



ASX ANNOUNCEMENT

30 June 2021

## **Grace Drilling Contractor Appointed and Heritage Survey Completed**

### **HIGHLIGHTS**

- DDH1 appointed drilling contractor to complete Drilling at the Grace project.
- Diamond and RC Drilling programs expected to commence in August.
- Heritage Survey with native title holder successfully completed
- High Impact drilling targets identified from Gradient Array IP survey along strike from historic shallow high-grade intercepts.
- Large conceptual targets to be tested under the Grace/Bemm shear zone with EIS co-funded drill hole.
- Grace Gold Project located 25km to the southeast of Newcrest's world class Telfer Mine and 40km to the southwest of the Havieron gold deposit in the Paterson province of WA.

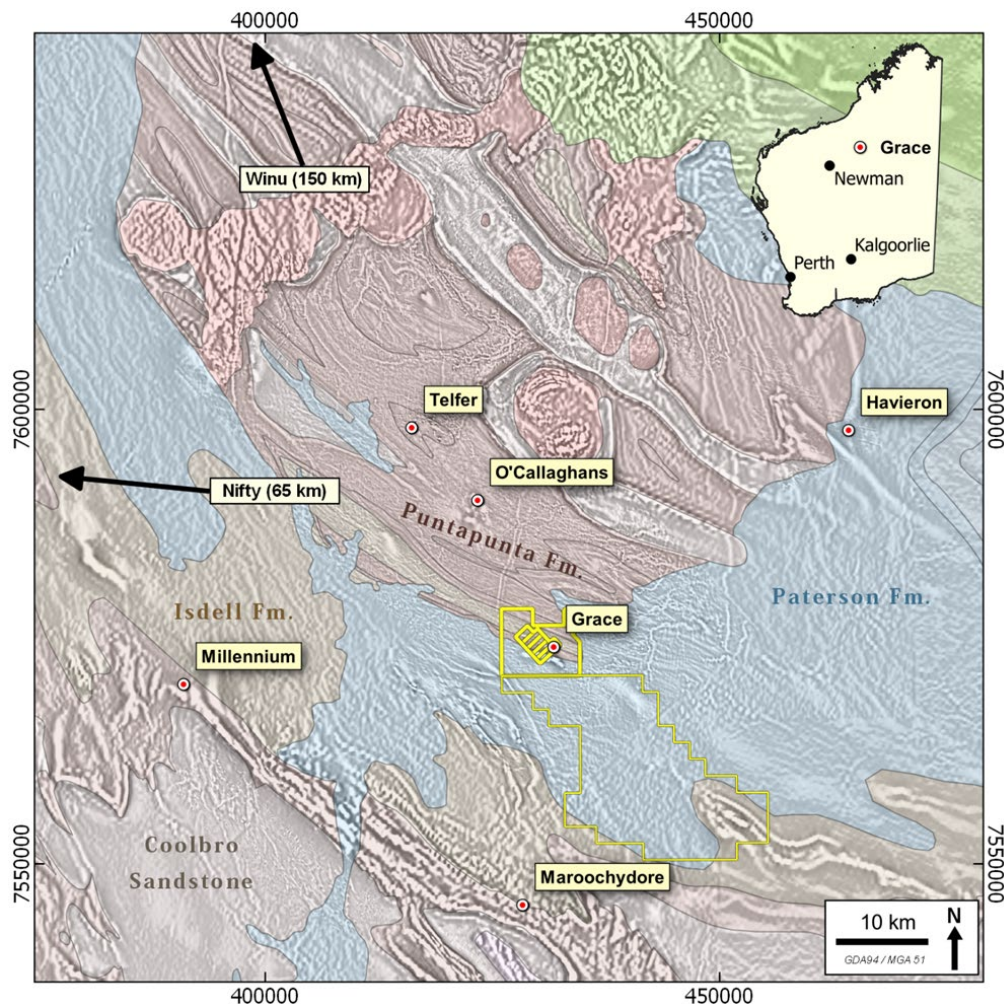
**Paterson Resources Limited ("Paterson" or "the Company") (ASX:PSL)** is pleased to announce the appointment of DDH1 to complete the 2021 drilling program at the Grace Project. The current drilling program is targeting similar styles of mineralisation to the world class Telfer Copper/Gold Deposit 25km to the northwest and the Havieron Project located 40km to the northeast. Historic drilling has produced excellent near surface high-grade gold mineralisation which has not been followed up including:

- 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)

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

## Grace Project Location

The Grace Project is located in the heart of the Paterson Province, where multiple major exploration companies, including Rio Tinto, Newcrest and Greatland Gold, are actively exploring within the area. Significant discoveries nearby Paterson Resources 'Grace' project include Havieron to the northeast, and Maroochydore to the south, with the world-class Telfer mine located 25 km northwest. **Figure 1** shows the Grace tenements and the significant regional discoveries and mines.



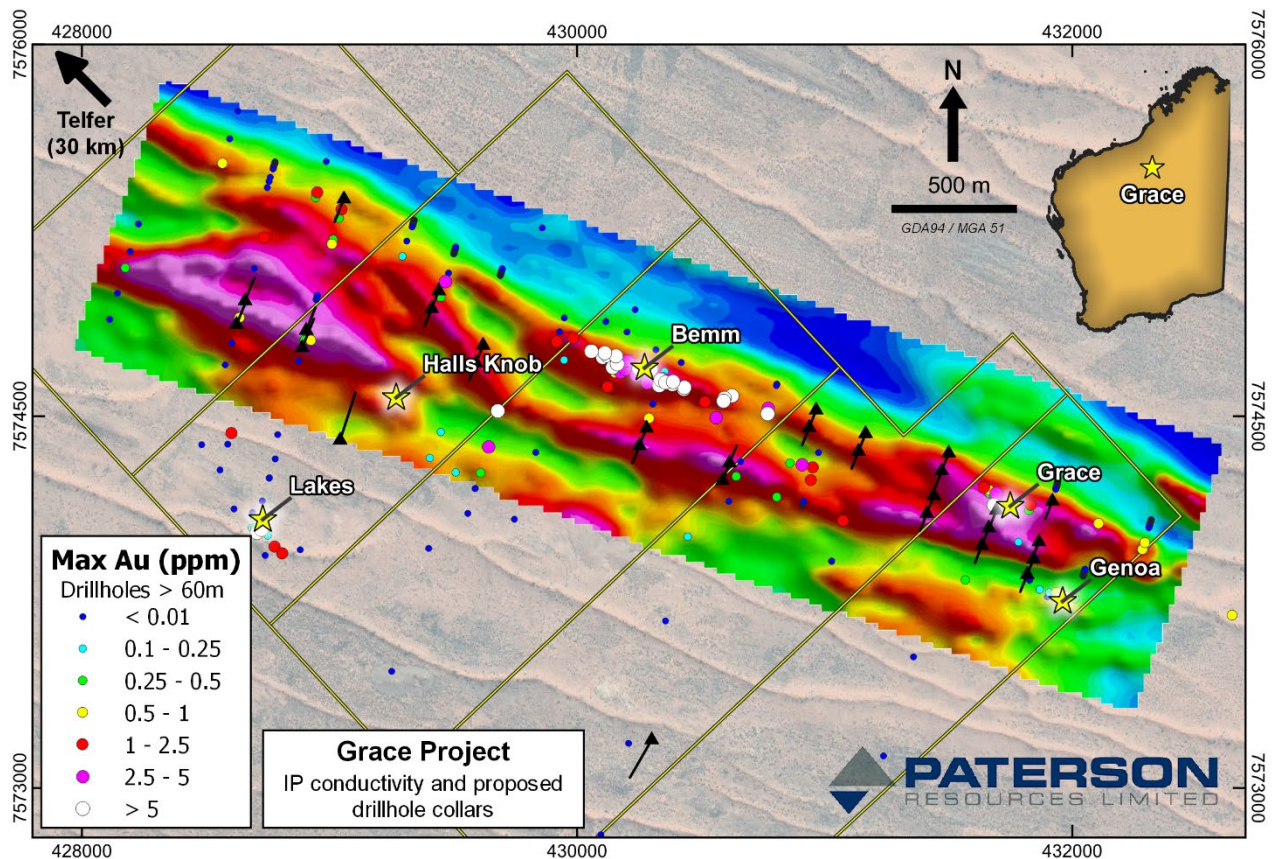
**Figure 1:** Map showing the location of the Grace Project and Paterson Resources tenements (yellow outline), and nearby significant copper-gold deposits over an image of Paterson Province geology draped over a filtered magnetic anomaly image.

## 2021 Drilling Program

This drilling program will target high-impact targets that were identified from recent geophysical surveying, as well as infill significant gaps between known mineralization previously intersected in the Grace and Bemm Shear Zones. The current infill drilling will follow up historic drilling carried out by Newmont Australia and Newcrest Mining. Drillhole targets are based on interpretation of geophysical data and anomalies identified from recent gradient array IP (GAIP), airborne electromagnetic (VTEM) surveying, and regional gravity and magnetic datasets. The primary target for the 2021 drilling program is extension of historic shear zone-hosted gold mineralisation within the Grace-Bemm Shear Zone trend, which will be tested by fences of drillholes. Additional planned drillholes are targeting

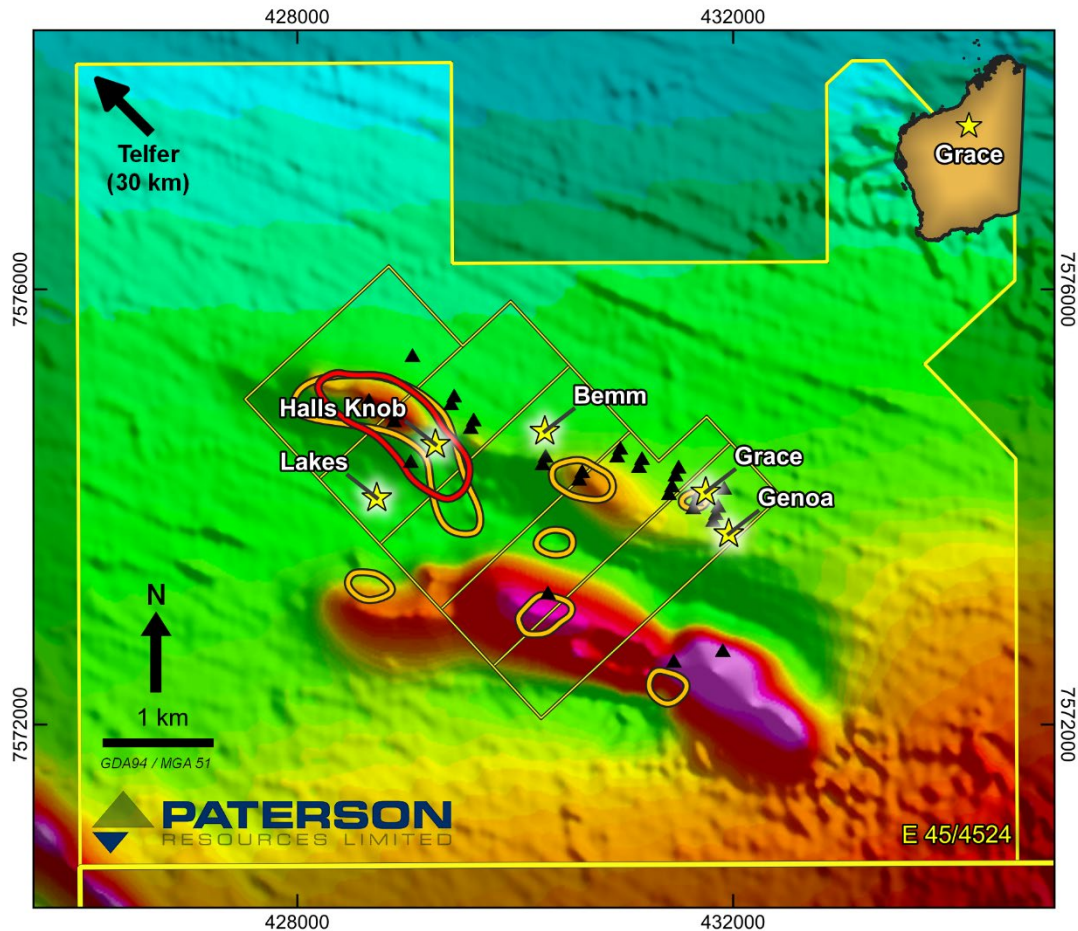
other IP and VTEM anomalies as well as interpreted structurally complex zones to the NW of Grace-Bemm, plus deeper geophysical anomaly sources to the south.

**Figure 2** shows drillhole locations for the 2021 program relative to GAIP conductivity and historic high-grade intercepts from historical drillholes greater than 60 m depth. Historical high-grade gold intercepts generally coincide with the IP conductivity anomaly trends, which may be related to enhanced weathering above mineralised shear zones. **Figure 3** shows the drillholes located south of Grace-Bemm, which target deeper geophysical anomalies identified from interpretation of VTEM and magnetic data.



**Figure 2:** Map showing proposed drillhole collars (black triangles) and drillhole traces (black lines) over an image of gradient array IP conductivity, which shows mineralisation at Grace and Bemm prospects are generally aligned with conductive anomaly trends. IP conductivity anomaly trends potentially indicate gold mineralised structures located along-strike and proximal to known mineralisation.





**Figure 3:** Planned drillhole collar locations shown at a tenement scale over a filtered airborne magnetic anomaly image, with anomalies identified from mid- and late-time VTEM EM decay data (orange and red polygons respectively). Deeper drillholes to the west and south of Grace and Bemm are targeting geophysical anomaly sources that have not been tested by historic drilling.

#### **Heritage Survey Completed**

Paterson Resources completed an aboriginal heritage survey over the Grace Project with the traditional owners the Western Desert Lands Aboriginal Corporation (WDLAC). PSL has cleared all proposed drill hole locations with the survey area. This is a major step forward in the exploration program at Grace in anticipation of the upcoming drilling program.

#### **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 Australasian Institute of Mining and Metallurgy. 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.

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