

Priority Gold and Lithium Targets Identified at Elsie North Project

HIGHLIGHTS

- Soil sampling program completed at Elsie North project targeting prospective contact between Yigalong Granitoid Complex and Euro Basalt.
- Multiple gold in soil anomalies, peaking at 578 ppb gold, extend over a strike length of 1300 metres which remain open to the south and are coincident with strong aeromagnetic features.
- Gold in soil anomalism sited along strike of the historic Elsie Gold Mining Camp.
- Strong lithium anomalism, peaking at 109.5 ppm lithium, identified along contact of Yigalong Granitoid Complex with Euro Basalt.
- Strong lithium in soil anomalism sited near dykes mapped by Geological Survey of Western Australia. No previous exploration for lithium has been conducted surrounding the granite intrusion at Elsie North.

Paterson Resources' Managing Director, Mr Matt Bull commented: "While gold was our primary target in exploring the Yigalong Granitoid Complex contact at our Elsie North project, a previous reconnaissance field trip highlighted the potential for the area to host possible lithium-rich pegmatites. This was further supported by a series of pegmatite dykes mapped by the Geological Survey of Western Australia within the Euro Basalt."

"We are heartened by the results of the broad-spaced soil geochemical survey – returning both significant gold anomalism along strike of the historic Elsie Gold Mining Camp and, for the first time, strong lithium anomalism in a prime geological setting. Further mapping and a closer spaced soil geochemical survey is planned in the current quarter to further define the anomalies."

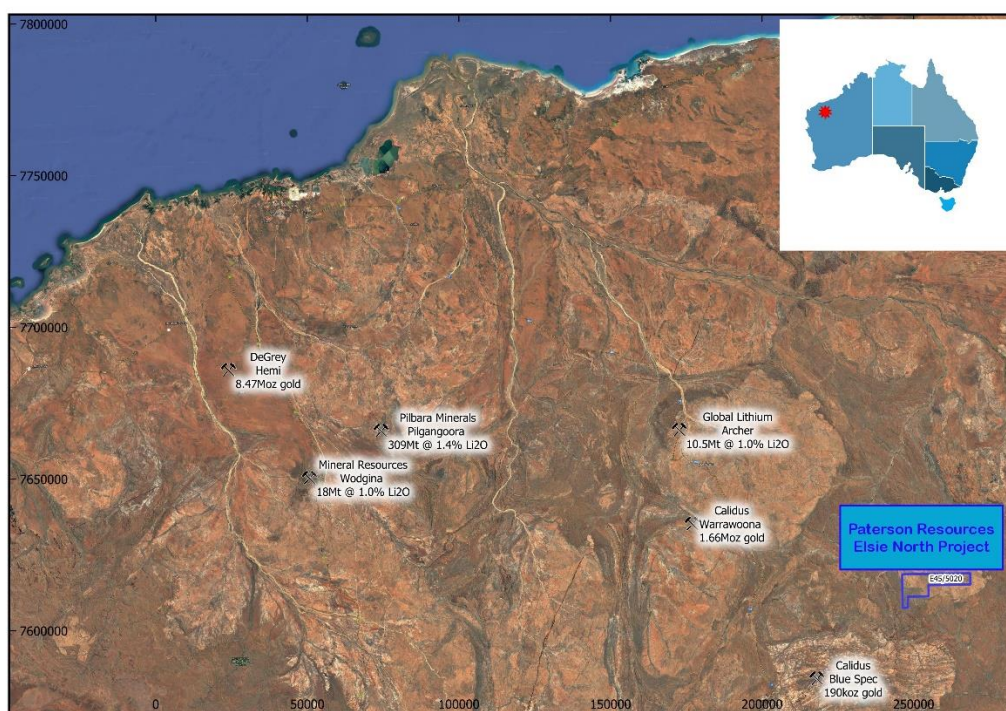


Figure 1 – Paterson Resources Elsie North Project Location

Paterson Resources Limited (“Paterson” or “the Company”) (ASX: PSL); is pleased to provide an update on exploration activities at its 100% owned Elsie North Project in Western Australia’s East Pilbara region.

Elsie North is located about 80km southeast of Marble Bar and 60km northeast of Novo Resources 275koz Beatons Creek gold project. The area remains largely under-explored with only historical stream sediment sampling scattering the tenure and a small shallow RAB drilling program undertaken by Mines and Resources in the southern portion of the tenure in 2001.

A broad-spaced reconnaissance soil geochemical survey was undertaken by independent field contractors at the Elsie North Project in September last year. A total of 306 samples were collected on a nominal 100m by 400m grid spacing targeting the contact between granitic intrusions of the Yigalong Granitoid Complex and Euro Basalt (Figure 2) along with the northern strike extents of the Elsie Gold Mining Camp.

Samples were submitted to ALS Global laboratories in Perth for low-level gold and multi-element analysis using an Aqua Regia digest and ICP-MS finish.

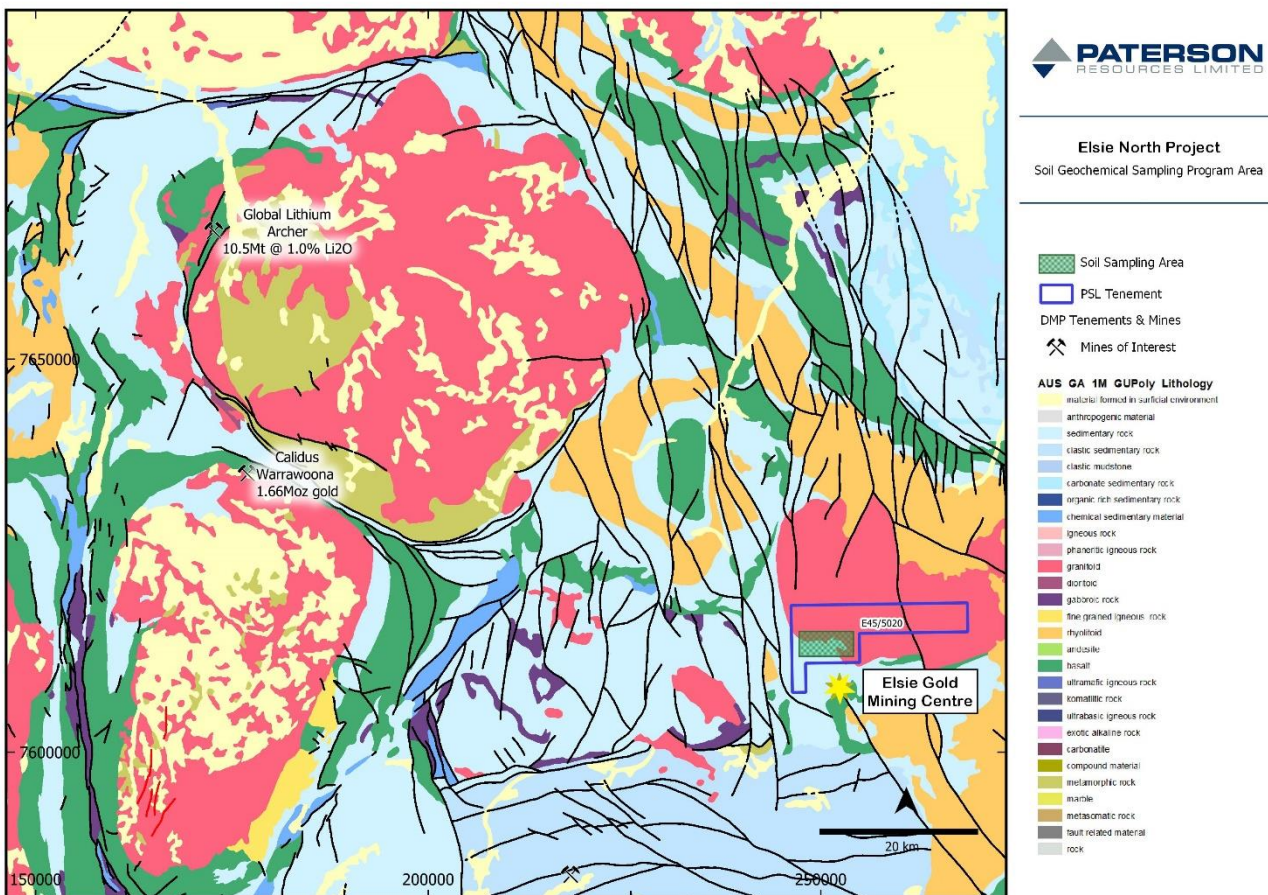


Figure 2: Geological setting and location of soil sampling program at Elsie North Project (adapted from Geoscience Australia 1:1M Geological Map)

Gold Anomalism

From the 307 collected a total of 7 samples returned values above 10ppb gold peaking at 578ppb gold in three distinct trends (Figure 3). Gold anomalism is coincident with multiple regional aeromagnetic highs interpreted to be a sequence of intercalated chert horizons and ultramafic-mafic extrusive rocks of the Euro Basalt member of the Pilbara Supergroup.

The largest of the anomalies outlined extends for a strike of 1300m over widths up to 300m and remains open along strike to the southwest. All three anomalies extend along strike from the historic Elsie Gold Mining Camp

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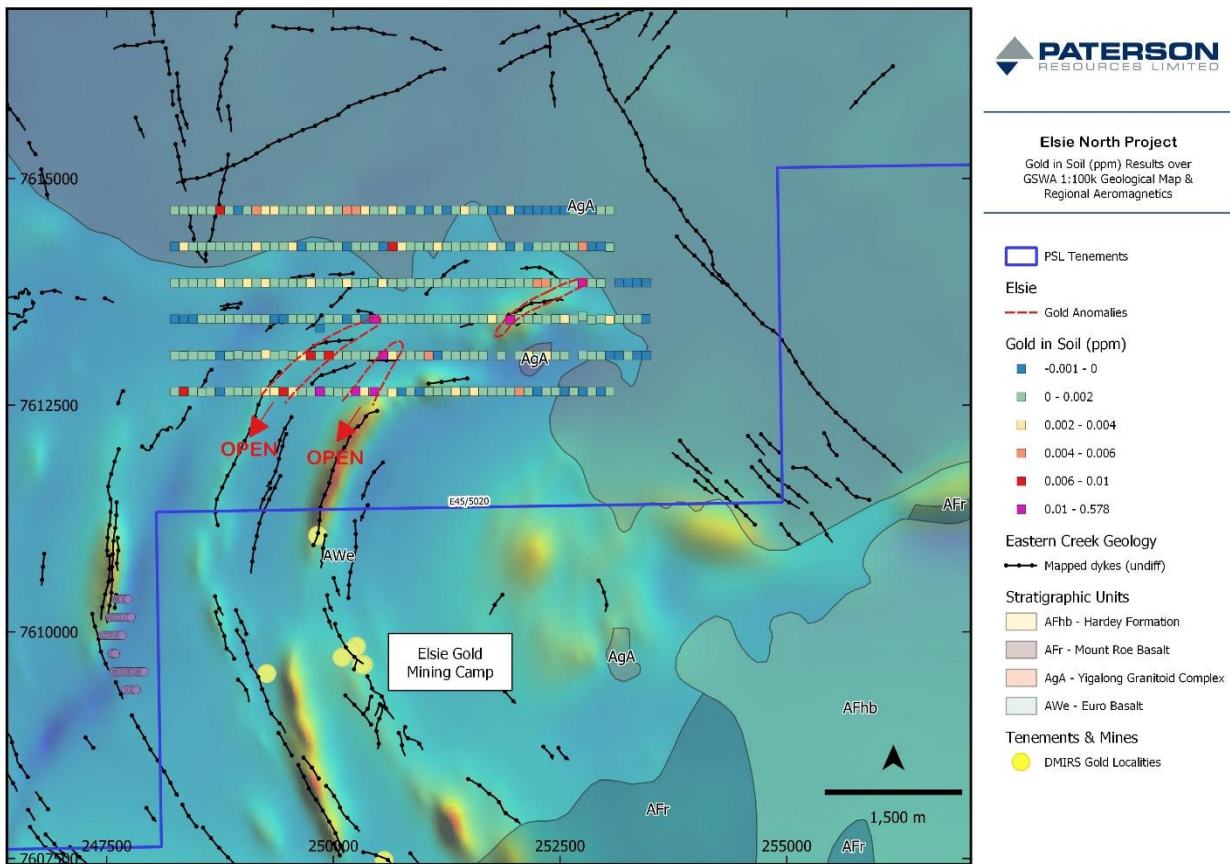


Figure 3: Gold in soil results at Elsie North project over regional aeromagnetics

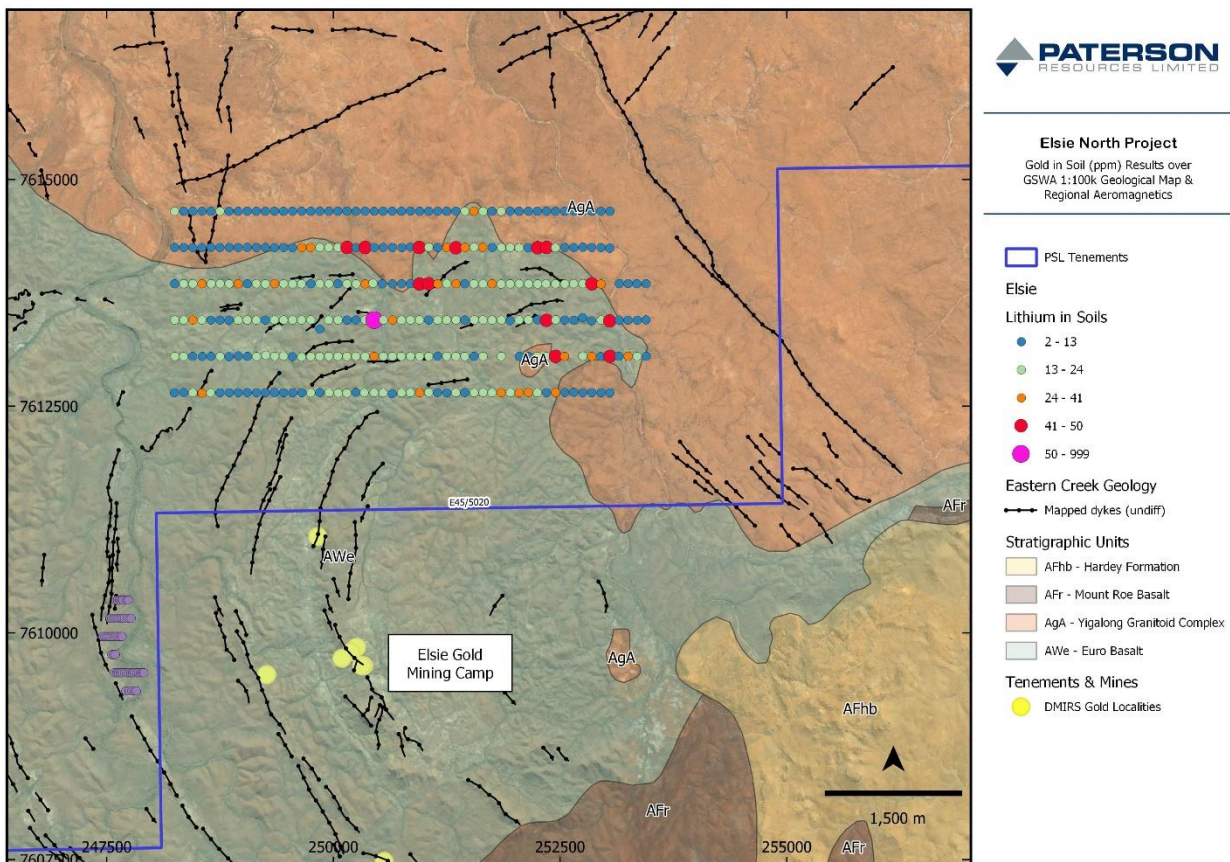


Figure 4: Lithium in soil results at Elsie North Project with Geological Survey of WA 1:100k Geological Map

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Lithium Anomalism

The Company's technical team undertook a reconnaissance field trip to the Elsie North project area early last year recognising the potential for the area to be prospective for lithium-bearing pegmatites. The soil sampling program was designed to cover the contact of the Yilgalong Granitoid Complex with the Euro Basalt, representing a similar geological setting to other lithium deposits in the Pilbara mineral field including Global Lithium's Archer lithium deposit. No previous exploration for lithium has been conducted at the Elsie North Project.

A total of 14 samples returned anomalous lithium results above 50ppm. A maximum lithium value of 109.5ppm is coincident with a distinct pegmatite mapped by the Geological Survey of Western Australia that outcrops for nearly 300m (Figure 4). The remaining elevated lithium values form a halo around the contact of the Yilgalong Granitoid Complex with the Euro Basalt member.

Future Work

The Company is currently planning a field mapping program to ground-check the anomalous gold and lithium results, with further soil geochemical sampling planned to infill the anomalies. Field activities are expected to be undertaken in the current quarter.

Grace Gold-Copper Project Update, Paterson Province, Western Australia

Planned field activities at the Company's 100% owned Grace Gold-Copper Project near Telfer in the Paterson Province have been delayed due to the recent cyclone which passed directly over the field area.

Heritage and ground disturbing approvals are in place to commence drilling operations during the current 2023 field season. A request for additional Heritage Clearance has been submitted to further extend areas accessible for drilling in anticipation for a resource drill program. It is anticipated the Heritage Survey will be undertaken in Q3 of 2023.

Burruga Copper Project Update, Lachlan Fold Belt, New South Wales

The Paterson field team completed a soil sampling program covering multiple high-priority copper prospects, including the recently defined "Callinore" project where historical soil sampling has outlined an anomalous area 1.6km long and 350m wide. A total of 244 samples were collected and submitted ALS Global laboratories in Orange for low-level gold and multi-element analysis using an Aqua Regia digest and ICP-MS finish. Results are still outstanding.

This announcement has been approved for release to ASX by the Board of Paterson Resources

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.

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Section 1 – Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> 306 soil samples collected varied in weight from 1kg up to 3kg. Soil samples were collected along 400m spaced E-W lines with a sampling station every 100m i.e. 400m x 100m grid pattern. The soil sampling interval is considered sufficient for reconnaissance-level lithium and gold exploration. Soil samples were sieved to -2mm size fraction at the laboratory. Soil sampling practice is appropriate to the generally residual soil profile of the are sampled and complies with industry best practice.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling was completed.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No drilling was completed..
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All soil samples were geologically logged and photographed at each sampling site.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Soil samples were collected in dry conditions and placed in numbered calico bags and grouped in green plastic bags for dispatch to the laboratory. • Sample size was generally 1-3kg. • Samples were directly delivered from site to ALS Global Laboratory in Perth. • Field duplicate samples were collected at a rate of 1:50 and Certified Reference Materials (CRMs) were included at a rate of 1:40. Duplicate and CRM results show an acceptable level of variability for the material sampled. • Sample weights are recorded and provided by the laboratory.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Assaying of the soil samples was conducted by ALS Global Laboratory in Perth. • Samples were sieved to -2mm fraction, pulverised to 85% passing through 75µm analysed using the AuME-TL43 technique. • A 50g sub sample was taken for analysis. • This fraction was digested in aqua-regia. • Elemental concentrations for Au and 50 other elements were determined using a combination of ICP-MS & ICP-OES using state-of-the-art instruments. • The assaying techniques and quality control protocols used are considered appropriate for the data to be used for reporting exploration soil geochemistry results.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No independent verification of results has been conducted. • All sampling and assay data are stored in a secure database with restricted access. • No adjustments have been made to the assay data. • All data collected in the field is verified by the responsible and qualified geologist and digitally transferred to Perth.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sample location points were surveyed by handheld GPS to a stated accuracy of +/-3m. • All soil sample location coordinates are provided in the Geocentric Datum of Australia (GDQ94 Zone 51) • RL data is verified utilising publicly available SRTM-derived (~30m pixel) Digital Elevation Model.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been</i> 	<ul style="list-style-type: none"> • Soil samples were collected on a nominal 100m by 400m grid spacing. This is considered sufficient as a first pass reconnaissance exploration technique. • The data obtained will not be used for any resource calculations at present.

Criteria	JORC Code explanation	Commentary
	<i>applied.</i>	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • The strike of the Euro Basalt is approximately N-S. The strike of the contact of the Yigalong Granitoid Complex is approximately E-W. • Soil sample spacing and orientation is reconnaissance in nature and not targeted at specific structures or known trends.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • All samples were secured in closed plastic bags by company personnel and delivered to ALS Global Laboratory in Perth.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • The data has not been audited as it is not required at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • E45/5020 is held directly or by entities controlled by Paterson Resources. • All tenements are contained completely within land where the Martu People have been determined to hold native title rights. To the Company's knowledge no historical or environmentally sensitive sites have been recorded. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Previous exploration was completed by Mineral Resources, Creasy Group and Bookaburna Minerals and Conglomerate Gold Exploration • Exploration completed included geological mapping, rock chip sampling, soil sampling and drilling (RAB drilling). • WAMEX reports reviewed and utilised to complete the data compilation include A59604, A60126, A61123, A61304, A63452, A64780, A65374, A66090, A68149, A90326, A93956, A984327 and A102337.. • Open file data available from the Geological Survey of Western Australia and Geoscience Australia has also been reviewed. • Paterson acquired the project in 2020
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The deposit type being explored includes hydrothermal, structurally controlled gold deposits and lithium rich pegmatite deposits.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of 	<ul style="list-style-type: none"> • No drilling has been completed.

Criteria	JORC Code explanation	Commentary
	<p><i>the drill hole collar</i></p> <ul style="list-style-type: none"> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> <ul style="list-style-type: none"> ● <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	
Data aggregation methods	<ul style="list-style-type: none"> ● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ● <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● No applicable as no data averaging has been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> ● Samples are only collected from the surface and any potential depths of mineralisation can only be observed on the surface and hence are speculative in nature.
Diagrams	<ul style="list-style-type: none"> ● <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> ● All figures have been presented within the announcement.
Balanced reporting	<ul style="list-style-type: none"> ● <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> ● Not applicable.
Other substantive exploration data	<ul style="list-style-type: none"> ● <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> ● No other information is considered material for this presentation.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none"><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">Refer to the main body of the announcement.