



ASX ANNOUNCEMENT

21 October 2026

Drilling Campaign Underway at Grace Gold Project

HIGHLIGHTS

- The diamond drilling (DD) campaign, comprising 1,200m for six drill-holes, is now underway at the Grace Gold-Copper Project
- The primary objective is to potentially upgrade the current **Inferred Mineral Resource Estimate (MRE) – 3.46Mt @ 1.79 g/t Au for 200,000oz Au contained gold*** – to Indicated status, while providing samples for ongoing metallurgical test-work
- The previously announced** reverse circulation (RC) drilling campaign, encompassing 8,000m for 34 drill-holes, is due to commence once the DD program concludes
- The RC campaign's focus is to extend known shallow, high-grade mineralisation along the 1.3km strike extent and evaluate down-dip extensions of interpreted mineralised structures
- Paterson completed a three-day environmental survey prior to drilling to support compliance with its Exploration Environmental Management Plan and approved Program of Work.
- The Board believes the drilling campaigns are intended to improve confidence in the Inferred MRE and assess whether results support reclassification. +++

Paterson's Executive Director, Mr Matt Bull said: *"The Board is delighted that the diamond drilling campaign is now underway, as it has been designed to improve the quality of the current MRE. The RC campaign will then focus on extending known mineralisation along the 1.3km strike extent and testing down dip extensions. To fulfil exploration commitments, PSL commissioned TR Environmental Consulting to ensure survey and training support compliance with the relevant plan and approval conditions."*

DIAMOND DRILLING CAMPAIGN COMMENCES

Paterson Resources Limited ("Paterson") (ASX: PSL) is pleased to announce that diamond drilling has commenced at its Grace Gold Project, located in the Paterson Province in Western Australia's East Pilbara.

The DD campaign comprises six holes for circa 1,200m. It will be followed by the previously announced** RC program – 34 holes for circa 8,000m. Together, the two campaigns represent Paterson's most significant drilling commitment at the Grace Gold Project to date.

Diamond Drilling (DD) Campaign

The DD program is designed to improve confidence in the current Inferred MRE of 3.46Mt @ 1.79 g/t Au for 200,000oz contained gold* and assess the potential for reclassification to Indicated (Image 1 below). Holes have been positioned to infill the existing drill pattern to increase confidence in the geological and grade continuity of the mineralisation.

Drill core from the program will supply sample material for metallurgical test-work, which will inform future assessments of processing pathways from the Grace Gold Project.

Image 1 – Diamond Drill Rig Onsite



Reverse Circulation (RC) Drilling Campaign

The RC program will focus on two objectives: extending known shallow, high-grade mineralisation along the 1.3km strike extent; and testing down-dip continuity of interpreted mineralised structures (Image 2).

Environmental Survey and Compliance Support

In preparation for the drilling programs, TR Environmental Consulting recently completed a three-day field survey across the proposed drilling areas. The survey assessed proposed drill sites and areas of potential disturbance for environmental constraints before any ground disturbance commenced. It

included inspections for priority flora, fauna habitat and signs of fauna activity, such as burrows, scats, tracks, diggings and shelter sites.

The survey supports Paterson in meeting the commitments of its Exploration Environmental Management Plan and the environmental requirements of the approved Program of Work.

In addition, TR Environmental Consulting delivered environmental awareness training to field personnel. The training gave practical guidance on identifying priority flora, recognising fauna habitat and identifying signs of fauna activity that may be encountered during site activities.

Going forward, TR Environmental Consulting will continue to provide environmental approvals, compliance and advisory support to Paterson as exploration at the Grace Gold Project progresses. This engagement forms part of Paterson's commitment to responsible management of the potential environmental impacts associated with its exploration activities.

TR Environmental Consulting Tarnee Rutherford (CEO/Director) said:

"Environmental planning and compliance are an important part of preparing for exploration activities in the East Pilbara. The three-day survey at the Grace Gold Project allowed us to assess the proposed drilling areas ahead of ground disturbance and identify environmental considerations that can be managed as part of the drilling program. Notably, I was grateful to work directly with the site team each day of the survey. It proved to be an excellent environmental education exercise, and I was able to upskill the team in identifying potential priority flora and signs of fauna activity. Overall, the team on site are doing great work in warm, remote and isolated conditions. It's an exciting project, and TR Environmental Consulting is pleased to support Paterson with its ongoing environmental approvals and compliance as it progresses the drilling campaigns."

Next Steps

- Completion of the DD program;
- Commencement of the RC program on completion of DD drilling;
- Reporting assay results as received;
- Metallurgical test-work on DD core samples

This announcement was authorised for release to ASX by the Board of Paterson Resources

Matt Bull
Executive Director

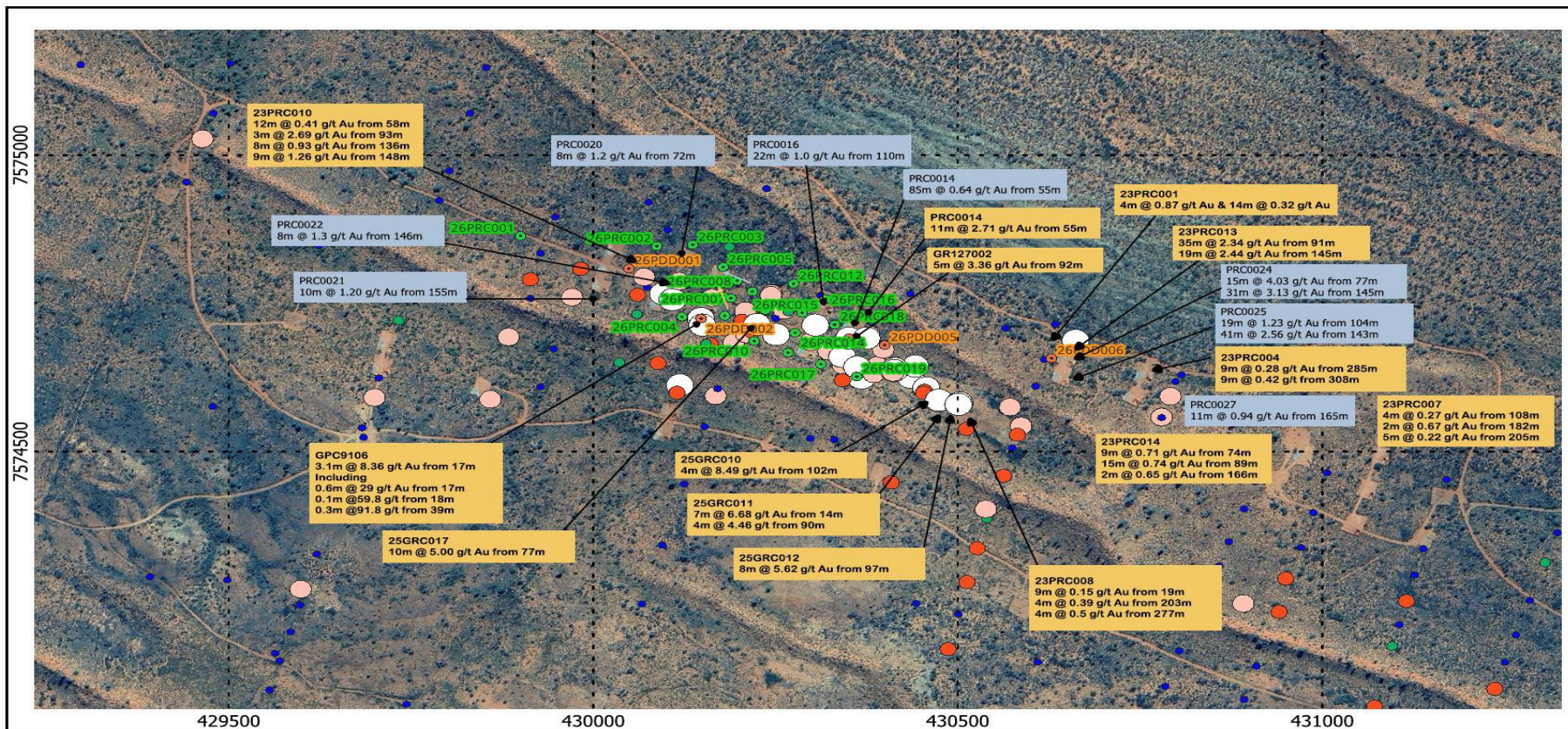


PHOTO GALLERY FROM TR ENVIRONMENTAL CONSULTING

Image 3 - Tarnee Rutherford with *Ptilotus calostachyus*



COMPETENT PERSON'S STATEMENT:

The information in this announcement that relates to the Mineral Resources is based on and fairly represents information reviewed or compiled by Mr Troy Lowien, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Troy Lowien is an employee of Measured Group. Mr Lowien has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lowien has provided his prior written consent to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

MINERAL RESOURCE ESTIMATE

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource Estimate announced on 3 June 2026 and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Paterson operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Paterson Resources (PSL) control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of PSL, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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References:

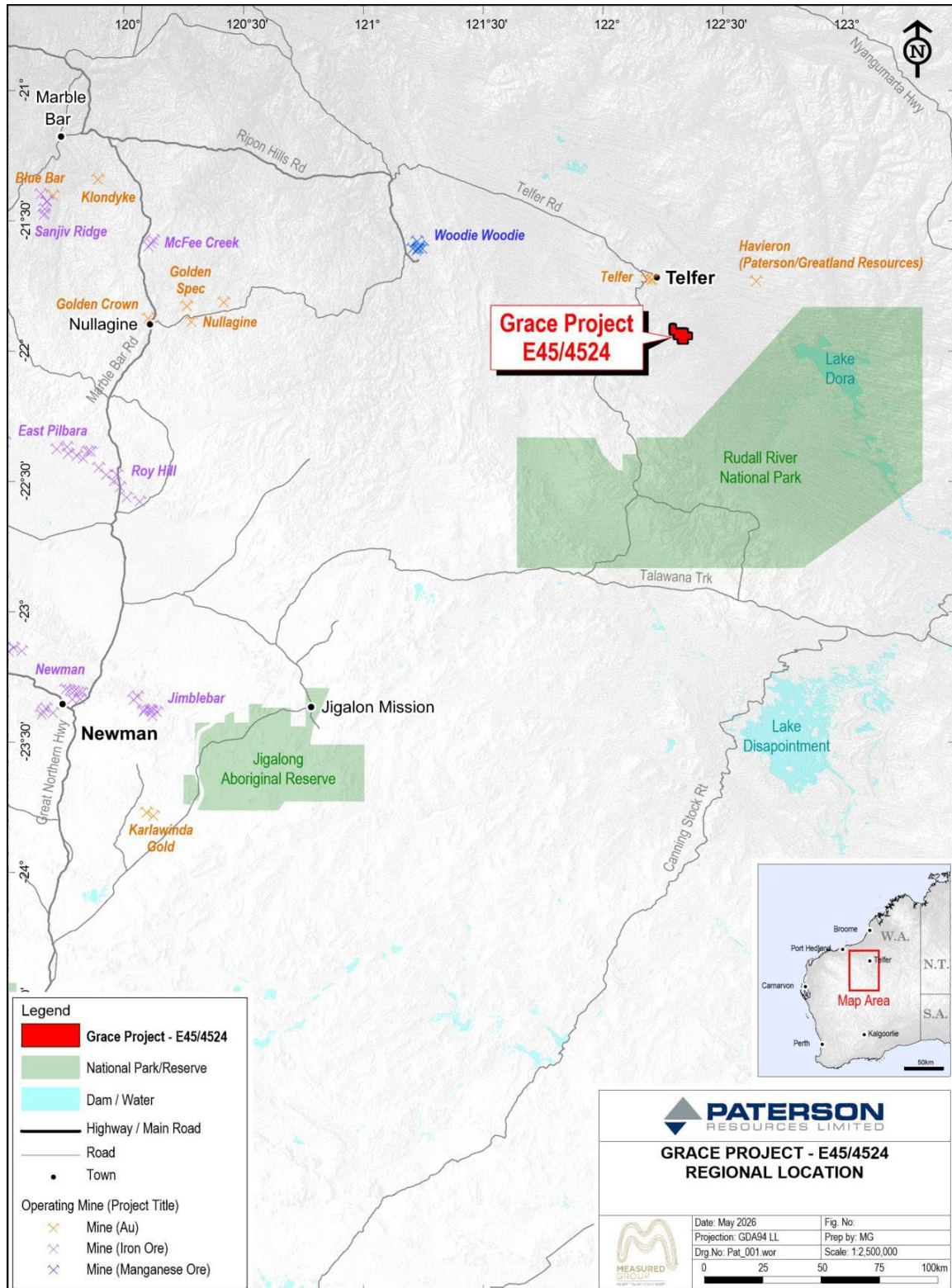
* PSL ASX Announcement "Significant Mineral Resource Estimate Update to 200,000oz Au at Grace Gold Project" 3 June 2026

** PSL ASX Announcement "Comprehensive Drilling Campaign to Commence at Grace Gold Project" PSL ASX Announcement 7 September 2026

*** TR Environmental Consulting. Available at: <https://trenvironmentalconsulting.com/>

APPENDIX A: LOCATION OF THE GRACE GOLD PROJECT

The Grace Gold-Copper Project is in the heart of the highly prospective Paterson Province, where numerous large groups including Rio Tinto, Antipa Minerals and Greatland Gold are actively exploring the region. Significant discoveries proximal to Paterson's Grace Gold Project include the Havieron 8.5-million-ounce gold-copper resource being developed by Greatland Gold, Cyprum Metal's Maroochydore copper prospect to the south and Greatland's world-class 30-plus million-ounce Telfer gold-copper mine, located 25km to the north-west.



APPENDIX B: TOPOGRAPHY OF THE GRACE GOLD PROJECT AREA

