ASX ANNOUNCEMENT 5 June 2023

Exploration Update

HIGHLIGHTS

- **All assays have been received from a recent soil geochemistry survey completed at the Company's recently identified Callinore prospect.**
- **A discrete copper anomaly extending 1,500m in strike length and up to 800m has been highlighted with elevated anomalism up to 1,325 ppm copper-in-soil.**
- **Copper-in-soil anomalism is positioned proximal to the Callinore structural corridor, interpreted as a potential fluid pathway for mineralizing brines.**
- **Grace Project RC drilling program due to commence later this month testing high grade mineralization identified in the 2022 drilling program.**

Paterson's Executive Director, Matt Bull, commented:

"*We are excited about the progress at the newly defined Callinore prospect at the Company's wholly-owned Burraga copper-gold project in the prospective Lachlan Fold Belt in New South Wales.*

"The latest batch of soil assays support our increasing belief that the Burraga Project houses additional significant copper deposits in addition to the Lloyds copper deposit."

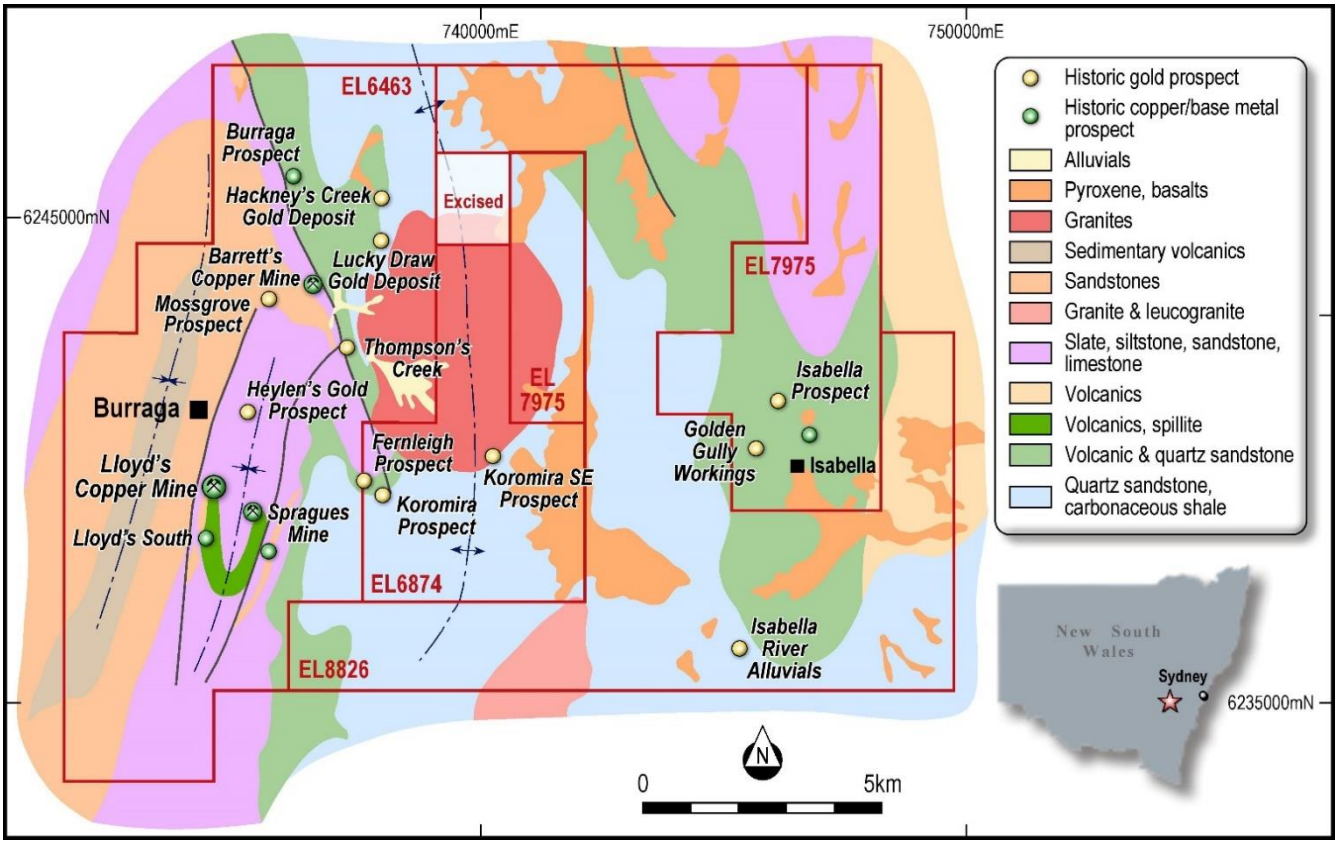

Figure 1 – Paterson Resources' Burraga Project Location

Paterson Resources Limited ("Paterson" or "the Company") (ASX: PSL); is pleased to provide an update on exploration activities at its 100% owned Burraga Copper-Gold Project in the Lachlan Fold Belt in New South Wales.

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.

Three historical diamond drill holes were completed by Platina in 1969 designed to test the bedrock source of mineralisation, with grades peaking up to 1.52% copper, 0.49% zinc and 0.24% lead.

During the recent soil geochemical survey, a total of 158 soil samples were collected from the "B" soil horizon along available cleared road verges at 50m intervals, traversing the length of the priority Callinore target.

Samples were submitted to ALS Global laboratories in Orange for low-level gold and multi-element analysis using an Aqua Regia digest and ICP-MS finish.

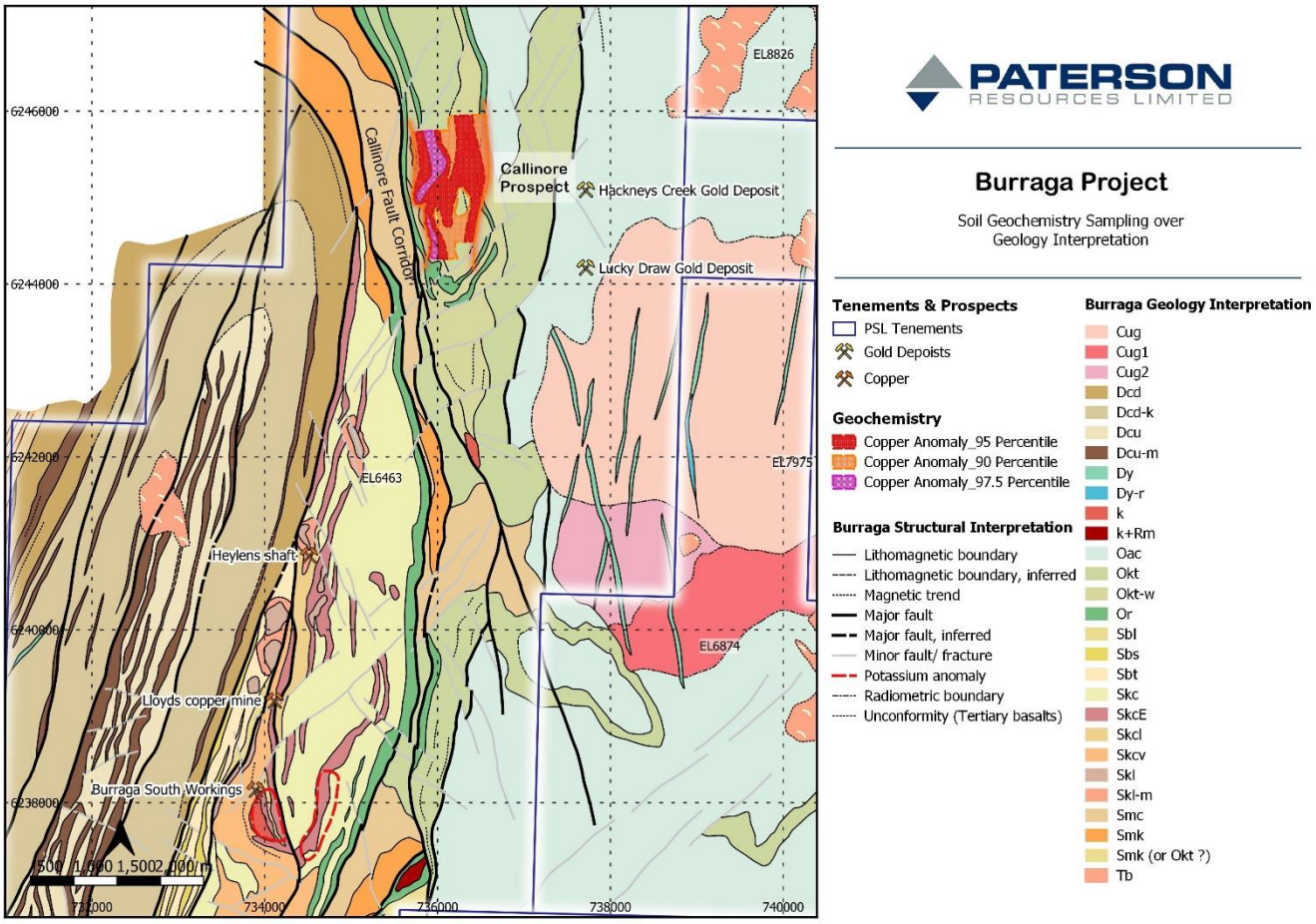

Figure 2: Geological setting and location of copper in soil anomalism at the Callinore Prospect at Patersons' Burraga Project

Copper Anomalism

From the 158 samples collected a total of 5 samples returned values above the 97.5 percentile, peaking at 1,325ppm copper.

The distinct copper-in-soil anomaly extends for a strike of 1,500m over widths up to 800m and remains open along strike in both directions (Figure 2 and Figure 3). The anomaly runs parallel and within close proximity, to the regionally significant Callinore structural corridor which could present a potential fluid pathway for mineralizing brines.

Interestingly, the peak copper-in-soil anomaly coincides with a zone of demagnetization (Figure 3). The alteration processes that often accompany mineralisation can subdue, or even completely destroy a lithology's usual magnetic signature.

Demagnetization is often associated with porphyry copper mineralisation with the alteration process destroying magnetite.

The coincident copper-in-soil anomaly represents a high-priority target for further delineation to progress the area to drill-ready status. Further infill sampling will be conducted along with a ground geophysical survey, anticipated for Q4 of the 2023 calendar year.

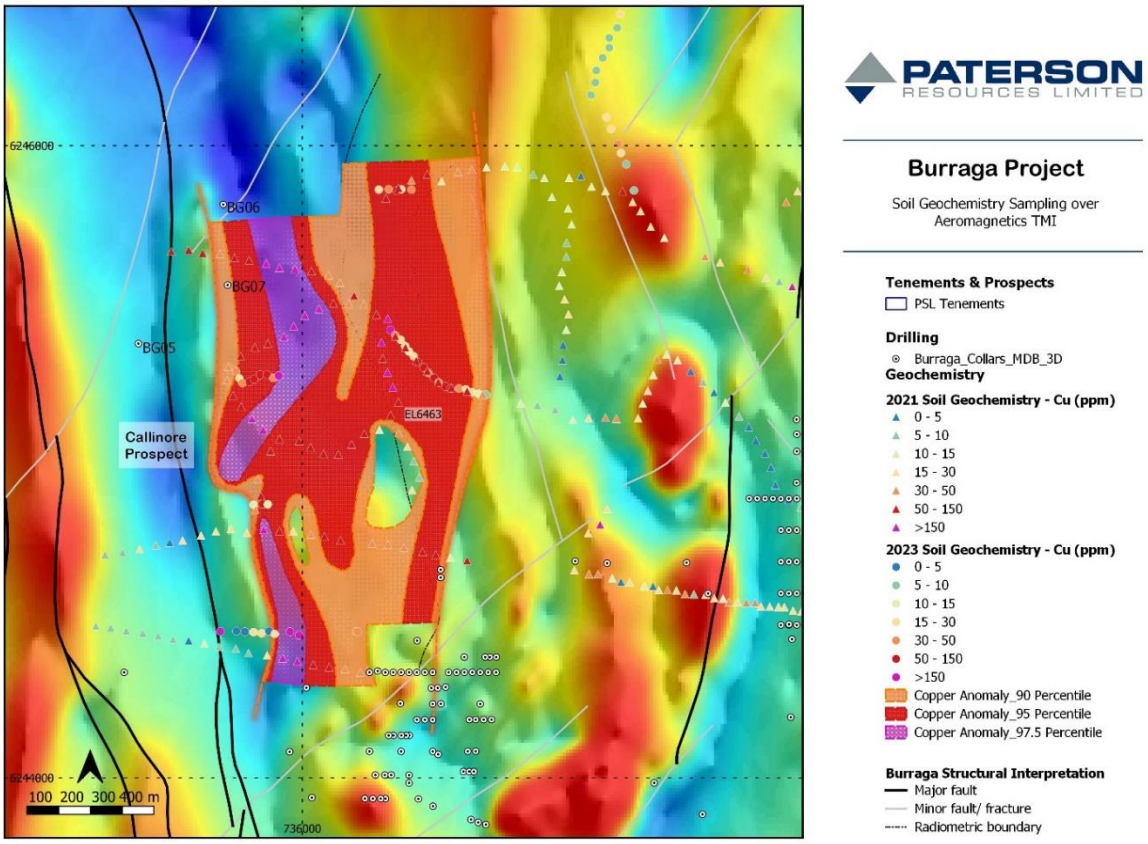

Figure 3: Copper in soil results at Callinore prospect at the Burraga project over regional aeromagnetics

About the Burraga Project

The Burraga copper and gold deposits and prospects are hosted by sediments and 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.

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 Lloyds Copper Mine produced 19,443 tons of copper from 470,000 tons of ore implying a recovered grade of 4.14% copper between 1880 and 1920, then intermittently up to 1961. The initial focus for copper exploration at Burraga was the confirmation of extensions at the original Lloyds Mine ore body. Following drilling and exploration carried out from 2012, a JORC 2012-compliant mineral resource estimate was announced in 2015 incorporating both historical and modern data.

Grace Project, Paterson Province, Western Australia

The drilling program at the grace project has been finalized and is due to commence drilling later in June, the program is designed to follow up on thick high-grade intercepts identified in the 2022 drilling program including;

- **15m @ 4.03g/t Au from 77m** including 6m @ 9.3g/t Au from 79m (PRC0024 and **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) and **41m @ 2.56g/t Au from 143m** including 4m @ 9.2g/t Au from 143m and 3m @ 8.7g/t Au from 176m (PRC0025)

Elsie North Gold Lithium Project Update, East Pilbara, Western Australia

The Company is currently planning a field mapping program to ground-check the anomalous gold and lithium results, with further soil geochemical sampling planned to infill the anomalies (see *ASX Announcement 20th April 2023: Priority Gold and Lithium Targets Identified at Elsie North*). Field activities are expected to be undertaken in the next two weeks.

-ENDS-

For further information please contact:
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This announcement has been approved for release to ASX by the Board of Paterson Resources

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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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** • Diamond drilling was conducted by Platina 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. **Soil Sampling** • Soil sampling was undertaken at 50m intervals along road verges. • The soil sampling program aimed to target the "B" soil horizon to be more representative of the underlying geology. This generally formed at depths from surface up to 1m. • The sampling program is an extension of the 2021 soil sampling program, both of which are reported in this announcement. •
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).*	**Diamond Drilling** • 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 between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Diamond Drilling** • Diamond drilling recovery was not recorded. • No relationship between grade and recovery can be determined due to the lack of drilling recovery data.
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*	**Diamond Drilling** • No geological logging has been retained. Any reference to the diamond core is qualitive (descriptive). **Soil Sampling** • The lithology, colour, weathering were recorded at each sampling location. A photo of each sample site was also taken.

Criteria	JORC Code explanation	Commentary
	relevant intersections logged.	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Diamond Drilling** • No description of the diamond drilling methods has been located. • The quality control measures (if any) taken to ensure representativity of the samples were not recorded. • The sample size was not recorded. **Soil Sampling** • An approximate 2kg sample was collected from each sampling site. The samples were placed into calico bags and delivered to ALS in Orange for analysis. • Samples sizes are considered appropriate to the grain size of the material being sampled.
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.*	**Diamond Drilling** • To date, no QAQC checks have been found for this data **Soil Sampling** • Samples were crushed to 70% less than 2mm, riffle split off 250g, pulverise split to better than 75% passing 75 microns. • A 25g samples was digested in an Aqua Regia (partial) solution and analysed by ICP-MS • Samples were anlaysed for a suite of 53 elements • Standards were submitted every 50 samples which is considered sufficient for first pass exploration. • The laboratory inserted standards and blanks at regular intervals.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**Diamond Drilling** • The data have not been verified. **Soil Sampling** • The sample spacing is considered appropriate for regional soil sampling. Anomalous soil samples with elevated base metal values will have infill soil samples collected at a closer sample spacing to enable any discrete soil anomalies to be resolved.
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.*	**Diamond Drilling** • The collar location survey method is unknown. • The accuracy of the collar locations is unknown. • The collars were surveyed using a local grid. **Soil Sampling** • The position of all soil sampling locations were recorded using a handheld GPS. Sample locations are considered accurate to within 5 metres.

Criteria	JORC Code explanation	Commentary
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.*	**Diamond Drilling** • 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. **Soil Sampling** • Soil samples were collected at 50m spacings along cleared road verges. This spacing is considered sufficient for first pass reconnaissance exploration.
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.*	**Diamond Drilling** • 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. **Soil Sampling** • Soil samples were collected at 50m spacings along cleared road verges primarily along east-west trends. The orientation of the road verges is roughly perpendicular to the general strike of the geology to avoid unbiased sampling of possible structures.
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 tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The data reported on are located in EL6463, 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.

Criteria	JORC Code explanation	Commentary
		<table><tr><th>Years</th><th>Company</th><th>EL6463</th><th>EL6874</th><th>EL7975</th><th>EL8826</th><th>Consultant Review, Modelling</th><th>Field Works & Geochem</th><th>Geol Mapping</th><th>Aerial Geophysics</th><th>Surface Geophysics</th><th>Geochem</th><th>Drillholes</th><th>Met Test</th><th>EIS</th></tr><tr><td>2005-2006</td><td>Republic</td><td>Y</td><td></td><td></td><td></td><td>Rangott collation & review of data 3D block model ML appln.</td><td>Met testing</td><td></td><td></td><td></td><td></td><td></td><td>Y</td><td></td></tr><tr><td>2006-2007</td><td>Republic</td><td>Y</td><td></td><td></td><td></td><td>Model</td><td>Mag anomalies Leach testing-Lucky Draw</td><td></td><td></td><td></td><td></td><td></td><td>Y</td><td></td></tr><tr><td>2007-2008</td><td>Republic</td><td>Y</td><td>Y</td><td></td><td></td><td>Rangott Review (2006)</td><td>RC holes 1 to 10 Magnetics?</td><td></td><td></td><td></td><td></td><td>Y(10)</td><td></td><td></td></tr><tr><td>2008-2009</td><td>Republic</td><td>Y</td><td>Y</td><td></td><td></td><td>Corbett Review (Corbett, 2008) Rangott Review(2008) (Pratt Review EL7002- Isabella)</td><td>Structural mapping reassay old drillholes Syncline & 2 key prospects</td><td>Y</td><td></td><td></td><td>Y</td><td></td><td></td><td></td></tr><tr><td>2009-2010</td><td>Republic</td><td>Y</td><td>Y</td><td></td><td></td><td>Solid Geology Review (King 2010) Review of Hummingbird data</td><td>Ground Mag</td><td></td><td>(Y)</td><td>Y</td><td></td><td></td><td></td><td></td></tr><tr><td>2010-2011</td><td>Burraga Copper</td><td>Y</td><td>Y</td><td></td><td></td><td>Geomodelling Review (Allwood, 2011)</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2011-2012</td><td>Burraga Copper</td><td>Y</td><td>Y</td><td></td><td></td><td>Rangott Review (2011)</td><td>2nd Drilling Program - 10 holes</td><td></td><td></td><td></td><td></td><td>Y(10)</td><td></td><td></td></tr><tr><td>2012-2013</td><td>Burraga Copper</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>Porphyry study (Maryono, 2013) Pit modelling study Solid Geology Study (King, 2013) Environmental Review (Corkey, 2013)</td><td>Structural Geology Mapping</td><td>Y</td><td></td><td></td><td></td><td></td><td></td><td>Y</td></tr><tr><td>2013-2014</td><td>Elysium</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>GeoMagik Aeromag Interp (Cook, 2014) Rangott Review (2013) Environmental Impact study</td><td>2014 Aeromagnetics & Radiometric survey, 60m line spacing, 60m ht. IP survey N & S of Lloyd's Mine Soils</td><td></td><td>Y</td><td>Y</td><td>Y</td><td></td><td></td><td>Y</td></tr><tr><td>2014-2015</td><td>Elysium</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>Targets generated from aerial survey Rompo Review (Rompo 2015)</td><td>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)</td><td>Y</td><td></td><td></td><td>Y</td><td>Y(29)</td><td>Y</td><td>Y</td></tr><tr><td>2015-2016</td><td>Elysium</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>EIS study continues Heritage Assessment (Beben et al 2016) Flora/Fauna Assessment (Biosis 2016) Pit design work</td><td>Field studies for EIS</td><td></td><td></td><td></td><td></td><td></td><td></td><td>Y</td></tr><tr><td>2016-2017</td><td>Elysium</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>Review (Glover & Harper) EIS study continues- (Coffey Mining PL) Company restructuring</td><td>Drilling EYMRC027-031 (Lloyd's)</td><td></td><td></td><td></td><td></td><td>Y (5)</td><td></td><td>Y</td></tr><tr><td>2017-2018</td><td>Elysium</td><td>Y</td><td>Y</td><td>Y</td><td></td><td>Company restructuring/ review</td><td>Drilling EYMRC032 & 033 (Lloyd's)</td><td></td><td></td><td></td><td></td><td>Y (2)</td><td></td><td></td></tr><tr><td>2018-2019</td><td>Hardey</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Company restructuring/ Review</td><td>Drilling EYMRC034 & 035 (Lloyd's)</td><td></td><td></td><td></td><td></td><td>Y (2)</td><td></td><td></td></tr></table>
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 case.*	• 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
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	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with*	• 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.

Criteria	JORC Code explanation	Commentary
intercept lengths	*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').*	
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 deleterious or contaminating substances.*	• 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.
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.