

Nelson raises \$2 Million to advance its Exploration Projects

Highlights:

- Placement was heavily oversubscribed through Merchant Capital Partners (MCP)
- Participation by existing and new high-quality sophisticated investors
- Provides a strong balance sheet with which to continue exploration and drilling at the Company's exciting Woodline and Tempest projects

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to announce it has accepted binding commitments for a placement of 28,700,535 new shares at an issue price of \$0.075 per share ("Placement Shares"), to raise \$2,152,540 before costs ("Placement").

The Placement was significantly oversubscribed and well supported by existing and new investors.

Proceeds from the Placement will be used to:

- Fund 12-18 months of additional geophysics and drilling at the Woodline project beyond the current work programs;
- Fund initial Geophysics and drilling at the Tempest project which hosts both Gold and Nickel potential;
- Maintain a strong balance sheet.

MCP will receive a management fee of 2% of the total amount raised under the Placement and a placement fee of 4% of the funds it raises. Subject to shareholder approval MCP will also receive one option for every dollar raised. The Options will have an exercise price of 11.25 cents and expire 3 years from the date of issue.

Further Placement Details

The shares issued under the Placement will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A.

A total of 17,220,321 shares will be issued pursuant to Listing Rule 7.1 and 11,480,214 shares will be issued pursuant to Listing Rule 7.1A. Settlement is scheduled to occur on Friday, 29 January 2021.

Commenting on the Placement, Nelson's Executive Director and CEO, Adam Schofield said:

"The strong support for this Placement is a testament to the significant potential of both the Woodline and Tempest projects. We look forward to completing the current 1500m diamond drilling program and the soon to commence 6000m RC drill program. Looking forward from our current programs this capital raising solidifies our ability to deliver significant future geophysics / drilling programs and results in the next 12-18 months".

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

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 includes the Socrates, Grindall, Redmill and Harvey prospects.

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.

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>

