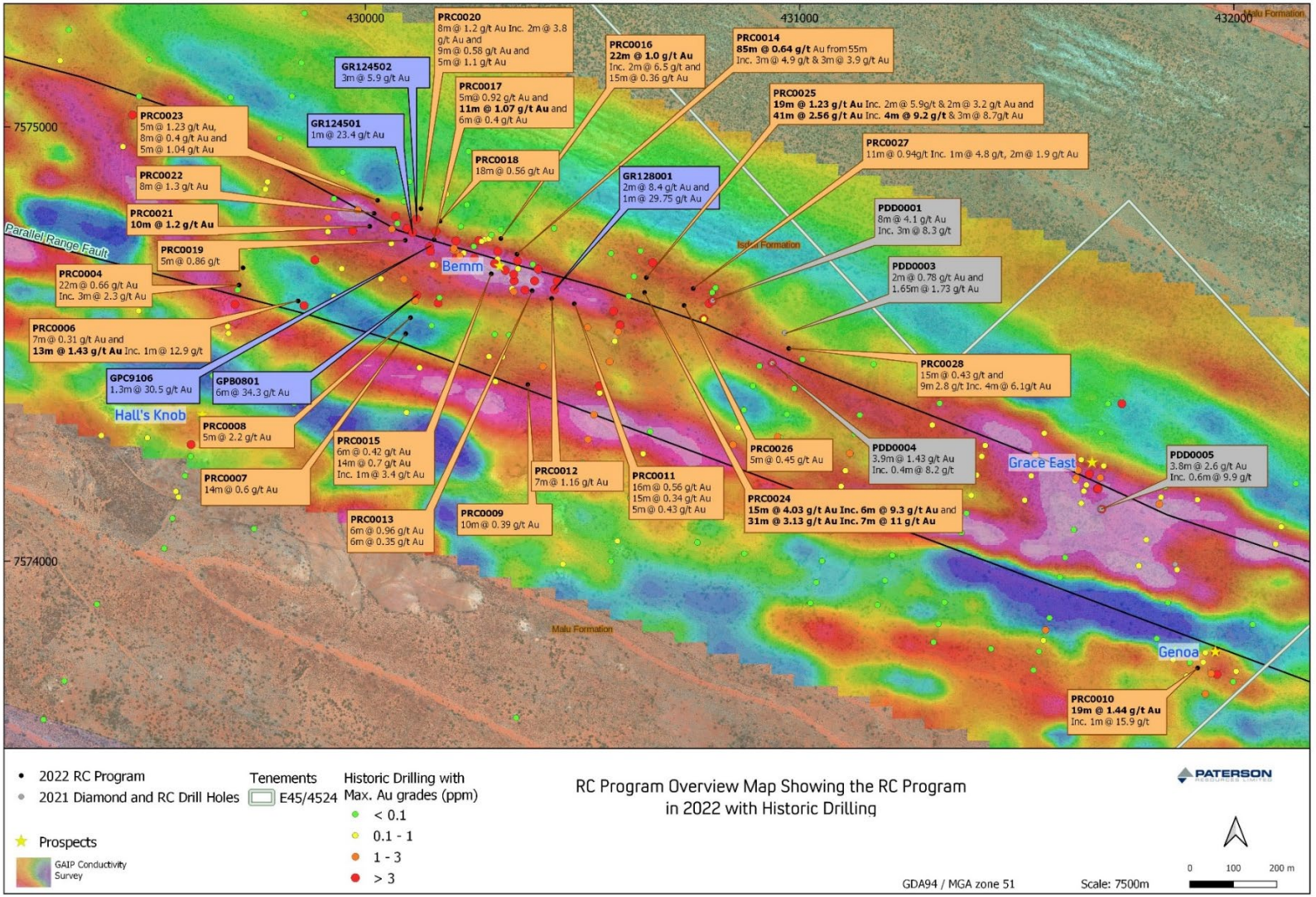

Figure 3: Overview map showing all holes drilled with their significant intercepts

Future Work

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

- Continue 3D modelling incorporating geophysical and geochemical data to identify priority drilling targets.
- Commence drill program preparation with drilling anticipated in the June Quarter of the 2023 calendar year. All heritage and regulatory approvals have been obtained.
- Undertake field mapping program over the Grace deposit and surrounding areas, expected to be completed by the end of June 2023.
- Undertake further heritage surveys to complete an extensive resource drill out of the Grace deposit. A submission has been made to Yamatji Marlpa Aboriginal Coporation to undertake a work program clearance. This is anticipated to be undertaken in the second half of the 2023 calendar year.

Burraga Copper-Gold Project, Lachlan Fold Belt, New South Wales

Various workers previously proposed an exhalative or volcanic hosted massive sulphide (VHMS) model for the Burraga copper-lead-zinc-gold mineralisation. This interpretation is based on the largely stratiform nature of the mineralisation housed in a sequence of volcanoclastic rocks.

Recent studies on the mineralisation and alteration in and near the historic Lloyds Copper Mine have suggested that the Burraga deposits may represent structurally controlled, deep, low sulphidation epithermal copper-gold grading to a carbonate-base metals mineralised system which in turn may be part of a larger porphyry system. The geological model for the formation of this mineralisation style is illustrated in Figure 4. The evidence for a porphyry system at Burraga includes the presence of deep, low sulphidation epithermal mineralisation, monzonite dykes, skarnoid rocks, and biotite (potassic) alteration.

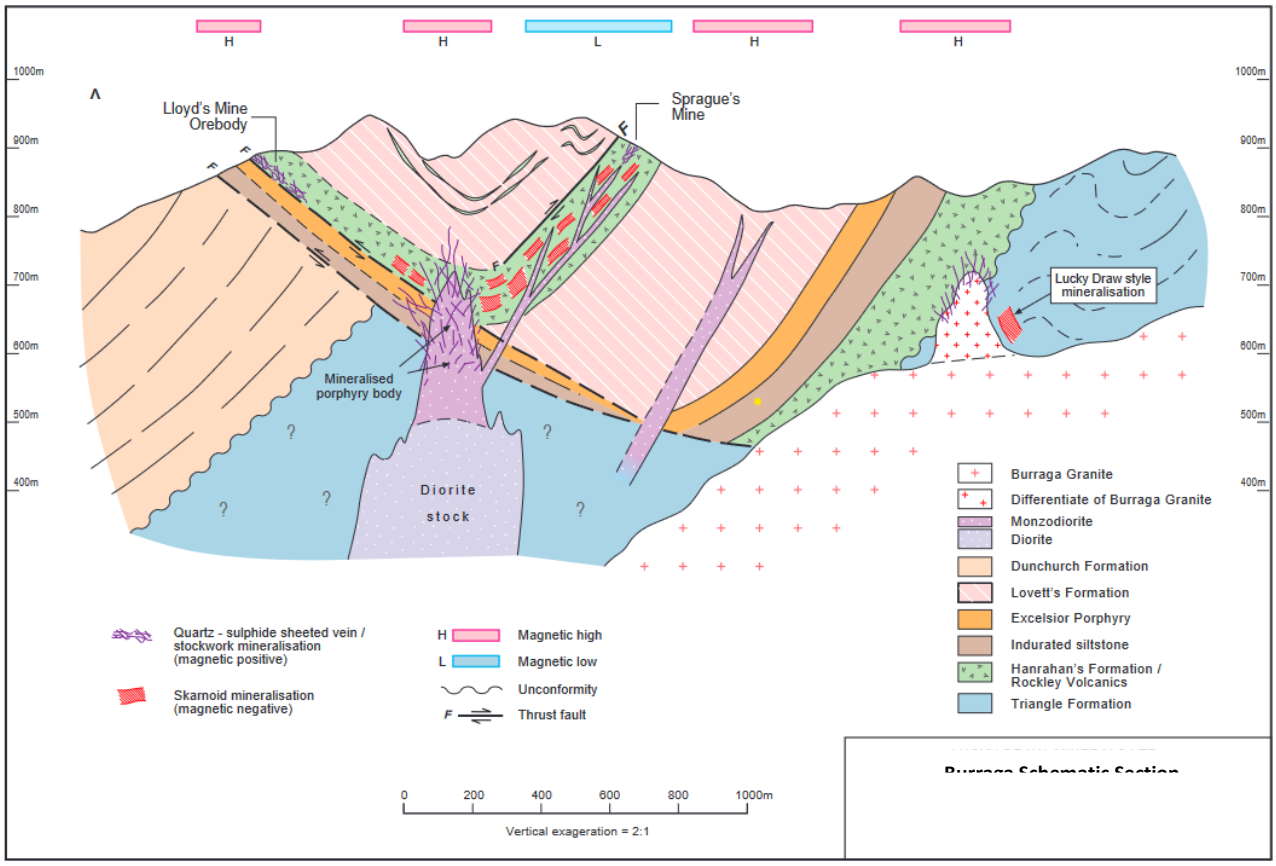

Figure 4: Geological model for the formation of copper-lead-zinc-gold mineralisation at Burraga

The Company's technical team have identified three highly prospective targets (Figure 2) on EL6463 that will be tested with a soil geochemical survey.

Callinore Prospect

The Callinore Prospect is a newly defined target on EL6463, located just over six kilometres from the historic Lloyds Copper Mine. The Prospect has been highlighted from anomalous copper-lead-zinc-in-soils undertaken by previous explorer, Platina Developments in the late 1960's which was coincident with a strong induced polarisation anomaly outlined from ground geophysical surveys completed at the time.

The anomaly identified by historical soil sampling has been defined over an area roughly 1.6km long and 350m wide and remains open along strike. Given the age of the sampling and the lack of detail regarding sampling methods, the Company will undertake multiple lines of soil sampling to validate the anomaly, along with extending the anomaly along strike to the southeast.

Three historical diamond drill holes were completed by Platina[1] designed to test the bedrock source of mineralisation, with grades peaking up to 1.52% copper, 0.49% zinc and 0.24% lead.

The new prospect is located along the regionally significant Callinore Fault. This significant structural corridor extends further south, hosting the Lloyds copper mine, and may present a possible pathway

for metalliferous-bearing fluids from a deep-seated porphyry source.

Callinore East Prospect

The Callinore East Prospect is another newly defined target on EL6463. It was highlighted by an aeromagnetic survey undertaken by previous explorer Elysium Resources. Thomson Aviation flew a magnetic and radiometric survey (MAG) over three contiguous tenements at Burraga including EL6463, EL6874 and EL7975. The survey was flown on a 60m line spacing at a nominal terrain clearance of 60m and was intended to provide better resolution data than the government and open file data available.

At the time, a preliminary interpretation of the data by geophysical consultant Kim Cook of GeoMagik identified a cluster of high-priority targets which included the Callinore East potassium anomaly.

The potassium anomaly is also located in the Callinore structural corridor and presents as a potential porphyritic intrusion. The potassium anomaly and the interpreted cross-cutting structures could provide potential mineralised fluid traps for the suspected porphyry intrusion.

No historical exploration has been conducted over this area.

Hackney's Creek West Prospect

The Hackney's Creek West Prospect is the Company's third new target identified on the EL6463 tenure. The area has been highlighted as a possible structural target for gold and copper minerealisation, forming along strike of the historic Barrets Creek copper workings.

No historical exploration has been conducted over this area.

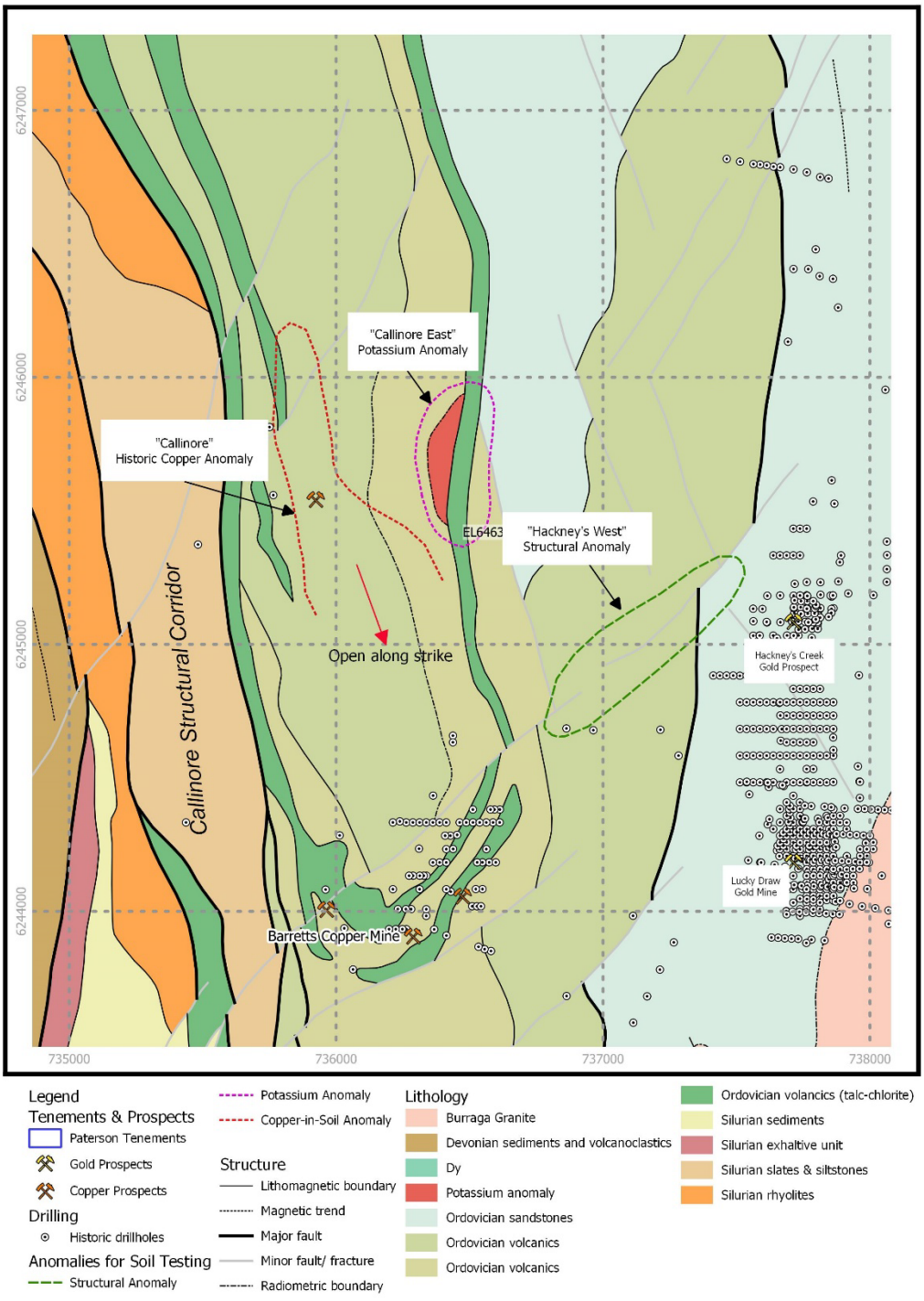

Figure 5: Location of target areas for upcoming soil geochemical surveys

Future Work

Moving forward the Company will:

- Digitally capture mapping to incorporate into the 3D geological model
- Interpret soil geochemical survey in light of historical work and geological mapping
- Plan further infill geochemical sampling and follow up ground geophysical surveys

Pilbara Gold & Base Metal Projects – Western Australia

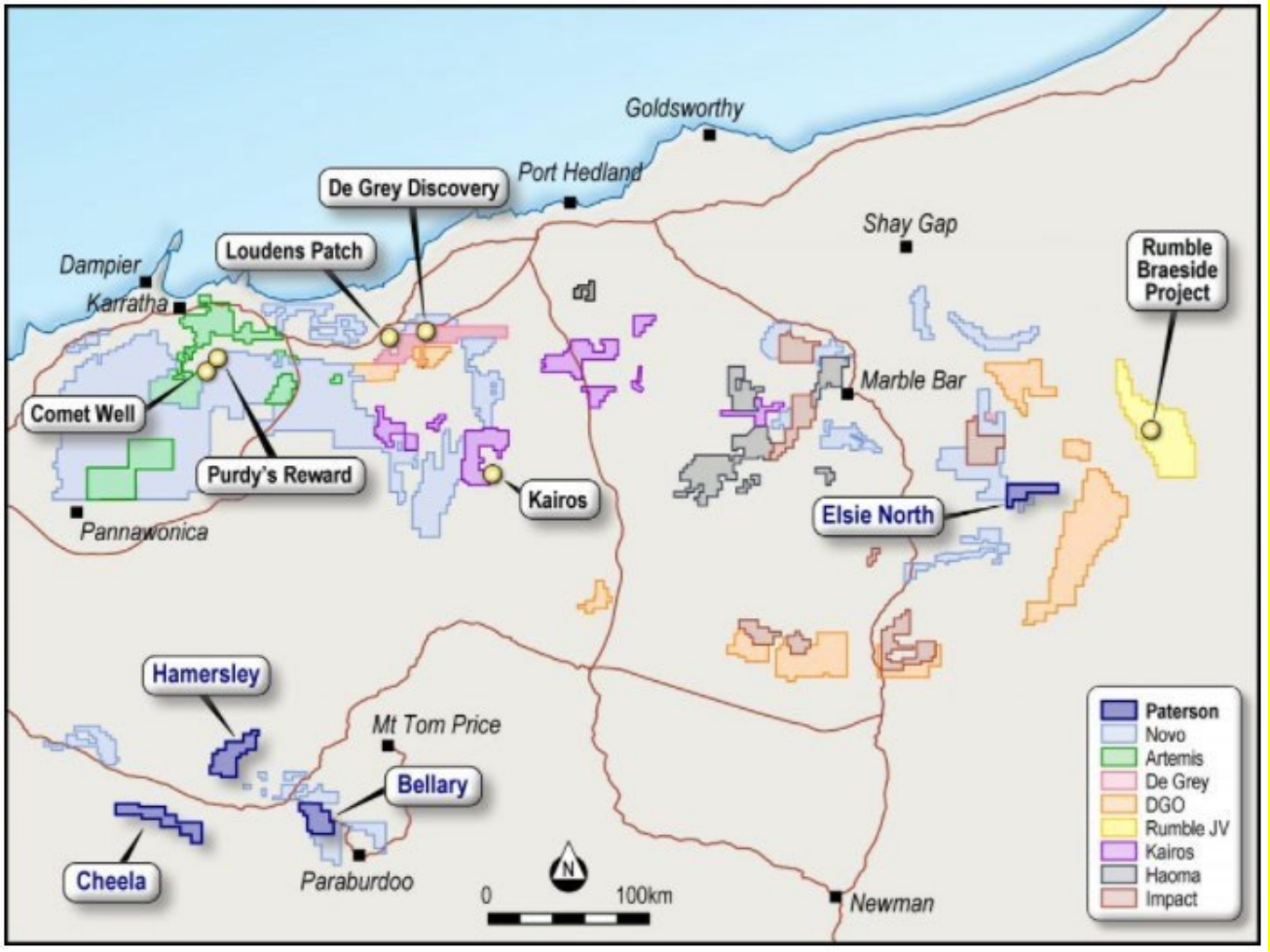

Figure 6. Location of Paterson Resources Cheela Plains, Hamersley, Bellary and Elise North Pilbara Projects

Bellary & Elsie North Projects

Soil sample results were returned from the Bellary and Elsie North Projects in March. An analysis has been undertaken with results announced to the ASX (refer to ASX Announcement dated 20th April 2023). A full analysis will be included in the June 2023 Quarterly Report.

Future Work

Paterson's priority at its Pilbara Projects is to assess each tenement and advance priority targets towards drill-ready status which will include the following:

- Field mapping at Elsie North project to ground check anomalous gold and lithium results.
- Planning and design of additional infill soil sampling to further refine high-priority targets.
- Heritage clearances and all requisite permitting in anticipation for drill testing.

Corporate

During the quarter, the Company completed a capital raising to raise approximately A$2,000,000 (before costs) by way of a placement of up to 71,428,571 shares (Placement Shares) to sophisticated and professional investors (Placement) together with one (1) free attaching option for every one (1) Placement Share subscribed for (Placement Options). The Placement Options will have an exercise price of $0.05 and will expire on the date which is 3 years from the date of issue, and will be subject to shareholder approval.

The Placement Shares were issued at 2.8c per share, representing a 3.45% discount to the 5 day volume weighted average price (VWAP) of the Company's shares on ASX. The Placement Shares will rank equally with that of existing fully paid ordinary shares on issue.

Director Matthew Bull committed to support the Placement to an amount of A$375,000 (13,392,857 Placement Shares) subject to shareholder approval at a future General Meeting. This amount is included in the total Placement amount of A$2,000,000.

The issue of the Placement Shares was made under the Company's available placement capacity under Listing Rule 7.1 and 7.1A, with 33,925,860 shares issued under the LR 7.1A placement capacity and 24,109,854 shares issued under the LR 7.1 placement capacity. As noted above, the 13,392,857 Placement Shares to be issued to Director Matthew Bull will be subject to shareholder approval.

The funds raised from the Placement will be used for the following:

• Drilling campaigns at the Grace Projects;

• Advancing drilling targets at the Burraga Projects; and

• Costs of the capital raising and to provide ongoing working capital.

The Placement was arranged by the Board and as such, there are no capital raising fees. The Placement Shares were issued on 9 March 2023.

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 $671k, the majority of which was spent on the drilling programs at grace project, and tenement renewal costs at Burraga.

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	$70,250	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%
Burraga	NSW		EL6463	100%
Burraga	NSW		EL6874	100%
Burraga	NSW		EL7975	100%
Burraga	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 asa 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.

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.*	• Diamond drilling was conducted at the newly named Callinore Prospect in the late 1960's. • Diamond drill core was sampled selectively on intervals up to 2m wide. • No description of the diamond drilling methods has been located.
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).*	• No description of the diamond drilling methods has been located.
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*	• Diamond drilling recovery was not recorded. • No relationship between grade and recovery can be determined due to the lack of drilling recovery data.

Criteria	JORC Code explanation	Commentary
	between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
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.*	• No geological logging has been retained. Any reference to the diamond core is qualitive (descriptive).
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.*	• No description of the diamond drilling methods has been located. • The quality control measures (if any) taken to ensure representivity of the samples were not recorded. • The sample size was not recorded.
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.*	• To date, no QAQC data have been found for this data.
Verification	• *The verification of significant*	• The data have not been verified.

Criteria	JORC Code explanation	Commentary
of sampling and assaying	*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.*	
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.*	• The collar location survey method is unknown. • The accuracy of the collar locations is unknown. • The collars were surveyed using a local grid.
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 would 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 geometry of the mineralisation intersected by the exploration holes is not yet known and so no conclusion can be drawn regarding the appropriateness of the orientation of these holes.
Sample security	• *The measures taken to ensure sample security.*	• The measures (if any) taken to ensure sample security were not recorded.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data has not been audited. This is because the project is at an early stage of assessment and it is possible that further data may be recovered from the archives resulting in a change to the assessment of the quality of the base data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral	• *Type, reference name/number,*	• The data reported on are located in EL6463,

Criteria	JORC Code explanation	Commentary
tenement and land tenure status	*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 of reporting along with any known impediments to obtaining a licence to operate in the area.*	100% owned by Paterson Resources through its subsidiary BC Exploration. • There are no known impediments to the development of a mining operation on these leases other than the usual granting of a mining licence and the various permits required to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All data reported on was acquired by Plantina Developments NL between 1969-1971.

Years	Company	EL6463	EL6874	EL7975	EL8826	Consultant Review, Modelling	Field Works & Geochem	Geol Mapping	Aerial Geophysics	Surface Geophysics	Geochem	Drillholes	Met Test	EIS
2005-2006	Republic	Y				Rangott collation & review of data 3D block model ML appln.	Met testing						Y	
2006-2007	Republic	Y				Model	Mag anomalies Leach testing-Lucky Draw						Y	
2007-2008	Republic	Y	Y			Rangott Review (2006)	RC holes 1 to 10 Magnetics?					Y(10)		
2008-2009	Republic	Y	Y			Corbett Review (Corbett, 2008) Rangott Review(2008) (Pratt Review EL7002- Isabella)	Structural mapping reassay old drillholes Syncline & 2 key prospects	Y			Y			
2009-2010	Republic	Y	Y			Solid Geology Review (King 2010) Review of Hummingbird data	Ground Mag		(Y)	Y				
2010-2011	Burraga Copper	Y	Y			Geomodelling Review (Allwood, 2011]								
2011-2012	Burraga Copper	Y	Y			Rangott Review (2011)	2nd Drilling Program - 10 holes					Y(10)		
2012-2013	Burraga Copper	Y	Y	Y		Porphyry study (Maryono, 2013) Pit modelling study Solid Geology Study (King, 2013) Environmental Review (Corkey, 2013)	Structural Geology Mapping	Y						Y
2013-2014	Elysium	Y	Y	Y		GeoMagik Aeromag Interp (Cook, 2014) Rangott Review (2013) Environmental Impact study	2014 Aeromagnetics & Radiometric survey, 60m line spacing, 60m ht. IP survey N & S of Lloyd's Mine Soils		Y	Y	Y			Y
2014-2015	Elysium	Y	Y	Y		Targets generated from aerial survey Rompo Review (Rompo 2015)	Geol Mapping Sampling Expln Drilling (EYMRC001-026) Drilling (EYMDD001-003) EIS Drilling (BC-1-BC-8)(BCE1 & 6) Geotech Drilling (EYMGT001-004) Met Drilling (EYMMT001-010)	Y			Y	Y(29)	Y	Y
2015-2016	Elysium	Y	Y	Y		EIS study continues Heritage Assessment (Beben et al 2016) Flora/Fauna Assessment (Biosis 2016) Pit design work	Field studies for EIS							Y
2016-2017	Elysium	Y	Y	Y		Review (Glover & Harper) EIS study continues- (Coffey Mining PL) Company restructuring	Drilling EYMRC027-031 (Lloyd's)					Y (5)		Y
2017-2018	Elysium	Y	Y	Y		Company restructuring/ review	Drilling EYMRC032 & 033 (Lloyd's)					Y (2)		
2018-2019	Hardey	Y	Y	Y	Y	Company restructuring/ Review	Drilling EYMRC034 & 035 (Lloyd's)					Y (2)		

Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geological setting is a possible deep-seated porphyry intrusive copper (lead-zinc-silver-gold) system intruded into the Rockley Volcanics and Lovett Formation of Ordivician-Silurian age with possible skarn-style gold mineralisation. .
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 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*	• Particulars of the 3 diamond drill holes referenced in the copy have not been included. The diamond drilling was completed in 1969 with all measurements recorded in imperial units. • Collar co-ordinates of the 3 diamond holes were recorded using a local grid co-ordinate system. The company cannot accurately verify the exact location of the drill holes

Criteria	JORC Code explanation	Commentary
	case.	
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.*	• Historical results reported are length weighted averages of assay results. • Only results that are considered to be economically significant due to their grade, width and or geological setting are reported. No cut-off grades were used.. • No metal equivalents are reported.
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').*	• Only down-hole lengths have been reported. Drill spacing and density is such that the geometry of the mineralsiation cannot yet be ascertained and true-widths are not known.
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.*	• For the exploration results only significant historical exploration results are reported.
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*	• Other exploration data has been collected and interpreted from within the tenement. This work is summarised in the announcement and includes air borne geophysical surveys and regional geological mapping.

Criteria	JORC Code explanation	Commentary
	deleterious or contaminating substances.	
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 and includes geological mapping, soil sampling, ground geophysical surveys and drilling to identify additional resources.

Appendix 5B

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

Name of entity	
Paterson Resources Limited	
ABN	**Quarter ended ("current quarter")**
45 115 593 005	31 March 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(76)	(201)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(110)	(215)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	4
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**	**(185)**	**(412)**

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	(685)	(1,326)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(685)**	**(1,326)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,625	1,625
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**	**1,625**	**1,625**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	508	1,377
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(185)	(412)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(685)	(1,326)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,625	1,625
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,264**	**1,264**

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	1,264	508
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)**	**1,264**	**508**

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	(70)
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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(185)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(685)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(869)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,264
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,264
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**1**

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.

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: Yes.

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: The Company completed a capital raise of $2 million in the quarter, of which $375k (Director participation) is still to be received, subject to shareholders' approval. The Company has the ability to raise further funds to support its ongoing activities.

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: Yes, the company will be able to continue its operations after the capital raising.	

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: 28 April 2023

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.