

Quarterly Activities Report Quarter Ended 30 June 2024

HIGHLIGHTS

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

- Sale agreement of the Burruga Copper-Gold Project to Octo Mining Burruga Pty Ltd for A\$2.85m

Grace Gold-Copper Project, Paterson Province, Western Australia

- **Significant recent gold intercepts from the Grace Project include:**
 - 35m @ 2.34 g/t Au from 91m including 17m @ 4.57 g/t Au from 98m which also included 1m @ 46.2 g/t Au from 105m (23PRC013)
 - 19m @ 2.44 g/t Au from 145m including 2m @ 10.23 g/t Au from 149m and also 3m @ 6.9 g/t Au from 155m (23PRC013)
 - 18m @ 1.34 g/t Au from 73m including 5m @ 2.98 g/t Au from 73m (23PRC009)
 - 26m @ 0.79 g/t Au from 154m including 5m @ 2.02 g/t Au from 156m (23PRC009)
 - 3m @ 2.69 g/t Au from 93m (PRC010)
- **Thick high-grade gold mineralisation has been outlined at Bemm over a strike length of 900m that remains open to the south-east and at depth.**
- **The Grace Gold-Copper Project is located in Western Australia's highly prospective Paterson Province which hosts the world-class 30+ million-ounce Telfer gold deposit just 25km north and Greatland Gold's 5.5 million ounce Havieron Gold-Copper Project 40km northeast.**

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, Newmont, IGO Ltd 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 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 Newmont, located 25km northwest (Figure 1).

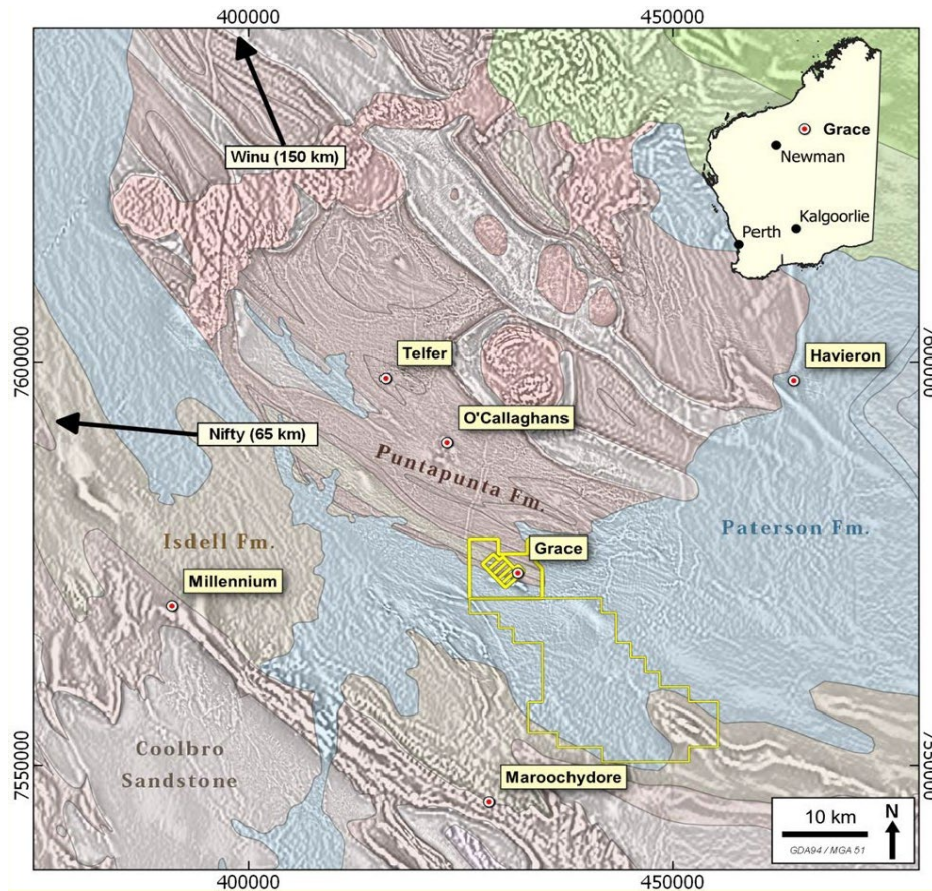


Figure 1: Locality map shopping prominent gold and copper deposits in the Paterson Province

Detailed 3D geological interpretation and wireframing were undertaken, incorporating recent high-grade gold intersections at the Grace-Bemm deposit where intersected. Drilling undertaken by Paterson at the project has hit:

- 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*)
- 18m @ 1.34 g/t Au from 73m including 5m @ 2.98 g/t Au from 73m and 26m @ 0.79 g/t Au from 154m including 5m @ 2.02 g/t Au from 156m (23PRC009**)
- 3m @ 2.69 g/t Au from 93m and 9m @ 1.26 g/t Au from 148m including 3m @ 2.95 g/t Au from 148m (23PRC010**)
- 35m @ 2.34 g/t Au from 91m including 17m @ 4.57 g/t Au from 98m which also included 1m @ 46.2 g/t Au from 105m (23PRC013**)

- 19m @ 2.44 g/t Au from 145m including 2m @ 10.23 g/t Au from 149m and 3m @ 6.9 g/t Au from 155m (23PRC013**)

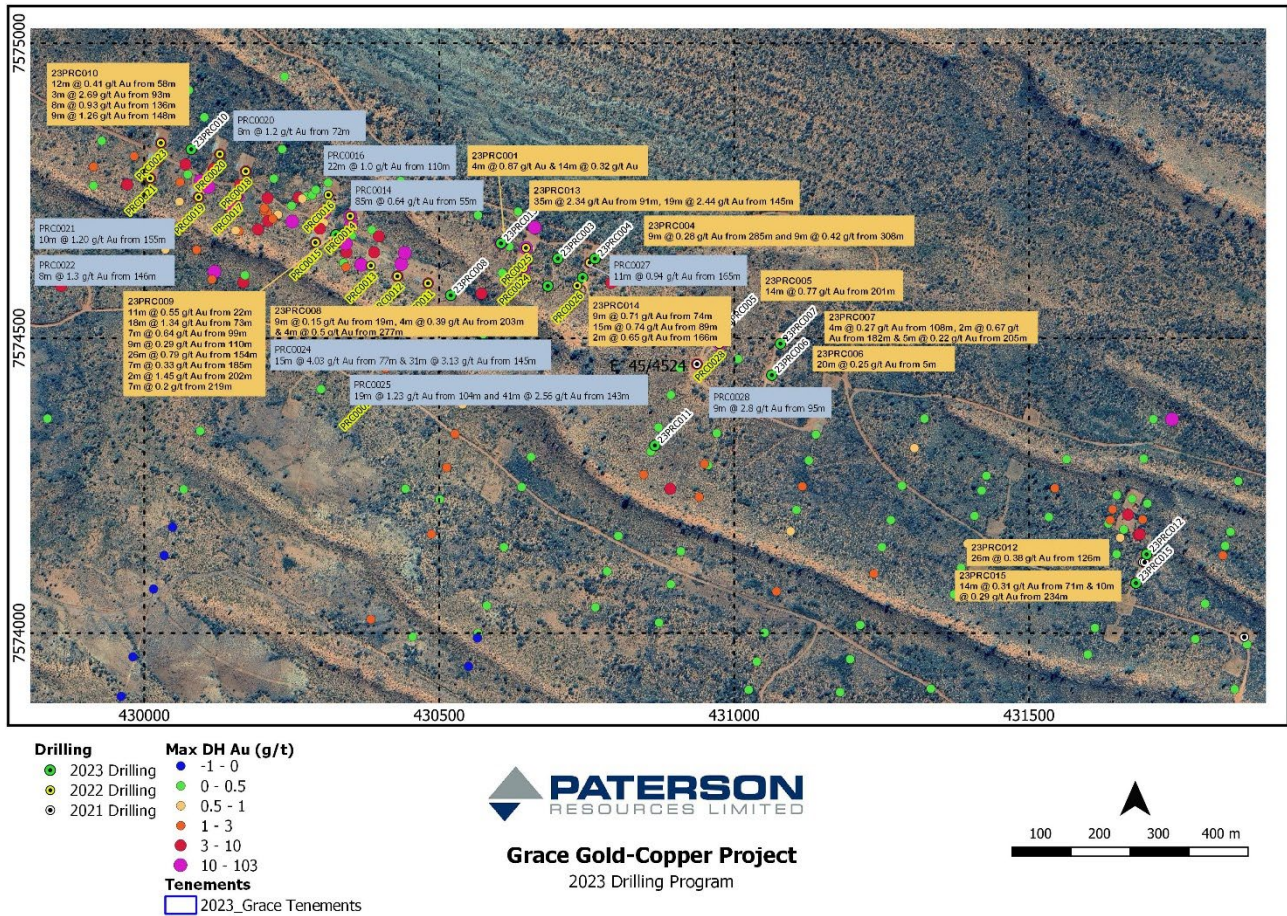


Figure 1: Location plan of 2022 and 2023 RC drilling program with significant intercepts

* Previously reported assay results (see ASX announcement dated 10th October 2022)

** Previously reported assay results (see ASX announcement dated 23rd October 2023)

Next Steps

Following on from 3D geological modelling and wireframing of the Grace Gold-Copper Project, Paterson is in the process of:

- Planning additional drilling to expand the size of the resource at Grace
- Conducting met test work on diamond drill core to determine gold recoveries
- Completing a scoping study over the project

Corporate

During the quarter, the Company signed a binding share sale agreement (**SSA**) with Octo Mining Burruga Pty Ltd (**Octo**) for the sale of 100% of the issued capital of its wholly owned subsidiaries Burruga 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 Burruga 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 Burruga 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 (unless otherwise extended by agreement between the parties), subject to the satisfaction of the conditions precedent, which include:
 - a) Octo completing legal and other relevant due diligence on the Burruga 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 Burruga Project provides additional funding and allows Paterson to focus resources on its flagship Grace Gold-Copper Project in the highly prospective Paterson Province.

The Company received confirmation from ASX that Chapter 11 of the Listing Rules does not apply to the Transaction. The Company received the initial payment of A\$200,000 in June.

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 \$56k, the majority of which was spent on tenement administration and renewal costs at the Company's projects.

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	\$15k	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
Grace	WA		E45/4524	100%
Grace	WA		E45/5130	100%
Burruga	NSW		EL6463	100%
Burruga	NSW		EL6874	100%
Burruga	NSW		EL7975	100%
Burruga	NSW		EL8826	100%
Burruga	NSW		EL9135	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

Bellary E47/3578

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 Resources Limited (PSL) 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 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 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(6)	(18)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(234)	(570)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
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	(240)	(586)

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	(50)	(1,171)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:	-	-
(a) entities		
(b) tenements	200	200
(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	150	(971)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,514
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	-	(67)
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	-	1,447

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	565	585
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(240)	(586)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	150	(971)

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,447
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	475	475

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	475	565
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)	475	565

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	(15)
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. 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)	(240)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(50)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(290)
8.4 Cash and cash equivalents at quarter end (item 4.6)	475
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	475
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.6
<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: 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: Yes – the proposed sale of Burruga is due to settle within a week following the lodgement of this quarterly report. The balance of consideration due to be paid to Paterson Resources is \$2,650,000 (see ASX announcement lodged 11 June 2024).	

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: Yes. The sale of the Company's Burruga Project is close to completion, and this will bring in funds of approximately \$2,650,000.

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 July 2024

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.