

## Quarterly Activities Report Quarter Ended 31 March 2022

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### HIGHLIGHTS

#### Grace Gold-Copper Project (Paterson Province)

- Final assay results received from first-phase diamond drilling holes at Paterson Resources 100% owned Grace Gold-Copper Project. Standout intercepts received in this final batch of assay results include:
  - 3.8m @ 2.60g/t gold from 37.2m **including 0.7m @ 9.9g/t gold from 38.2m** (PDD0005)
  - 3.8m @ 1.43g/t gold from 31.7m **including 0.4m @ 8.15g/t gold from 35.2m** (PDD0004)
- Drilling has extended known gold mineralisation nearly 200m south-east for a total strike length of 1,200m with gold mineralisation remaining open along strike and down dip.
- Further exploration drilling along the prospective Grace-Bemm shear has intersected significant gold mineralisation 800m southeast along strike of the Grace deposit.
- Additional assaying from EIS co-funded diamond drill hole (PDD001) within the newly identified felsic intrusive source of gold mineralisation returned further encouraging intercepts:
  - 1.05m @ 4.4g/t gold from 480.25m (PDD0001)
  - 1m @ 7.1g/t gold from 829m **including 0.7m @ 10.2g/t gold from 829m** (PDD0001)
- An aggressive follow-up RC and diamond drilling program of up to 10,000 metres scheduled to commence in the second quarter of the 2022 calendar year.
- The Grace Gold-Copper Project is an exciting exploration opportunity with the Company controlling 337km<sup>2</sup> of vastly unexplored terrain within the Paterson Province which hosts Newcrest's world-class Telfer Mine and the evolving Havieron gold deposit.

#### Pilbara Projects

- Field work commenced in the Pilbara with soil sampling survey completed at the Bellary Project.
- Extensive soil sampling survey commenced at the Cheela Plains Project and Hamersley Project.
- Assay results from soil sampling anticipated to be received in the June 2022 quarter.
- Pilbara tenements are considered highly prospective for gold and base metals

The Board of Paterson Resources Limited (**Paterson or the Company**) (ASX:PSL) provides the following commentary and Appendix 5B for the Quarter ended 31<sup>st</sup> March 2022

#### Exploration Projects

##### Grace Gold-Copper Project (Paterson Range)

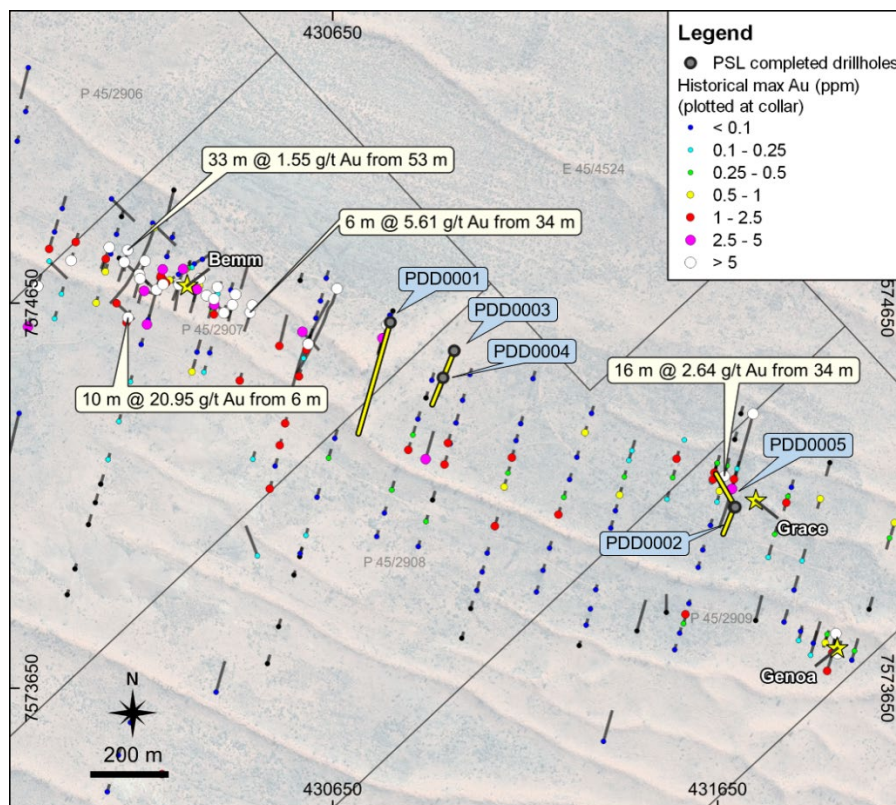
Results for the final four diamond drill holes, PDD0002 to PDD0005, and one reverse circulation (RC) drill hole were returned during the reporting period (Table 1).

A total of five diamond holes were completed for 1,604.8m and one RC hole was drilled for 89.4m in the Company's maiden drilling program. The campaign was designed to test a series of priority targets outlined from geophysics and historical drilling where gold-copper mineralization was previously identified.

**Table 1: Significant Gold Intercepts from Drilling at the Grace Gold-Copper Project**

Hole ID	Prospect	Depth From (m)	Depth To (m)	Thickness (m)	Au (g/t)
PRC0001	Grace	No significant result			
PDD0001*	Grace	203.20	209.00	5.80	1.52
	<b>Including</b>	<b>206.00</b>	<b>207.00</b>	<b>1.00</b>	<b>3.84</b>
	Grace	216.00	224.00	8.00	4.1
	<b>Including</b>	<b>216.00</b>	<b>218</b>	<b>2</b>	<b>8.32</b>
	<b>Including</b>	<b>221.00</b>	<b>224.00</b>	<b>3.00</b>	<b>8.32</b>
	Grace	480.25	481.30	1.05	4.396
	Grace	762.30	765.00	2.70	0.75
	Grace	771.94	775.00	3.06	0.73
	Grace	829.00	830.00	1.00	10.183
PDD0002	Grace	No significant results			
PDD0003	Grace	113.20	115.20	2.00	0.78
PDD0003	Grace	123.35	125.00	1.65	1.73
PDD0004	Grace	20.50	24.10	3.60	0.79
PDD0004	Grace	31.70	35.60	3.90	1.43
	<b>Including</b>	<b>35.20</b>	<b>35.60</b>	<b>0.40</b>	<b>8.15</b>
PDD0005	Grace	37.20	41.00	3.80	2.6
	<b>Including</b>	<b>38.20</b>	<b>38.90</b>	<b>0.70</b>	<b>9.93</b>

\*PDD0001 reported in December 2021 Quarterly Report



**Figure1** – Location of drill holes completed at the Grace Gold-Copper Project

Mineralisation intersected in PDD0003 has extended known gold mineralization southeast along strike of the Grace-Bemms shear a nearly 200m (Figure 1).

Furthermore, diamond hole PDD0005 was drilled a further 800m southeast along strike of the Grace-Bemms shear from PDD0003. Minimal historical shallow RAB drilling exists between PDD0003 and PDD0005. The company has highlighted the corridor between PDD0003 and PDD0005 as a high priority drill target warranting further follow up drilling.

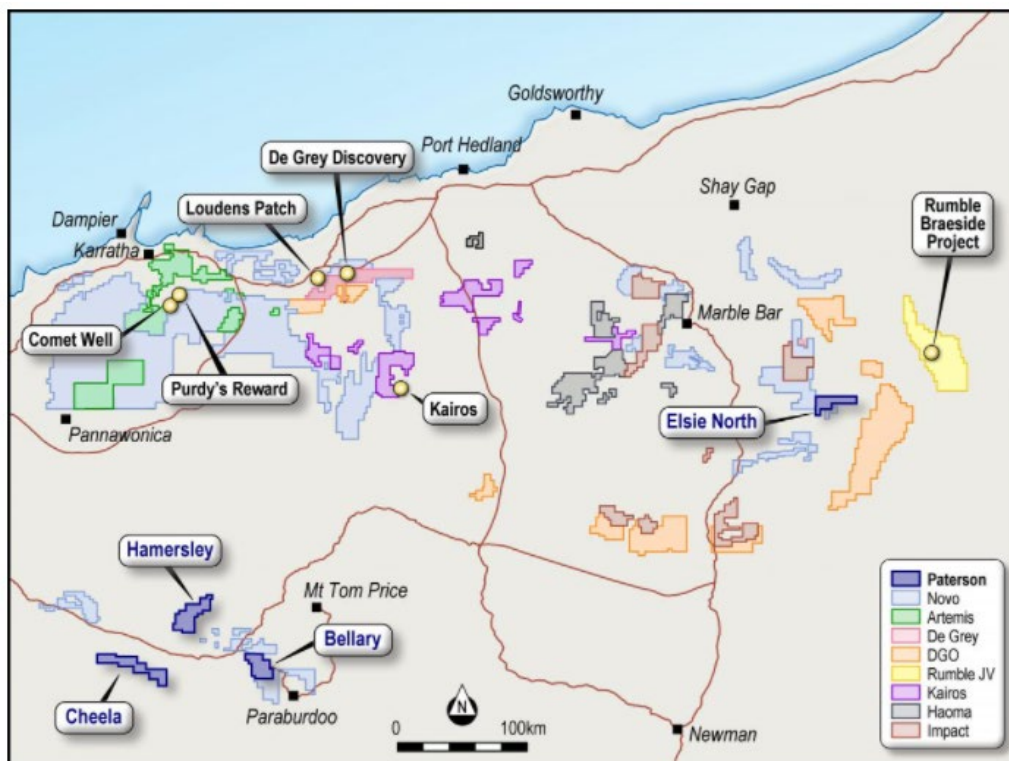
### Future Work

Encouraged from the results of the 2021 drilling program, the Company has planned up to 10,000m of RC and diamond drilling at the Grace Gold-Copper Project to further extend the known mineralised system along strike and at depth with view to upgrading the Mineral Resource Estimate in the latter half of 2022.

Further to this, the Company is conducting contractual discussions with a drilling contractor to undertake the next phase of drilling scheduled to commence also in the second quarter of 2022.

### Pilbara Gold & Base Metal Projects

The field team was mobilized to the Pilbara in February to commence conducting soil sampling survey over high priority targets over the Company's Pilbara tenure. Up to 1,132 samples are planned to be collected in total from all three projects (Table 2). The sampling patterns are based on the results of previous grab sampling programs conducted by the Company and regional geological trends and are planned to infill previously identified gold and base metal in-soil anomalies.



**Figure 2:** Location of PSL's Cheela Plains, Hamersley, Bellary and Elise North Pilbara Projects



**Figures 3 & 4:** Field team conducting surface soil geochemical sampling at the Bellary Project

**Table 2: Total samples to be collected and the sampling grid.**

Prospect	Number of sample points	Grid
Bellary	454	200m x 600m
Cheela Plains	402	200m x 600m
Hammersley	276	400m x 2000m

#### **Bellary Gold and Base Metals Project (E47/3578)**

The Bellary Project is located about 20km northwest of Paraburdoo and 40km southwest of Tom Price in the Shire of Ashburton. Sporadic exploration dates back to 1989, with historical soil sampling identifying a suite of targets prospective for gold, copper, silver, platinum, palladium, nickel, lead and zinc.

Much of the Bellary tenement is underlain by rocks of the Fortescue Group including the Pyradie, Boongal and Hardey Formations. The Hardey Formation is highly prospective for conglomerate gold mineralisation, characterised by Novo Resources' 900,000 ounce Beatons Creek Gold Project and discovery at Purdy's Reward.

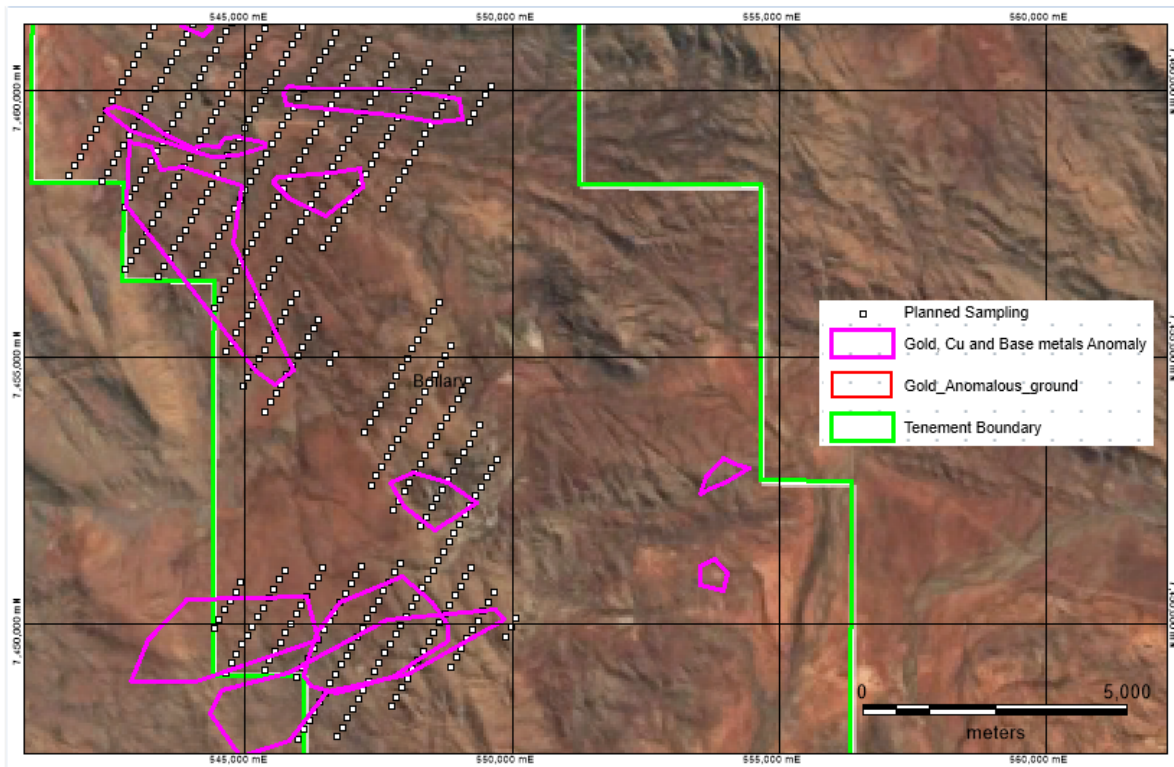
Previous reconnaissance field sampling undertaken by the Company over historical gold and base metal soil geochemical anomalies identified two high priority targets – Kara Well and Billie Camp.

Rock chip samples at Kara Well have returned values up to 27% Cu, 75ppb Au and 358g/t Ag.

At Billie Camp, several small gold nuggets were discovered from an exposed quartz vein with rock chip sampling returning anomalous gold values up to 1.2g/t Au and 0.79% Cu.

A total of 454 soil samples will initially be collected initially over the Kara Well Prospect on a nominal 200m by 600m grid spacing (Figure 5). The program has been designed to infill historical soil geochemical sampling and further define gold and base metal anomalism, along with gaining a better understanding of the underlying geology.





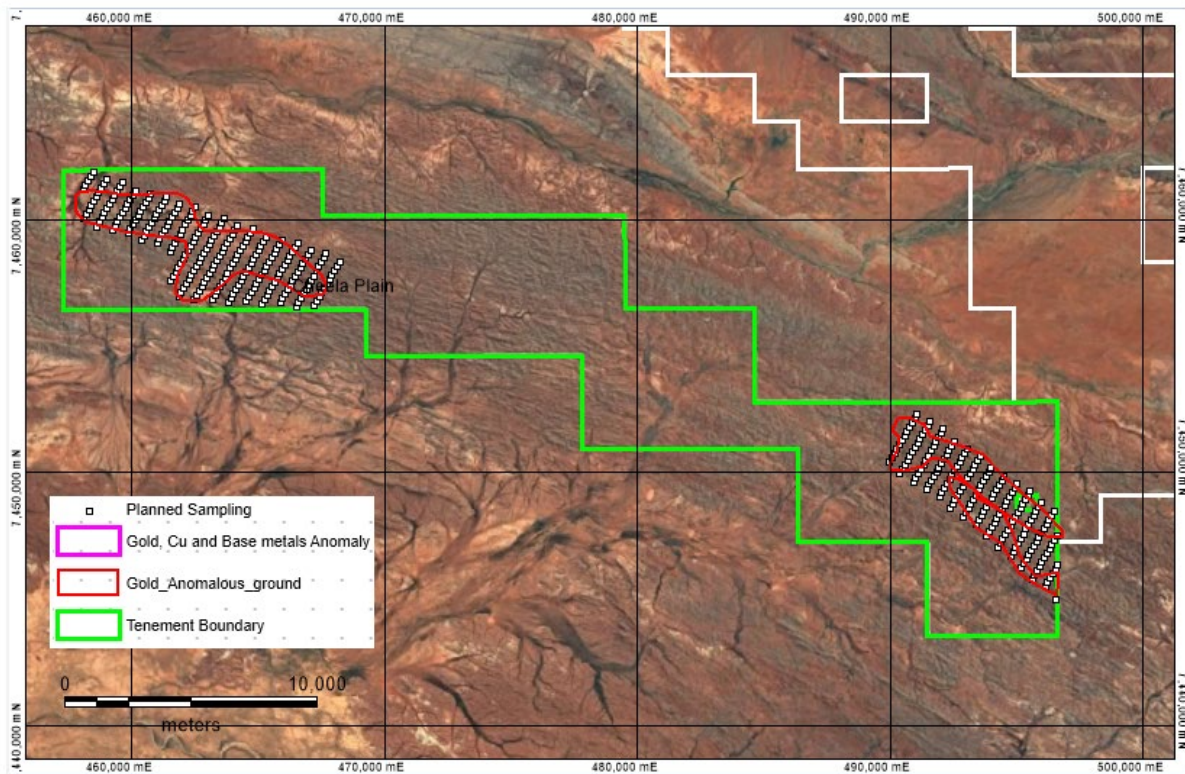
**Figure 5:** Bellary interpreted anomalies at Kara Well from historical sampling superimposed with planned samples

#### **Cheela Plains Gold and Base Metals Project (E08/2880)**

The Cheela Plains Project is located about 80km northwest of Paraburdoo on Wyloo Station. Small scale mining dates back to the 1930's with several small pits observed at the Slate Bore Prospect. No production records are available but outcrops of malachite and galena suggest mining was targeting copper and lead resources.

Historical exploration has defined a major gold, arsenic and lead anomaly that strikes for over 4.5km over the Big Sarah Prospect with reconnaissance rock chip sampling undertaken by the Company in 2019 returning samples grading upto 24.5g/t Au.

A total of 402 soil samples will be collected over the Slate Bore and Big Sarah Prospects on a nominal 200m by 600m grid spacing (Figure 6). The program has been designed to infill historical soil geochemical sampling and further define gold and base metal anomalism, along with gaining a better understanding of the underlying geology.



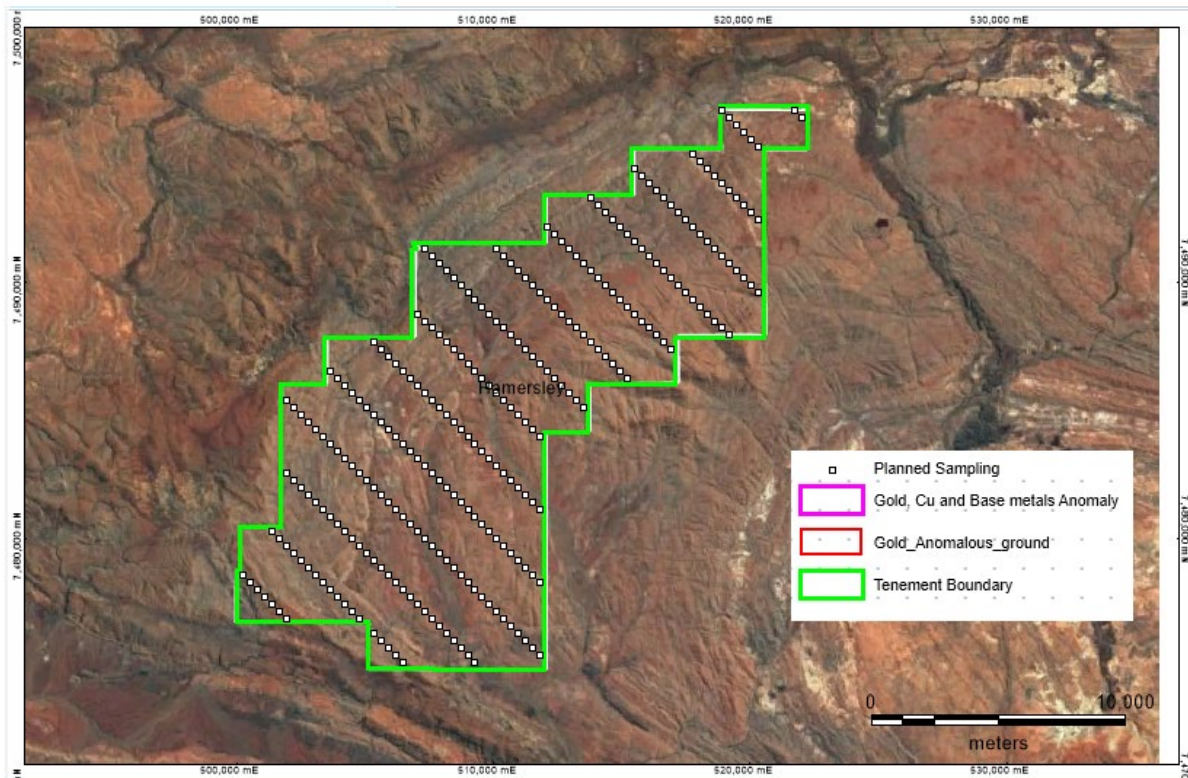
**Figure 6:** Cheela Plains interpreted anomalies from historical sampling with the location of follow-up soil geochemical sampling locations over the Slate Bore Prospect (west target) and Big Sarah Prospect (east target)

#### **Hamersley Gold and Base Metals Project (E47/3827)**

The Hamersley Project is located about 65km west of Tom Price in the Shire of Ashburton, Western Australia.

Very little historical exploration has been undertaken over the tenement area with a small number of stream sediment geochemical samples being taken by previous explorers.

The Company's technical team have identified multiple regional scale structures in favourable geological settings warranting preliminary reconnaissance soil geochemical surveying on a nominal 400m by 2000m grid (Figure 7). A total of 276 samples will be collected to cover the full extent of the tenement.



**Figure 7:** Hammersley Project with soil sample locations covering the tenement

### Future Work

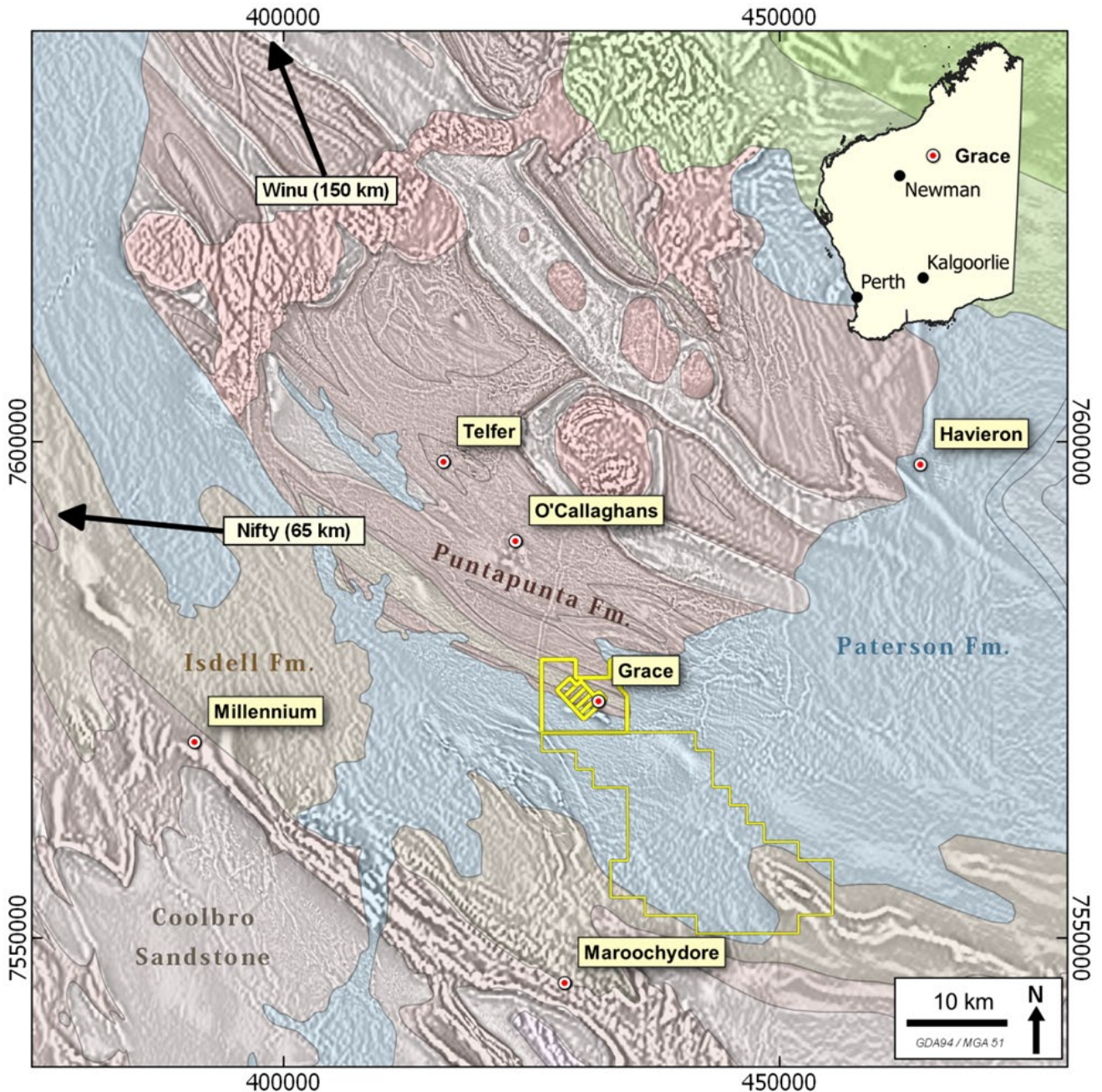
Paterson's priority at its Pilbara tenements is to focus on advancing towards drill-ready status which will include the following:

- Complete field reconnaissance and soil sampling campaign
- Target definition and infill soil sampling
- Ground geophysical surveys
- Planning and design of an exploration drilling program to test identified high priority targets
- Heritage clearances and all requisite permitting



### Grace Project Location

The Grace Gold-Copper Project is located in the heart of the Paterson Province, where multiple major exploration groups including Rio Tinto, Newcrest and Greatland Gold, are actively exploring within the region. Significant discoveries proximal to Paterson's Grace Gold-Copper Project include Havieron to the north-east, Maroochydore to the south and world-class Telfer Mine located 25km northwest.



**Figure 6:** Map showing the location of the Grace Gold-Copper Project and Paterson Resources tenements (yellow outline), and nearby significant gold-copper deposits over an image of Paterson Province geology draped over a filtered magnetic anomaly image.



**Corporate**

The Company lodged its Half Yearly Report on 14 March 2022.

In addition, the Company's registered office address and principal place of business has changed to:

**Suite 11, Level 2  
23 Railway Road  
Subiaco WA 6008**

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

For further information, please visit [www.patersonresources.com.au](http://www.patersonresources.com.au):

**ASX Listing Rule 5.3.1**

Exploration and Evaluation expenditure during the quarter was \$269k. which was spent on completion of the grace drilling program and on planning for upcoming drilling programs at grace and at the Burraga Project in NSW. Expenditure on the companies Pilbara licences was focused on firming up potential drilling targets.

**ASX Listing Rule 5.3.2**

There were no substantive mining production and development activities during the quarter.

**ASX Listing Rule 5.3.5**

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Directors	\$62,500	Periodical fees paid to Directors and/or Director related entities
Director	\$-	Exploration consulting fees paid to a Director/Director related entities

The following table sets out the tenement information reported on a consolidated basis as required by **ASX Listing Rule 5.3.3**.

**Mining tenements held at the end of the Quarter and their location**

Project Name	Location		Tenement Licences	Interest held by Group
Bellary	WA		E47/3578	100%
Hamersley	WA		E47/3827	100%
Elsie North	WA		E45/5020	100%
Cheela Plains	WA		E08/2880	100%
Grace	WA		E45/4524	100%
Grace	WA		P45/2905	100%
Grace	WA		P45/2906	100%
Grace	WA		P45/2907	100%
Grace	WA		P45/2908	100%
Grace	WA		P45/2909	100%
Grace	WA		E45/5130	100%
Burruga	NSW		EL6463	100%
Burruga	NSW		EL6874	100%
Burruga	NSW		EL7975	100%
Burruga	NSW		EL8826	100%

**1. The mining tenement interests acquired during the quarter and their location**

Not applicable.

**2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**

Not applicable.

**3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**

Not applicable.

**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 Australian Institute of Geoscientists. 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.

**Disclaimer**

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. This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by PSL. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Paterson Resources Limited

ABN

45 115 593 005

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(32)	(132)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(37)	(283)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(69)</b>	<b>(415)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(49)
	(d) exploration & evaluation	(239)	(1,102)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(239)</b>	<b>(1,151)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,204
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	(a) Payment of interest from the issue of convertible debt securities	-	-
	(b) Proceeds from the Less than Marketable Parcel Sale Facility	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,204</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,154	2,208
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(69)	(415)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(239)	(1,151)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,204
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,846</b>	<b>1,846</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,846	2,154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,846</b>	<b>2,154</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(63)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(69)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(239)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(307)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,846
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,846
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6</b>
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: The Board of Paterson Resources Limited  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.