

Entitlement Offer to fund ongoing exploration and seek reinstatement

Highlights

- Paterson Resources to raise up to \$1.93 million (before costs) at an issue price of \$0.001 per share by way of a non-renounceable pro rata offer to eligible shareholders on a 1-for-1 basis
- Eligible shareholders have the ability to apply for additional shares in excess of their entitlement
- Funds raised are to be primarily applied towards continuing exploration activities on its current projects, with a particular focus on the Grace Gold-Copper Project in the Paterson Range
- Fundraising conducted under a 'full-form' prospectus with a view to satisfying ASX's conditions for reinstatement

Paterson Resources Limited (ASX: PSL) (**Paterson** or the **Company**) is pleased to announce a capital raising of up to \$1.93 million (before costs) by way of a 1-for-1 non-renounceable pro rata entitlement offer, at an issue price of \$0.001 per new share (**Entitlement Offer**).

The Prospectus for the Entitlement Offer was lodged with ASIC and ASX today, and will be dispatched to eligible shareholders shortly.

Details of the Entitlement Offer

The Entitlement Offer will be available to shareholders with a registered address in Australia or, subject to certain restrictions (as outlined in the Prospectus), New Zealand or the United Kingdom. Shareholders with an address outside of these jurisdictions will not be eligible to participate in the Entitlement Offer.

Eligible Shareholders (other than Directors and other related parties) may, in addition to taking up their entitlements in full, apply for additional shares in excess of their entitlements (**Shortfall Shares**). The allocation policy for the issue of Shortfall Shares is disclosed in the Prospectus.

Use of funds

The funds raised under the Entitlement Offer are intended to be used as follows:

- exploration activities on the Grace Gold-Copper Project;
- exploration activities on the Horseshoe South Base Metal Project and Pilbara Gold exploration projects;
- exploration activities on the Burruga Copper-Gold Project in New South Wales;
- interest payments on convertible notes;
- costs of the Entitlement Offer; and
- corporate administration and general working capital and management expenses.

Capital structure

On the basis that the Company completes the Entitlement Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

Security	Currently on issue	Maximum on completion of the Entitlement Offer
Shares	1,930,248,656	3,860,497,312
Options	48,926,578	48,926,578
Convertible notes	150,000	150,000

Notes:

- The above table assumes that the Entitlement Offer is fully subscribed (or that all Shortfall Shares are issued), no options are exercised and no convertible notes are converted at this time. The noteholders have committed to convert their notes into shares prior to the maturity date, rather than requiring repayment. 150,000,000 shares will be issued on conversion of the convertible notes.
- The Company has agreed to issue 2,000,000 options to its lead manager to the Entitlement Offer, Baker Young, subject to the receipt of shareholder approval. Shareholder approval will be sought at the next general or annual general meeting of the Company. The options will be exercisable at an exercise price equal to a 20% premium to the next capital raising price (subject to this exercise price being no less than \$0.003). The options will expire three years following the date of issue.

Indicative timetable

The key dates for the Entitlement Offer are below. The dates are indicative only and the Company reserves the right to vary them subject to the requirements of the ASX Listing Rules and the Corporations Act.

Indicative timetable	
Lodgement of Prospectus with ASIC and ASX	22 May 2020
Lodgement of Appendix 3B with ASX	
Ex date	26 May 2020
Record Date for determining Entitlements	27 May 2020
Prospectus and Application Form dispatched to Eligible Shareholders	1 June 2020
Opening Date	
Last day to extend Closing Date	5 June 2020
Closing Date (5pm WST)*	11 June 2020
Announcement of results of Entitlement Offer	16 June 2020

Issue date of new Shares	18 June 2020
Lodgement of Appendix 2A with ASX	

ASX conditions to reinstatement

The Company announced on 7 February 2020 that the Company had received confirmation from ASX that, on the basis that certain conditions are satisfied, ASX saw no reason why the Company's shares ought not be reinstated to official quotation on ASX. The conditions were disclosed in the Company's announcement of 7 February 2020. ASX has subsequently confirmed to the Company that it will not require the Entitlement Offer to be underwritten, on the basis that the amount raised by the Company is sufficient to establish that it has at least \$1.5 million of working capital secured as at the date of reinstatement. The Company is focused on satisfying these conditions and working with ASX to procure its reinstatement as quickly as possible.

For further information, please visit www.patersonresources.com.au or contact:

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

Forward-looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by law or the ASX Listing Rules.

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 Burruga 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.