

GRACE GOLD-COPPER PROJECT PoW's LODGED **FOR IP SURVEY & INFILL DRILLING**

- **Proposals of Work (PoW's) lodged with DMIRS for upcoming field season at Grace Gold Copper Project**
- **Gradient Array Induced Polarisation (GAIP) Survey over the Grace and Bemm Shear Zones**
- **Infill RC Drilling along the full 4km length of the Grace and Bemm Shear Zones**
- **Grace Gold Copper Project located 25km to the southeast of Newcrest's world class Telfer Mine and 40km to the southwest of the Havieron gold project in the Paterson Province of WA.**

Paterson Resources Limited ("Paterson" or "the Company") (ASX:PSL) is pleased to announce the lodging of the DMIRS Proposal of Work application for the Gradient Array Induced Polarisation Survey and the Infill RC drilling program over the Grace and Bemm Shear Zones at the 100% owned Grace Gold Copper Project. The infill drilling is following up historic drilling carried out by Newmont Australia/Newcrest Mining with no subsequent exploration drilling since 2004. Significant drill intersections over the Grace and Bemm Shear Zones include:

- **10.0m @ 20.95 g/t Au from 6.0m - GPB0801 (RAB)**
- **33.0m @ 1.55 g/t Au from 53.0m - GR124502 (RC)**
- **12.0m @ 14.38 g/t Au from 56.0m - GR037 (RC)**
- **3.1m @ 8.28 g/t Au from 17.1m - GPC9106 (DDH)**
- **22.0m @ 1.31 g/t Au from 71.0m - GR124002 (RC)**
- **6.0m @ 5.61 g/t Au from 34.0m - GR128001 (RC)**
- **4.0m @ 7.04 g/t Au from 38.0m - GR124501 (RC)**
- **16.0m @ 2.64 g/t Au from 34.0m - BR8-5 (RAB)**
- **4.0m @ 5.13 g/t Au from 30.0m - HK3-4 (RAB)**

(ASX Ann 22 May 2020 - PSL Entitlement Issue Prospectus)

The planned GAIP survey (see Fig 1) will cover the full 4 km extent of the Grace and Bemm Shear Zones and is also a follow up on to two historical IP surveys carried out in the 1980's and 1990's which only covered small areas at each end of the Grace and Bemm Shear Zones.

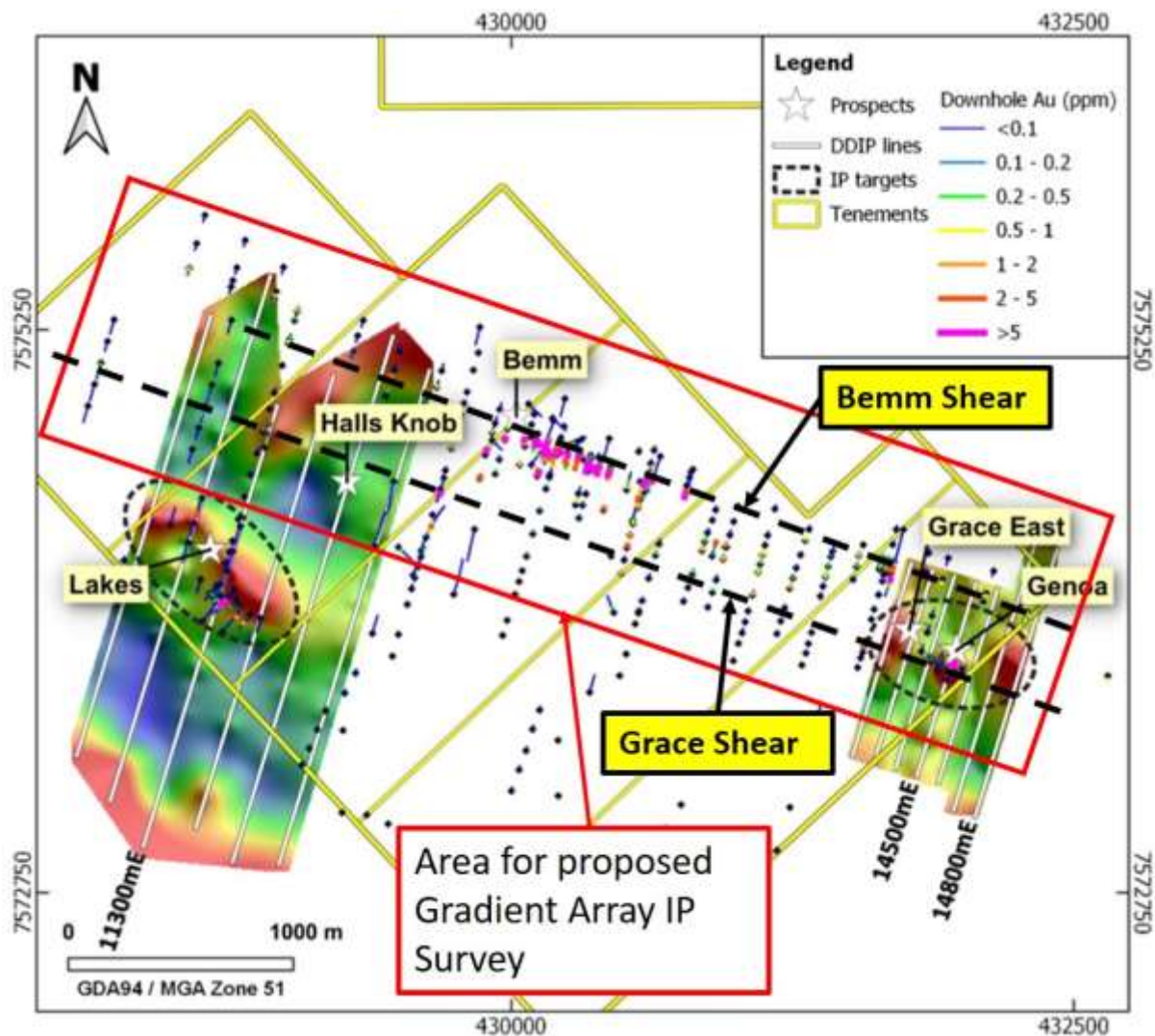


Figure 1 : Gradient Array IP survey planned for full length of Grace and Bemm Shear Zones. The two historic IP surveys with survey lines shown in white with 100m dipole spaced data on the left (1990's) and 50m dipole spaced data on the right (1980's). Colour images are a depth slice through the IP chargeability inversion model, indicating anomaly trends 75-100m depth. Maximum gold in hole assay values are shown at the drill collar.

This GAIP survey will play a crucial role in the design of the Infill RC Drilling program to increase the confidence levels of the existing Inferred resource estimate of 1,590,000 tonnes @ 1.35 g/t Au for 69,000 ozs* but also to expand the drill coverage of the mineralised system contained within the Grace and Bemm Shear Zones to increase data points contained within the current conceptual Exploration Target of between 2.2 and 2.8 Mt at a grade between 0.9 and 1.3 g/t Au.*

(* ASX Ann 22 May 2020 – Entitlement Issue Prospectus)

(The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement. All material assumptions and technical parameters pertaining to the resource estimate continue to apply and have not materially changed.)

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.

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.

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 Brian Thomas, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Thomas is a Director of Paterson Resources Limited. Mr Thomas 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 Thomas 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.

Forward Looking Statements

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.

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.

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