

6000m RC Drill Campaign to Commence at Woodline Project

Highlights:

- Company acquires Schramm T450 RC drilling rig
- 6000m RC drilling campaign to commence late January
- Campaign to compliment current diamond drilling program and to test newly identified potential strike
- Exploration results from RC program to be ready for reporting late February / early March

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to provide this exploration report for its 100% owned Woodline project in the Fraser Range, Western Australia.

The Company is pleased to announce it has acquired a second drilling rig (RC) to compliment the diamond drilling rig it acquired in November 2020 and to enable it to undertake its drill programs as required given the currently very high demand for RC rigs. The Company is on track to complete the current 1000m to 1500m diamond drilling program by the end of January and intends to commence a 68 hole 6068m RC program late January at its Socrates, West Socrates, East Socrates, Grindall and Redmill projects.

The Schramm T450 RC drilling rig is currently being prepared for service and is capable of drilling more than 300m deep RC holes.

Commenting on the drill rig acquisition and planned program, Nelson's Executive Director and CEO, Adam Schofield said:

"Nelson's purchase of its second drilling rig and specifically an RC rig, is a significant step for the Company given the high demand and inability to secure RC rigs in WA. This RC rig will drill at approximately 10 times the rate of the Diamond rig enabling us to efficiently drill our large-scale gold targets. The Diamond and RC drill rigs will provide significant flexibility and complement each other, saving us considerable time and cost going forwards. The money saved will pay the capital costs of the drill rig within the quarter.

We are very excited about the planned RC program as it allows us to begin in earnest to test the large-scale potential of our gold targets. We now have the ability to undertake our drill programs as required and to optimise the drilling by choosing the style of drilling we conduct. As such we anticipate delivering significant news and value to our shareholders in the coming year".

CAPITAL STRUCTURE

ORDINARY SHARES

Issued 114,802,142

OPTIONS

Listed options 33,345,410

Unlisted options 15,614,458

BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst

LAST CAPITAL RAISE

July 2020

Entitlements Offer & Placement

\$2.355m @ 3.8c

Technical Discussion

The Company's 68 hole 6068m RC drilling program is designed to infill the current Diamond drilling programs at Grindall, Redmill and Socrates (Image 5). The planned work programs are as follows:

Socrates:

24 RC drill holes for 1278 m planned (Image 1).

RC drilling at Socrates has been designed to test the northern and southern extensions to the existing mineralisation as identified by the Loupe EM survey. This mineralisation remains open along strike and at depth and has not been tested by the existing drilling.

Previous drilling at Socrates includes 4458m of RC by Nelson and 3046m of RC done by Sipa / Newmont.

The notable intercepts include: 1m @ 142 g/t Au, 8m @ 3.53 g/t Au, 25m @ 2.06 g/t Au

and 192m @ 0.5 g/t Au. (ASX announcement dated 17 September 2018)

The previous drilling has identified a strike length of approximately 370m with the Loupe data showing 2km of potential mineralisation.

West Socrates:

14 RC drill holes for 1020 m planned (Image 2).

The West Socrates target has been identified from previous drilling by Nelson (ASX announcement dated 17 September 2018) as well as mapping and rock chip sampling by Nelson (ASX announcement dated 21 September 2020). This drilling is planned to further test strike and dip.

Previous drilling results by NES include 7m @ 5.02 g/t Au (SDH019), 1m @ 1.12 g/t Au (SDH022) and 1m @ 1.04 g/t Au (SDH018). (ASX ANN 17 September 2018).

East Socrates:

4 RC drill holes for 480 m planned (Image 2).

East Socrates is a newly identified structure further identified by the recent Geophysics undertaken by Nelson. First-pass exploration RC drilling is planned for a structural target at East Socrates. A total of four drill holes for 480 m have been designed to test the target.

Grindall:

19 RC drill holes for 2530 m planned. (Image 3)

Holes to be drilled on 150 m to 200 m line spacings with 40 m hole centres.

The Grindall and Remill Geochemical and Geophysical structure extends over 20kms and the RC drilling has been planned to test a structural target that has been identified from a recent Loupe EM survey completed by Nelson (ASX announcement dated 21 September 2020) and historic RC drilling (ASX announcement dated 18 February 2010 'Encouraging Drilling Results at Woodline' - Sipa Resources Limited).

Previous limited drilling by Sipa returned 12m @ 0.76 g/t Au - including 1m @ 9.14 g/t Au (HEC001), 1m @ 2.08 g/t Au (HEC009) and 1m @ 1.01 g/t Au (HEC008).

Redmill:

7 RC drill holes for 760 m planned. (Image 4)

Holes to be drilled on 300 m to 400 m line spacings with 40 m hole centres.

RC drilling has been planned to test a structural target that has been identified from a recent Loupe EM survey completed by Nelson (ASX announcement dated 21 September 2020) and historic RC drilling (ASX announcement dated 26 May 2011 'Woodline Gold and Basemetals Project' - Sipa Resources Limited).

Previous drilling results by Sipa include 10m @ 1.29 g/t Au - including 1m @ 7.8 g/t Au (TFC010), 5m @ 0.22 g/t Au (TFC012) and 5m @ 0.21 g/t Au (TFC011).



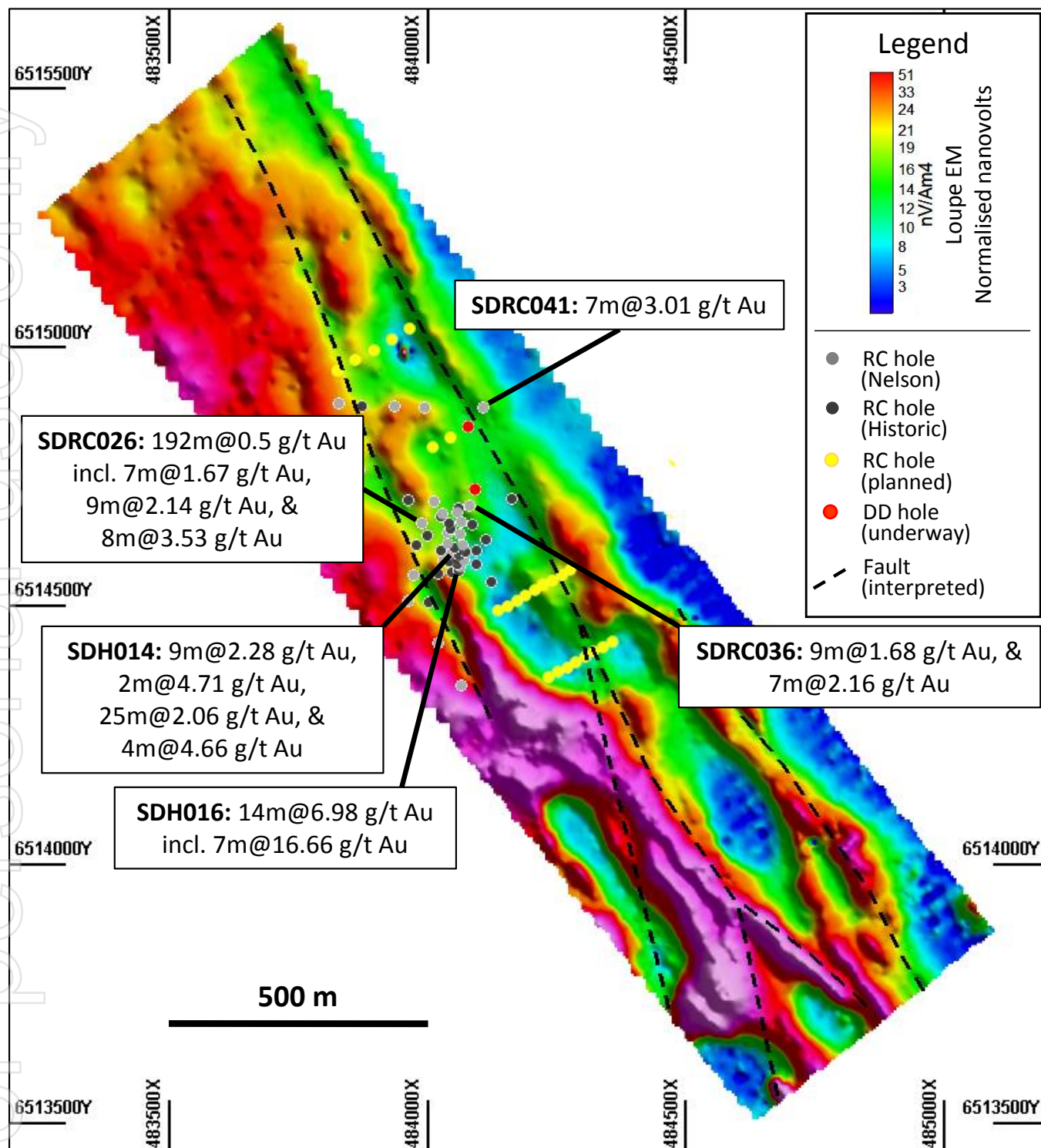


Image 1: Socrates Loupe electromagnetic survey showing interpreted target structures, planned RC drill holes, results from previous drill holes reported by NES (ASX ANN 17 September 2018) and diamond (DD) drill holes which are part of the program which is currently underway.



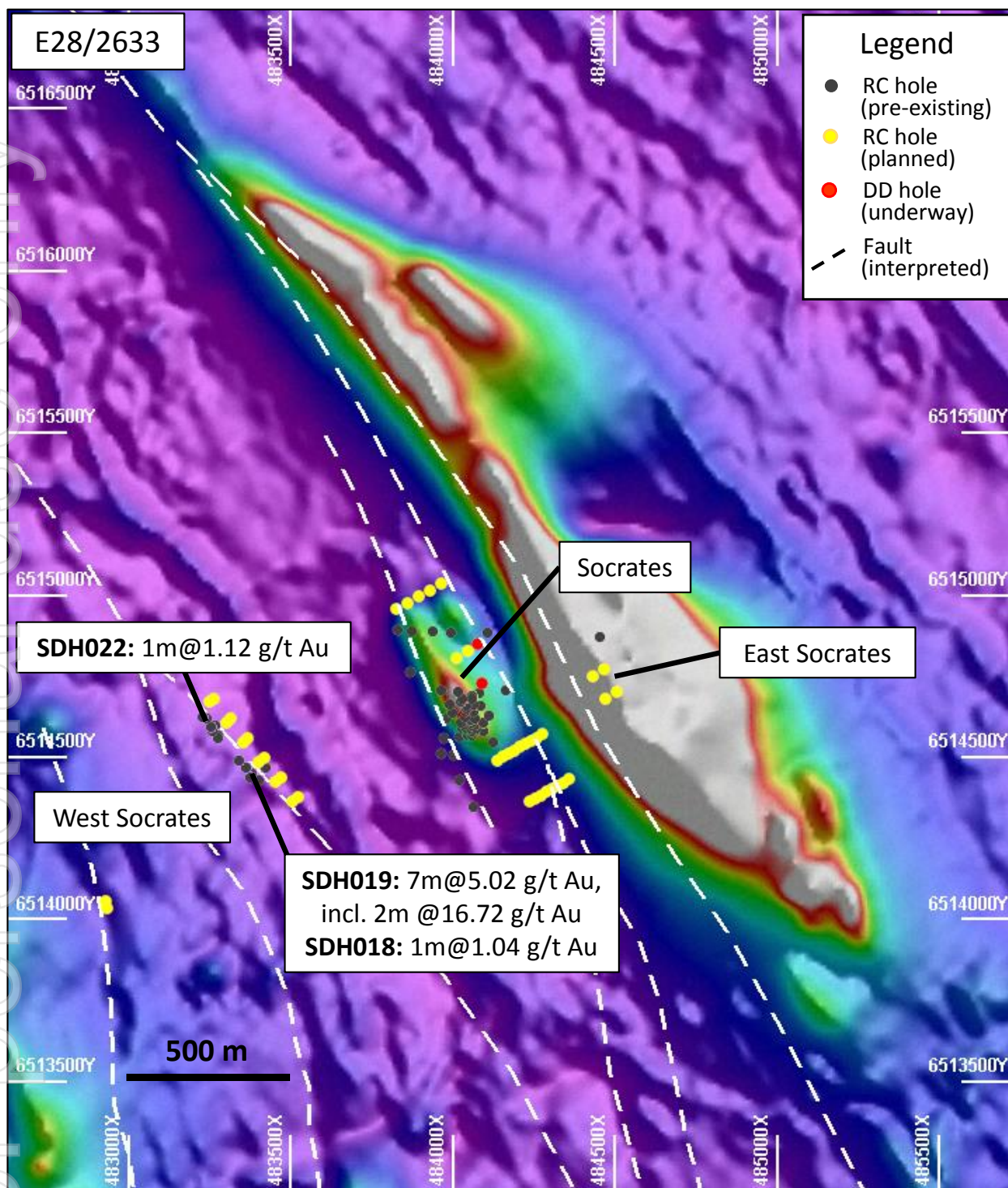


Image 2: Total Magnetic Intensity showing interpreted target structures, planned RC drill holes at Socrates, West Socrates and East Socrates, results from previous drill holes reported by NES (ASX ANN 17 September 2018) and diamond (DD) drill holes which are part of the program which is currently underway.



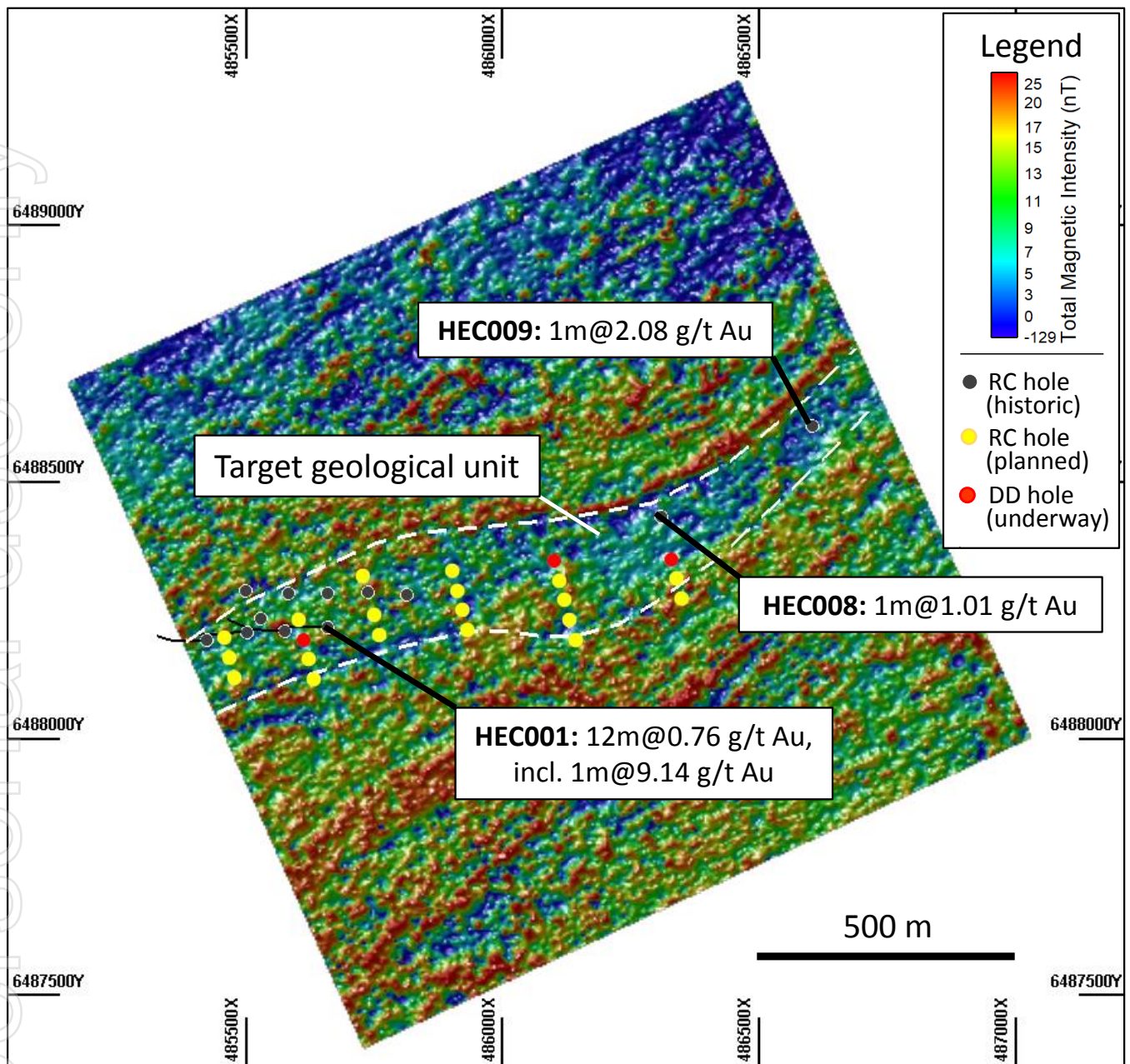


Image 3: Grindall Total Magnetic Intensity showing target geological unit and historic RC drill holes (ASX announcement dated 18 February 2010 'Encouraging Drilling Results at Woodline' - Sipa Resources Limited), planned RC drill holes and diamond (DD) drill holes which are part of the program which is currently underway.



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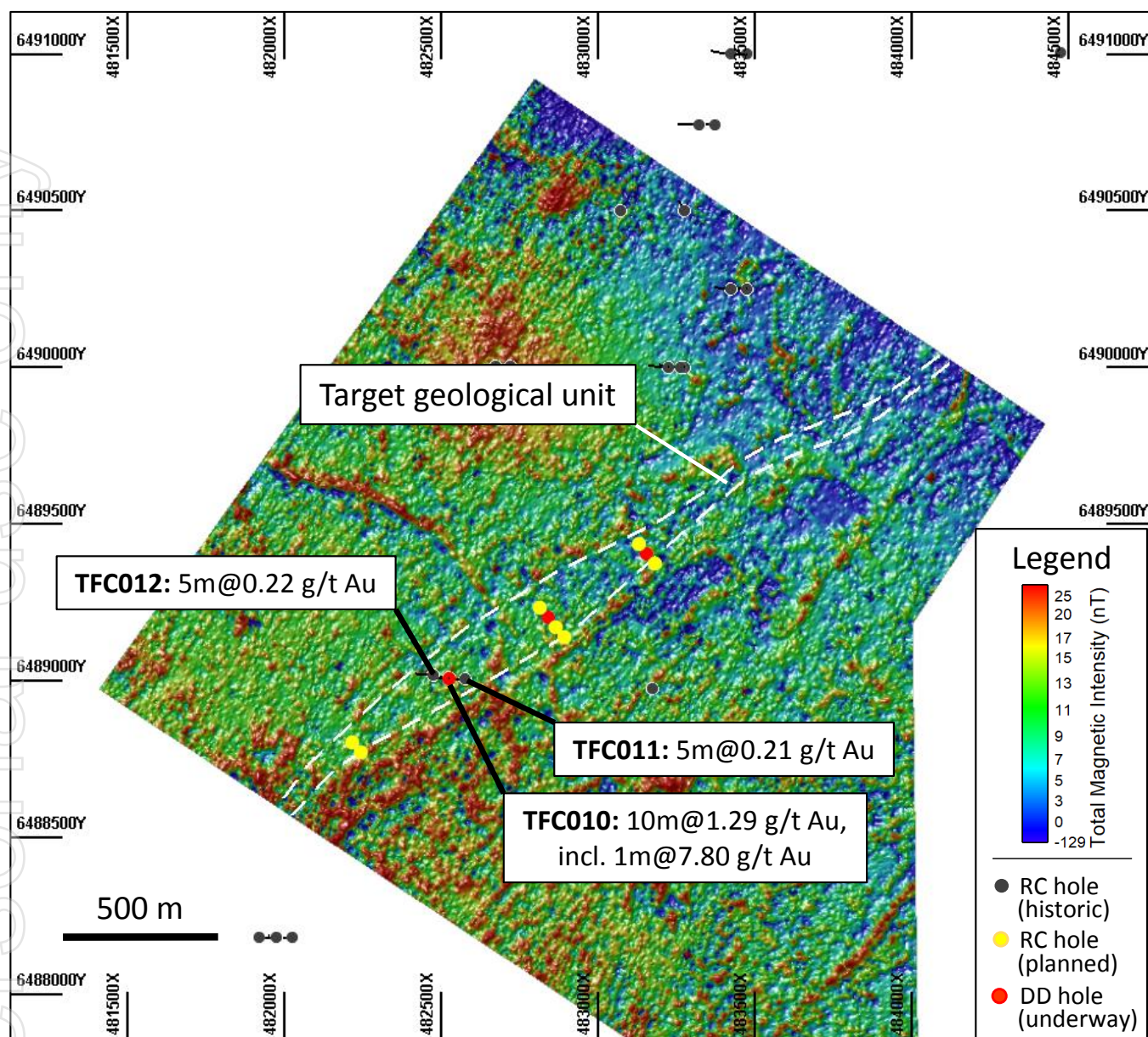


Image 4: Redmill Total Magnetic Intensity showing target geological unit and historic RC drill holes (ASX announcement dated 26 May 2011 'Woodline Gold and Basemetals Project' - Sipa Resources Limited), planned RC drill holes and diamond (DD) drill holes drill holes which are part of the program which is currently underway.



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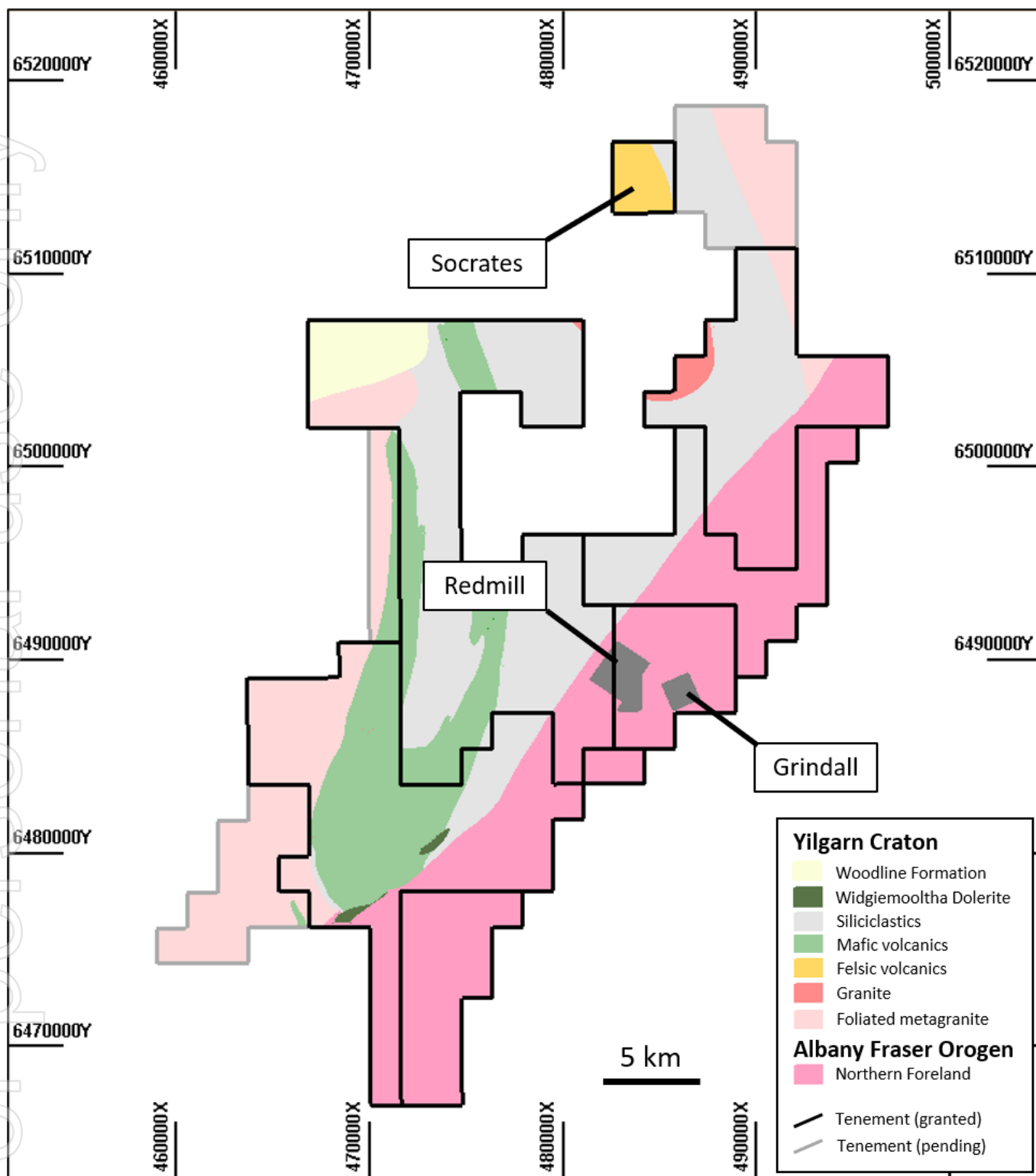


Image 5: Geology of the Woodline Project showing the locations of Redmill and Grindall as well as the Socrates Prospects.



Future Exploration Programs:

Planned fieldwork programs for 2021, include:

- Completion of the current diamond drilling program that is already underway at Grindall and Redmill and Socrates followed by planning of an enlarged diamond drilling program.
- Commencement of planned RC drilling program at Grindall and Redmill and Socrates followed by planning of an enlarged RC drilling program.
- Induced Polarisation and electromagnetic geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of additional drill targets.
- Follow-up surface geochemistry, geophysics and drilling at the Morris nickel prospect. This work will be done in conjunction with on-going exploration at the Company's Tempest gold and nickel project which is located 100 km east of Woodline.



ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a highly prospective 956km² tenure holding. The key focus for the Company is its 828 km² Woodline Project.

The Woodline Project lies on the boundary of the Albany Fraser Oregon and the Norseman - Wiluna Greenstone belt in Western Australia.

The Woodline Project contains:

- 45km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting ¹ as the 7.7 million ounce Tropicana Gold mine ².
- 30km of significantly unexplored greenstones along the Norseman-Wiluna greenstone belt.
- A significant and unique holding within the confluence of the Keith-Kilkenny Fault / the Claypan Shear Zone and the Cundeelee Shear Zone. These three Shears have hosted many of the largest gold projects in Western Australia.

Historical exploration of \$14 million by the Company, Sipa Resources, Newmont and MRG.

The 7.7 million ounce Tropicana Gold Mine which is operated by AngloGold Ashanti was discovered in 2005 by IGO Group Limited via a gold-in-soil anomaly that led to further exploration and is one of the most important gold discoveries in Australia for decades. Tropicana currently produces approximately 450,000 ounces per annum ³. In today's gold price terms, that equates to over A\$1 billion dollars per annum.

Nelson Resources confirms that it is not aware of any new information or data that materially affects the exploration results included in this announcement.

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Previous ASX Announcements and report references

¹ <https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Korsch-presentations-0012.pdf>

¹ https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf

² <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

³ <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>

