

Company Update

Paterson Resources Limited (**PSL** or **the Company**) (ASX: PSL) is pleased to advise that it has received confirmation from ASX that, on the basis of the capital raising initiatives proposed by the Company to ASX on 16 December 2019, ASX can see no reason why the securities of PSL will not be reinstated to quotation.

PSL's proposed capital raising initiative is comprised of:

- raising \$150,000 by way of an issue of convertible notes, with the subscribers committing to convert their notes (this raising was completed in January 2020);
- \$251,772 by the issue of 251,771,564 shares by way of placement at an issue price of \$0.001 per share;
- \$1,930,249 by the issue of 1,930,249,000 shares through a fully underwritten non-renounceable entitlements issue on a 1:1 basis at an issue price of \$0.001 per share.

ASX has advised that PSL will be required to complete the capital raising initiative described above, as well as issue a full-form prospectus prepared in accordance with section 710 of the Corporations Act, as conditions precedent to reinstatement.

PSL cautions that binding agreements have yet to be entered into with respect to the placement and underwritten rights issue described above, as a result of the ongoing uncertainty as to the conditions to reinstatement. PSL looks forward to finalising and executing these agreements as soon as possible, but cautions that there can be no certainty as to the execution of such agreements at this time.

A series of further conditions precedent will apply to the proposed reinstatement of PSL's securities to official quotation, including the following:

- Confirmation in a form acceptable to ASX that PSL has received cleared funds for the complete amount of the issue price of every fully paid security issued to every successful applicant for fully paid securities under the Prospectus.
- Despatch of each of the following:
 - In relation to all holdings on the CHESS sub-register, a notice from PSL under ASX Settlement Operating Rule 8.9.1.
 - In relation to all other holdings, issuer sponsored holding statements.
 - Any refund money.

- PSL demonstrating compliance with chapter 12 of the Listing Rules to the satisfaction of ASX and in particular that PSL's level of operations satisfies the requirement of listing rule 12.1 including:
 - confirmation that all of PSL's material tenements are in good standing;
 - confirmation that there are no legal, regulatory or contractual impediments to PSL undertaking its activities as set out in the Prospectus;
 - PSL's level of shareholder spread will satisfy the requirements of Listing Rule 12.4, with there being at least 300 holders each holding at least \$500 worth of fully paid ordinary shares.
- Lodgement of all outstanding Appendices 3B, 2A and 3G (as applicable) with ASX for issues of new securities.
- Reinstatement of PSL's CHESS sub-register (if required).
- PSL having a free float (as that term is defined in Chapter 19 of the Listing Rules) of not less than 20% at the time of its reinstatement to the official list.
- Lodgement of any outstanding reports for the period since PSL's securities were suspended and any other outstanding documents required by Listing Rule 17.5.
- Lodgement of all Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.
- Payment of any ASX fees, including listing fees, applicable and outstanding.
- Provision of the following in a form suitable for release to the market.
 - A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number and percentage of holders as set out in the Appendix 1A and Information Form and Checklist.
 - A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
 - A statement disclosing the terms of any waivers granted to PSL as part of its re-instatement proposal.
 - A statement confirming PSL is in compliance with the Listing Rules, and in particular Listing Rule 3.1 at the time of re-instatement.
 - An update on all litigation and outstanding claims for payment with respect to PSL at the time of re-instatement.
- Confirmation of the responsible person for the purposes of Listing Rule 1.1 condition 13.

- A statement confirming that PSL's pre-quotation disclosure announcements have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PSL with delegated authority from the board to respond to ASX on disclosure matters.
- Provision of any other information required or requested by ASX or satisfaction of any other conditions required by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the prospectus to be issued by PSL and (2) from ASX's review of PSL's financial reports.

PSL is pleased to have now received this confirmation from ASX, and intends on progressing with its capital raising initiative and satisfaction of the required conditions as soon as possible.

PSL will keep shareholders updated as to its progress in accordance with its continuous disclosure obligations.

For and on behalf of the Board
Sarah Smith
Company Secretary

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

ABOUT PATERSON RESOURCES:

Paterson Resources (ASX: PSL) is a publicly listed, junior mineral resources company focused on the exploration and development of gold and copper projects. Paterson has aggregated a diversified portfolio of assets that are at multiple stages, commodities and jurisdictions. The Grace Gold Project located in the world class Paterson mineral province in Western Australia consists of two granted exploration licences and five granted prospecting licences (E45/4524, E45/5130, P45/2905, P45/2906, P45/2907, P45/2908, and P45/2909). The Company also has an extensive landholding prospective for gold in the Pilbara in Western Australia, with four exploration licences (E08/2880, E47/3578, E47/3827, and E45/5020). The Burraga Copper Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western New South Wales consists of four contiguous exploration licences (EL6463, EL6874, EL7975 and EL8826) covering a total area of approximately 221km². Paterson is an active explorer with the aim of discovering a valuable mineral resource and delivering shareholder value.