

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2021

Nelson Resources ("Nelson" or "the Company") is pleased to provide shareholders its Activities Report for the three-month period ending 31 March 2021.

### Highlights:

- Company's Initial drilling at Grindall successfully intercepts 500m bedrock gold bearing strike within the defined 20km geochemical anomaly and shear zone interpreted from geophysics;
- Drilling confirms targeting methodology and demonstrate the shear hosts a significant gold bearing system: mineralisation is open along depth and strike;
- 680km<sup>2</sup> of new exploration tenure applied for proximal to the Woodline Project;
- Company completes formation of inhouse drilling capability.

### COVID-19:

- During the quarter, the company continued to follow all State Government directives in respect to COVID-19 and the Company's operations. The Company experienced several time delays with mobilising drillers and other staff due to travel restrictions and the lock-down.

### Weather:

- During the quarter the company had significant logistical issues with the large amount of rain received over a sustained 6-8 week period restricting the delivery of fuel and water to its drilling operations. The Company has resolved these issues with a track remediation and ongoing maintenance program in place. This allows for year-round access to the Woodline project.

### Corporate and Finance:

- During the quarter, the company completed a successful placement to raise \$2,152,540 before costs from existing and new high-quality sophisticated investors:  
28,700,535 new shares were issued at \$0.075 per share.
- During the quarter, the company had several discussions with other exploration company's about supplying contract Diamond and RC drilling services to them. The company expects to be able to fully support its own drilling programs by the provision of these contract drilling services over the next 12 months.
- Addition of additional drilling and support personnel to the Company's drilling team.

### CAPITAL STRUCTURE

#### ORDINARY SHARES

Issued 145,473,192

#### OPTIONS

Listed options 33,299,895

Unlisted options 15,189,458

### BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst



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### Existing Projects Summary:

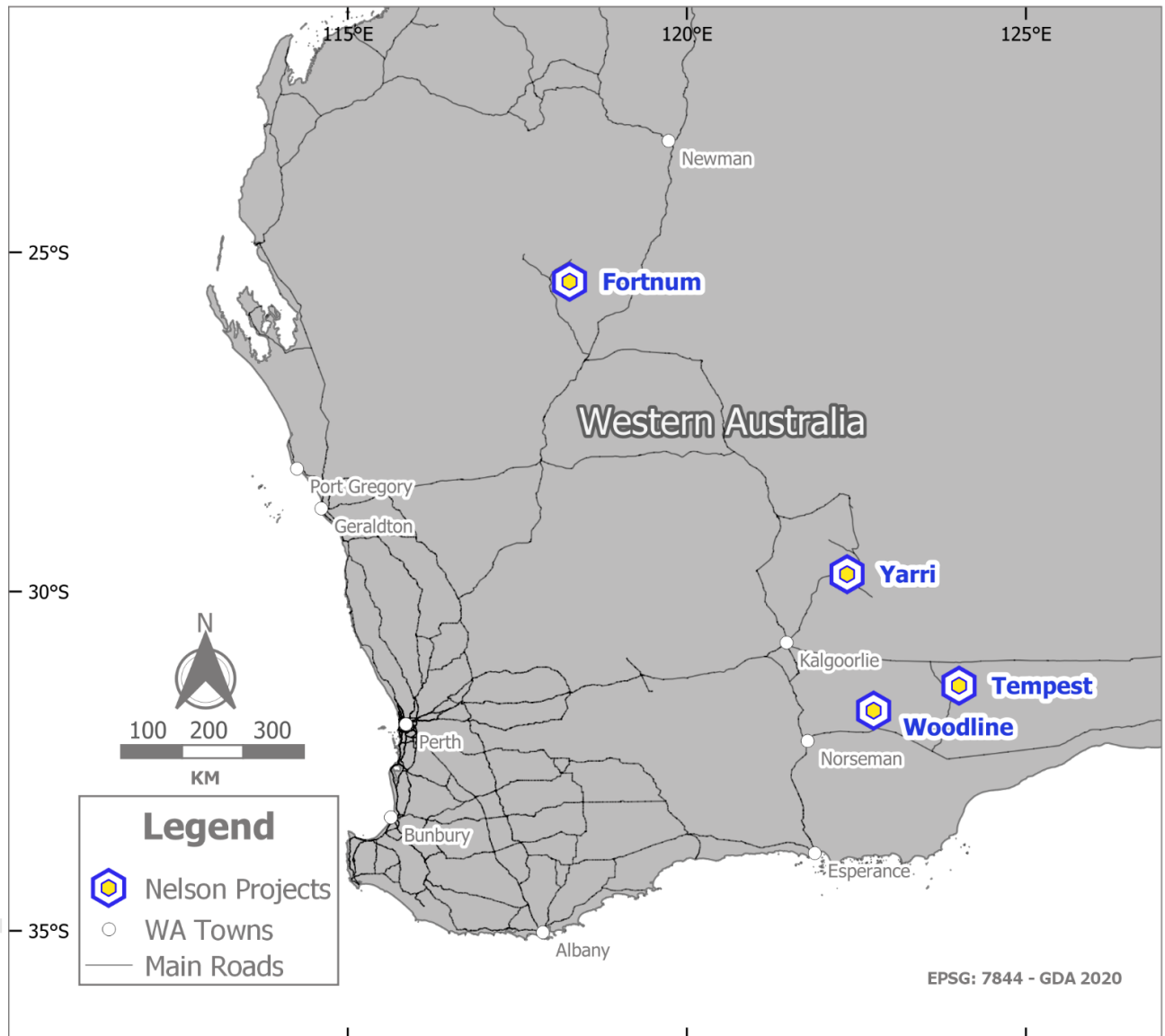


Figure 1 – Project Locations





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### Woodline Projects Summary:

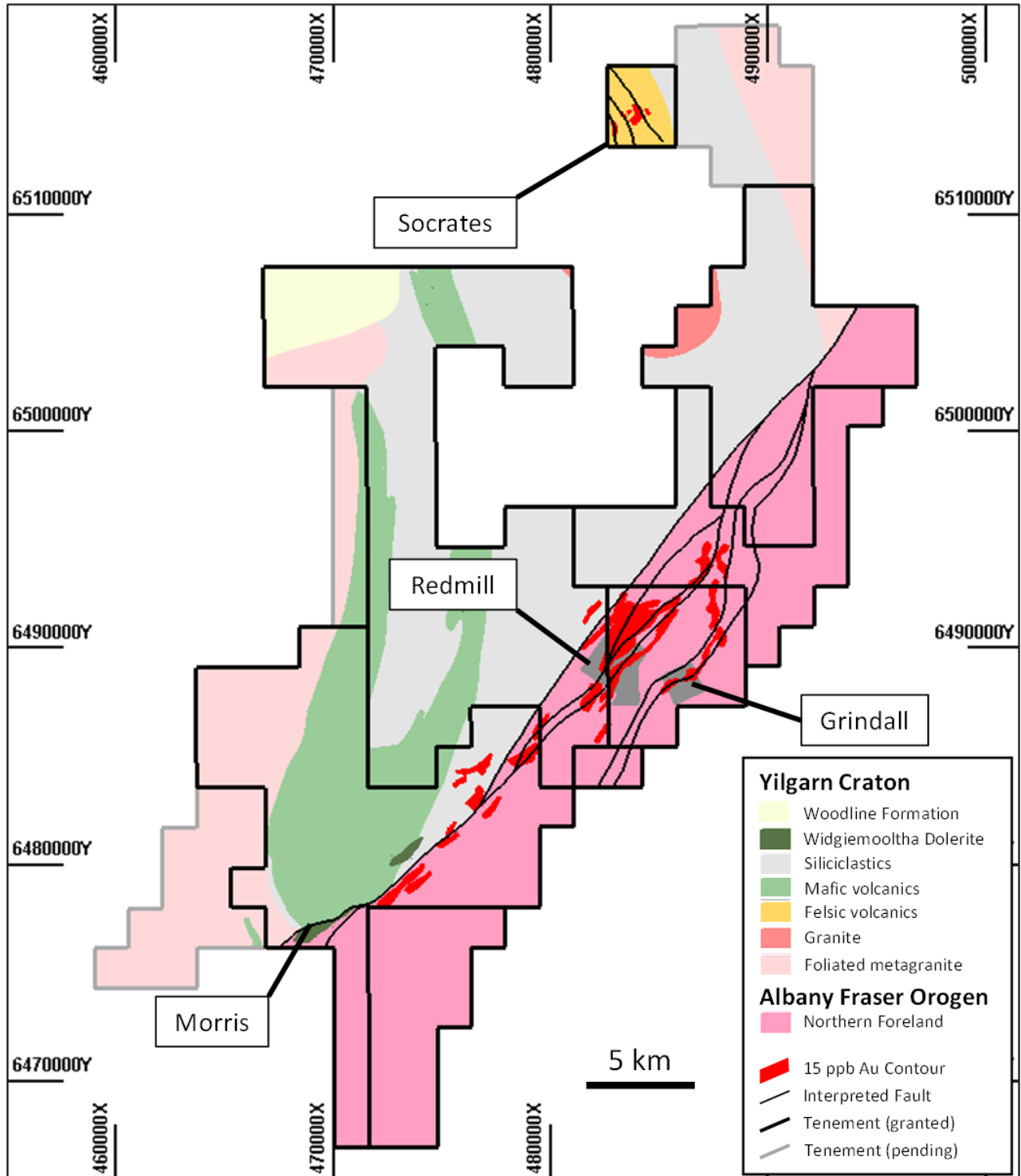


Figure 2 – Geology of the Woodline Area showing the locations of the Grindall, Redmill, Morris and Socrates Projects as well as the gold surface geochemistry anomaly.



## Woodline Projects

### Grindall-Redmill-Harvey, Socrates & Morris

The Woodline Project (Figure 2) lies 140km South East of Kalgoorlie and is halfway between the Trans Australia Rail line and the Eyre Highway. The Woodline Project is made up of the Grindall, Redmill, Harvey, Socrates & Morris Projects which make up 1226km<sup>2</sup> of prime exploration tenure. The Project lies across the boundary of the Archaean Yilgarn Craton and the Proterozoic Northern Foreland of the Albany-Fraser Orogen.

Work carried out by Nelson at Socrates has returned several significant gold intersections, suggestive of a large gold system. The Company believes that Grindall, Redmill, and Harvey each have the potential to host a Tropicana scale gold deposit.

#### The Woodline Project has:

- 65km of the Cundeelee fault within its tenure and contains an identified >20km gold geochemical and bedrock anomaly which is in the same geological structural setting <sup>2</sup> as the 7.7 million ounce Tropicana Gold Mine <sup>3</sup>, and
- 30km of significantly unexplored greenstones within the Norseman-Wiluna greenstone belt, and
- 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.

### Grindall-Redmill-Harvey

The Grindall, Redmill & Harvey prospects are associated with sub-parallel curvilinear structures that dip moderately to the east. The structures are interpreted to form in the hanging wall of the (deep seated / crustal scale) Cundeelee Fault which is the boundary between the Yilgarn Craton and the Albany-Fraser Orogen.

Anomalous Au, Te, Bi and Cu present in the bedrock can be used to identify structurally controlled gold mineralisation and has been identified over a strike length of 12 km on the Redmill-Harvey trend and over 5 km at Grindall.

### Socrates

#### Socrates Main

The Socrates Project (12km<sup>2</sup>) (Figure 2) is hosted within a mafic unit that is bounded to the west by andesitic and rhyolitic volcanics and sediments to the east. This mafic unit is located within the Claypan Fault. The project is the Company's original project and has had approximately 8400 meters of RC drilling completed. The bulk of this drilling is on a mineralised zone that currently extends for approximately 450m and is open on strike and down dip. Recent geophysics has highlighted up to 2km of potential mineralised structure.

#### Previous drilling results include:

- 1m @ 142 g/t Au
- 192m @ 0.5 g/t Au
- 8m @ 3.53 g/t Au
- 25m @ 2.06 g/t Au



### Socrates West

The West Socrates prospect is within the Socrates Tenement and has been identified from previous drilling by Nelson<sup>5</sup> as well as mapping and rock chip sampling by Nelson<sup>6</sup>.

#### Previous drilling results include:

- 7m @ 5.02 g/t Au
- 1m @ 1.12 g/t Au
- 1m @ 1.04 g/t Au

### Socrates East

The Socrates East prospect is within the Socrates Tenement and is a drill target that has been identified through historic gold geochemistry work done by SIPS/Newmont (Figure 2)

### Morris

The Morris nickel prospect (Figure 2) is located in the south of the Woodline Project area, where mafic and ultramafic rocks of the Yilgarn Craton are intruded by the Jimberlana Dyke and are in faulted contact with the Northern Foreland of the Albany Fraser Orogen.

The concept for a nickel target at Morris was originally described by Western Mining Services' renowned geologist Dr Jon Hronsky OAM as part of a review of the magmatic nickel sulphide potential of the Jimberlana Dyke. The review identified the intersection of the Keith-Kilkenny, Jerdacuttup and Cundeelee Faults as a possible magmatic foci<sup>1</sup>.

### Tempest Project

The Tempest nickel gold project is located 250km ESE of Kalgoorlie and 90km NE from Nova-Bollinger Mine. It has an area of 105 km<sup>2</sup> and borders the IGO / Rumble Thunderstorm JV project (Figure 9). Drilling at the Thunderstorm JV includes an exceptional intercept of 25m @ 2.42g/t Au at the Themis Prospect and 4m @ 3.8g/t Au at the Pion Prospect<sup>5</sup>. More recent drilling includes an equally exceptional intercept of 16m @ 6.69 g/t Au from 42m (including 4m @ 22.2 g/t Au from 50m)<sup>6</sup>.

The project is located in the Fraser Complex of the Proterozoic Albany-Fraser Orogen and is east of the Archean Yilgarn Craton. Tertiary fluvio-marine sediments associated with the Eucla Basin cover much of the region. The Proterozoic geology is characterized by granulite facies, felsic to mafic gneisses and felsic and mafic schists and intruded granites.

The project has the potential to host both nickel and gold resources and historical exploration is both limited and early stage. Historical work done is unrelated to the anticipated nickel potential or the potential gold bearing extension of the paleochannel identified at the neighbouring Thunderstorm project.

### Yarri

The Yarri Project lies 160km North East of Kalgoorlie on Edjudina Station and is 30km North of Saracens Carosue Dam Mine and 7.5km East of the Porphyry Mine. Nelson's Yarri project (Figure 1) consists of three prospects to the North and East of the historic Yarri State Battery site. The Company's focus has been on the Wallaby line of workings immediately to the East of Yarri, where



drilling by the Company has returned a number of high-grade gold drilling intersections.

The Wallaby lodes were mined from 1902 to 1914 and from 1934 to 1940 producing 22,000 ounces of gold. The maximum depth of the old workings was to a shallow 35 metres below surface.

The Great Banjo lodes were mined between 1903 and 1905 producing 84.2 ounces of gold from 129 tonnes of ore at an average grade of 20.3g/t.

The Gibberts lodes were also mined between 1903 and 1905 and produced 37.5 ounces from 64.5 tonnes at an average grade of 18.1g/t. No production is documented since this time.

In the region, the Porphyry Mine is located approximately 7.5 kilometres to the West in similar host rocks. It has amassed a resource of approximately 880,000 ounces of gold (production plus defined resource estimates obtained from available literature).

## Fortnum

The Fortnum project tenement number E52/3695 totals 21km<sup>2</sup>. The Project (Figure 1) is located within the Peak Hill Mineral Field, 140km north-west of Meekatharra and approximately 14km southwest of the Fortnum Mining centre, in the locality of Billara Bore. The geology of the tenure consists of a fault bounded package of schists derived from the Narracoota and Labouchere Formation constrained by the Despair Granite to the east and Yarlalweelor Gneiss complex to the West.

Thin surficial cover extends over the area, with strong insitu regolith development in the eastern parts of the schist, adjacent to the Despair Granite.

There are four gold mineralisation prospects on the tenure. Billara A, Billara North and Billara South are associated with quartz veining in highly sheared mafic schist adjacent to the contact with the Despair Granite. Billara D is associated with quartz veins in a NNE-trending, biotiterich schist, the Despair Granite, analogous to the Wilthorpe gold mine, 9km to the south.





## Project Activity:

Nelson Resources has completed the following work at each of its projects during the quarter:

### Woodline

#### Grindall-Redmill-Harvey

The first results from the Company's maiden diamond drilling program and RC drilling program at the Woodline Project were received during the quarter and have confirmed the Company has successfully targeted and intersected a gold mineralised structure with a strike length of more than 500m.

The Grindall and Redmill Prospects are associated with a surface geochemical anomaly that has been defined from previous geochemical data and extends for a strike length of more than 20km (Figure 2). The Company previously completed high-resolution geophysical surveys to aid the interpretation of the bedrock geology and shear zones beneath the surface geochemical anomaly at Woodline. The geological interpretation from the geochemistry and geophysics was used to derive drill targets which are now being tested as part of the Company's on-going drilling programs.

Initial drilling during the quarter at the interpreted shear zone at Grindall was completed and covers a strike length of more than 500m. All the drilling completed intersected the shear zone and initial assay results have confirmed the shear is mineralised. The drilling has also provided the Company with valuable insights into the Woodline mineral system for the on-going exploration and progression of the project. The results have also confirmed that the Company's targeting method is highly effective, with the target mineralised structure intersected in all drill holes completed to date.

Significant geological information that will assist the Company's exploration efforts as a result of this drilling includes:

- Gold mineralisation at Grindall is associated with garnet-biotite gneiss, with all of the mineralisation intersected in the current program being associated with garnet-biotite gneiss.
- Extensive alteration has been observed in the drill core, with silicification of the country rock apparent for the entire length of core. The intensity of the alteration increases with proximity to the mineralised structure, with pervasive silicification immediately adjacent to the mineralised garnet-biotite gneisses.
- Broad zones of sulphides are associated with the alteration, with sulphide abundance increasing in the mineralised biotite-garnet gneiss. During the next quarter the Company will use its in-house Induced Polarisation geophysical system to improve its targeting of the garnet-biotite gneiss and disseminated sulphides. This technique was also used to directly target the gold mineralisation and assisted with the discovery of the Tropicana deposit.



Assay results received during the quarter include:

- **GRDD001:** 9m at 0.41 g/t Au from 81m, incl. 0.9m at 1.13 g/t Au from 82.1m and 1m at 1.14 g/t Au from 87m.
- **GRDD002:** 2m at 0.25 g/t Au from 127m and 1m at 0.38 g/t Au from 130.6m.
- **GRR008:** 3m at 0.30 g/t Au from 91m, 2m at 0.43 g/t Au from 101m and 2m at 0.70 g/t Au from 108m.

Assays were also received for GRR006A, with no significant results reported. The Company believes this drill hole intersected the target geological structure, however, very poor sample recovery (less than 10% of the sample was recovered) due to the drilling rods becoming bogged in the interpreted mineralised interval, the Company deems the results not to be representative and will re-drill the hole.

A location plan for the drill results is shown in Figure 3, with cross sections shown in Figure 4, Figure 5 and Figure 6. The Grindall Prospect associated with northeast-striking shear zones and lies at an inflection, where the shears bend to an east-northeast strike. The shear zone dips at approximately 30 degrees to the southwest and has a thickness of up to 15m and includes up to three intervals of anomalous gold mineralisation.

The Company is encouraged by these initial drilling results and on-going exploration at Grindall will shift to the northeast of the project area, where a surface geochemical anomaly of greater than 50 ppb Au is coincident with the interpreted position of the mineralised shear zone that has been intersected in drill holes during the quarter (Figure 7).

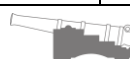
No work was conducted at the Harvey Prospect during the quarter

## Tenement Applications

During the quarter, the Company made applications for four new tenements to the northeast of the existing Woodline tenure (Figure 8 Table 1). The location for the new tenement applications were selected following first-pass logging of the diamond drill core and the Company's interpretation of the potential extensions of the mineralised structures. The new tenement applications include large inflections in the target structures, which the Company considers to be an important aspect for targeting.

*Table 1: New tenement applications northeast of the existing Woodline tenements.*

Tenement	Registered Holder	Status	Area (BI)
EL28/3127	79 Exploration Pty Ltd	Pending	54
EL28/3128	79 Exploration Pty Ltd	Pending	61
EL28/3129	79 Exploration Pty Ltd	Pending	51
EL28/3130	79 Exploration Pty Ltd	Pending	66





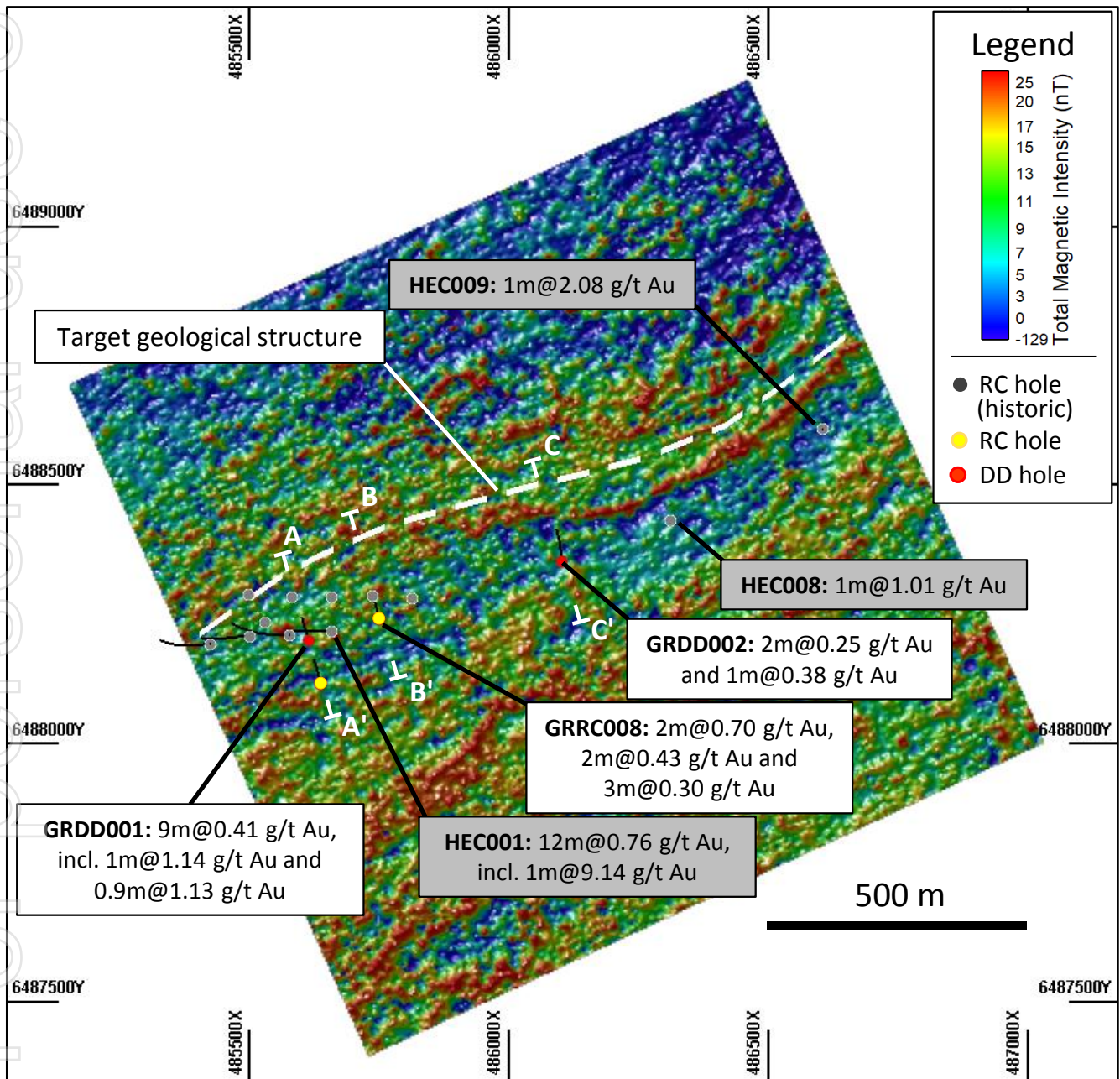


Figure 3: Grindall Total Magnetic Intensity showing the target geological structure (projected to top of bedrock), results from new diamond and RC drill holes and historic RC drill holes. Cross sections A-A', B-B' and C-C' are shown in Figure 4 to Figure 6.



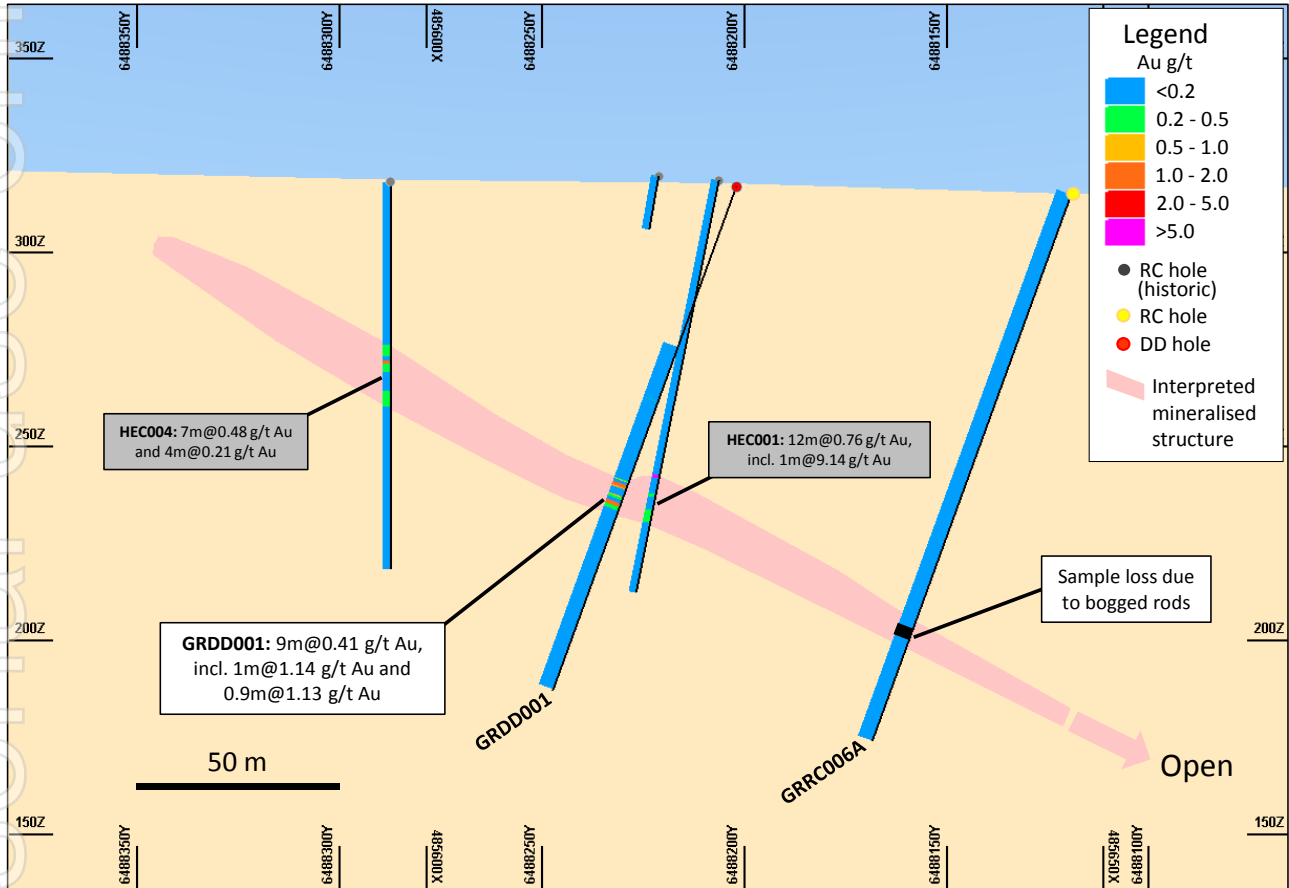


Figure 4: Grindall cross section A-A' showing drill hole results and the interpreted mineralisation. The location of the cross section is shown in Figure 3.





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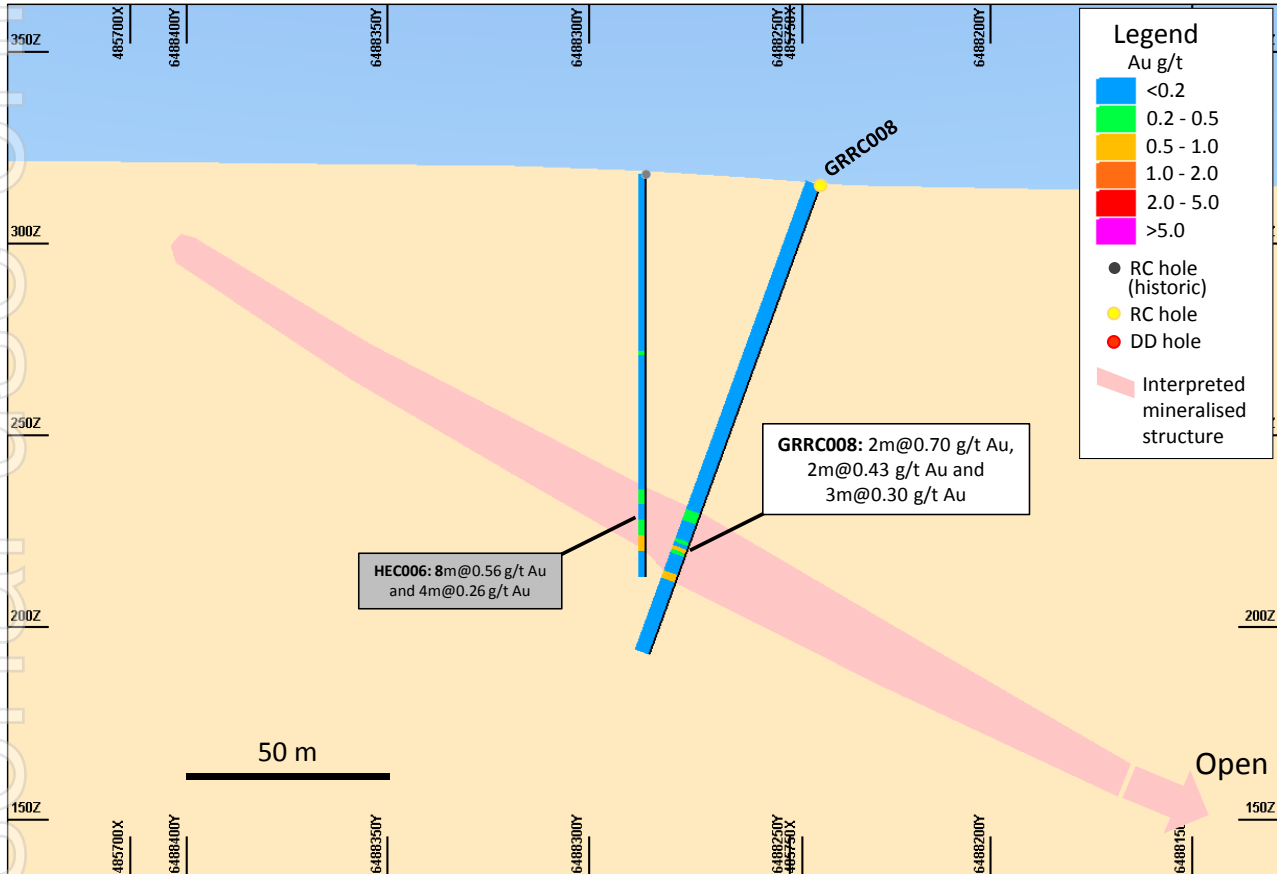


Figure 5: Grindall cross section B-B' showing drill hole results and the interpreted mineralisation. The location of the cross section is shown in Figure 3





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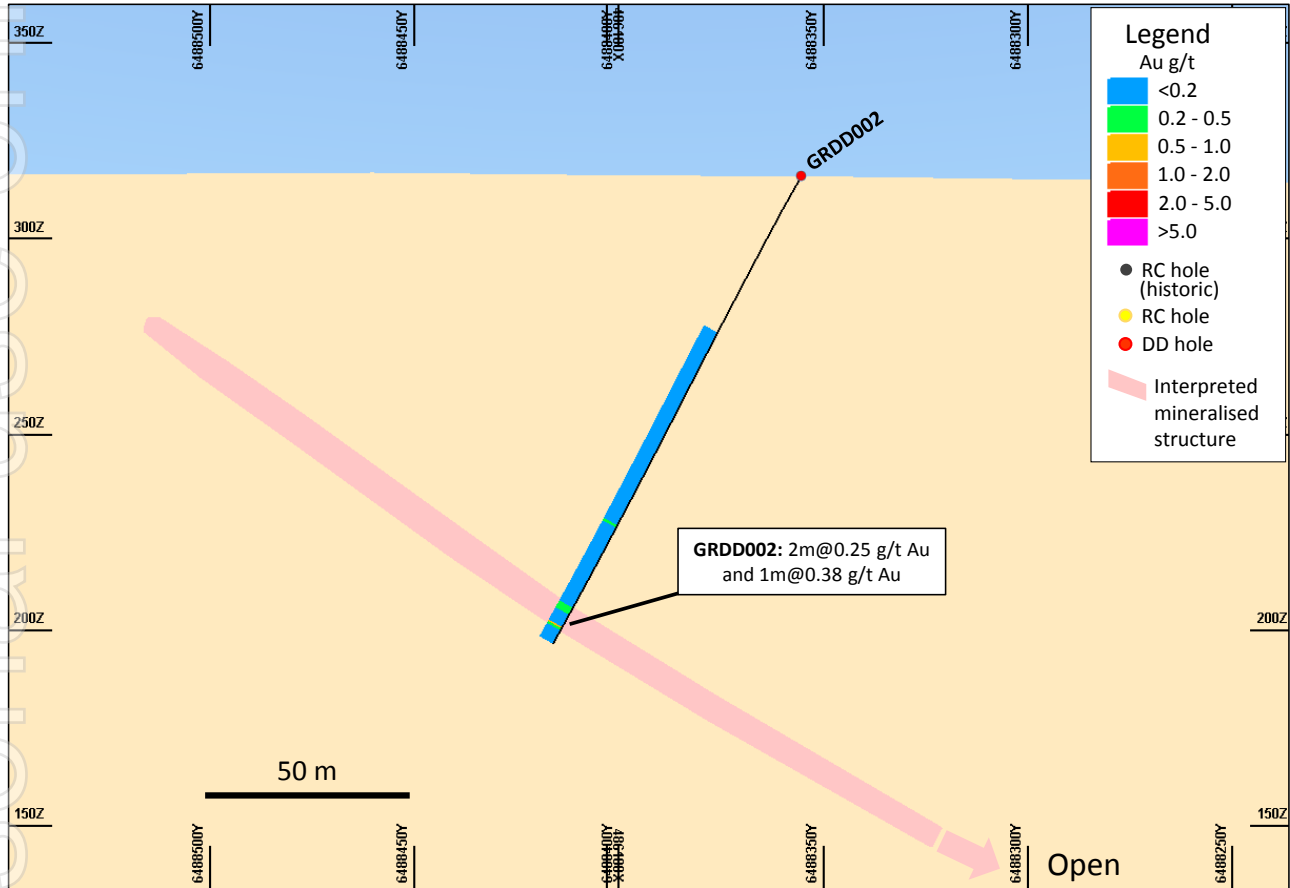


Figure 6: Grindall cross section C-C' showing drill hole results and the interpreted mineralisation. The location of the cross section is shown in Figure 3.





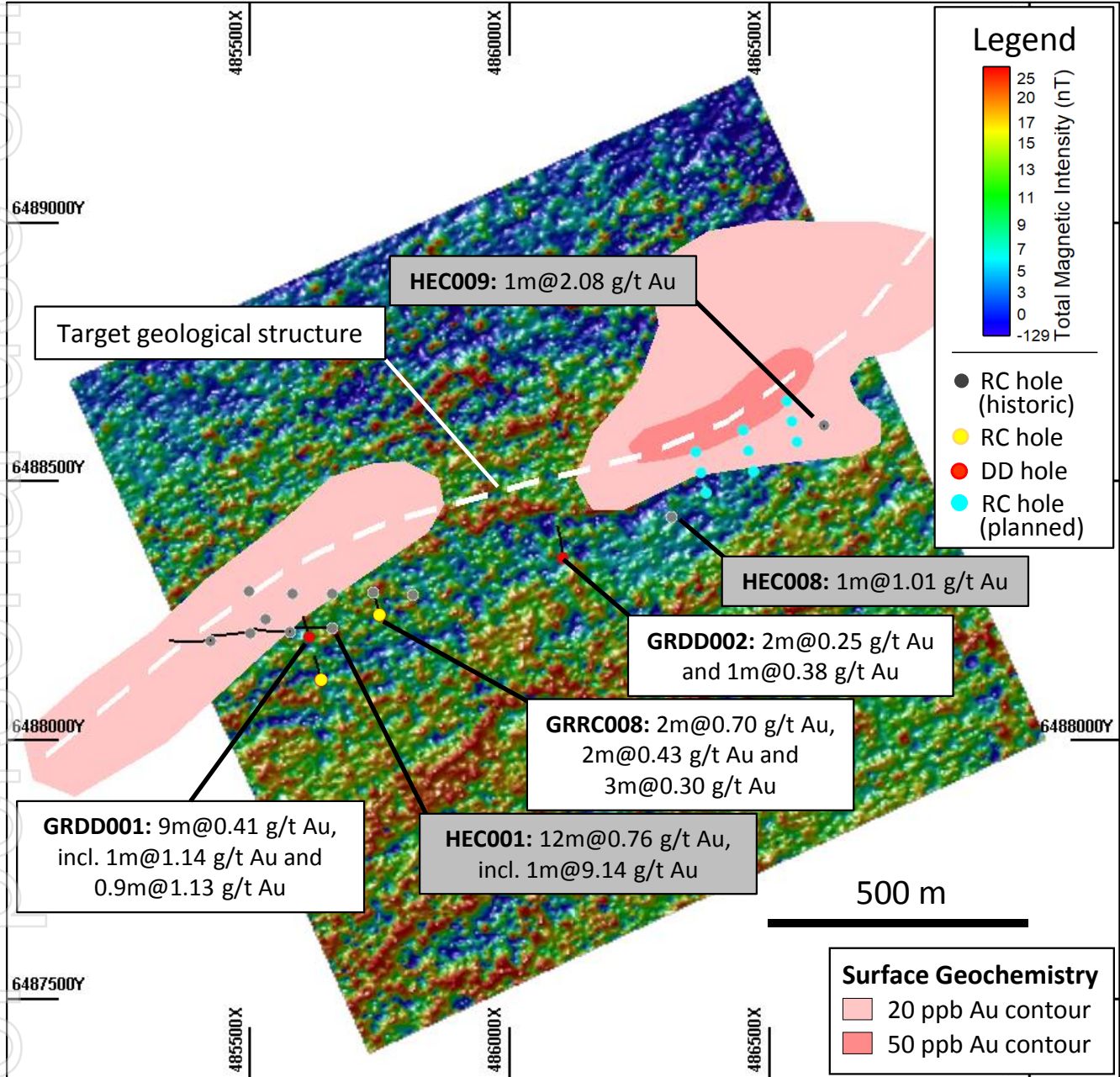


Figure 7: Grindall Total Magnetic Intensity showing the target geological structure, results from new diamond and RC drill holes and historic RC drill holes as well as the 20 ppb Au and 50 ppb Au surface geochemistry contours and planned RC drilling as part of the Company's on-going exploration and drilling program.





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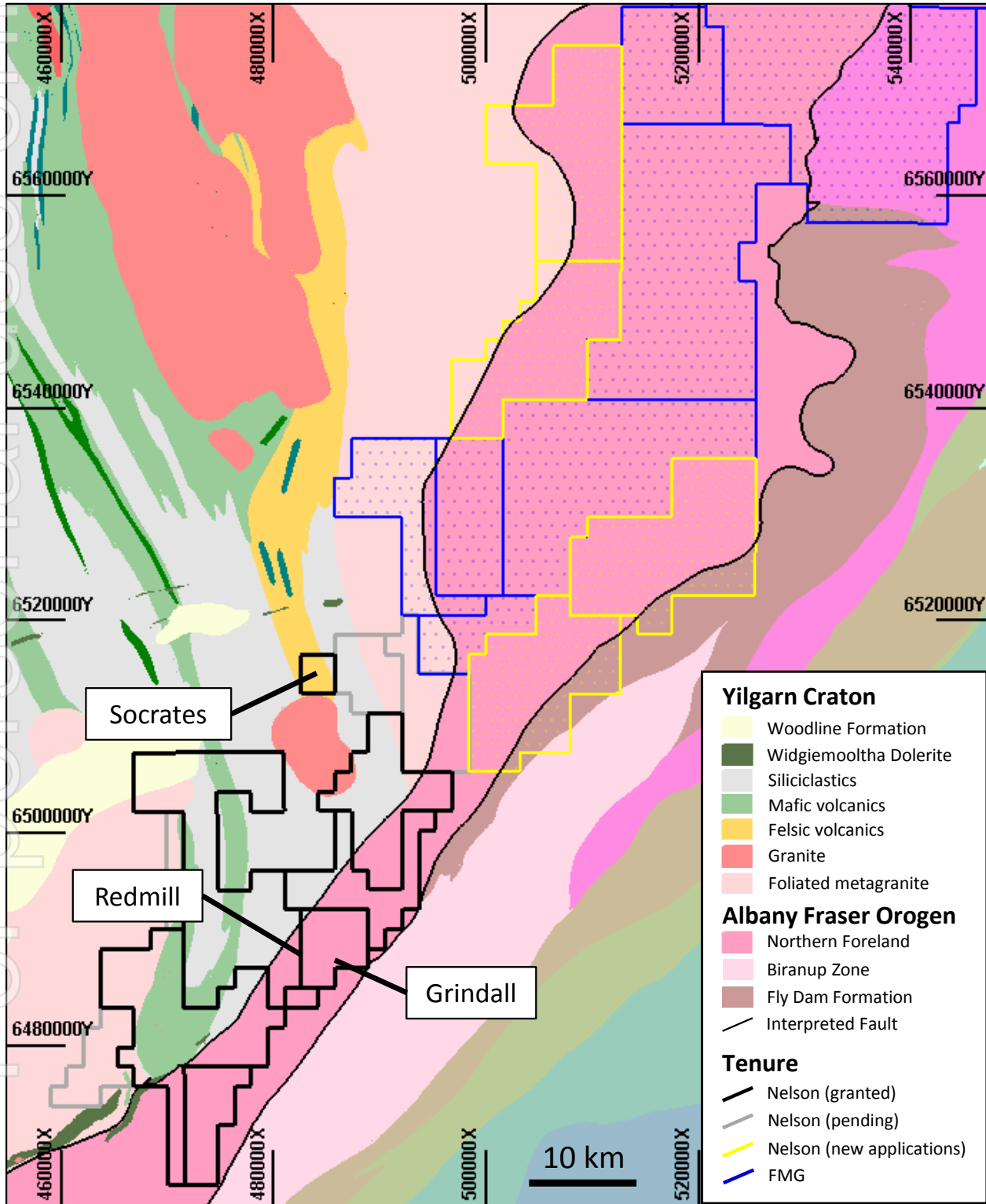


Figure 8: Geology of the Northern Foreland of the Albany Fraser Orogen showing the locations of Nelson's existing tenure as well as the new tenure applications. Also shown is the granted and pending tenure in the Northern Foreland held by FMG.





## Socrates

### Socrates Main

During the quarter, the Company commenced its planned ~500m diamond drilling program at Socrates. It is now expecting results of this drilling to be received in May. The Company is very eager to see the results of this drilling as it will be the first Diamond drilling at the Socrates project.

The Company also commenced drilling of its planned 24 RC drill holes for 1278m at Socrates. Mineralisation at Socrates is open along strike and at depth and remains untested by the existing drilling. The company is planning to declare a resource at Socrates in 2021 if possible.

### Socrates West

As part of its Socrates drilling, the Company will also drill 14 RC drill holes for 1020m to test the dip and strike of a gold bearing structure identified at Socrates West by the company in previous drilling. This previous drilling returned impressive gold grades and the company is keen to determine the scale of the identified structure.

### Socrates East

As part of its Socrates drilling, the Company will also drill 4 RC drill holes for 480m at Socrates East which was identified as a potential drill target by surface geochemistry. The Company is particularly excited to test this drill target as it has the potential to be a 2<sup>nd</sup> parallel structure to Socrates Main and if mineralised could be a significant resource.

Results of this drilling are expected to be received over the next quarter.

## Morris:

During the quarter, the Company conducted no work at its Morris nickel prospect. The Company is encouraged by the results of a LOUPE survey conducted in the last quarter which has identified a potential nickel drill target. The company will look to drill a number of RC exploration holes on this target in the next quarter. This will likely include follow-up surface geochemistry and geophysics including IP.

## Tempest Project

During the quarter, the Company was unable to conduct its planned work programs at the Tempest Project. In the next quarter the company intends to conduct:

- 24 km<sup>2</sup> Photogrammetry Surveys for Centimetre level accurate DEM data;
- 24 km<sup>2</sup> Ultra High-Resolution Ground Magnetic Surveys for structural data;
- 24 km<sup>2</sup> Passive Seismic Surveys for cover mapping and structural data;
- IP and EM Surveys to identify potential nickel and gold bearing sulphides.

This work is intended to map the extent of the paleochannel and potential parallel intrusive structures to define RC drill targets for Q3 2021. IGO has recently conducted a large Moving Loop EM program at the Thunderstorm project adjacent to the Tempest project.





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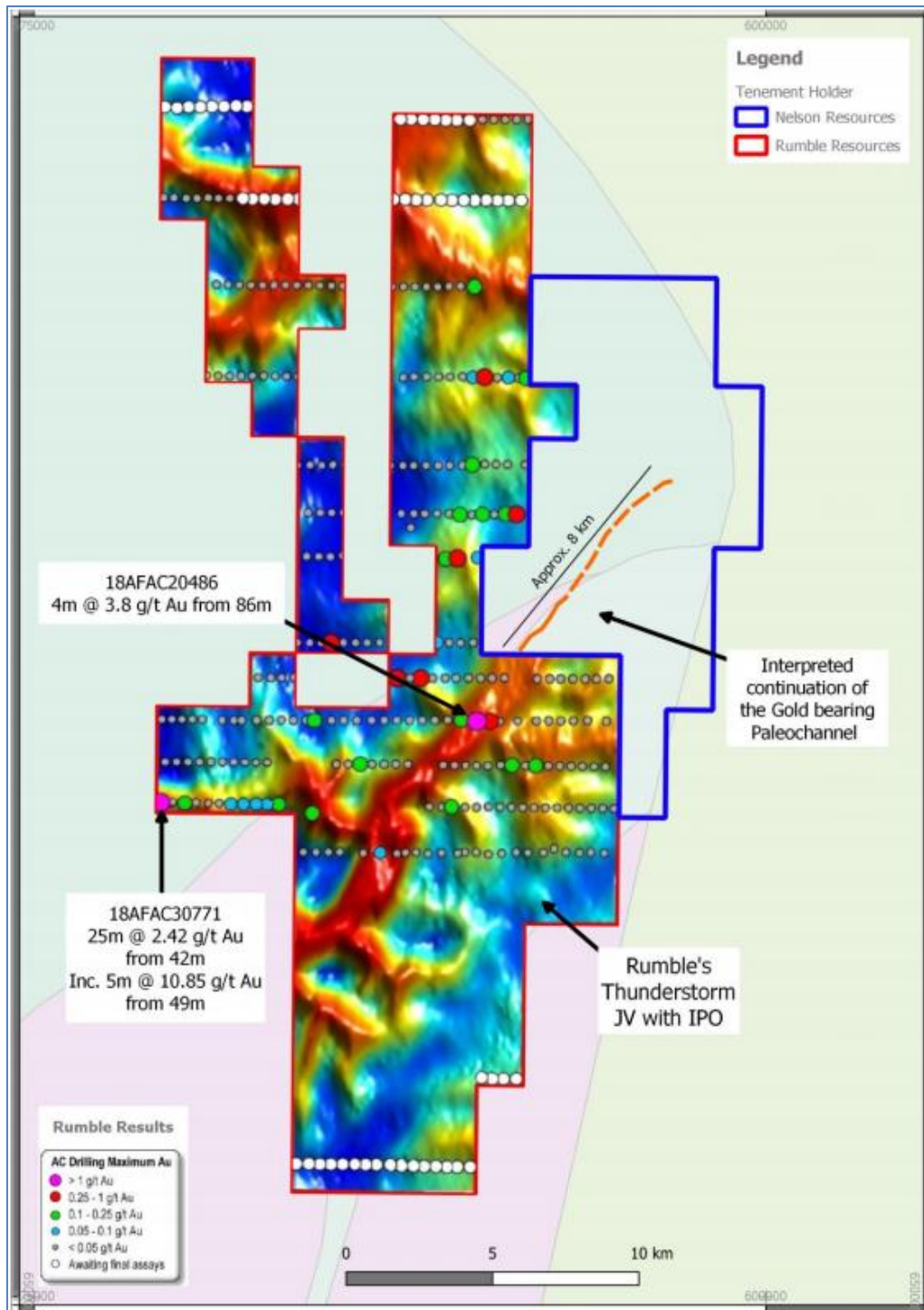


Figure 9. Tempest in relation to Rumble's Thunderstorm JV with IGO



### Yarri Project

During the quarter, the Company conducted site rehabilitation of 23 drill pad locations at its 3 prospects at Yarri. This leaves 48 previously drilled RC holes capped but open with a view to drilling diamond tails on these holes.

The company has reviewed its drilling data and believes it is possible the gold bearing structures identified in its previous drill campaign may be dipping at a steeper angle than originally predicted. This justifies additional drilling and specifically diamond drilling which will determine structural controls.

The company will look to conduct a yet to be determined diamond drilling program within the next 2 quarters. Deeper extensions of the current high-grade loads would significantly improve the prospect of delineating resources at the Yarri prospects.

### Fortnum Project

During the Quarter, the Company conducted no work at its Fortnum Project.

### Happy Jack

The Company has a retained 1% NSR on any future gold production on this tenement.

### Corporate

Nelson has continued to build its drilling capability with the recruitment of several full time and part time drillers and offsidiers during the quarter. This gives the Company the ability to provide external Diamond and RC drilling services with a view to subsidising its own drilling operations.

The Company believes it has the potential to be profitable whilst conducting larger drilling programs on its tenure than would otherwise be possible.

### Financial commentary

The Appendix 5B for the quarter ended 31 March 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$616K and plant and equipment expenditure for the quarter was \$714K. Corporate and other expenditure for the quarter was \$53K. The total amount paid to Directors of the Company, their associates and other related parties was \$94K and includes salary, fees and superannuation.

### Future Exploration Programs:

Nelson has extensive fieldwork programs planned for 2021. These include:

- Increasing the scale of the drilling program that is already underway at Grindall and Redmill, which includes new drilling in the northeast of the Grindall project area where there is a >50 ppb Au surface geochemistry anomaly.
- Drilling down-plunge from the known mineralisation at Socrates as well as testing of targets to the West identified from the recently completed Loupe survey. The company anticipated receiving its maiden diamond drilling results from Socrates in May.
- Induced Polarisation and additional electromagnetic geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of drill targets.
- Follow-up surface geochemistry, geophysics and drilling at the Morris nickel prospect and at the 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 1682km<sup>2</sup> tenure holding. The key focus for the Company is its 1226 km<sup>2</sup> 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:

- 65km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting <sup>2</sup> as the 7.7 million ounce Tropicana Gold mine <sup>3</sup>.
- 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.

### For further information please contact:

Adam Schofield  
Executive Director  
[ceo@nelsonresources.com.au](mailto:ceo@nelsonresources.com.au)

Peter Taylor  
Investor Relations  
[Peter@nwrcommunications.com.au](mailto:Peter@nwrcommunications.com.au)  
0412 036 231

### Previous ASX Announcements and report references

- <sup>1</sup> <https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Korsch-presentations-0012.pdf>
- <sup>2</sup> [https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari\\_2-presentations-0004.pdf](https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf)
- <sup>3</sup> <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>
- <sup>4</sup> <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>
- <sup>5</sup> <https://secureservercdn.net/198.71.233.9/eb2.ffb.myftpupload.com/wp-content/uploads/2018/09/02022900.pdf>
- <sup>6</sup> <https://secureservercdn.net/198.71.233.9/eb2.ffb.myftpupload.com/wp-content/uploads/2020/09/02282936.pdf>





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## Schedule of Exploration Tenements

Project Name	Tenement	Granted or Pending	Interest: 31/12/20	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest: 31/03/21
Socrates	E 28/2633	G	100%	-	-	100%
Grindall North	E 28/2769	G	100%	-	-	100%
Socrates - South	E 28/2873	G	100%	-	-	100%
Socrates – East	E 28/2993	P	-	-	-	-
Socrates - East	E 28/2953	G	100%	-	-	100%
Grindall	E 28/2679	G	100%	-	-	100%
Grindall South	E 28/2768	G	100%	-	-	100%
Redmill	E 28/2874	G	100%	-	-	100%
Redmill West	E 28/2987	P	-	-	-	-
Harvey South	E 63/1971	G	100%	-	-	100%
Harvey	E 28/2923	G	100%	-	-	100%
Harvey West	E 28/2986	P	-	-	-	-
Harvey West	E 28/3081	P	-	-	-	-
Hope West	E 28/3127	P	-	-	-	-
Hope East	E 28/3130	P	-	-	-	-
Orion North	E 28/3128	P	-	-	-	-
Orion South	E 28/3129	P	-	-	-	-
Tempest	E 28/2805	G	100%	-	-	100%
Yarri - Wallaby	P 31/2085	G	100%	-	-	100%
Yarri - Gibberts	P 31/2086	G	100%	-	-	100%
Yarri - Gt Banjo	P 31/2087	G	100%	-	-	100%
Fortnum	E 52/3695	G	100%	-	-	100%

