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ASX ANNOUNCEMENT 29 October 2020

Quarterly Activities Report
Quarter Ended 30 September 2020

HIGHLIGHTS

Corporate

- **During the quarter, the Company satisfied all the conditions for re-admission of the Company's securities to quotation on ASX.**
- **On 21st July 2020, the Company's securities were reinstated to trading on ASX.**
- **Placement and SPP raised $2.55m at $0.0035 with attaching a 1:1 three year option exercisable at $0.007**

Grace Project

- **Extensive 3D inversion aeromagnetic modelling completed on the publicly available high-resolution aeromagnetic data with large scale anomalies identified.**
- **Road access reopened with water bore refurbished and camp established.**
- **GAIP survey commenced over 44 lines averaging 1.2km over the 4kms strike of the Grace and Bemm Shear zones**

Burraga Project

- **Planning for soil sampling and ground geophysics commenced over the Hackneys Creek and Lucky Draw gold prospects.**
- **Planning for infill verification drilling to update both deposits from Inferred to the Indicated and Measured resource categories.**

The Board of Paterson Resources Limited (**Paterson** or **the Company**) (ASX: PSL) provides the following commentary and Appendix 5B for the Quarter ended 30 September 2020.

Exploration Projects

Grace Project – Paterson Range, Western Australia

Following completion of the Entitlement Offer and the Reinstatement of the Company to Official Quotation the Company was able to make the necessary commitments to commence a field programme at the Grace Project.

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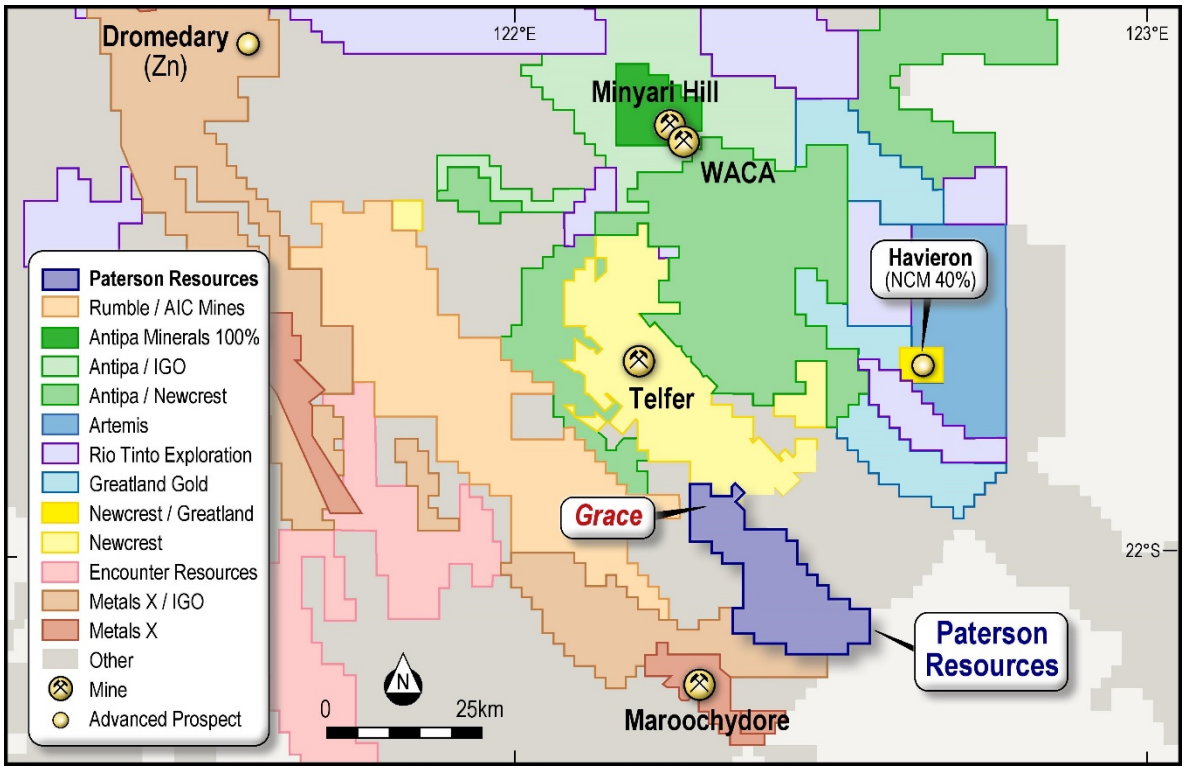


Figure 1 : Grace Project Tenement Map

In the quarter exploration commenced with proposals of Work (PoW's) were lodged with the Department of Mines Industry Regulation and Safety (DMIRS) to enable field crews to carry out the planned geophysical surveys and preparatory work for a drilling programme planned for next quarter. As part of the process the Company also consulted with the representatives of the Martu People Traditional Owners, the Western Desert Lands Aboriginal Corporation, on requirements to enable the planned work to proceed.

Work on the planned GAIP survey (see Fig 2 below) commenced on the ground in the following quarter in mid October. The survey is designed to follow up on to two historical IP surveys carried out in the 1980's and 1990's which provided coverage of only relatively small areas at each end of the Grace and Bemm Shear Zones, but most importantly to provide new IP survey coverage along the two shear zones what was not previously surveyed but contains significant zones of gold mineralisation and the Grace inferred mineral resource of 1.59mt @ 1.35g/t Au for 69,000 ozs (*PSL ASX Announcement 22 May 2020 – Entitlement Issue Prospectus).

The best intercepts for historic drilling in the Grace Project 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)

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- 4.0m @ 7.04 g/t Au f rom 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)

This GAIP survey will play a crucial role in identifying the location and orientation of the mineralised trends and structures at prospect scale below surface. Even though unusually for the Paterson Province there is outcrop to geologically map, the gold/copper mineralisation follows stratigraphy and structures at depth, so the GAIP results will assist with drill planning and prioritisation. In the Paterson Province, the highest grade Au-Cu mineralisation is mostly associated with chargeable sulphide minerals, so the GAIP will be used as a direct targeting tool as well as for mapping subsurface geology and structure.

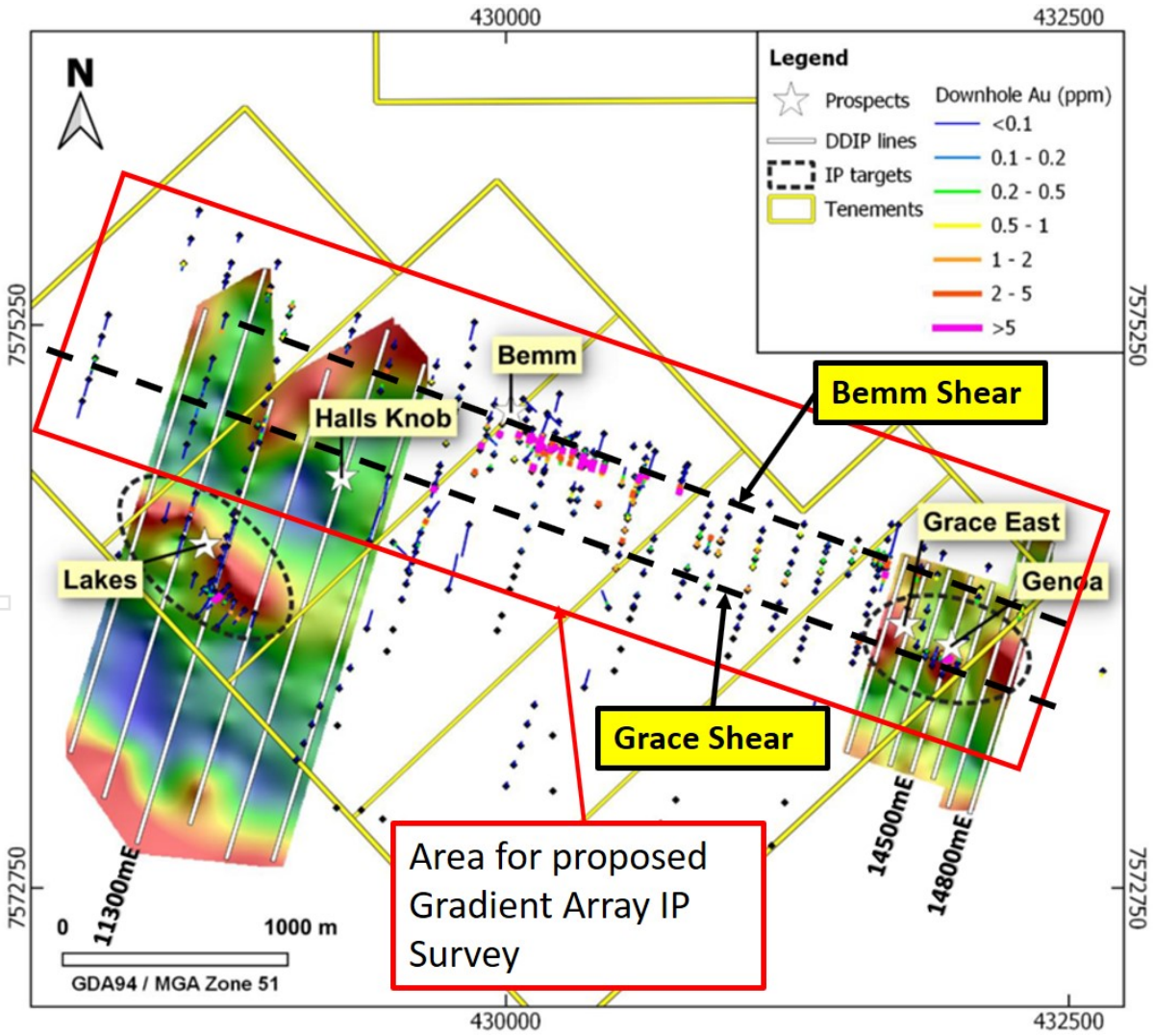
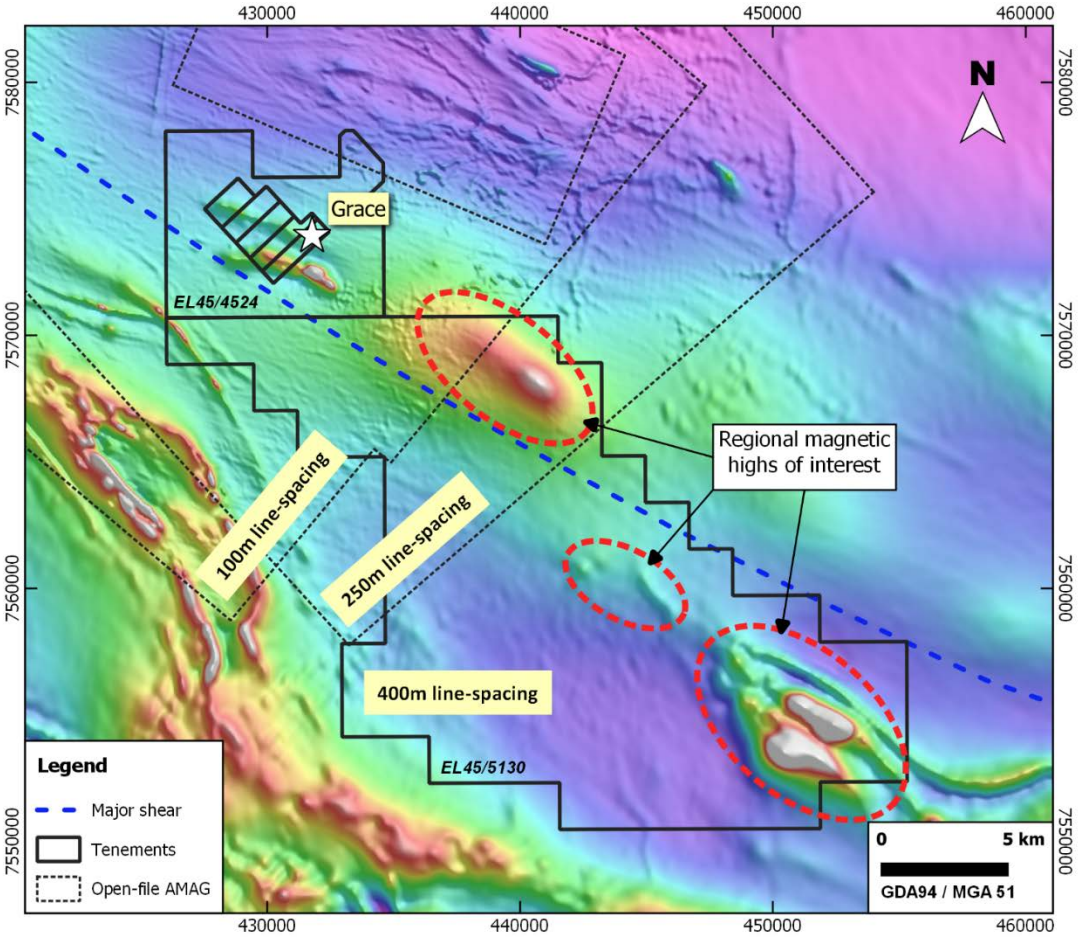


Figure 2 : Gradient Array IP survey (red outline) planned to cover the full length of the Au-Cu mineralised Grace and Bemm Shear Zones. The two historic dipole-dipole IP (DDIP) surveys with

survey lines shown as white lines 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 slices through DDIP chargeability inversion models, indicating chargeability anomaly trends at 75-100m depth. Maximum gold in hole assay values are shown at the drill collar.

The Company's geophysical consultants conducted extensive 3D inversion aeromagnetic modelling on the publicly available high-resolution aeromagnetic survey data covering the Grace Project in the immediate vicinity of the open ended gold mineralisation at the Grace deposit.

High resolution aeromagnetic survey data acquired at 100m survey line spacing show a strong NW-SE magnetic anomaly high trend following the southern side of the Grace-Bemm shear zone, and just to the south of this magnetic anomaly trend is another parallel magnetic anomaly trend with very strong magnetic anomalism, with both anomaly trends located entirely within the Company's tenements (Figure 3). The magnetic anomaly patterns suggest that hydrothermal magnetite and/or pyrrhotite have altered the dolomitic siltstone host rocks, similar to the Havieron gold deposit to the northeast, or have formed skarn contact zones related to underlying intrusive igneous rocks, similar to the O'Callaghans tungsten and base metal deposit located between Grace and Telfer, or are related to dolerite sills usually found lower down in the stratigraphic sequence. These magnetic anomaly zones have not yet been systematically drilled deep enough to fully assess the sources of the magnetic anomalies to see if they are related to associated zones of gold and copper mineralisation. The potential sources for the magnetic anomalies could be hydrothermal magnetite and pyrrhotite alteration associated with gold-copper mineralisation at depth, and 3D inversion modelling has been used to estimate depth to the magnetic source bodies for planning deep drilling into these target bodies by the Company.



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Figure 3 : Grace Project Area Regional Aeromagnetics
Merged aeromagnetic anomaly image (TMI reduced to the pole with NE sun angle) showing survey line spacing coverage for different survey areas ranging from 100m to 400m (dashed black outlines), and Paterson tenement outlines (black).

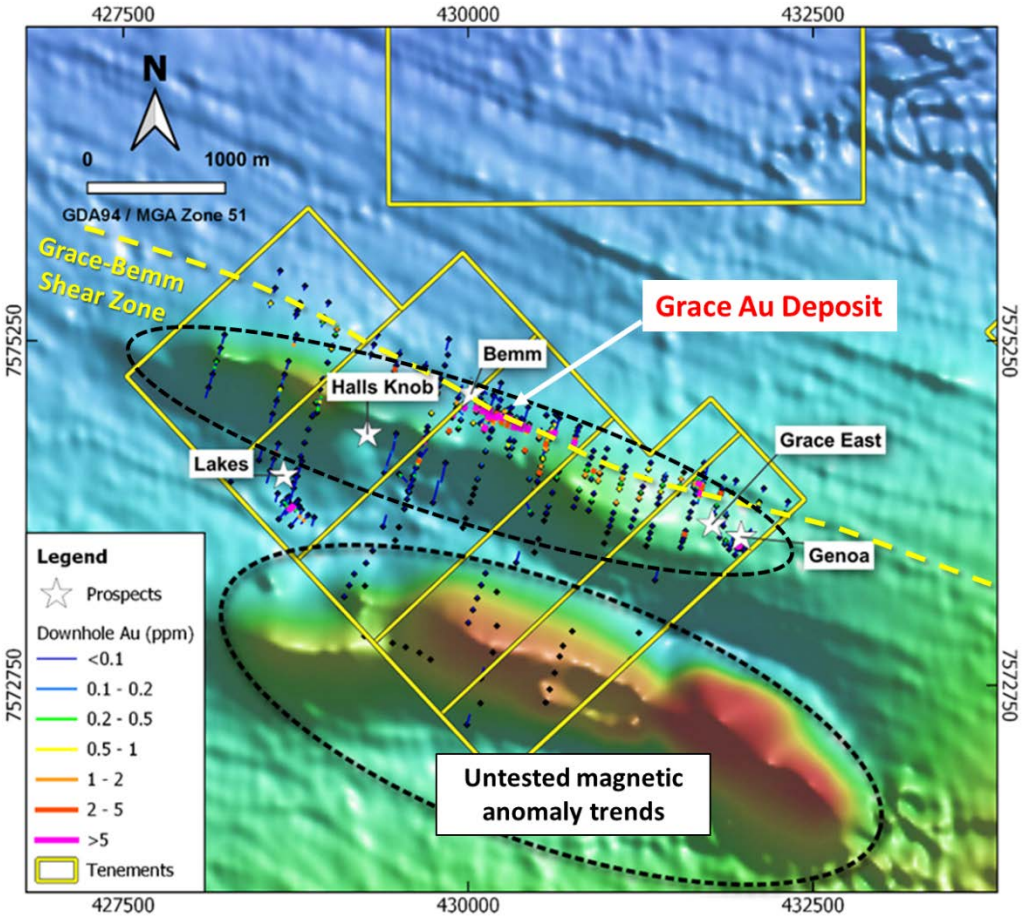


Figure 4 : Grace Prospect Interpreted Regional Shears, Historic Drill Collars & IP Lines Overlaying Aeromagnetics.

Grace magnetic anomaly image (TMI reduced to the magnetic pole and NE sun angle) showing a moderate strength anomaly trend following the Grace-Bemms shear zone in the north and a much stronger intensity magnetic anomaly trend in the south and running parallel to the Grace-Bemm shear zone trend (dashed black outlines). These large and intense magnetic anomaly zones sit entirely within the Company's tenements (yellow outline), they have not yet been systematically tested by enough deep enough drilling, and could be related to hydrothermal alteration, skarn contacts formed between carbonate host rocks and igneous intrusive rocks, or dolerite sills at greater depth.

3D inversion magnetic modelling has been used to help explain the subsurface magnetic source body geometry causing the two main parallel magnetic anomaly trends. This has resulted in an interpretation that places the tops of magnetic bodies at a greater depth than most drillholes from previous explorers, with only a few very wide spaced historical drillholes appearing to have intersected the tops of the magnetic bodies but did not penetrate deep enough into the cores of both source bodies modelled to cause the strong magnetic anomaly trends (Figures 5 and 6).

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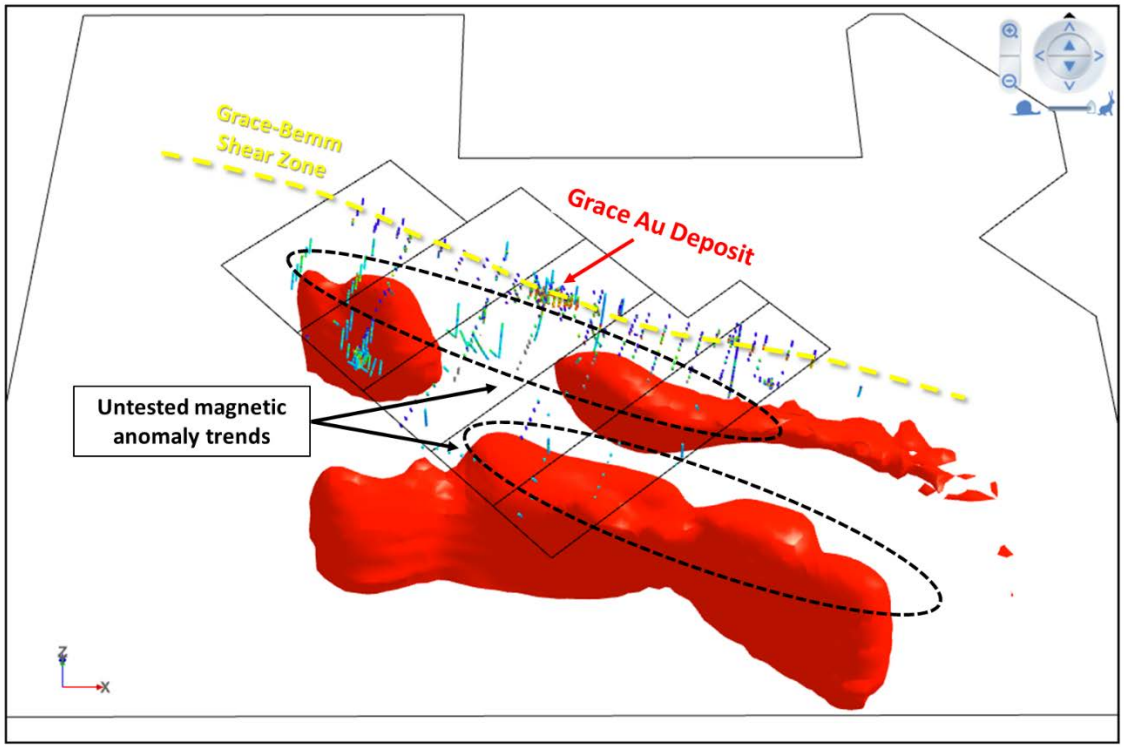


Figure 5 : 3D view looking north from above on magnetic inversion modelling results, where magnetic source bodies are in red, also shown are Paterson tenement outlines (black), drilling coloured by increasing gold grade, and Grace-Bemm Shear Zone.

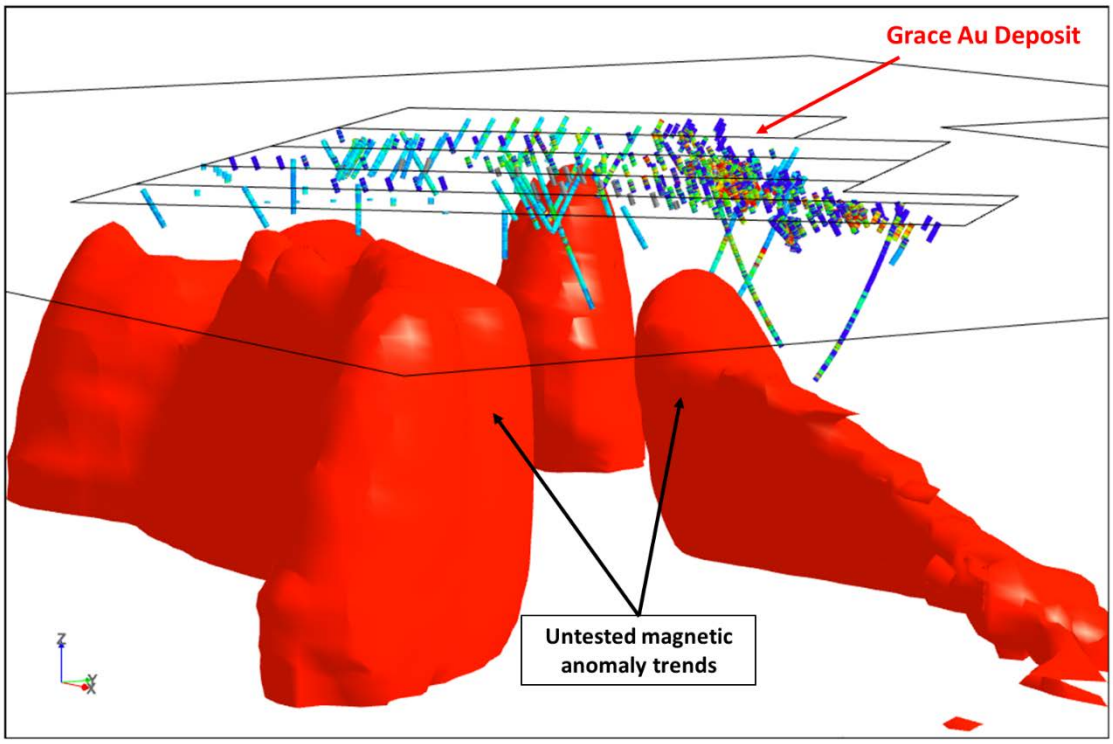


Figure 6 : 3D view looking to the west on magnetic modelling results, where magnetic source bodies are in red, also shown are Paterson tenement outlines (black), and drilling coloured by increasing gold grade.

Pilbara Gold Exploration Projects – Pilbara Western Australia

During the quarter two company field consultants conducted reconnaissance sampling programmes over the Hamersley (E47/3827) and Cheela Plains (E08/2880). Rock chips samples have been submitted for assay and results are pending.

Horseshoe South Base Metal Project – Murchison Western Australia

The tenement E52/2569 was due to expire this quarter and was surrendered before the expiry date.

Burraga Copper Gold Project – Lachlan Fold Belt, NSW

There was minimal field activity on the Burraga Project during the Quarter with Company consultants carrying reconnaissance ground checking and completing statutory reporting requirements. Planning for soil sampling and ground geophysics has commenced over the Hackney Creek and Lucky Draw Gold deposits which is expected to commence in Q1 2021.

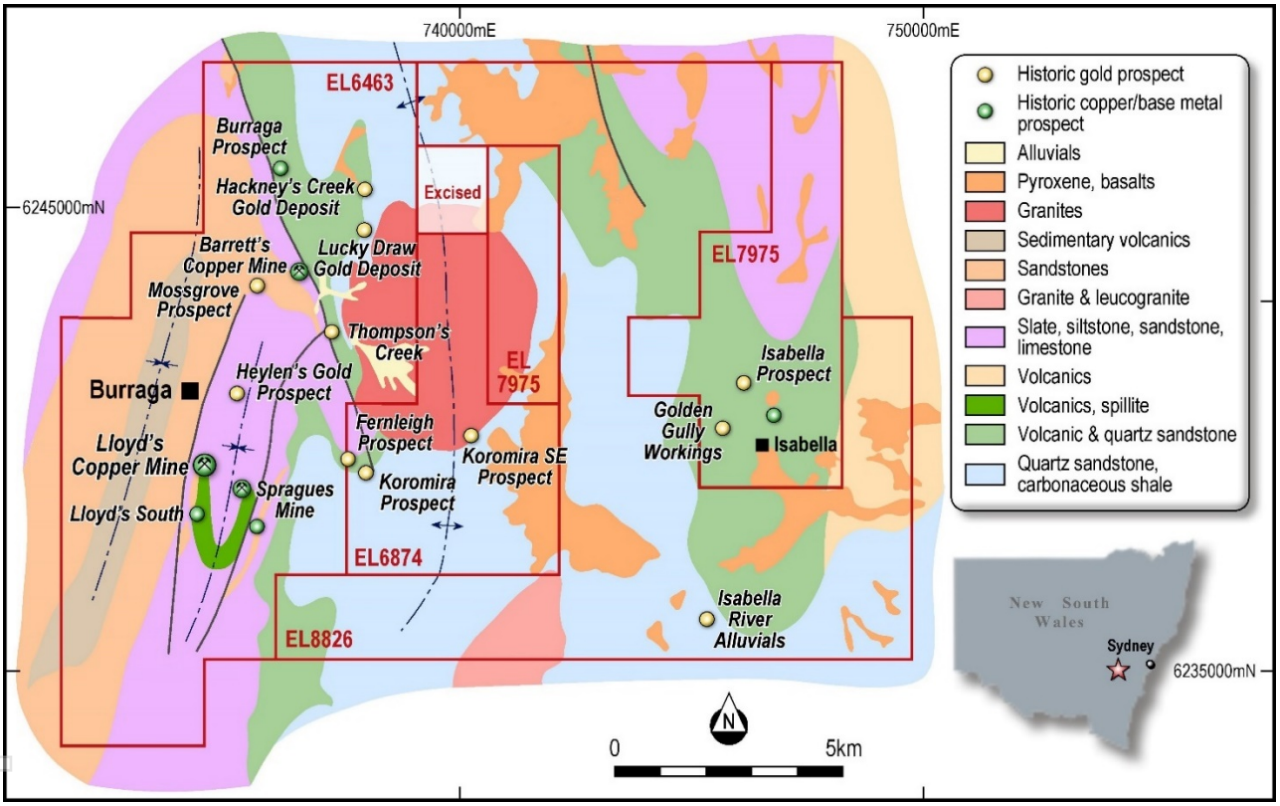


Figure 7 : Burraga Project Area

As part of the comprehensive geological report for the technical section of the recently released entitlement issue prospectus (PSL ASX Ann 22 May 2020 *) was a re-statement of the Lloyd's copper gold resource (Table 1) and also a Gold Resources Estimate for the Lucky Draw and Hackney's Creek gold prospects (Table 2).

(* - 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)

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Model		Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyds (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps	Inferred	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 1. Lloyds Copper Mineral Resources by model and resource category

Gold Mineral Resources (above 0.5 g/t Au cutoff)				
		Tonnes	**g/t Au**	**Au Metal ozs**
Hackney's Creek	Measured Indicated Inferred	2,210,000	1.4	102,300
	Total	2,210,000	1.4	102,300
Lucky Draw	Measured Indicated Inferred	470,000	2.1	31,700
	Total	470,000	2.1	31,700
Gold Total	Measured Indicated Inferred	2,680,000	1.6	134,000
	Total	**2,680,000**	**1.6**	**134,000**

Table 2. Lucky Draw and Hackney's Creek Mineral Resources by model and resource category

Access agreements with the landholders for the Hackneys Creek Prospect are currently in process. Once finalised an orientation survey will be carried out at Hackneys Creek with the recommended verification diamond drill holes at Hackneys Creek planned as soon a drilling contractor can be arranged.

The diamond drilling is designed to validate the existing drill assay data used in the inferred resource estimation at Hackneys Creek by twinning approximately 6 holes. A further 10 diamond drill holes recommended to validate the existing drill assay data at the remnant Lucky Draw inferred resource are also planned. Validation of this drill data along with the collection of additional geological and structural information will enable the upgrading of the current resource from inferred to a higher category.

The most promising intercepts returned from past drilling carried out by RGC Exploration at Hackneys Creek that were included in the inferred resource estimation are:

- **21.3m @ 9.19 g/t Au from 89m, including 4m @ 40.38 g/t Au from hole LDD309**
- **33.6m @ 2.27 g/t Au from 71.4m, including 5m @ 5.83 g/t Au from hole LXD283**
- **25.0m @ 3.57 g/t Au from 20m, including 4m @ 7.48 g/t Au from hole LXD359**
- **2.0m @ 11.25 g/t Au from 28m from hole LXD 282**
- **16.0m @ 3.30 g/t Au from 34m from hole LRC 353**

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

Company contractors will be on the ground at Lloyds in the following quarter carrying out remediation works.

Corporate

Placement

In September, the Company completed a placement 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 together with one (1) free attaching option for every one (1) Placement Share subscribed for (**Placement Options**) (**Placement**). The issue of the Placement Shares was 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 were issued at an issue price of 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 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 was lodged with ASX and ASIC on 18 September 2020.

The funds raised from the Placement have been and will continue to 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 Burraga 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 were no capital raising fees. The Placement Shares were issued on 18th September 2020.

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Share Purchase Plan

In addition to the Placement, the Company launched a Share Purchase Plan (**SPP**) during the quarter 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 allowed 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**).

The SPP was intended to raise a total of $1,500,000, however the Company reserved the right to accept oversubscriptions. Subsequent to the end of the quarter, the SPP closed oversubscribed on 9th October 2020 with the Company receiving applications for a total of 502,178,606 shares. PSL accepted the oversubscription funds of $257,625 as announced to ASX on 15th October 2020. Allotment of the SPP shares occurred on 16th October 2020.

The Company will seek shareholder approval for the SPP Options at its Annual General Meeting to be held on or around 11th December 2020.

Less than Marketable Parcel Sale Facility

During the quarter, the Company 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 represented 70,332,830 shares held by 2,020 shareholders (**Minority Members**).

The Company offered 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, Computershare by 5.00pm (AWST) on 28th 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 was released to ASX and mailed to Minority Members on 16th September 2020.

The Company lodged its Annual Report for the financial year ended 30 June 2020 on 29th September 2020.

For and on behalf of the Board
Sarah Smith
Company Secretary

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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:

ASX Listing Rule 5.3.1
Exploration and Evaluation expenditure during the quarter was $193k. The majority of this was spent on the maintaining the Company's tenement portfolio in goodstanding including payment of shire rates and tenement rents, as well as expenditure on the Company's Grace Project.

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	$117,500[1]	Periodical fees paid to Directors and/or Director related entities
Director	$38,700	Exploration consulting fees paid to a Director/Director related entities

[1] *Includes payment of Director Fees owing for the previous two quarters*

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	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%
Burraga	NSW		EL6463	100%
Burraga	NSW		EL6874	100%

Project Name	Location		Tenement Licences	Interest held by Group
Burraga	NSW		EL7975	100%
Burraga	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.

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 221km^2. 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.

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

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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.

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Appendix 5B

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

Name of entity

Paterson Resources Limited

ABN	Quarter ended ("current quarter")
45 115 593 005	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(6)	(6)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(378)	(378)
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(384)**	**(384)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(187)	(187)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(187)**	**(187)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	500	500
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	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**500**	**500**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,956	1,956
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(384)	(384)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(187)	(187)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	500

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,885**	**1,885**

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	1,885	1,956
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,885**	**1,956**

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	(157)
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.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(384)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(187)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(571)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,885
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,885
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**3**

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.

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

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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 October 2020

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.

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