

Strategic Sale of the Burraga Project, NSW

Paterson Resources Limited (“Paterson” or “the Company”) (ASX: PSL) is pleased to announce that it has signed a binding share sale agreement (**SSA**) with Octo Mining Burraga Pty Ltd (**Octo**) for the sale of 100% of the issued capital of its wholly owned subsidiaries Burraga Copper Pty Ltd, BC Exploration Pty Ltd and Old Lloyds Mine Pty Ltd (**Transaction**) which hold the following exploration licenses and land that form the Burraga Project in NSW:

- (a) Exploration Licence No. 6463;
- (b) Exploration Licence No. 6874;
- (c) Exploration Licence No. 7975;
- (d) Exploration Licence No. 8826;
- (e) Exploration Licence No. 9135; and
- (f) Lot 12 DP 241 638

(together “**the Burraga Project**”)

The key terms of the SSA are as follows:

1. Cash Consideration of A\$2,850,000 with a deposit of A\$200,000 payable within 5 business days of execution of the SSA and A\$2,650,000 payable on settlement;
2. Settlement up to approximately 60 days from execution of the SSA subject to the satisfaction of the conditions precedent, which include:
 - a. Octo completing legal and other relevant due diligence on the Burraga Project; and
 - b. the Company and Octo obtaining all necessary third-party, board, regulatory approvals, consents and waivers to allow the parties to lawfully complete the matters set out in the SSA.

The sale of the Burraga Project provides additional funding and allows Paterson to focus resources on its flagship Grace Gold-Copper Project in the highly prospective Paterson Province.

The Board commented:

“The sale of the Burraga Project is a strategic milestone for Paterson Resources Limited. This transaction allows the Company to focus on the highly prospective Grace Gold-Copper Project and provides the Company with funding to achieve the next phase of project advancement. With a strengthened financial position, the focus of the Company is on the core asset and we are well positioned to unlock further value for Paterson Resources.”



The Company has received confirmation from ASX that Chapter 11 of the Listing Rules does not apply to the Transaction.

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

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Octo Mining Burruga Pty Ltd is a privately owned investment entity. Paterson expects to receive the deposit within the next 5 business days but has only conducted limited diligence in respect of Octo's financial capacity to complete its obligations under the SSA.