

Capital Raising, SPP and Less than Marketable Parcel Buyback

Paterson Resources Limited (**PSL** or **the Company**) (ASX: PSL) advises that it has received firm commitments to raise approximately A\$500,000, before expenses, by way of a placement of 142,857,143 shares (**Placement Shares**) to sophisticated and professional investors (**Placement**) together with one (1) free attaching option for every one (1) Placement Share subscribed for (**Placement Options**) (**Placement**). The issue of the Placement Shares will be made under the Company's available placement capacity under Listing Rule 7.1A. The issue of the Placement Options will be subject to shareholder approval.

The Placement Shares will be issued at A\$0.0035 per Share, representing a 12.5% discount to the last traded share price of \$0.004 on 8 September 2020, being the last trading day prior to the Company's trading halt. The Placement Shares will rank equally with that of existing fully paid ordinary shares on issue. The Placement Options will have an exercise price of \$0.007 and will expire on 30 September 2023. The Company will apply to ASX for quotation of the Placement Options. A prospectus for the offer of the Placement Options will be issued shortly.

The funds raised from the Placement will be used for the following:

- Completion of geophysical surveys at the Grace Prospect in the Paterson Province;
- Exploration and resource definition drilling at the Grace Prospect;
- Deep exploration drilling of aeromagnetic targets on E45/4524 and E45/5130;
- Resource definition drilling of the Hackneys Creek Gold Prospect at the Burruga Project in the East Lachlan Fold Belt in NSW; and
- Costs of the capital raising and to provide ongoing working capital.

The Placement was arranged by the Board and as such, there are no capital raising fees. It is expected that the Placement Shares will be issued on or around 18th September 2020.

Share Purchase Plan

In addition to the Placement, the Company intends to conduct a Share Purchase Plan (**SPP**) up to a maximum of \$1.5 million to provide shareholders the opportunity to purchase additional shares in the Company at the same price and on the same terms as the Placement.

The SPP offer will allow eligible shareholders to subscribe for up to \$30,000 worth of shares at the determined issue price per Share (**SPP Shares**) being \$0.0035, together with one (1) free attaching option for every one (1) SPP Share subscribed for and issued (**SPP Options**).

At this stage, the maximum gross raised under the SPP will be capped at a total of \$1,500,000, though the Company reserves the right to change this cap at its discretion by announcement to ASX. Each applicant will be treated equally and scaled back on a pro-rata basis.

The full terms and conditions of the SPP including the SPP prospectus will be announced and distributed to shareholders in due course.

The Company will seek shareholder approval for the Placement Options and SPP Options at its annual general meeting (AGM) to be held in early December. The issue of the Placement Options and SPP Options is subject to and conditional on the receipt of the requisite approvals at the AGM.

Less than Marketable Parcel Sale Facility

The Company has established a share sale facility (**Facility**) of ordinary shares for holders of Less than Marketable Parcels of the Company's shares.

The ASX Listing Rules define a Less than Marketable Parcel as those with a market value of less than A\$500. As at 7:00pm (AEST) on 11 September 2020 (**Record Date**), a Less than Marketable Parcel of shares is any shareholding of shares less than \$500.00, based on the Company's closing share price of \$0.004 on the Record Date. This represents 70,332,830 shares held by 2,020 shareholders (**Minority Members**).

The Company is offering this sale to assist holders of Less than Marketable Parcels to sell their shares without having to use a broker or pay brokerage.

The Company values all of its shareholders; however, it incurs significant administration costs maintaining such a large number of Less than Marketable Parcels. By facilitating this sale, the Company expects to reduce the administrative costs associated with maintaining a large number of very small holdings.

If Minority Members wish to sell their shares through this facility, they do not have to take any action. If Minority Members **do not wish** to sell their shares through this facility, they **must** complete and return the Notice of Retention Form to the Company's share registry, Automic by 5.00pm (AWST) on 28 October 2020.

Upon the sale of the Less than Marketable Parcel shares, proceeds shall be forwarded to Minority Members as soon as possible. The Company will pay for all the costs of the sale for shareholders who use this facility, excluding tax consequences from the sale which remain the shareholder's responsibility.

A copy of the letter and the Notice of Retention that is currently being prepared by the Company will be released to ASX and mailed to Minority Members on or about 16 September 2020. If you have any queries, please contact the Company's share registry, **Computershare** on **1300 850 505** between the hours of 8:30 AM to 5:00 PM (AEST) Monday to Friday.

Indicative timetable

The indicative key dates for the Placement, SPP and Less than Marketable Parcel Sale Facility are outlined below.

Event	Date
Record Date for the SPP and Less than Marketable Parcel Facility	7.00pm (AEST) on 11 September 2020
Announcement to ASX of Placement, SPP and Facility	Monday, 14 September 2020
Letters sent to holders of Less than Marketable Parcels	Wednesday, 16 September 2020
Issue of Placement Shares	Friday, 18 September 2020
Despatch of Prospectus for SPP Opening date of SPP	Tuesday, 22 September 2020
Closing date for SPP	Friday, 9 October 2020
Issue of SPP Shares	Tuesday, 20 October 2020
Closing Date for receipt of Share Retention Forms	7.00pm (AEST) on 28 October 2020

For further information, please contact
Sarah Smith
Company Secretary
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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 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.

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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