# PATERSON RESOURCES LTD

**ABN 45 115 593 005**

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# Annual Report for the Year Ended 30 June 2025

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# Annual Report
# For the year ended 30 June 2025

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## Corporate Directory

**Board of Directors**

| | |
|---|---|
| Mathew Bull | Executive Director |
| Kenneth Banks | Non-Executive Director |
| Greg Entwistle | Non-Executive Director |

**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 Ltd 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 2025.

**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 on the operation greenfield and resource development drilling exploration 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.

**Kenneth Banks | Non-Executive Director**

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 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.

**Greg Entwistle| Non-Executive Director**

Greg is an experienced mining executive who has functioned in multiple countries worldwide. He has played a key role in the development of mines across many commodities. Greg 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.

**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.

# Directors' Report

**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 | 19,821,430 | 9,821,429 | - |
| Kenneth Banks | - | - | - |
| Greg Entwistle | - | - | - |
| **Total** | **19,821,430** | **9,821,429** | **-** |

**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, that lies within the northwest bounds 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.

The mineral province that is host to Grace is renowned for rich, gold-copper resources and to date, the Company has focussed exploration efforts on the high-grade gold oxide resource within the 20-60m envelope, however primary sulphide hosted gold-copper mineralisation does exist into the transitional and primary zone beneath, adding to the prospectivity of the project. To date, the relationship with this high-grade copper mineralisation has not been explored and remains a high priority for exploration efforts in the future.

During this reporting period, exploration programs and planning have focussed on working towards a Scoping Study for Grace to progress the project to a mining lease application. This has primarily included metallurgy, drill planning to upgrade the resource, heritage clearances and permit approvals with Government Departments.

**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 (previously Newcrest's) world class gold and copper Telfer Mine, located 25km to the northeast. The Paterson Range is also host to several other additional 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 69,000ozs outlined in Table 1 (*PSL ASX Announcement 22 May 2020 – Entitlement Issue Prospectus)

# Directors' Report

**REVIEW OF OPERATIONS (Continued)**

During the year, a comprehensive Aboriginal Heritage clearance for the full strike length of the Grace project was obtained from the Traditional Owners, clearing the path for an intensive drill out of the mineral resource envelope.

The Company has continued to plan towards the upgrade of the historical exploration target to JORC 2012 compliance with infill and extensional drilling designed to define the resource to current standards. Drilling is now imminent, pending permit approval confirmation.

The year has seen the Company focus its efforts on metallurgical test work for the Grace Project in order to progress the mining application. The work has seen the completion of the test work on diamond core samples, selected from representative intersections at Grace, by ALS Chemex Australia. The work, completed in April 2025, using cyanide leach tests has returned indicative gold recoveries of 93.4% and 96.7% for 0.76g/t Au and 0.91g/t Au grade samples respectively1. These results indicate the gold mineralisation is likely to be free milling and non-refractory, which is a favourable outcome for the Company.

The Company is currently in the process of engaging an environmental consultant to conduct flora/fauna surveys over the Grace prospect, as part of its mining lease upgrade. This will see the outcomes of these surveys presented in the forthcoming year.

Exploration efforts have continued to focus on the Scoping Study and have included mine planning as it progresses towards the mining lease application.
In the forthcoming year, the Company will focus on project feasibility as it progresses towards a mining outcome.

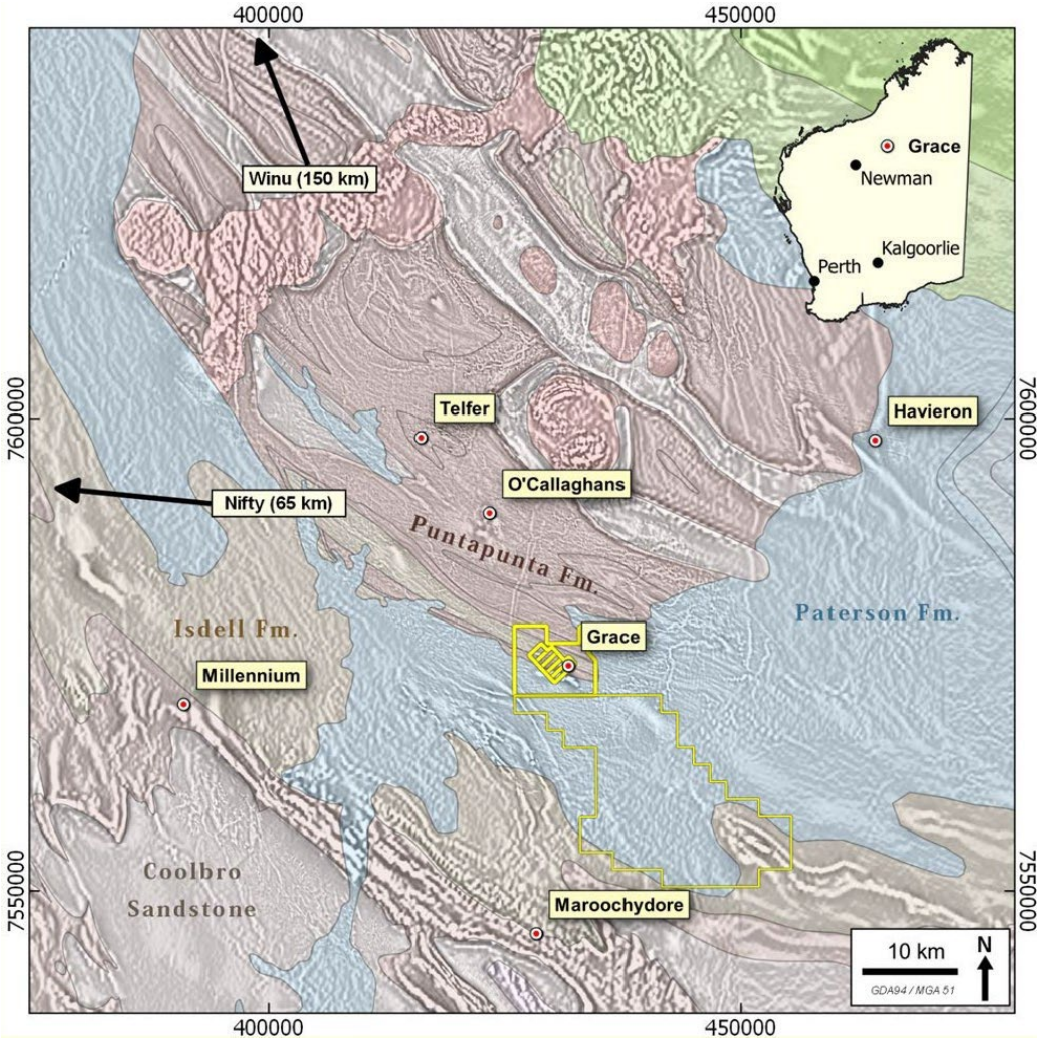


*Figure 1: Locality map shopping prominent gold and copper deposits in the Paterson Province*

# Directors' Report

**REVIEW OF OPERATIONS (Continued)**

Previous detailed 3D geological interpretation and wireframing has been undertaken, incorporating high-grade gold intersections at the Grace-Bemm deposit which include high grade intersections of:

- 15m @ 4.03g/t Au from 77m including 6m @ 9.3g/t Au from 79m (PRC0024*)
- 31m @ 3.13g/t Au from 145m including 7m @ 11.0g/t Au from 148m (PRC0024*)
- 19m @ 1.23g/t Au from 104m including 2m @ 5.9g/t Au from 106m (PRC0025*)
- 41m @ 2.56g/t Au from 143m including 4m @ 9.2g/t Au from 143m and 3m @ 8.7g/t Au from 176m (PRC0025*)
- 18m @ 1.34 g/t Au from 73m including 5m @ 2.98 g/t Au from 73m and 26m @ 0.79 g/t Au from 154m including 5m @ 2.02 g/t Au from 156m (23PRC009**)
- 3m @ 2.69 g/t Au from 93m and 9m @ 1.26 g/t Au from 148m including 3m @ 2.95 g/t Au from 148m (23PRC010**)
- 35m @ 2.34 g/t Au from 91m including 17m @ 4.57 g/t Au from 98m which also included 1m @ 46.2 g/t Au from 105m (23PRC013**)
- 19m @ 2.44 g/t Au from 145m including 2m @ 10.23 g/t Au from 149m and 3m @ 6.9 g/t Au from 155m (23PRC013**)

* Previously reported assay results (see ASX announcement dated 10th October 2022)

**Previously reported assay results (see ASX announcement dated 23rd October 2023)

The Company's exploration planning has been to test the deeper extents of the Grace mineralisation, which include repetition of gold lodes at depths. This continues to be a geological model of interest and will be further tested with diamond drilling once permit approvals are granted.

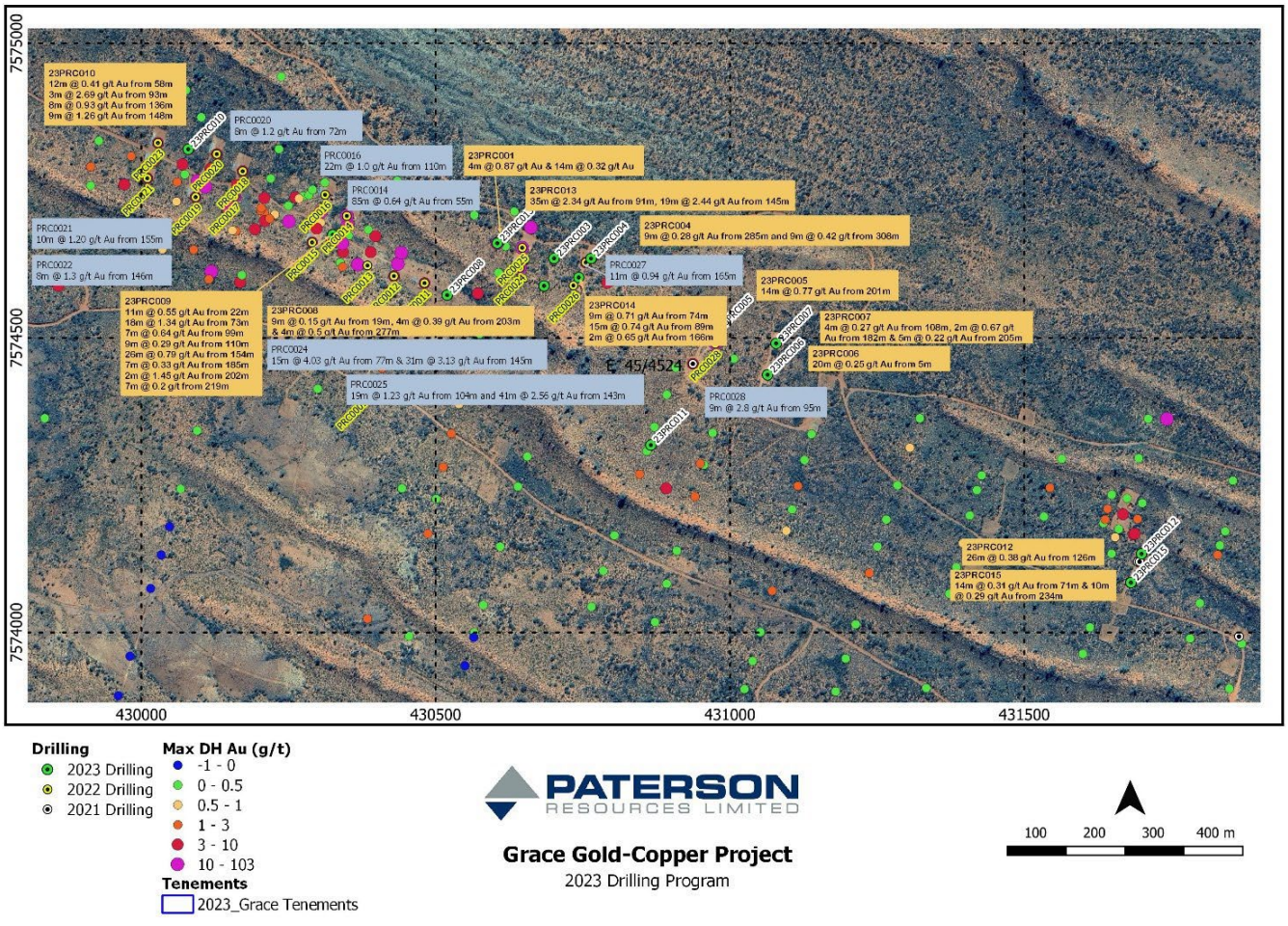


*Figure 2: Location plan of 2023 RC drilling program with significant intercepts*

# Directors' Report

**REVIEW OF OPERATIONS (Continued)**

**Next Steps**

Following on from the results of the geochemical test works, Paterson is in the process of:

- Undertaking infill and extensional drilling designed to upgrade the mineral resource estimate to Indicated JORC 2012 compliance, pending permit approvals. This work is imminent to commence.
- Undertaking environmental flora/fauna surveys. The final selection of the consultant to undertake this is underway.
- Undertaking another diamond drilling programme to further progress metallurgical outcomes as part of the Scoping Study process.
- Continue mine planning for the project as drill results become available in the near future.
- Progress documentation for the mining lease application.

**Burraga Project – Lachlan Fold Belt, New South Wales**

The sale of the Burraga Copper-Gold Project to Octo Mining Burraga Pty Ltd was completed on 29 August 2024 and the Company received the balance of funds of A$2,650,000.

**Corporate**

**Financial Performance**

The financial results of the Group for the year ended 30 June 2025 and 30 June 2024 are:

| | 30-June-25<br>$ | 30-June-24<br>$ |
|---|---|---|
| Cash and cash equivalents | **1,920,241** | 475,514 |
| Net assets | **6,573,739** | 7,035,889 |
| Other Income | **322,130** | 2,036 |
| Net loss after tax | **(470,643)** | (1,674,769) |

**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 13 August 2025, the Company announced a $910,000 placement to sophisticated investors issued at 1.8 cents per share and an entitlement issue of 1 share for every 8 shares to raise a further $1,090,000 on the same conditions, totalling $2,000,000. For each share issued, 1 free attaching option will be issued with an exercise price of 2.8 cents and expires 3 years from the date of issue. On 24 September 2025, the Company issued 28,333,334 fully paid ordinary shares.

Other than the above, there has not been any 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.

# 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 | 8 | 8 |
| Kenneth Banks | 8 | 8 |
| Greg Entwistle | 8 | 8 |

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 2025 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 |
| Greg Entwistle | Non-Executive Director |

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

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 2024 Annual General Meeting ("AGM") |

# Directors' Report

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

## A Remuneration Philosophy

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

Their 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.

Refer below for details of Directors' remuneration.

### ❖ 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.

# Directors' Report

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

The remuneration of non-executives are detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

## C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Group as at 30 June 2025 and 30 June 2024.

| | 30-Jun-25 | 30-Jun-24 |
|---|---|---|
| Other income ($) | **322,130** | 2,036 |
| Net loss after tax ($) | **(470,643)** | (1,674,769) |
| Loss per share (cents) | **(0.10)** | (0.39) |
| Share price ($) | **0.020** | 0.015 |

**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:

a) Fixed Remuneration – base salary
b) Variable Short-Term Incentives
c) 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.

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

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

Following shareholder approval at the 2020 AGM, the Company issued 4,000,000 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) 2,000,000 Performance Rights will vest upon the Company's Shares achieving a VWAP of $0.090 over any 20 consecutive day period on which shares are traded on ASX, expiring 3 years after issue; and
(b) 2,000,000 Performance Rights will vest upon the Company's Shares achieving a VWAP of $0.135 over any 20 consecutive day period on which shares are traded on ASX, expiring 4 years after issue.

# Directors' Report

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

## 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 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.

Remuneration of KMP of the Group for the year ended 30 June 2024 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 2024 | $ | $ | $ | $ | $ | $ |
| **Directors** | | | | | | |
| Nick Johansen (iii) | 64,839 | - | - | - | - | 64,839 |
| Matthew Bull | 150,000 | - | - | 16,500 | 30,304 (i) | 196,804 |
| Kenneth Banks | 60,000 | - | - | | | 60,000 |
| Greg Entwistle (ii) | 15,000 | - | - | - | - | 15,000 |
| **Total** | **289,839** | - | **-** | 16,500 | **30,304** | **336,643** |

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

(ii) Represents remuneration from 20 March to 30 June 2024.

(iii) Represents remuneration from 1 July 2023 to 20 March 2024.

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

| | Fixed Remuneration (%) | | At Risk – STI (%) | | At Risk – LTI (%) | |
|---|---|---|---|---|---|---|
| Name | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Directors** | | | | | | |
| Nick Johansen | **-** | 100% | **-** | - | **-** | - |
| Matthew Bull | **95%** | 85% | **5%** | - | - | 15% |
| Kenneth Banks | **100%** | 100% | **-** | - | **-** | - |
| Greg Entwistle | **100%** | 100% | **-** | - | **-** | - |

# Directors' Report

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

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

| 30 June 2025 | Balance at 01/07/2024 | Granted | On Exercise of Options | Net Change – Other | Balance at 30/06/2025 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Matthew Bull | 19,821,430 | - | - | - | 19,821,430 |
| Kenneth Banks | - | - | - | - | - |
| Greg Entwistle | - | - | - | - | - |
| **Total** | **19,821,430** | **-** | **-** | **-** | **19,821,430** |

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

| 30 June 2025 | Balance at 01/07/2024 | Granted | Exercised | Net Change – Other | Balance at 30/06/2025 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Matthew Bull | 9,821,429 | - | - | **-** | 9,821,429 |
| Kenneth Banks | - | **-** | - | **-** | - |
| Greg Entwistle | - | - | - | - | - |
| **Total** | **9,821,429** | **-** | **-** | **-** | **9,821,429** |

i. Participation in the October 2023 placement Mr Bull was issued with 9,821,429 free attaching options upon shareholders' approval.

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

| 30 June 2025 | Balance at 01/07/2024 | Expired / Forfeited | On Exercise of rights | Net Change – Other | Balance at 30/06/2025 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Matthew Bull [(i)] | 2,000,000 | (2,000,000) | - | - | - |
| Kenneth Banks | - | - | - | - | - |
| Greg Entwistle | - | - | - | - | - |
| **Total** | **2,000,000** | **(2,000,000)** | **-** | **-** | **-** |

i. On 11 December 2024, 2,000,000 performance rights expired without market-based performance conditions being satisfied.

**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 Director**
  - 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**
  - Contract: Commenced on 20 March 2024.
  - Remuneration: $60,000 per annum.
  - Term: See Note 1 below for details pertaining to re-appointment and termination.

# Directors' Report

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

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.

## 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. 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**
No performance rights were issued as remuneration to Directors during the current financial year.

## 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 2025 (2024: Nil).

## I Other Transactions with KMP

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

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Harkiss Mineral Discovery Pty Ltd | - | 64,838 |
| Trilogy Exploration Pty Ltd | **134,685** | 166,500 |
| BGE Pty Ltd | **79,440** | 15,000 |
| **Total** | **214,125** | 246,338 |

On 30 June 2025, there is consulting fee of $5,500 remained unpaid to (BGE Pty Ltd) Greg Entwistle and consulting fee of $13,875 was prepaid to (Trilogy Exploration Pty Ltd) Matthew Bull. On 30 June 2024, there was consulting fee of $79,572 remained unpaid to (Harkiss Mineral Discovery Pty Ltd) Nick Johansen and consulting fee of $11,000 remained unpaid to (BGE Pty Ltd) Greg Entwistle.

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 2025.

**Use of remuneration consultants**

During the financial year ended 30 June 2025, 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 2025 are summarised below:

| | **2025** **$** | 2024 $ | 2023 $ | 2022 $ | 2021 $ |
|---|---|---|---|---|---|
| Other income | **322,130** | 2,036 | 6,949 | 337 | 786 |
| Loss after income tax | **(470,643)** | (1,674,767) | (5,656,442) | (10,625,807) | (903,628) |
| Share Price ($) | **0.020** | 0.015 | 0.027 | 0.028 | 0.046 |
| Loss per share (cents) | **(0.10)** | (0.39) | (1.58) | (3.17) | (0.30) |
| Dividends | **-** | - | - | - | - |

**K *Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')***

At the 2024 AGM, 92% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. 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 Peterson Resources Ltd 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 |

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**

There were no shares issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options or 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 director's 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 independent 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 issued by the Accounting Professional and Ethical Standards Board, 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.

# Director's Report

**ROUNDING OF AMOUNTS**

The Company is of a kind referred to in Corporations Instrument 2016/191, 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 thousand dollars, or in certain cases, 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

**Ken Banks**
**Non-Executive Chairman**
30 September 2025
Perth, WA

**RSM Australia Partners**

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2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Paterson Resources Limited for the year ended 30 June 2025, 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

Perth, WA
Dated: 30 September 2025

TUTU PHONG
Partner

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

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.
RSM Australia Partners ABN 36 965 185 036
Liability limited by a scheme approved under Professional Standards Legislation

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Other income** | 4 | **322,130** | 2,036 |
| **Expenses** | | | |
| Administrative expenses | 5(a) | **(263,033)** | (268,330) |
| Compliance and regulatory expenses | | **(57,935)** | (113,077) |
| Corporate advisory and consulting fees | | **(85,569)** | (142,238) |
| Depreciation | | **-** | (6,810) |
| Employee benefit expenses | 5(b) | **(291,875)** | (377,792) |
| Exploration consulting fees | | **(15,903)** | (71,544) |
| Impairment expense | 11 | **-** | (566,498) |
| Legal fees | | **(23,634)** | (41,458) |
| Unrealised loss from revaluation of financial asset | | **(74)** | (8,732) |
| Share-based payments expense | 18 | **(8,493)** | (30,304) |
| Other expenses | | **(46,257)** | (50,022) |
| **Loss from continuing operations before income tax** | | **(470,643)** | (1,674,769) |
| Income tax expense | 6 | **-** | - |
| **Loss from continuing operations after income tax** | | **(470,643)** | (1,674,769) |
| **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 Ltd** | | **(470,643)** | (1,674,769) |
| **Loss per share for the year attributable to the members Paterson Resources Ltd** | | | |
| Basic loss per share (cents) | 7 | **(0.10)** | (0.39) |
| Diluted loss per share (cents) | 7 | **(0.10)** | (0.39) |

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 2025

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 8 | **1,920,241** | 475,514 |
| Trade and other receivables | 9 | **50,562** | 100,733 |
| Assets held for sale | 10 | **-** | 2,563,420 |
| **Total current assets** | | **1,970,803** | 3,139,667 |
| **Non-current assets** | | | |
| Plant and equipment | | | - |
| Financial assets at fair value through profit or loss | | **2,388** | 2,462 |
| Exploration and evaluation expenditure | 11 | **4,641,264** | 4,580,818 |
| **Total non-current assets** | | **4,643,652** | 4,583,280 |
| **Total assets** | | **6,614,455** | 7,722,947 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 12 | **40,716** | 505,240 |
| Other current liabilities | 13 | **-** | 181,818 |
| **Total current liabilities** | | **40,716** | 687,058 |
| **Total liabilities** | | **40,716** | 687,058 |
| **Net assets** | | **6,573,739** | 7,035,889 |
| **EQUITY** | | | |
| Contributed equity | 14 | **37,346,601** | 37,346,601 |
| Reserves | 15 | **-** | 67,507 |
| Accumulated losses | 23 | **(30,772,862)** | (30,378,219) |
| **Total equity** | | **6,573,739** | 7,035,889 |

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 2025

| | Issued Capital | Option Reserve | Accumulated Losses | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **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 18) | **-** | **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** |
| **At 1 July 2023** | 35,786,364 | 5,785,846 | (34,452,093) | 7,120,117 |
| Loss for the year | - | - | (1,674,769) | (1,674,769) |
| **Total comprehensive loss for the year after tax** | - | - | (1,674,769) | (1,674,769) |
| **Transactions with owners in their capacity as owners:** | | | | |
| Shares issued during the year | 1,644,820 | - | - | 1,644,820 |
| Share issue costs | (84,583) | - | - | (84,583) |
| Share-based payments | - | 30,304 | - | 30,304 |
| Reclassification of expired options | - | (5,748,643) | 5,748,643 | - |
| **At 30 June 2024** | 37,346,601 | 67,507 | (30,378,219) | 7,035,889 |

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 2025

| | Note | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | **(1,041,516)** | (687,458) |
| Interest received | | **35,550** | 2,036 |
| **Net cash used in operating activities** | 8(a) | **(1,005,966)** | (685,422) |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for exploration and evaluation expenditure | | **(199,307)** | (1,080,069) |
| Proceeds from disposal of exploration and evaluation expenditure | | **-** | 181,818 |
| Proceeds from disposal of subsidiary | 10 | **2,650,000** | - |
| **Net cash from / (used in) investing activities** | | **2,450,693** | (898,251) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | **-** | 1,557,130 |
| Share issue costs | | **-** | (84,583) |
| **Net cash from financing activities** | | **-** | 1,472,547 |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **1,444,727** | (111,126) |
| | | | |
| **Cash and cash equivalents at the beginning of the year** | | **475,514** | 586,640 |
| **Cash and cash equivalents at the end of the year** | 8 | **1,920,241** | 475,514 |

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 2025 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

### (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 International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). Paterson Resources Ltd is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 30 September 2025.

***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 24.

***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 2025. 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.

*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 1 '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. But 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.

## Notes to the Consolidated Financial Statements

### NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

***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) Principles of Consolidation

***Subsidiaries***

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Paterson Resources Ltd ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Paterson Resources Ltd and its subsidiaries together are referred to in this financial report as the Consolidated Entity.

Subsidiaries are all entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another 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.

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.

### (d) 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.

## Notes to the Consolidated Financial Statements

### NOTE 1 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

**(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.

Deferred tax assets and liabilities are always classified as non-current.

### NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 other various 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.

## Notes to the Consolidated Financial Statements

**NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (Continued)**

***Exploration and Evaluation Expenditure***
Exploration and evaluation costs only capitalised that 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 includes 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.

**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" manner without dissemination to any separately identifiable segments.

The Group's management operate 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**

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Interest received | **35,550** | 2,036 |
| Profit on disposal of subsidiaries | **286,580** | - |
| | **322,130** | 2,036 |

**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 | 2025 $ | 2024 $ |
|---|---|---|
| **(a) Administrative expenses** | | |
| Accounting, audit and company secretarial fees | **176,629** | 164,541 |
| Travel and accommodation expenses | **25,796** | 6,154 |
| General and administration expenses | **60,608** | 97,633 |
| | **263,033** | 268,328 |
| **(b) Employee benefit expenses** | | |
| Director fees | **275,000** | 289,838 |
| Superannuation | **16,875** | 23,581 |
| Wages and Salaries | **-** | 64,373 |
| | **291,875** | 377,792 |

| NOTE 6 INCOME TAX | 2025 $ | 2024 $ |
|---|---|---|
| **(a) The components of tax expense comprise:** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| Income tax expense reported in the 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 | **(470,643)** | (1,674,767) |
| Prima facie tax benefit on loss before income tax at 30% (2024: 30%) | **(141,193)** | (502,430) |
| Tax effect of amounts that are not deductible/taxable in calculating taxable income | | |
| Non-deductible expenses | **2,548** | 9,091 |
| Tax losses and temporary differences not brought to account | **138,645** | 493,339 |
| Income tax expense | **-** | - |
| **Tax Losses** | | |
| Unused tax losses for which no deferred tax asset has been recognised | **30,947,989** | 30,050,256 |
| Unused capital tax losses for which no deferred tax asset has been recognised | **256,157** | 256,157 |
| Potential tax benefit at 30% (2024: 30%) | **9,361,244** | 9,091,924 |
| **Unrecognised temporary differences** | | |
| Temporary differences for which deferred tax assets/liabilities have not been recognised | | |
| • Investments | **(716)** | (739) |
| • Provisions, accruals and prepayments | **(3,582)** | (746) |
| • Exploration assets | **(1,392,379)** | (491,423) |
| • Assets held for sale | **-** | 8,247 |
| • Blackhole expenditure | **16,137** | 22,124 |
| | **(1,380,540)** | (462,537) |
| Unrecognised deferred tax assets relating to the above tax losses and temporary differences | **7,980,704** | 8,629,387 |

## Notes to the Consolidated Financial Statements

### NOTE 6 INCOME TAX (Continued)

**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.

**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 Ltd (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 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 amounts 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 amounts 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.

## Notes to the Consolidated Financial Statements

### NOTE 7 LOSS PER SHARE (Continued)

| | 2025 $ | 2024 $ |
|---|---|---|
| Net loss for the year | **(470,643)** | (1,674,769) |
| Weighted average number of ordinary shares for basic and diluted loss per share. | **456,037,879** | 429,248,084 |

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position.

| | | |
|---|---|---|
| Basic and diluted loss per share (cents) | **(0.10)** | (0.39) |

**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

| | 2025 $ | 2024 $ |
|---|---|---|
| Cash at bank and in hand | **1,920,241** | 475,514 |
| | **1,920,241** | 475,514 |

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

| | | 2025 $ | 2024 $ |
|---|---|---|---|
| Loss for the financial year | | **(470,643)** | (1,674,767) |
| *Adjustments for:* | | | |
| Depreciation | | **-** | 6,810 |
| Fair value adjustment on financial asset | | **74** | 8,732 |
| Share-based payments | 18 | **8,493** | 30,304 |
| Impairment expense | 11 | **-** | 566,498 |
| Profit on disposal of subsidiaries | 10 | **(286,580)** | - |
| *Changes in assets and liabilities* | | | |
| Trade and other receivables | | **50,171** | 84,817 |
| Trade and other payables | | **(307,481)** | 292,184 |
| **Net cash used in operating activities** | | **(1,005,966)** | (685,422) |

**Accounting Policy**

Cash and cash equivalents comprise cash on hand.

The Group's exposure to interest rate and credit risks is disclosed in Note 16.

## Notes to the Consolidated Financial Statements

| NOTE 9 TRADE AND OTHER RECEIVABLES | 2025 $ | 2024 $ |
|---|---|---|
| Goods and services tax ("GST") receivable | **11,621** | 26,284 |
| Prepayments | **38,941** | 28,384 |
| Other | **-** | 46,065 |
| | **50,562** | 100,733 |

### (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 2025 (2024: $Nil).

**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.

**Accounting policy**

**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 financial activities, which are disclosed as operating cash flows.

**NOTE 10 ASSETS HELD FOR SALE**

| | 2025 $ | 2024 $ |
|---|---|---|
| *Details of the disposal of asset held for sale* | | |
| Total sale consideration | **2,850,000** | - |
| Carrying amount of net assets disposed | **(2,563,420)** | - |
| Profit on disposal before income tax | **286,580** | - |
| | | |
| Carrying amount of assets and liabilities disposed | | |
| Exploration and evaluation expenditure (Note 11) | **2,560,939** | 2,560,939 |
| Other receivable | **3,332** | 3,332 |
| Other payables | **(851)** | (851) |
| | **2,563,420** | 2,563,420 |

The assets identified above represents the carrying amount of assets in Burraga Pty Ltd and Old Lloyd Pty Ltd, subsidiaries of Paterson Resources Limited, which was the subject of a sale agreement entered into on 22 May 2024. A deposit of $200,000 was received in June 2024 with the balance of the consideration received on 29 August 2024, when the sale was completed.

## Notes to the Consolidated Financial Statements

### NOTE 10 ASSETS HELD FOR SALE (Continued)

**Accounting policy**

Assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified is held for sale are presented separately on the face of the statement of financial position, in current liabilities.

### NOTE 11 EXPLORATION AND EVALUATION EXPENDITURE

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Carrying amount of exploration and evaluation expenditure | **4,641,264** | 4,580,818 |
| At the beginning of the year | **4,580,818** | 6,628,186 |
| Exploration and evaluation expenditure incurred | **60,446** | 1,080,069 |
| Classified as held for sale (Note 10) | **-** | (2,560,939) |
| Impairment expense [(i)] | **-** | (566,498) |
| At the end of the year | **4,641,264** | 4,580,818 |

(i) In the prior year, the Board performed a full review across all the projects and made relinquishment decisions based on the following assumptions:
   a. the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
   b. expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
   c. exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
   d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Company surrendered Bellary tenement E47/3578 in the prior year and Lake Grace tenements E45/5130 in the current year, writing off $15,534 and $377,415 respectively during the year ended 30 June 2024. In consideration of the sale of the Burraga tenements on 29 August 2024, the Company wrote off $213,973 during the year ended 30 June 2024. There was no impairment as at 30 June 2025.

**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.

## Notes to the Consolidated Financial Statements

### NOTE 11 EXPLORATION AND EVALUATION EXPENDITURE (Continued)

**Accounting Policy (Continued)**

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.

### NOTE 12 TRADE AND OTHER PAYABLES

| | 2025 $ | 2024 $ |
|---|---|---|
| Trade payables | **8,407** | 455,549 |
| Accrued expenses | **27,000** | 25,900 |
| Other payables | **5,309** | 23,791 |
| | **40,716** | 505,240 |

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 13 OTHER CURRENT LIABILITIES

| | 2025 $ | 2024 $ |
|---|---|---|
| Payments received in advance | - | 181,818 |

This represents a deposit received under the conditions of the sale agreement relating to the sale of the Burraga Project which was completed on 29 August 2024.

### NOTE 14 CONTRIBUTED EQUITY

**(a) Issued and fully paid**

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | No. | $ | No. | $ |
| Ordinary shares | **456,037,879** | **37,346,601** | 456,037,879 | 37,346,601 |

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

**(b) Movement reconciliation (continued)**

| | | Issue Price | Number | $ |
|---|---|---|---|---|
| **At 1 July 2023** | **Opening Balance** | | **397,294,317** | **35,786,364** |
| 5 December 2023 | Placement | 0.028 | 13,922,130 | 382,820 |
| 11 December 2023 | Placement | 0.028 | 17,142,857 | 480,000 |
| 22 December 2023 | Placement | 0.028 | 27,678,575 | 775,000 |
| | Share issue costs | | | (84,583) |
| **At 30 June 2024** | **Closing Balance** | | **456,037,879** | **37,346,601** |
| **At 30 June 2025** | **Closing Balance** | | **456,037,879** | **37,346,601** |

## Notes to the Consolidated Financial Statements

### NOTE 14 CONTRIBUTED EQUITY (Continued)

**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.

### NOTE 15 RESERVES

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Share-based payments reserves | - | 67,507 |
| **Movement reconciliation** | | |
| **Balance at the beginning of the year** | **67,507** | 5,785,846 |
| Share-based payment expense recognised during the year | **8,493** | 30,304 |
| Expired options and performance rights transferred to accumulated loss | **(76,000)** | (5,748,643) |
| **Balance at the end of the year** | - | 67,507 |

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 16 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 programme 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:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | **1,920,241** | 475,514 |
| Trade and other receivables | **50,562** | 100,733 |
| Financial assets at fair value through profit or loss | **2,388** | 2,462 |
| | **1,973,191** | 578,709 |
| **Financial Liabilities** | | |
| Trade and other payables | **40,716** | 505,240 |
| Other current liabilities | **-** | 181,818 |
| | **40,716** | 687,058 |

## Notes to the Consolidated Financial Statements

**NOTE 16 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:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Weighted average interest rate [(i)]** | **Balance $** | Weighted average interest rate | Balance $ |
| Cash and cash equivalents | **1.85%** | **1,920,241** | 0.43% | 475,514 |

(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 2025, 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)** | |
|---|---|---|
| *Judgements of reasonably possible movements:* | **2025 $** | **2024 $** |
| + 1.0% (100 basis points) | **19,202** | 4,755 |
| - 1.0% (100 basis points) | **(19,202)** | (4,755) |

**(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 16 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 $ |
|---|---|---|---|---|---|
| **2025** | | | | | |
| Trade and other payables | **40,716** | **-** | **-** | **-** | **40,716** |
| 2024 | | | | | |
| Trade and other payables | 505,240 | - | - | - | 505,240 |

#### (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 number 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 17 RELATED PARTY DISCLOSURE

#### (a) Key Management Personnel Compensation

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

| | 2025 $ | 2024 $ |
|---|---|---|
| Short-term benefits | **270,000** | 289,839 |
| Post-employment benefits | **17,250** | 16,500 |
| Share-based payments | **8,493** | 30,304 |
| | **295,743** | 336,643 |

#### (b) Transactions with related parties

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

| | 2025 $ | 2024 $ |
|---|---|---|
| Harkiss Mineral Discovery Pty Ltd | **-** | 64,838 |
| Trilogy Exploration Pty Ltd | **134,685** | 166,500 |
| BGE Pty Ltd | **79,440** | 15,000 |
| **Total** | **214,125** | 246,338 |

On 30 June 2025, there is consulting fee of $5,500 remained unpaid to (BGE Pty Ltd) Greg Entwistle and consulting fee of $13,875 was prepaid to (Trilogy Exploration Pty Ltd) Matthew Bull.

## Notes to the Consolidated Financial Statements

**NOTE 17 RELATED PARTY DISCLOSURE**

**(b) Transactions with related parties (Continued)**

On 30 June 2024, there was consulting fee of $79,572 remained unpaid to (Harkiss Mineral Discovery Pty Ltd) Nick Johansen and consulting fee of $11,000 remained unpaid to (BGE Pty Ltd) Greg Entwistle.

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 2025 and 30 June 2024.

| **NOTE 18 SHARE-BASED PAYMENTS** | **2025** | **2024** |
|---|---|---|
| | **$** | **$** |
| **(a) Recognised share-based payment transactions** | | |
| Performance rights issued in the prior year | **8,493** | 30,304 |
| | **8,493** | 30,304 |
| **Reconciliation:** | | |
| Recognised as share-based payment expenses in Statement of Profit or Loss and Other Comprehensive Income | **8,493** | 30,304 |
| | **8,493** | 30,304 |

**(b) Summary of options during the year:**

There are no share-based options issued during the year ended 2025 (2024: Nil).

**(c) Summary of performance rights during the year:**

There are no share-based performance rights issued during the year ended 2025 (2024: Nil).

**(d) Summary of performance rights in the prior year:**

**2024**

| Grant Date | Expiry Date | Exercise Price | Balance at the Start of the Year | Granted | Exercised | Expired/ Other | Balance at the End of the Year |
|---|---|---|---|---|---|---|---|
| 11/12/2020* | 11/12/2024 | $0.00 | 2,000,000 | - | - | (2,000,000) | - |
| | | | **2,000,000** | **-** | **-** | **(2,000,000)** | **-** |

* Following shareholder approval at the AGM on 11 December 2020, the Company issued 4,000,000 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) 2,000,000 Performance Rights will vest upon the Company's Shares achieving a VWAP of $0.135 over any 20 consecutive day period on which shares are traded on ASX, expiring 4 years after issue.

The assessed fair values of the performance rights was determined using 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 18 SHARE-BASED PAYMENTS (Continued)

The inputs to the model used were:

| | Performance right |
|---|---|
| Number of rights | 2,000,000 |
| Dividend yield (%) | Nil |
| Expected volatility (%) | 110 |
| Risk-free interest rate (%) | 0.090 |
| Expected life of performance rights (years) | 3 |
| Underlying share price ($) | 0.045 |
| Exercise price ($) | Nil |
| Value of performance rights ($) | 0.038 |
| Fair value of performance rights ($) | 76,000 |

### NOTE 19 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, exceptions from expenditure are applied or are otherwise disposed of. The commitments that are not provided for in the financial statements are:

| | 2025 $ | 2024 $ |
|---|---|---|
| - Within one year | **70,000** | 78,624 |
| - Later than one but not later than five years | **-** | 123,429 |
| | **70,000** | 202,053 |

### NOTE 20 CONTINGENCIES

Contingent liabilities
There are no contingent liabilities as at 30 June 2025 and 30 June 2024.

Contingent assets
There are no contingent assets as at 30 June 2025 and 30 June 2024.

### NOTE 21 AUDITOR'S REMUNERATION

| | 2025 $ | 2024 $ |
|---|---|---|
| **Amounts received or due and receivable by RSM Australia Partners for:** | | |
| Audit or review of the financial statements | **41,510** | 39,823 |
| | **41,510** | 39,823 |

### NOTE 22 INVESTMENT IN CONTROLLED ENTITIES

| | Principal Activities | Country of Incorporation | Ownership interest 2025 % | Ownership interest 2024 % |
|---|---|---|---|---|
| Orange Hills Resources Limited | Exploration | Australia | **100** | 100 |
| Burraga Copper Pty Ltd * | Exploration | Australia | **-** | 100 |
| BC Exploration Pty Ltd * | Exploration | Australia | **-** | 100 |
| Malang Resources Pty Ltd | Exploration | Australia | **90** | 90 |
| ACN 603 462 513 Pty Ltd | Exploration | Australia | **100** | 100 |
| Old Lloyds Mine Pty Ltd * | Exploration | Australia | **-** | 100 |

* These subsidiaries were fully disposed on 29 August 2024 when the sale was completed. Refer to Note 10.

## Notes to the Consolidated Financial Statements

### NOTE 23 ACCUMULATED LOSSES

| | 2025 $ | 2024 $ |
|---|---|---|
| Balance at beginning of the year | **(30,378,219)** | (34,452,093) |
| Loss after income tax for the year | **(470,643)** | (1,674,769) |
| Reclassification of expired options | **76,000** | 5,748,643 |
| Balance at end of the year | **(30,772,862)** | (30,378,219) |

There are no dividends declared for the year ended 30 June 2025 (2024: Nil)

### NOTE 24 PARENT ENTITY

| | 2025 $ | 2024 $ |
|---|---|---|
| **Assets** | | |
| Current assets | **1,972,481** | 578,000 |
| Non-current assets | **4,641,974** | 7,144,948 |
| **Total assets** | **6,614,455** | 7,722,948 |
| **Liabilities** | | |
| Current liabilities | **(40,716)** | (687,059) |
| **Total liabilities** | **(40,716)** | (687,059) |
| **Equity** | | |
| Contributed equity | **37,346,601** | 52,200,420 |
| Reserves | **-** | 82,507 |
| Accumulated losses | **(30,745,862)** | (45,247,038) |
| **Total equity** | **6,573,739** | 7,035,889 |
| Loss for the year | **(462,150)** | (1,644,466) |
| **Total comprehensive loss** | **(462,150)** | (1,644,466) |

*Contingent assets*
The parent entity has no contingent assets at 30 June 2025 and 30 June 2024.

*Contingent liabilities*
The parent entity has no contingent liabilities at 30 June 2025 and 30 June 2024.

*Capital commitments - Plant and equipment*
The parent entity had no capital commitments for plant and equipment as at 30 June 2025 and 30 June 2024.

*Exploration commitments*
The parent entity had exploration commitments as disclosed in Note 19.

*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 25 EVENTS AFTER THE REPORTING DATE

On 13 August 2025, the Company announced a $910,000 placement to sophisticated investors issued at 1.8 cents per share and an entitlement issue of 1 share for every 8 shares to raise a further $1,090,000 on the same conditions, totalling $2,000,000. For each share issued, 1 free attaching option will be issued with an exercise price of 2.8 cents and expires 3 years from the date of issue.

On 24 September 2025, the Company issued 28,333,334 fully paid ordinary shares.

There has been no 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

**Basis of preparation**

The consolidated entity disclosure statement at 30 June 2025 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 Ltd (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 International Financial Reporting 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 2025 and of its performance for the financial year ended on that date; 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 consolidated entity disclosure statement set out on page 39 is true and correct.
- 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

**Ken Banks**
**Non-Executive Chairman**
30 September 2025
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 2025, 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 2025 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 the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report 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.

| Key Audit Matter | How our audit addressed this matter |
|---|---|
| **Exploration and Evaluation Expenditure**<br>*Refer to Note 11 in the financial statements* | |
| The Group has capitalised exploration and evaluation expenditure with a carrying value of $4,641,264 as at 30 June 2025.<br><br>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:<br><br>• Determination of 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;<br>• Assessing whether exploration and evaluation activities have reached a stage at which the existence of economically recoverable reserves may be determined; and<br>• Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss. | Our audit procedures included:<br><br>• Assessing the Group's accounting policy for compliance with Australian Accounting Standards;<br>• Ensuring that the right to tenure of the area of interest is current;<br>• 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;<br>• Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date;<br>• 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;<br>• Enquiring with management and assessing budgets and other documentation to gain evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and<br>• 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 2025 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/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

## REPORT ON 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 2025.

In our opinion, the Remuneration Report of Paterson Resources Limited, for the year ended 30 June 2025, 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.

RSM AUSTRALIA

Perth, WA
Dated: 30 September 2025

TUTU PHONG
Partner

## Corporate Governance Statement

The Board of Directors of Paterson Resources Ltd 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 complies with 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 25 September 2025.

1. **Fully paid ordinary shares**
   - There is a total of 484,371,213 fully paid ordinary shares on issue which are listed on the ASX.
   - The number of holders of fully paid ordinary shares is 1,339.
   - 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 | 78 | 16,543 | 0.00 |
| 1,001 - 5,000 | 70 | 174,688 | 0.04 |
| 5,001 - 125,000 | 883 | 31,830,125 | 6.58 |
| 125,001 Over | 311 | 452,291,754 | 93.38 |
| **Total** | **1,344** | **484,371,213** | **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 469 shareholders who hold less than a marketable parcel of shares, amount to 0.87% 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> | 41,665,569 | 8.60 |

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 shareholders; 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 34,282,515 unlisted options (exercisable at $0.05; expiry 24/11/2026) on issue as at 25 September 2025.

9. **Unlisted Performance Rights**
   There are no Performance Rights on issue.

## ASX Additional Information

**10. Major Shareholders**

The Top 20 largest fully paid ordinary shareholders together held 51.13% 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> | 41,665,569 | 9.14 |
| 2 | MR MATTHEW NORMAN BULL | 19,821,430 | 4.35 |
| 3 | MR GEORGE CZYDEL | 19,059,349 | 3.93 |
| 4 | RAE CHEAH MONG | 17,857,143 | 3.69 |
| 5 | JLT OPERATIONS PTY LTD | 15,181,624 | 3.33 |
| 6 | 98 INVESTMENTS PTY LTD <98 INVESTMENT A/C> | 13,900,759 | 2.87 |
| 7 | MR SHAUN DANIEL FRANCIS MCGURGAN | 13,221,426 | 2.73 |
| 8 | MR DAVID OLIVER BULL | 12,455,093 | 2.57 |
| 9 | CITICORP NOMINEES PTY LIMITED | 11,792,574 | 2.43 |
| 10 | MR NICHOLAS EDWARD BULL | 11,461,322 | 2.37 |
| 11 | MR JEFFORY JOSEPH COLLINS | 11,245,212 | 2.32 |
| 12 | MISS GAY VIVIAN CAIN | 10,555,556 | 2.18 |
| 13 | MS CATHERINE MARGARET ANNE REHN | 9,698,623 | 2.00 |
| 14 | BNP PARIBAS NOMS PTY LTD | 9,516,551 | 1.96 |
| 15 | DR ANNE PATRICIA CZYDEL | 8,650,111 | 1.79 |
| 16 | CUTTING EDGE DEVELOPMENTS PTY LTD <BUSTIN FAMILY A/C> | 7,060,000 | 1.46 |
| 17 | MOVERLY SUPERANNUATION PTY LTD <MOVERLY SUPER FUND A/C> | 6,900,000 | 1.42 |
| 18 | MR RAMIN AFNANI | 6,020,000 | 1.24 |
| 19 | MR JEFFREY JOSEPH COLLINS | 5,357,143 | 1.11 |
| 20 | MS LISA JANE GIBSON | 4,562,648 | 0.94 |
| **Total: Top 20 holders of ORDINARY FULLY PAID SHARES** | | **255,982,133** | **51.13** |

**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 is 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

**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 an estimated minerals resource, all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed.

## ASX Additional Information

**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% |