



PATERSON RESOURCES LIMITED

ABN 45 115 593 005

Annual Report for the Year Ended 30 June 2026

Annual Report

For the year ended 30 June 2026

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Corporate Directory

Board of Directors

Matthew Bull	Executive Director
Samuel Baker	Non-Executive Director
Greg Entwistle	Non-Executive Chairman

Secretary

Ms Sarah Smith

Registered Office

Unit 1, 1 Centro Avenue
Subiaco WA 6008

Telephone: 08 6559 1792
Website: www.patersonresources.com.au

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: PSL)

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Solicitors

Hamilton Locke Australia
Level 39, 152-158 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
Perth WA 6000

Country of Incorporation

Paterson Resources Limited is domiciled and incorporated in Australia.

Directors' Report

The Directors of Paterson Resources Limited ("PSL" or "the Company") present their report, together with the financial statements on the Consolidated Entity consisting of Paterson Resources Limited and its controlled entities (the "Group") for the financial year ended 30 June 2026.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire period unless otherwise stated.

Matthew Bull | Executive Director

Matthew Bull is a geologist with over 10 years' experience in the mining and exploration industry. He has worked in a wide range of commodities including graphite, bauxite, gold, iron ore, copper and coal. He has considerable experience in the operation of greenfield and resource development drilling programs. His previous positions include consultant geologist working on Discovery Africa's Tanzanian Graphite Project and CEO/Chief Geologist at Baru Resources.

During the past three years, Mr Bull has not held any directorships in other ASX-listed companies.

Greg Entwistle | Non-Executive Chairman (Appointed 24 April 2026) and Non-Executive Director

Mr Entwistle is an experienced mining executive who has worked in multiple countries. He has played a key role in the development of mines across many commodities. Mr Entwistle has over 40 years' experience in design, development and operations in various roles including as a project director, mine manager and Chief Operations Officer.

During the past three years, Mr Entwistle has not held any directorships in other ASX-listed companies.

Samuel Baker | Non-Executive Director (Appointed 24 April 2026)

Mr Baker brings to the Board hands-on operational depth, mine engineering capability and commercial project development experience, including direct involvement in government, heritage and statutory approvals processes across Western Australia, with relationships spanning contractors, engineers, consultants and resource companies domestically and internationally. Mr Baker holds qualifications in mining engineering and business administration alongside relevant statutory mining certifications.

During the past three years, Mr Baker has not held any directorships in other ASX-listed companies.

Kenneth Banks | Non-Executive Chairman (Resigned 28 January 2026)

Mr Banks is a qualified Chartered Secretary and a Fellow of the Chartered Governance Institute. He has held a number of senior management positions, notably as Chief Financial Officer for two previously ASX-listed mining companies, and Director of an Australian subsidiary company (TWP Australia) which belonged to an internationally listed multi-discipline mining engineering consultancy. He has gained experience in Australia, Indonesia, Zimbabwe, and Brazil by actively participating in the establishment of businesses in all four countries. His most recent position was as General Manager – Corporate, for one of Western Australia's leading mining services businesses, MLG Oz.

During the past three years, Mr Banks has not held any directorships in other ASX-listed companies.

John Kay | Non-Executive Chairman (Appointed 28 January 2026, Resigned 24 April 2026)

Mr Kay is an experienced corporate lawyer and corporate adviser with over 18 years' experience in equity capital markets, M&A and resources in Australia and the UK. Mr Kay has previously held a number of non-executive and company secretarial roles for ASX listed mining and energy companies.

Mr Kay is currently a Non-Executive Director of ASX-listed Tusker Minerals Ltd.

Directors' Report

COMPANY SECRETARY

Sarah Smith

Ms Smith specialises in corporate advisory, company secretarial and financial management services. Ms Smith's experience includes company secretarial and financial management services for ASX-listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Ms Smith is a Chartered Accountant and has acted as the Company Secretary for several ASX-listed companies.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following Table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options	Performance Rights
Matthew Bull	47,854,664	34,521,330	6,666,667
Samuel Baker	225,254	-	-
Greg Entwistle	-	-	-
Total	48,079,918	34,521,330	6,666,667

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration.

REVIEW OF OPERATIONS

Exploration Programs

Paterson has continued to focus exploration efforts for the year on its wholly-owned Grace Project, which lies within the north-western boundary of tenement E45/4524.

The Company's current strategy has been to progress the project through to feasibility and convert the current exploration permit to a mining lease in the near term. Work is well underway in advancing these outcomes and has included continuing the mine planning and working towards establishing a JORC 2012 compliant resource for the current exploration target at the project. Drilling completed in the last annual reporting year has highlighted the robust nature of the resource with higher grade intersections occurring to depth, and the resource open in all directions, with the main target being a shallow, high grade oxide resource from surface.

During this period, exploration programs have included scoping studies at the Grace Project.

Grace Project – Paterson Province, Western Australia

The Company's priority for focused exploration was at the Grace Gold-Copper Project in the highly prospective Paterson Province. The area is home to Greatland's world-class Telfer gold-copper mine, located 25km to the northeast. The Paterson Range is also host to several other major discoveries including Rio Tinto's Winu copper project and the Havieron gold and copper discovery, owned by Greatland Gold.

The Grace Gold-Copper Project covers over 35.4km² of prospective geology in the Paterson Province. The project has been previously explored by Newcrest Mining, which identified outcropping gold and copper mineralisation at the Bemm and Grace Prospects, along with bedrock mineralisation at the Lakes, Genoa and Halls Knob Prospects.

The Grace-Bemm deposit has been drilled along 450–500m of strike and 90m across strike to an average depth of 73m. High-grade, shallow oxide gold mineralisation commences from surface. The historic drilling has allowed the calculation of an Inferred Mineral Resource of 1.59Mt @ 1.35g/t Au for 69,000oz, as outlined in Table A (PSL ASX Announcement 22 May 2020 – Entitlement Issue Prospectus).

Directors' Report

REVIEW OF OPERATIONS (Continued)

During the year, Phase I of the comprehensive 8,500m reverse circulation (RC) drilling campaign was successfully completed on time and within budget. The drilling contractor completed 18 drill holes for approximately 2,500m. Please refer to ASX announcement dated 16 December 2025 for further details.

The drilling campaign has largely been designed to test extensions to known mineralisation and bolster areas of the resource that require further information to extend the classification to a JORC 2012 Indicated MRE.

Of particular interest is the high-grade lode discovered from previous drilling that runs parallel to the existing Inferred MRE (1.59Mt @ 1.35g/t Au for 69,000oz) at the Grace Gold-Copper Project. The MRE was significantly increased during the year to 3.46Mt @ 1.79g/t Au for 200,000oz of contained gold.

Table A – Comparison of 2020 and 2026 MRE

	Tonnes (Mt)	Au (g/t)	Contained Au (koz)
2020 Inferred MRE	1.59	1.35	69
2026 Updated MRE	3.46	1.79	200
Increase	+1.87	+0.44	+131

Preliminary metallurgical test work indicates gold mineralisation is amenable to conventional processing, with indicative recoveries up to 96.7%.

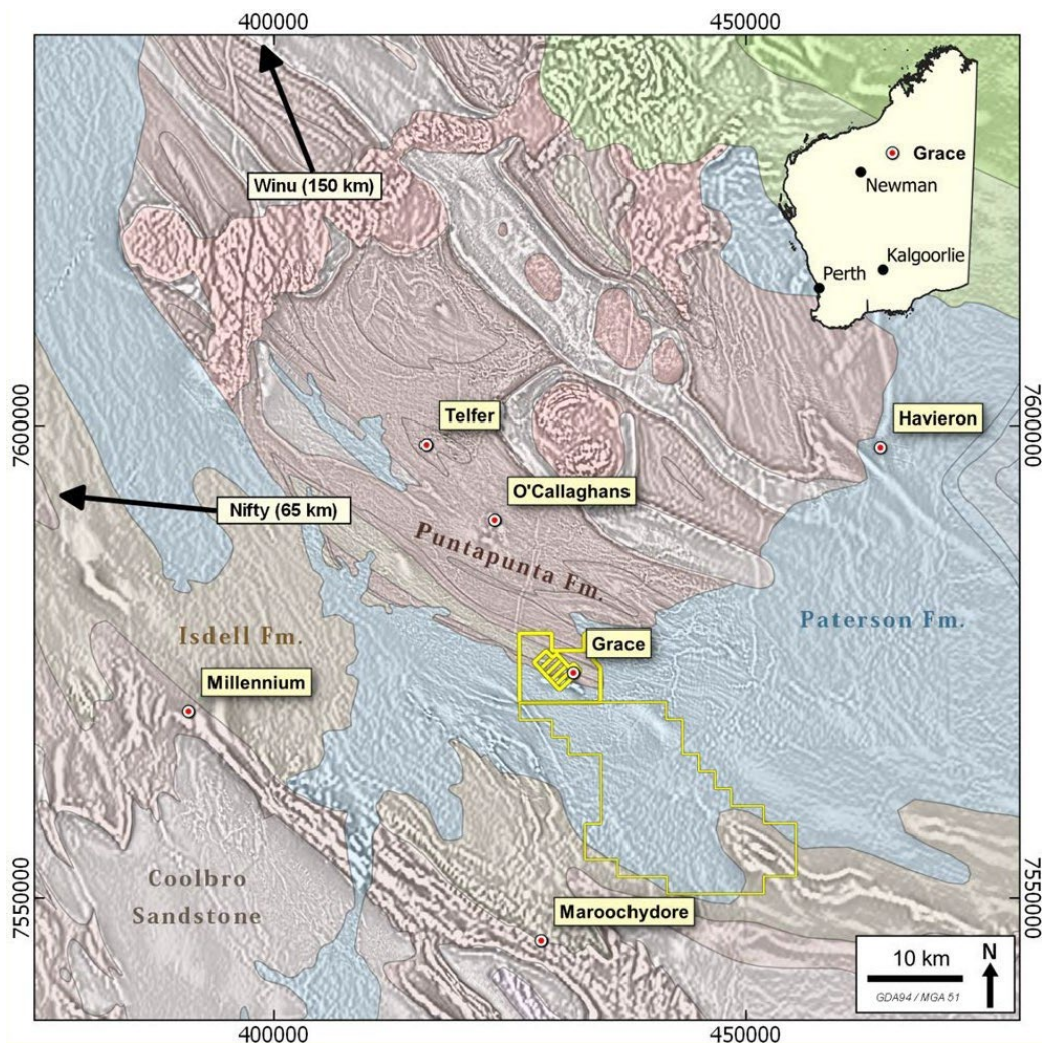


Figure 1: Locality map showing prominent gold and copper deposits in the Paterson Province

Directors' Report

REVIEW OF OPERATIONS (Continued)

Next Steps

Following on from the results of the campaign, Paterson is in the process of:

- Designing a targeted infill and extensional drilling campaign to upgrade the Inferred resource to Indicated and test along-strike and down-dip extensions of the mineralisation;
- Progressing additional metallurgical test work across the full oxidation profile to support processing design;
- Progressing a Scoping Study for the Grace Gold Project, leveraging the updated MRE as a base case for economic assessment; and
- Advancing environmental, geotechnical and infrastructure studies to support mine development planning.

Corporate

Financial Performance

The financial results of the Group for the years ended 30 June 2026 and 30 June 2025 are:

	30-Jun-26 \$	30-Jun-25 \$
Cash and cash equivalents	1,825,186	1,920,241
Net assets	7,523,766	6,573,739
Other income	44,339	322,130
Net loss after tax	(813,741)	(470,643)

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, there were no significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 3 July 2026, the Group was served with proceedings in the Federal Circuit and Family Court of Australia by its former drilling contractor, iDrilling Australia Pty Ltd. The proceedings relate to a commercial dispute concerning amounts alleged to be payable in connection with the Company's Phase I drilling program at the Grace Project. The Company disputes the claim and intends to defend the proceedings.

No other matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Future Exploration

The Group's main exploration efforts will be focussed on continuing to develop value from exploration across its tenements.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Number Eligible to Attend	Number Attended
Matthew Bull	13	13
Kenneth Banks	6	6
Greg Entwistle	13	13
Samuel Baker	2	2
John Kay	5	5

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2026 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during or since the end of the financial year were:

Matthew Bull	Executive Director
Kenneth Banks	Non-Executive Chairman (Resigned 28 January 2026)
Greg Entwistle	Non-Executive Director, Non-Executive Chairman (Appointed 24 April 2026)
Samuel Baker	Non-Executive Director (Appointed 24 April 2026)
John Kay	Non-Executive Chairman (Appointed 28 January 2026, Resigned 24 April 2026)

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Loans with KMP
- I Other Transactions with KMP
- J Additional Information
- K Voting at 2025 Annual General Meeting ("AGM")

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise the Board of Directors.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Its objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

❖ Executive Remuneration Structure

The Group's remuneration policy for executive directors is designed to promote superior performance and long-term commitment to the Group. Executives receive a base salary which is market related. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the best interests of the Group and its shareholders to do so. The Board's reward policy reflects its obligation to align executives' remuneration with shareholders' interests and retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- Reward reflects the competitive market in which the Group operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall initially be no more than A\$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. Refer below for details of all Directors' share and option holdings.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using an appropriate valuation methodology.

The remuneration of Non-Executive Directors is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

C Remuneration and Performance

The following Table shows the other income, net loss, loss per share and share price of the Company for the years ended 30 June 2026 and 30 June 2025.

	30-Jun-26	30-Jun-25
Other income (\$)	44,339	322,130
Net loss after tax (\$)	(813,741)	(470,643)
Loss per share (cents)	(0.16)	(0.10)
Share price (\$)	0.037	0.020

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- Fixed Remuneration – base salary
- Variable Short-Term Incentives
- Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. The base covers standard business hours and terms. Work performed on weekends, after hours, travel, site visits and special assignments may be charged at hourly rates reviewable by the Board. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short-Term Incentives (STI)

Discretionary cash bonuses may be paid to key management personnel annually, subject to the requisite Board and shareholder approvals where applicable.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

c) Variable Remuneration – Long-Term Incentives (LTI)

Options and performance rights are issued at the Board's discretion.

Following shareholder approval at the 2025 AGM, the Company issued 10,000,000 performance rights to Mr Matthew Bull. The vesting of the Performance Rights is subject to the achievement of the following performance milestones, which is to be determined by the Board in its discretion:

- (a) 3,333,333 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.050 over any 20 consecutive day period on which shares are traded on ASX, expiring 24 months after issue;
- (b) 3,333,333 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.075 over any 20 consecutive day period on which shares are traded on ASX, expiring 36 months after issue; and
- (c) 3,333,334 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.100 over any 20 consecutive day period on which shares are traded on ASX, expiring 48 months after issue.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2026 is set out below:

	Short-term Employee Benefits			Post-Employment	Share-based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Performance Rights	
	\$	\$	\$	\$	\$	\$
30 June 2026						
Directors						
Matthew Bull	150,000	-	-	17,875	112,488 ⁽ⁱ⁾	280,363
Kenneth Banks ⁽ⁱⁱ⁾	35,000	-	-	-	-	35,000
Greg Entwistle	66,380	-	-	-	-	66,380
Samuel Baker ⁽ⁱⁱⁱ⁾	11,250	-	-	-	-	11,250
John Kay ^(iv)	15,000	-	-	1,800	-	16,800
Total	277,630	-	-	19,675	112,488	409,793

(i) The Company issued 10,000,000 performance rights to Mr Matthew Bull in the current year.

(ii) Resigned 28 January 2026.

(iii) Appointed 24 April 2026.

(iv) Appointed 28 January 2026 and resigned 24 April 2026.

Remuneration of KMP of the Group for the year ended 30 June 2025 is set out below:

	Short-term Employee Benefits			Post-Employment	Share-based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Performance Rights	
	\$	\$	\$	\$	\$	\$
30 June 2025						
Directors						
Matthew Bull	150,000	-	-	17,250	8,493 ⁽ⁱ⁾	175,743
Kenneth Banks	60,000	-	-	-	-	60,000
Greg Entwistle	60,000	-	-	-	-	60,000
Total	270,000	-	-	17,250	8,493	295,743

(i) The Company issued 4,000,000 performance rights to Mr Matthew Bull in the 2021 financial year.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

The following Table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the Tables above:

Table 2 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration (%)		At Risk – STI (%)		At Risk – LTI (%)	
	2026	2025	2026	2025	2026	2025
Directors						
Matthew Bull	60%	95%	-	-	40%	5%
Kenneth Banks	100%	100%	-	-	-	-
Greg Entwistle	100%	100%	-	-	-	-
Samuel Baker	100%	-	-	-	-	-
John Kay	100%	-	-	-	-	-

Table 3 – Shareholdings of KMP (direct and indirect holdings)

	Balance at 01/07/2025	Additions	On Conversion of Performance Rights	Net Change – Other	Balance at 30/06/2026
30 June 2026					
Directors					
Matthew Bull	19,821,430	24,699,901	3,333,333	-	47,854,664
Kenneth Banks	-	-	-	-	-
Greg Entwistle	-	-	-	-	-
Samuel Baker ⁽ⁱ⁾	-	-	-	225,254	225,254
John Kay	-	-	-	-	-
Total	19,821,430	24,699,901	3,333,333	225,254	48,079,918

(i) Samuel Baker - Initial director's interest on appointment date (24 April 2026).

Table 4 – Option holdings of KMP (direct and indirect holdings)

	Balance at 01/07/2025	Granted	Exercised	Net Change – Other	Balance at 30/06/2026
30 June 2026					
Directors					
Matthew Bull	9,821,429	24,699,901	-	-	34,521,330
Kenneth Banks	-	-	-	-	-
Greg Entwistle	-	-	-	-	-
Samuel Baker	-	-	-	-	-
John Kay	-	-	-	-	-
Total	9,821,429	24,699,901	-	-	34,521,330

Table 5 – Performance rights holdings of KMP (direct and indirect holdings)

	Balance at 01/07/2025	Granted	On Exercise of rights	Net Change – Other	Balance at 30/06/2026
30 June 2026					
Directors					
Matthew Bull ⁽ⁱ⁾	-	10,000,000	(3,333,333)	-	6,666,667
Kenneth Banks	-	-	-	-	-
Greg Entwistle	-	-	-	-	-
Samuel Baker	-	-	-	-	-
John Kay	-	-	-	-	-
Total	-	10,000,000	(3,333,333)	-	6,666,667

(i) The Company issued 10,000,000 performance rights to Mr Matthew Bull in the current year.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

The terms and conditions of each grant of performance rights affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

	Tranche A	Tranche B	Tranche C
Number of rights	3,333,333	3,333,333	3,333,334
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	100	100	100
Risk-free interest rate (%)	3.81	3.87	4.05
Expected life of performance rights (months)	24	36	48
Underlying share price (\$)	0.033	0.033	0.033
Value of performance rights (\$)	0.0251	0.0249	0.0257
Fair value of performance rights (\$)	83,667	83,000	85,667

E Contractual Arrangements

The following contractual arrangements were in place during the year:

- ❖ **Matthew Bull – Executive Director**
 - Executive Contract: Commenced 3 November 2020
 - Executive Remuneration: \$150,000 per annum plus statutory superannuation.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.
- ❖ **Kenneth Banks – Non-Executive Chairman**
 - Contract: Commenced on 11 December 2020.
 - Remuneration: \$60,000 per annum.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.
- ❖ **Greg Entwistle – Non-Executive Director; Non-Executive Chairman (Appointed 24 April 2026)**
 - Contract: Commenced on 20 March 2024.
 - Remuneration: \$60,000 per annum and ad-hoc consulting fees.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.
- ❖ **Samuel Baker – Non-Executive Director (Appointed 24 April 2026)**
 - Contract: Commenced on 24 April 2026.
 - Remuneration: \$60,000 per annum.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.
- ❖ **John Kay – Non-Executive Chairman (Appointed 28 January 2026, Resigned 24 April 2026)**
 - Contract: Commenced on 28 January 2026.
 - Remuneration: \$60,000 per annum plus statutory superannuation.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.

Note 1: The term of each Non-Executive Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at the meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods. Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

No short or long-term incentive-based options were issued as remuneration to Directors during the financial year.

Shares

Short and Long-term Incentives

No short or long-term incentive-based shares were issued as remuneration to Directors during the current financial year.

Performance Rights

Refer to Table 5 for performance rights issued as remuneration to directors during the current financial year.

Refer to Note 16 for valuation of performance rights and amounts recognised as remuneration.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2026 (2025: Nil).

I Other Transactions with KMP

During the year, the Group incurred director and consulting fees, payable to Trilogy Exploration Pty Ltd (a company of which Matthew Bull is a Director), BGE Pty Ltd (a company of which Greg Entwistle is a Director) and Arcadia Corporate Pty Ltd (a company of which John Kay is a Director).

	2026 \$	2025 \$
Trilogy Exploration Pty Ltd	112,000	134,685
BGE Pty Ltd	66,380	79,440
Arcadia Corporate Pty Ltd	16,800	-
Total	195,180	214,125

As at 30 June 2026, consulting fees of \$5,500 remained unpaid to BGE Pty Ltd (a company of which Greg Entwistle is a Director) and director fees of \$11,250 remained unpaid to Samuel Baker. As at 30 June 2025, consulting fees of \$5,500 remained unpaid to BGE Pty Ltd and director fees of \$13,875 had been prepaid to Trilogy Exploration Pty Ltd (a company of which Matthew Bull is a Director).

All transactions were made on normal commercial terms and conditions and at market rates.

Other than above, there were no other transactions with KMP during the year ended 30 June 2026.

Use of remuneration consultants

During the financial year ended 30 June 2026, the Company did not engage any remuneration consultants.

Directors' Report

REMUNERATION REPORT (AUDITED) (CONTINUED)

J Additional Information

The earnings of the Group for the five years to 30 June 2026 are summarised below:

	2026 \$	2025 \$	2024 \$	2023 \$	2022 \$
Other income	44,339	322,130	2,036	6,949	337
Loss after income tax	(813,741)	(470,643)	(1,674,767)	(5,656,442)	(10,625,807)
Share Price (\$)	0.037	0.020	0.015	0.027	0.028
Loss per share (cents)	(0.16)	(0.10)	(0.39)	(1.58)	(3.17)
Dividends	-	-	-	-	-

K Voting and comments made at the Company's 2025 Annual General Meeting ('AGM')

At the 2025 AGM, 85% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

[End of Audited Remuneration Report]

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

Directors' Report

SHARES UNDER OPTION AND PERFORMANCE RIGHTS

Unissued ordinary shares of Paterson Resources Limited under option and performance rights at the date of this report are as follows:

Class	Issue date	Expiry date	Exercise price	Number of options and performance rights
Unlisted Options	5/12/2023	24/11/2026	\$0.050	6,961,080
Unlisted Options	11/12/2023	24/11/2026	\$0.050	8,571,430
Unlisted Options	21/12/2023	24/11/2026	\$0.050	8,928,576
Unlisted Options	22/12/2023	24/11/2026	\$0.050	9,821,429
Unlisted Options	2/12/2025	24/11/2026	\$0.050	58,035,714
Unlisted Options	30/10/2025	30/10/2028	\$0.028	69,582,356
Unlisted Options	24/12/2025	30/10/2028	\$0.028	22,222,222
Performance Rights	2/12/2025	2/12/2028	-	3,333,333
Performance Rights	2/12/2025	2/12/2029	-	3,333,334

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS AND PERFORMANCE RIGHTS

During the year and up to the date of this report, 532,739 shares have been issued on the exercise of options.

During the year and up to the date of this report, 3,333,333 shares have been issued on the exercise of performance rights granted.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

NON-AUDIT SERVICES

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Directors' Report

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Greg Entwistle
Non-Executive Chairman
30 September 2026
Perth, WA

RSM Australia Partners

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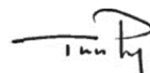
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PATERSON RESOURCES LIMITED**

As lead auditor for the audit of the financial report of Paterson Resources Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA



TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2026

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2026

	Note	2026 \$	2025 \$
Other income	4	44,339	322,130
Expenses			
Administrative expenses	5(a)	(267,468)	(263,033)
Compliance and regulatory expenses		(88,312)	(57,935)
Corporate advisory and consulting fees		(14,180)	(85,569)
Employee benefit expenses	5(b)	(290,925)	(287,250)
Exploration consulting fees		(570)	(15,903)
Legal fees		(52,848)	(23,634)
Unrealised loss from revaluation of financial asset		(1,418)	(74)
Share-based payments expense	16	(112,488)	(8,493)
Other expenses		(29,871)	(51,632)
Loss from continuing operations before income tax		(813,741)	(470,643)
Income tax expense	6	-	-
Loss from continuing operations after income tax		(813,741)	(470,643)
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to the members of Paterson Resources Limited		(813,741)	(470,643)
Loss per share for the year attributable to the members of Paterson Resources Limited			
Basic loss per share (cents)	7	(0.16)	(0.10)
Diluted loss per share (cents)	7	(0.16)	(0.10)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 \$	2025 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,825,186	1,920,241
Trade and other receivables	9	68,128	50,562
Total current assets		1,893,314	1,970,803
Non-current assets			
Financial assets at fair value through profit or loss		971	2,388
Exploration and evaluation expenditure	10	5,773,255	4,641,264
Total non-current assets		5,774,226	4,643,652
Total assets		7,667,540	6,614,455
LIABILITIES			
Current liabilities			
Trade and other payables	11	143,774	40,716
Total current liabilities		143,774	40,716
Total liabilities		143,774	40,716
Net assets		7,523,766	6,573,739
EQUITY			
Contributed equity	12	39,081,548	37,346,601
Reserves	13	28,821	-
Accumulated losses	21	(31,586,603)	(30,772,862)
Total equity		7,523,766	6,573,739

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2026

	Contributed Capital \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 July 2025	37,346,601	-	(30,772,862)	6,573,739
Loss for the year	-	-	(813,741)	(813,741)
Total comprehensive loss for the year after tax	-	-	(813,741)	(813,741)
Transactions with owners in their capacity as owners:				
Shares issued (Note 12)	1,662,072	-	-	1,662,072
Share-based payments (Note 16)	-	112,488	-	112,488
Conversion of Options	14,917	-	-	14,917
Conversion of Performance rights	83,667	(83,667)	-	-
Share issue costs	(25,709)	-	-	(25,709)
At 30 June 2026	39,081,548	28,821	(31,586,603)	7,523,766
At 1 July 2024	37,346,601	67,507	(30,378,219)	7,035,889
Loss for the year	-	-	(470,643)	(470,643)
Total comprehensive loss for the year after tax	-	-	(470,643)	(470,643)
Transactions with owners in their capacity as owners:				
Share-based payments (Note 16)	-	8,493	-	8,493
Reclassification of expired options	-	(76,000)	76,000	-
At 30 June 2025	37,346,601	-	(30,772,862)	6,573,739

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Payments to suppliers and employees		(658,683)	(1,041,516)
Interest received		44,339	35,550
Net cash used in operating activities	8(a)	(614,344)	(1,005,966)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure	10	(1,131,991)	(199,307)
Proceeds from disposal of subsidiary		-	2,650,000
Net cash (used in) / provided by investing activities		(1,131,991)	2,450,693
Cash flows from financing activities			
Proceeds from issue of shares		1,676,989	-
Share issue costs		(25,709)	-
Net cash provided by financing activities		1,651,280	-
Net (decrease) / increase in cash and cash equivalents		(95,055)	1,444,727
Cash and cash equivalents at the beginning of the year		1,920,241	475,514
Cash and cash equivalents at the end of the year	8	1,825,186	1,920,241

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the Consolidated Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(a) Reporting Entity

Paterson Resources Limited (referred to as “Paterson” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the “Consolidated Entity” or the “Group”).

The financial statements are presented in Australian dollars, which is Paterson Resources Limited's functional and presentation currency.

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2026. The directors have the power to amend and reissue the financial statements.

(b) Basis of Preparation

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The consolidated financial statements comply with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Paterson Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 22.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2026. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

Notes to the Consolidated Financial Statements

NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 Presentation of Financial Statements, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. However, the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Consolidated Entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Paterson Resources Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Paterson Resources Limited and its subsidiaries together are referred to in this financial report as the Consolidated Entity.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Notes to the Consolidated Financial Statements

NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are only capitalised to the extent that they are expected to be recovered either through successful development or sale of the relevant mining interest. Key judgements are applied in considering costs to be capitalised, which include determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 3 SEGMENT INFORMATION

The Group operates in the mineral exploration industry in Australia only.

Given the nature of the Group, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" basis without allocation to any separately identifiable segments.

The Group's management operates the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Accounting Policy

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 4 OTHER INCOME

	2026 \$	2025 \$
Interest received	44,339	35,550
Profit on disposal of subsidiaries	-	286,580
	44,339	322,130

Accounting Policy

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Notes to the Consolidated Financial Statements

NOTE 5 EXPENSES

	2026 \$	2025 \$
(a) Administrative expenses		
Accounting, audit and company secretarial fees	175,690	176,629
Travel and accommodation expenses	53,773	25,796
General and administration expenses	38,005	60,608
	267,468	263,033
(b) Employee benefit expenses		
Director fees	271,250	270,000
Superannuation	19,675	17,250
	290,925	287,250

NOTE 6 INCOME TAX

	2026 \$	2025 \$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(813,741)	(470,643)
Prima facie tax benefit on loss before income tax at 30% (2025: 30%)	(244,122)	(141,193)
Tax effect of amounts that are not deductible/taxable in calculating taxable income		
Non-deductible expenses	33,746	2,548
Tax losses and temporary differences not brought to account	210,376	138,645
Income tax expense	-	-
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	28,533,929	26,520,759
Unused capital tax losses for which no deferred tax asset has been recognised	4,773,698	4,683,387
Potential tax benefit at 30% (2025: 30%)	9,992,288	9,361,244
Unrecognised temporary differences		
Temporary differences for which deferred tax assets/liabilities have not been recognised		
• Investments	(291)	(716)
• Provisions, accruals and prepayments	3,879	(3,582)
• Exploration assets	(1,731,977)	(1,392,379)
• Blackhole expenditure	23,352	16,137
	(1,705,037)	(1,380,540)
Unrecognised deferred tax assets relating to the above tax losses and temporary differences	8,287,251	7,980,704

Accounting Policy

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX (Continued)

Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Paterson Resources Limited (the 'head entity') and its wholly owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime. The head entity and its wholly owned Australian subsidiaries in the tax consolidated group account for their current and deferred tax amounts as an aggregate amount.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

NOTE 7 LOSS PER SHARE

Basic loss per share is calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2026 \$	2025 \$
Net loss for the year	(813,741)	(470,643)
Weighted average number of ordinary shares for basic and diluted loss per share	517,002,108	456,037,879
Options and performance rights on issue are not considered dilutive to the loss per share as the Company is in a loss-making position.		
Basic and diluted loss per share (cents)	(0.16)	(0.10)

Notes to the Consolidated Financial Statements

NOTE 7 LOSS PER SHARE (Continued)

Accounting Policy

Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 8 CASH AND CASH EQUIVALENTS

	2026	2025
	\$	\$
Cash at bank and on hand	1,825,186	1,920,241
	1,825,186	1,920,241

(a) Reconciliation of net loss after tax to net cash flows from operations

	2026	2025
	\$	\$
Loss for the financial year	(813,741)	(470,643)
<i>Adjustments for:</i>		
Fair value adjustment on financial asset	1,417	74
Share-based payments	112,488	8,493
Profit on disposal of subsidiaries	-	(286,580)
<i>Changes in assets and liabilities</i>		
Trade and other receivables	(17,566)	50,171
Trade and other payables	103,058	(307,481)
Net cash used in operating activities	(614,344)	(1,005,966)

Accounting Policy

Cash and cash equivalents comprise cash at bank and on hand.

The Group's exposure to interest rate and credit risks is disclosed in Note 14.

NOTE 9 TRADE AND OTHER RECEIVABLES

	2026	2025
	\$	\$
Goods and services tax ("GST") receivable	41,808	11,621
Prepayments	26,320	38,941
	68,128	50,562

(a) Allowance for expected credit loss

The Consolidated Entity has recognised a loss of \$Nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2026 (2025: \$Nil).

Notes to the Consolidated Financial Statements

NOTE 9 TRADE AND OTHER RECEIVABLES (Continued)

Accounting Policy

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST on investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

	2026 \$	2025 \$
Carrying amount of exploration and evaluation expenditure	5,773,255	4,641,264
At the beginning of the year	4,641,264	4,580,818
Exploration and evaluation expenditure incurred	1,131,991	60,446
At the end of the year	5,773,255	4,641,264

Accounting Policy

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

Notes to the Consolidated Financial Statements

NOTE 11 TRADE AND OTHER PAYABLES

	2026	2025
	\$	\$
Trade payables	101,711	8,407
Accrued expenses	39,250	27,000
Other payables	2,813	5,309
	143,774	40,716

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Due to the short-term nature of these payables, their carrying value is assumed to be the same as their fair value.

Accounting Policy

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 12 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2026		2025	
	No.	\$	No.	\$
Ordinary shares	552,241,268	39,081,548	456,037,879	37,346,601

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(b) Movement reconciliation

		Issue Price	Number	\$
At 1 July 2024	Opening Balance		456,037,879	37,346,601
At 30 June 2025	Closing Balance		456,037,879	37,346,601
	Placement of shares	0.018	92,337,317	1,662,072
	Conversion of options	0.028	532,739	14,917
	Conversion of performance rights	-	3,333,333	83,667
	Share issue costs		-	(25,709)
At 30 June 2026	Closing Balance		552,241,268	39,081,548

Accounting Policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 13 RESERVES

	2026 \$	2025 \$
Share-based payments reserve	28,821	-
<u>Movement reconciliation</u>		
Balance at the beginning of the year	-	67,507
Share-based payment expense recognised during the year	112,488	8,493
Expired options and performance rights transferred to accumulated loss	-	(76,000)
Reclassification of Reserves on conversion	(83,667)	-
Balance at the end of the year	28,821	-

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

NOTE 14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2026 \$	2025 \$
Financial Assets		
Cash and cash equivalents	1,825,186	1,920,241
Financial assets at fair value through profit or loss	971	2,388
	1,826,157	1,922,629
Financial Liabilities		
Trade and other payables	143,774	40,716
	143,774	40,716

Notes to the Consolidated Financial Statements

NOTE 14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group was not significantly exposed to foreign currency risk fluctuations.

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2026		2025	
	Weighted average interest rate ⁽ⁱ⁾	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	2.43%	1,825,186	1.85%	1,920,241

(i) This interest rate represents the average interest rate for the period.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 30 June 2026, if interest rates had moved, as illustrated in the Table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Profit higher/(lower)	
	2026	2025
Judgements of reasonably possible movements:	\$	\$
+ 1.0% (100 basis points)	18,252	19,202
- 1.0% (100 basis points)	(18,252)	(19,202)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group except for cash and cash equivalents.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

Notes to the Consolidated Financial Statements

NOTE 14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

The following are the contractual maturities of financial liabilities:

	< 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
2026					
Trade and other payables	143,774	-	-	-	143,774
2025					
Trade and other payables	40,716	-	-	-	40,716

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Group's development there are no formal targets set for return on capital. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 15 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2026 \$	2025 \$
Short-term benefits	277,630	270,000
Post-employment benefits	19,675	17,250
Share-based payments	112,488	8,493
	409,793	295,743

(b) Transactions with related parties

Disclosures relating to transactions with key management personnel are set out in the Remuneration Report included in the Directors' Report.

There were no loans made to any KMP during the year ended 30 June 2026 (2025: Nil).

All transactions were made on normal commercial terms and conditions and at market rates.

There were no other transactions with KMP during the year ended 30 June 2026 and 30 June 2025.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS

	2026	2025
	\$	\$
(a) Recognised share-based payment transactions		
Performance rights issued in the prior year	-	8,493
Performance rights issued in the current year	112,488	-
	112,488	8,493
Reconciliation:		
Recognised as share-based payment expenses in Statement of Profit or Loss and Other Comprehensive Income	112,488	8,493
	112,488	8,493

(b) Summary of options during the year:

There were no share-based options issued during the year ended 30 June 2026 (2025: Nil).

(c) Summary of performance rights during the year:

During the year the Company issued 10,000,000 performance rights to Mr Matthew Bull (2025: Nil).

(d) Summary of performance rights in the current year:

2026							
Grant Date	Expiry Date	Exercise Price	Balance at the Start of the Year	Granted	Exercised	Expired/ Other	Balance at the End of the Year
28/11/2025 *	2/12/2027	\$0.00	-	3,333,333	(3,333,333)	-	-
28/11/2025 *	2/12/2028	\$0.00	-	3,333,333	-	-	3,333,333
28/11/2025 *	2/12/2029	\$0.00	-	3,333,334	-	-	3,333,334
			-	10,000,000	(3,333,333)	-	6,666,667

* Following shareholder approval at the AGM on 28 November 2025, the Company issued 10,000,000 performance rights to Mr Matthew Bull. The vesting of the Performance Rights is subject to the achievement of the following performance milestones, which is to be determined by the Board in its discretion:

- 3,333,333 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.050 over any 20 consecutive day period on which shares are traded on ASX, expiring 24 months after issue.
- 3,333,333 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.075 over any 20 consecutive day period on which shares are traded on ASX, expiring 36 months after issue.
- 3,333,334 Performance Rights will vest upon the Company's Shares achieving a VWAP of \$0.100 over any 20 consecutive day period on which shares are traded on ASX, expiring 48 months after issue.

The assessed fair values of the performance rights were determined using a Hoadley Barrier model, taking into account the vesting conditions, exercise price, term of performance rights, the share price at grant date and expected price volatility of the underlying share, expected yield and the risk-free interest rate for the term of the right.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS (Continued)

The inputs to the model used were:

	Tranche A	Tranche B	Tranche C
Number of rights	3,333,333	3,333,333	3,333,334
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	100	100	100
Risk-free interest rate (%)	3.81	3.87	4.05
Expected life of performance rights (months)	24	36	48
Underlying share price (\$)	0.033	0.033	0.033
Value of performance rights (\$)	0.0251	0.0249	0.0257
Fair value of performance rights (\$)	83,667	83,000	85,667
Share-based payment expense for the year (\$)	83,667	16,254	12,567

Accounting Policy

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS (Continued)

Accounting Policy (Continued)

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new awards are treated as if they were a modification.

NOTE 17 COMMITMENTS

(a) Tenement Commitments

In relation to the WA tenements, the Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. The commitments that are not provided for in the financial statements are:

	2026 \$	2025 \$
- Within one year	79,075	70,000
- Later than one but not later than five years	39,890	-
	118,965	70,000

NOTE 18 CONTINGENCIES

As identified in Note 23 on 3 July 2026, the Group was served with proceedings in the Federal Circuit and Family Court of Australia by its former drilling contractor, iDrilling Australia Pty Ltd. The proceedings relate to a commercial dispute concerning amounts alleged to be payable in connection with the Company's Phase I drilling program at the Grace Project. The Company disputes the claim and intends to defend the proceedings. The total amount claimed is approximately \$500,000 to \$700,000, plus interest and costs.

Whilst the outcome of these proceedings is unknown, Directors do not expect any material adverse settlement to be required and therefore the Group has not recognised any provision for a liability or no counter claim has been provided within these financial statements.

There are no other contingent assets and liabilities as at 30 June 2026 (30 June 2025: Nil).

NOTE 19 AUDITOR'S REMUNERATION

	2026 \$	2025 \$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit or review of the financial statements	48,616	41,510
	48,616	41,510

NOTE 20 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2026 %	2025 %
Orange Hills Resources Limited	Exploration	Australia	100	100
Malang Resources Pty Ltd	Exploration	Australia	90	90
ACN 603 462 513 Pty Ltd	Exploration	Australia	100	100

Notes to the Consolidated Financial Statements

NOTE 21 ACCUMULATED LOSSES

	2026 \$	2025 \$
Balance at beginning of the year	(30,772,862)	(30,378,219)
Loss after income tax for the year	(813,741)	(470,643)
Reclassification of expired options	-	76,000
Balance at end of the year	(31,586,603)	(30,772,862)

There are no dividends declared for the year ended 30 June 2026 (2025: Nil).

NOTE 22 PARENT ENTITY

	2026 \$	2025 \$
Assets		
Current assets	1,893,575	1,972,481
Non-current assets	5,773,965	4,641,974
Total assets	7,667,540	6,614,455
Liabilities		
Current liabilities	143,774	40,716
Total liabilities	143,774	40,716
Equity		
Contributed equity	39,081,548	37,346,601
Reserves	28,821	-
Accumulated losses	(31,586,603)	(30,772,862)
Total equity	7,523,766	6,573,739
Loss for the year	(813,741)	(462,150)
Total comprehensive loss	(813,741)	(462,150)

Contingent assets and liabilities

The parent entity's contingent assets and liabilities are the same as the Consolidated Entity. Refer to Note 18.

Capital commitments - Plant and equipment

The parent entity had no capital commitments for plant and equipment as at 30 June 2026 and 30 June 2025.

Exploration commitments

The parent entity had exploration commitments as disclosed in Note 17.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in the financial statements, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Consolidated Financial Statements

NOTE 23 EVENTS AFTER THE REPORTING DATE

On 3 July 2026, the Group was served with proceedings in the Federal Circuit and Family Court of Australia by its former drilling contractor, iDrilling Australia Pty Ltd. The proceedings relate to a commercial dispute concerning amounts alleged to be payable in connection with the Company's Phase I drilling program at the Grace Project. The Company disputes the claim and intends to defend the proceedings (refer to Note 18).

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement at 30 June 2026 is set out below.

Entity Name	Entity Type	Trustee/ partnership/ JV Partner	% Ownership	Country of incorporation and tax residency
Paterson Resources Limited	Body Corporate	N/A	-	Australia
Orange Hills Resources Limited	Body Corporate	N/A	100%	Australia
Malang Resources Pty Ltd	Body Corporate	N/A	90%	Australia
ACN 603 462 513 Pty Ltd	Body Corporate	N/A	100%	Australia

Paterson Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- The consolidated entity disclosure statement is true and correct; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Greg Entwistle
Non-Executive Chairman
 30 September 2026
 Perth, WA

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PATERSON RESOURCES LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Paterson Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure <i>Refer to Note 10 in the financial statements</i>	
The Group has capitalised exploration and evaluation expenditure with a carrying value of \$5,773,255 as at 30 June 2026. We considered this to be a key audit matter due to the significant management judgements involved in assessing the carrying value of the asset, including: - Determining whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; - Assessing whether exploration and evaluation activities have reached a stage at which the existence of economically recoverable reserves may be determined; and - Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss.	Our audit procedures included: - Assessing the Group's accounting policy for compliance with Australian Accounting Standards; - Assessing whether the right to tenure of the area of interest is current; - Testing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capitalised in accordance with the Group's accounting policy; - Evaluating management's assessment of whether indicators of impairment existed at the reporting date; - Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; - Enquiring of management and assessing budgets and other documentation to gain evidence that active and significant operations in, or in relation to, the area of interest will be continued in the future; and - Assessing the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.



REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

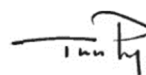
In our opinion, the Remuneration Report of Paterson Resources Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "RSM".

RSM AUSTRALIA

A handwritten signature in black ink that appears to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2026



Corporate Governance Statement

The Board of Directors of Paterson Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company has reported against each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

The Company's Corporate Governance Statement and policies can be found on its website at www.patersonresources.com.au.

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 18 September 2026.

1. Fully paid ordinary shares

- There is a total of 552,241,268 fully paid ordinary shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 1,283.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of fully paid ordinary shareholders is as follows:

Range	Number of holders	Number of shares	% of Issued Capital
1 - 1,000	79	17,327	0.00
1,001 - 5,000	69	168,976	0.03
5,001 - 125,000	858	31,770,971	5.75
125,001 and over	277	520,283,994	94.22
Total	1,283	552,241,268	100.00

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those whose shareholding is valued at less than \$500.

There are 377 shareholders who hold less than a marketable parcel of shares, representing 0.47% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	44,064,656	7.98
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	34,276,803	6.21

5. Share buy-backs

There is no current on-market buy-back scheme.

6. Voting rights of Shareholders

All fully paid ordinary shareholders are entitled to vote at any meeting of the members of the Company and their voting rights are on:

- Show of hands – one vote per shareholder; and
- Poll – one vote per fully paid ordinary share.

7. Restricted Securities

There are no shares on issue that are subject to voluntary escrow restrictions or mandatory escrow restriction under ASX Listing Rules Chapter 9.

8. Unlisted Options

There are 92,318,229 unlisted options (exercisable at \$0.05; expiry 24/11/2026) and 91,804,578 unlisted options (exercisable at \$0.028; expiry 30/10/2028) on issue as at 18 September 2026.

9. Unlisted Performance Rights

There are 6,666,667 Performance Rights on issue as at 18 September 2026.

ASX Additional Information

10. Major Shareholders

The Top 20 largest fully paid ordinary shareholders together held 58.57% of the securities in this class and are listed below:

Rank	Holder Name	Number Held	Percentage %
1	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	44,064,656	7.98
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	34,276,803	6.21
3	MR MATTHEW NORMAN BULL	25,555,555	4.63
4	MR GEORGE JOHN CZYDEL + MRS LYNETTE FRANCES CZYDEL + MISS ANNA MARYSE CZYDEL <CZYDEL SUPERFUND A/C>	22,523,540	4.08
5	MR MATTHEW NORMAN BULL	22,299,109	4.04
6	RAE CHEAH MONG	20,089,286	3.64
7	MR SHAUN DANIEL FRANCIS MCGURGAN	17,182,294	3.11
8	JLT OPERATIONS PTY LTD	17,079,327	3.09
9	98 INVESTMENTS PTY LTD <98 INVESTMENT A/C>	15,426,278	2.79
10	MR NICHOLAS EDWARD BULL	14,343,988	2.60
11	BNP PARIBAS NOMS PTY LTD	12,624,401	2.29
12	MR JEFFORY JOSEPH COLLINS	11,828,309	2.14
13	MR RODNEY JAMES WELLSTEAD	11,511,000	2.08
14	CITICORP NOMINEES PTY LIMITED	11,344,716	2.05
15	DR ANNE PATRICIA CZYDEL	9,931,497	1.80
16	MISS GAY VIVIAN CAIN	8,280,000	1.50
17	LOTSAMONEY PTY LTD <D & L BUSTIN SUPER A/C>	7,409,167	1.34
18	MOVERLY SUPERANNUATION PTY LTD <MOVERLY SUPER FUND A/C>	6,400,000	1.16
19	MISS GAY VIVIAN CAIN + MR MARK RICHARD WEEKES <CAIN & WEEKES SUPERFUND A/C>	6,050,000	1.10
20	MRS RUTH DAVIES	5,205,685	0.94
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		323,425,611	58.57

11. Tax Status

The Company is treated as a public company for taxation purposes.

12. Franking Credits

The Company has no franking credits.

13. Business Objectives

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

14. Tenement Schedule

The following Table sets out the tenement information as required by ASX Listing Rule 5.3.3

Table 1: Mining tenements held at the end of the Financial Year and their location

Project Name	Location	Tenement Licences	Interest held by Group
Grace	WA	E45/4524	100%

ASX Additional Information

ASX Listing Rule 5.23.2

The Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcements. In the case of announcements referred to containing Mineral Resource estimates, all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed.