

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2021

Nelson Resources ("Nelson" or "the Company") is pleased to provide shareholders its Activities Report for the three-month period ending 30 June 2021.

### Highlights:

- Company's first inhouse RC drilling at its Socrates Project intercepts high grade gold results with 5m @ 4.33g/t Au from 47m; incl. 2m @ 9.13g/t Au from 49m being reported;
- Drilling highlights the potential for a shallow large scale gold resource at Socrates;
- Company completes first external Diamond Drilling contract and upgrades RC rig to deliver better performance and safety.

### 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 some drillers and other staff being inter-state when travel restrictions have been enforced.

### Weather:

- During the quarter the company continued to be affected by the significant ongoing rain being received in Western Australia. The rain has made drilling both internally and externally difficult with a significant number of days without drilling occurring.

### Corporate and Finance:

- During the quarter, the company began improving its operating systems and made upgrades to its RC rig to allow for improved drilling on its own projects but also to improve its ability to drill for external clients when it is not being used internally. The company anticipates that on an annual basis its drilling rigs will be utilised for most of their time drilling on the Company's projects with some of their spare time being available for external drilling. The Company believes this external drilling will substantially subsidise its planned exploration activities.

### 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

### LAST CAPITAL RAISE

January 2021

Entitlements Offer & Placement

\$2.15m @ 7.5c

## Existing Projects Summary:

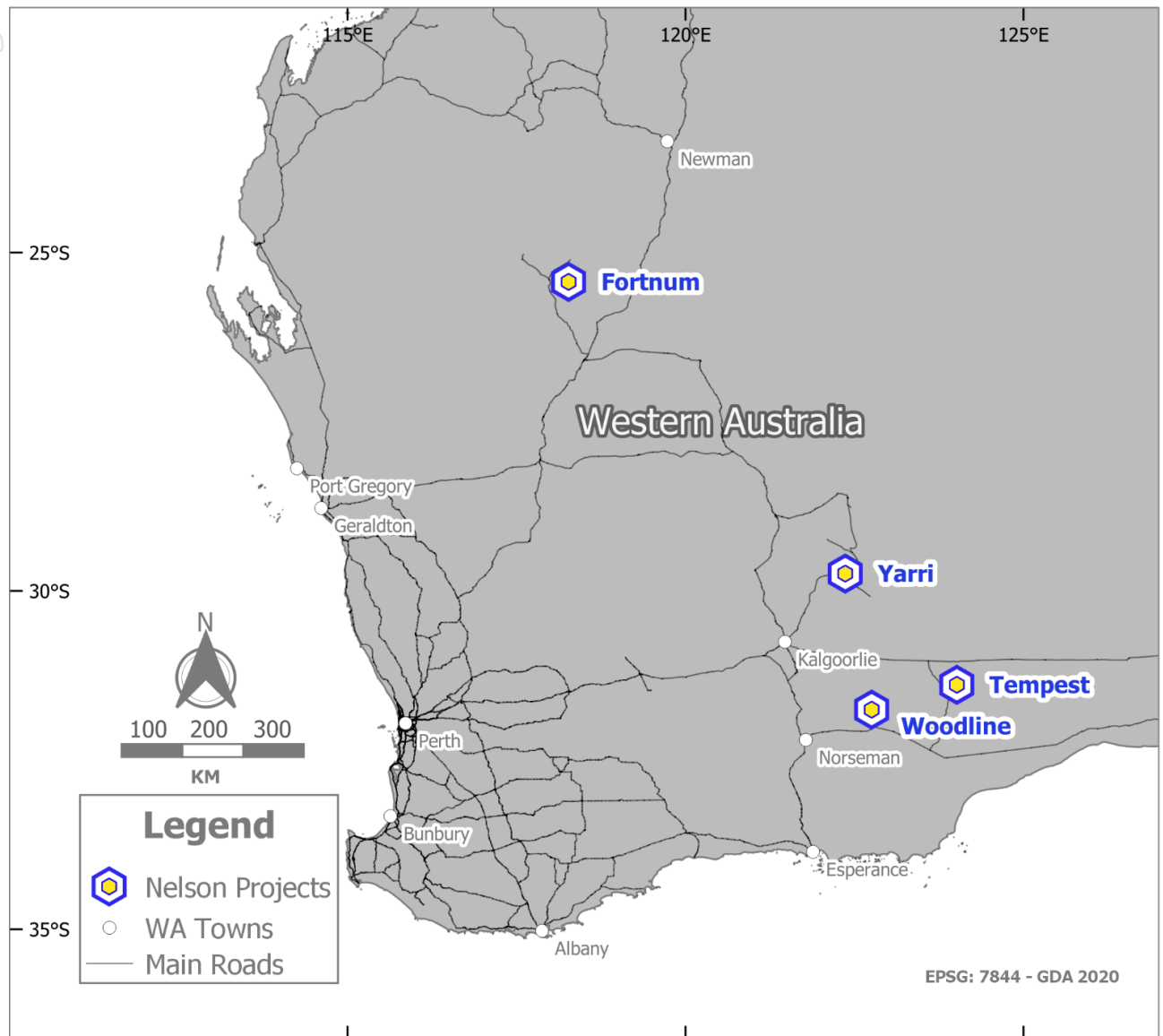


Figure 1 – Project Locations



## Woodline Projects Summary:

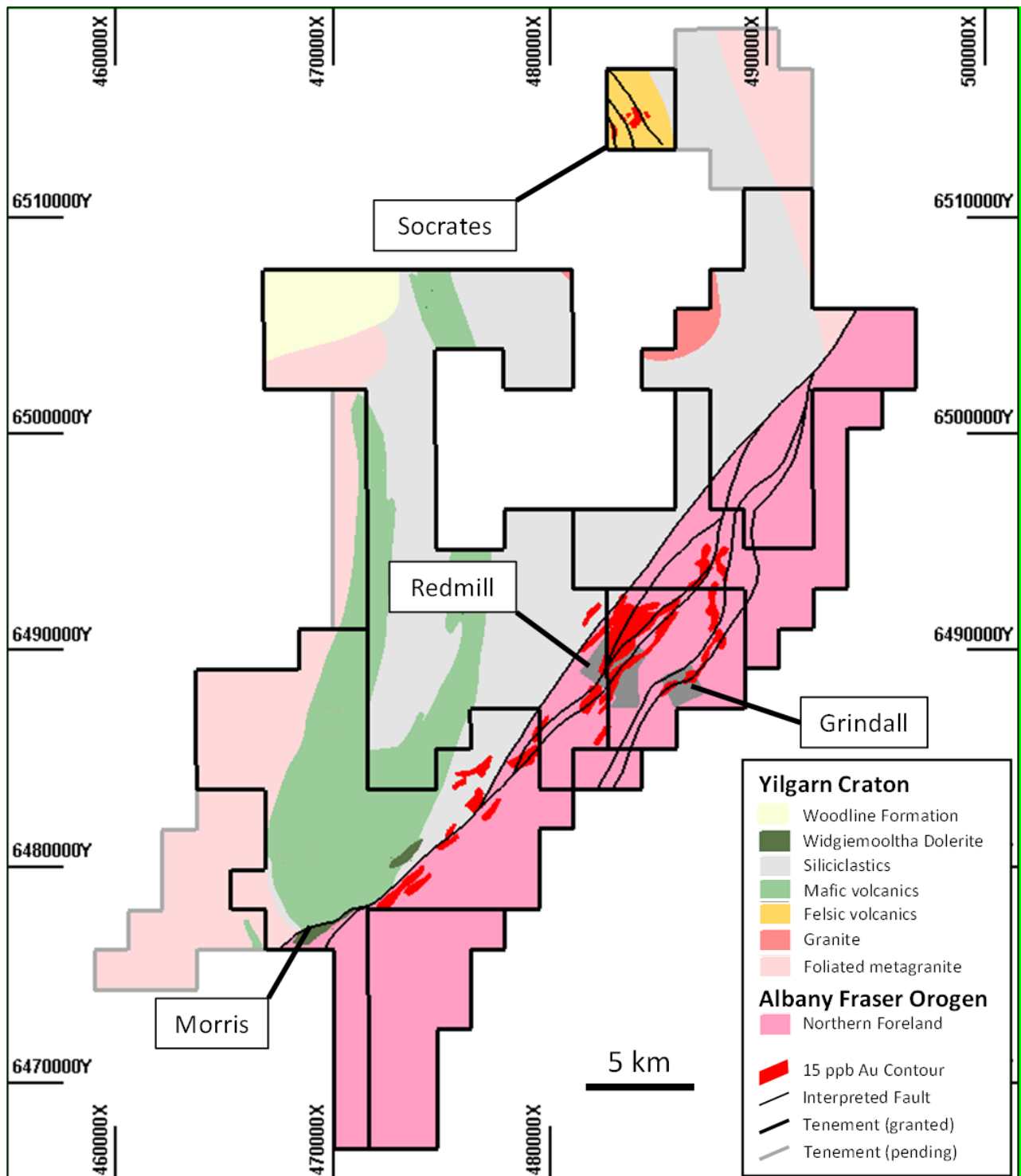


Figure 2 – Geology of the Woodline Project showing the locations of the Grindall, Redmill, Morris and Socrates Projects as well as the gold surface geochemistry anomaly.



## 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 consists of the Grindall, Redmill, Harvey, Socrates & Morris Projects which makes 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, suggesting a large underlying gold system. The Company believes that Grindall, Redmill, and Harvey each have the potential to host a Tropicana scale gold deposit.

### The Woodline Project incorporates:

- 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>,
- 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.

## 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 8,400 meters of RC drilling completed. The bulk of this drilling is on a mineralised zone that currently extends for approximately 350m 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 SIPA/Newmont (Figure 2)



## 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 and are coincidental 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). 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.

At Grindall, the Company has successfully targeted and intersected a gold mineralised structure with a strike length of more than 500m. (Figure 6)

The Company has completed high-resolution geophysical surveys to aid the interpretation of the bedrock geology and shear zones beneath the surface geochemical anomaly at Grindall and Redmill. The geological interpretation from the geochemistry and geophysics was used to derive drill targets which will continue to be tested as part of the Company's on-going drilling programs.

### Previous drilling results include:

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

## 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 7). 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

### Socrates

#### Socrates Main

During the quarter, the Company drilled six RC drill holes, 523 m of drilling at Socrates. With the first of the results from drill hole SDRC133 returning a significant result of 5m at 4.33g/t Au from 47m, including 2m at 9.13g/t Au from 49m (Figure 3, Figure 4).

Drill hole SDRC133 is located approximately 100m north of the main area of outcropping mineralisation and approximately 100m south of SDRC041 which returned 7m at 3.00g/t Au from 260m, including 5m at 3.78g/t Au from 262m (refer to ASX announcement 17 September 2018). The intercept is significant in that it confirms the likely continuity of the Socrates mineralisation over a strike length of more than 350m.

A fence of five drill holes, SDRC135 to SDRC139, was completed north of Socrates with the purpose of identifying the position of the host structures below shallow cover and above the interpreted position of the mineralisation at depth. SDRC136 successfully intersected alteration and broad zones of anomalous gold in the interpreted position above the Socrates mineralisation; the anomalous results included 22m at 0.03g/t Au and 14m at 0.03g/t Au. Drill hole SDRC139 will now be extended and a diamond tail will be completed to extend the drill hole to 300m to target the Socrates mineralisation at depth.

On-going drilling at Socrates is also targeting the mineral system extensions to the south, with two fences of drill holes planned to target the position host structure identified from the surface electromagnetic geophysics survey (refer to ASX announcement 18 December 2020) and historic geochemistry (Figure 5).

Diamond holes are also underway targeting mineralisation at depth below SDRC133.





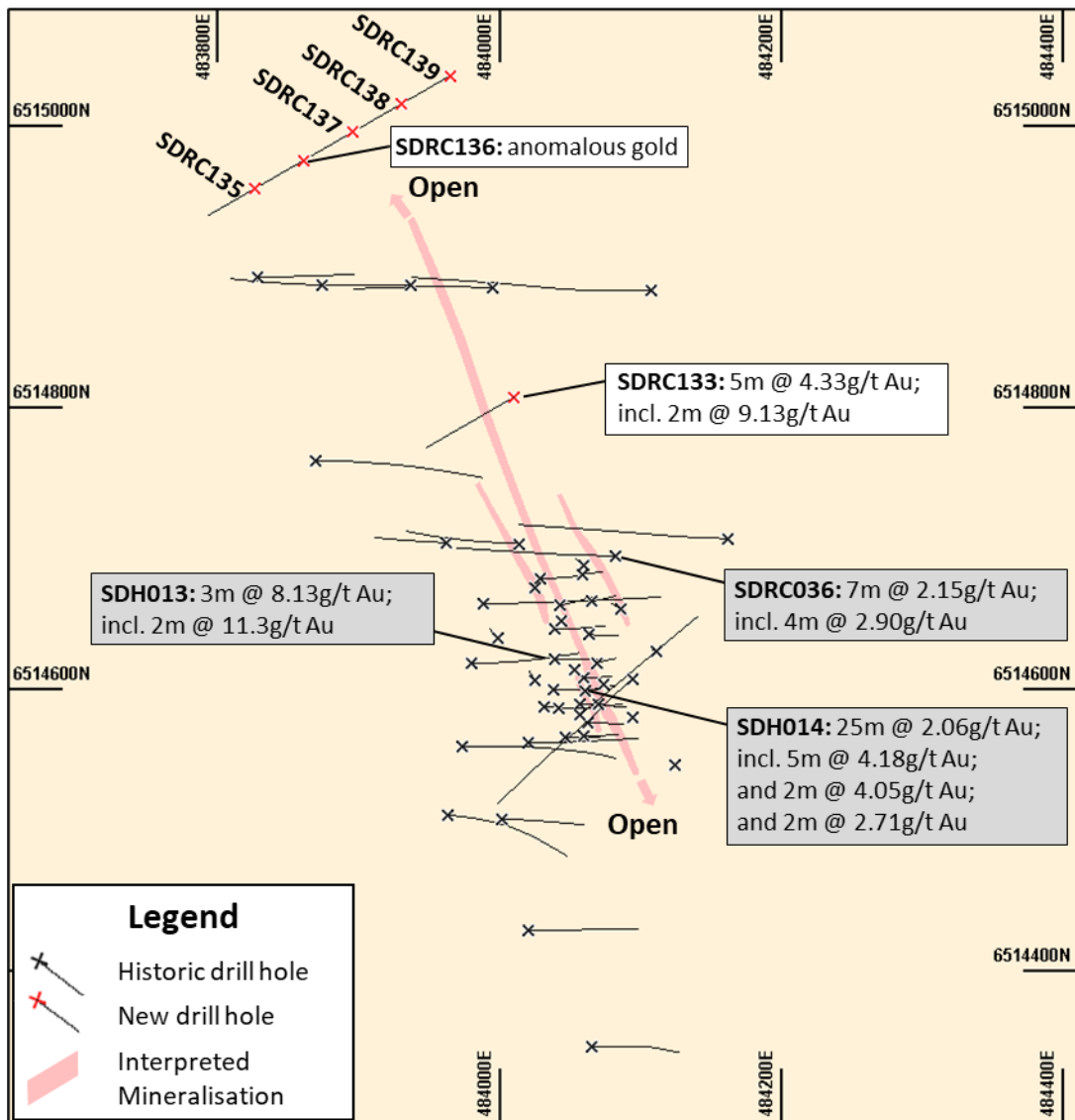


Figure 3: Socrates deposit plan view showing the drill holes and the interpreted position of the mineralisation projected to surface.





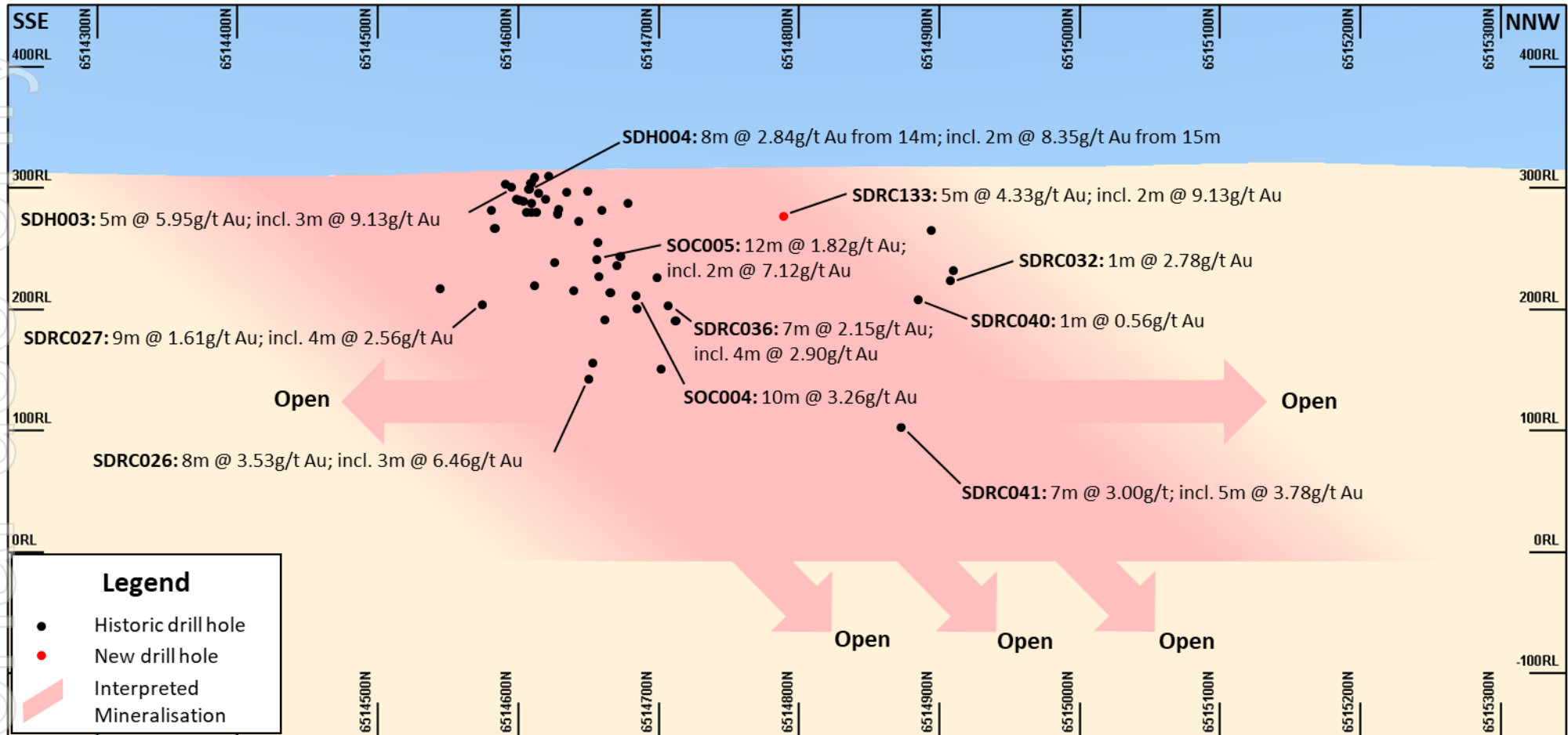


Figure 4: Socrates long section (viewed from the East) showing the all of the drill hole pierce points on the main mineralisation, new drill hole results and selected historic results. All historic results are included in Annexure 1.



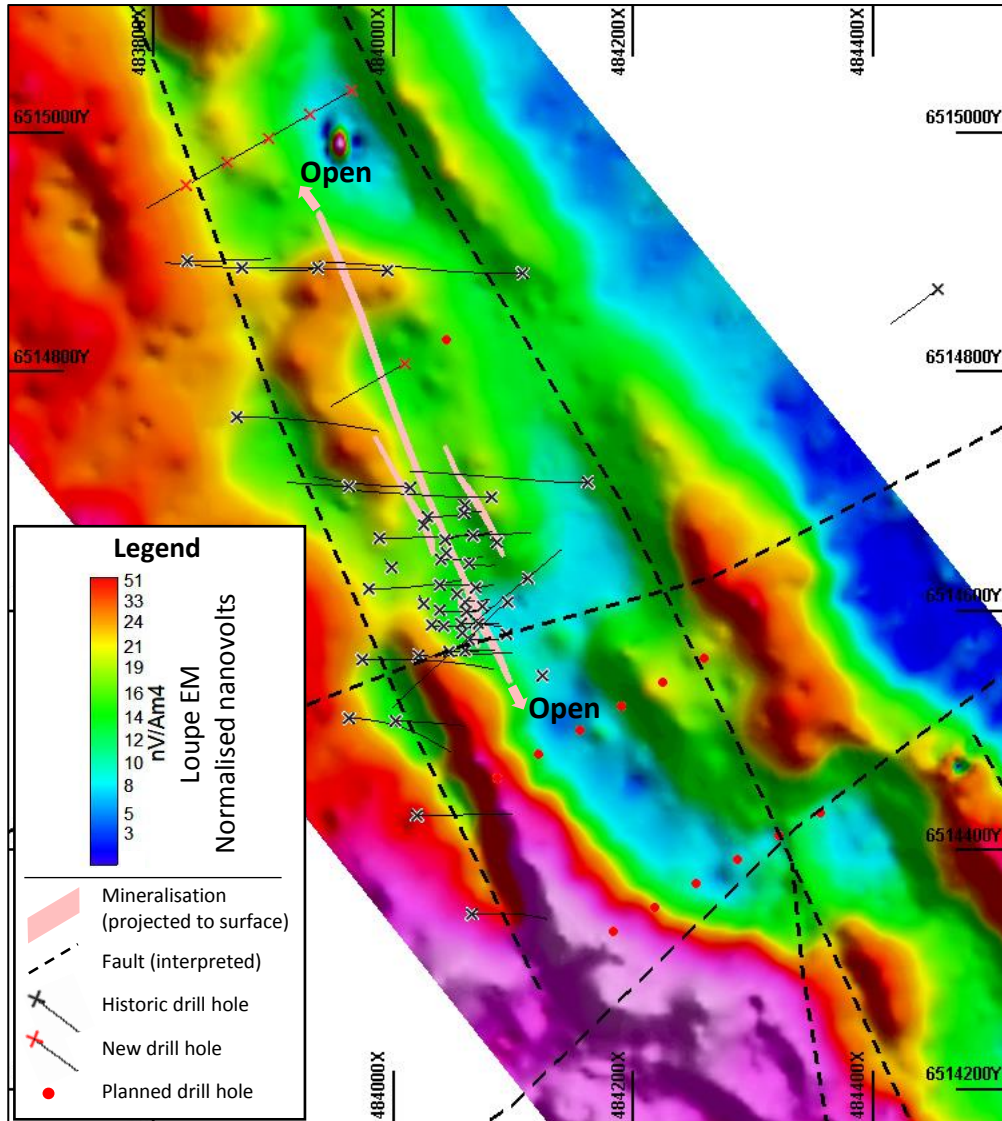


Figure 5: Socrates Loupe surface electromagnetic survey (Channel 10) showing the existing and planned drilling, interpreted faults and interpreted position of the mineralisation projected to surface.



### **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.

### **Grindall-Redmill-Harvey**

During the quarter the Company did no drilling at Grindall, Redmill or Harvey and postponed its planned in-house Induced Polarisation survey targeting of the garnet-biotite gneiss and disseminated sulphides till later in the year. This technique was also used to directly target the gold mineralisation and assisted with the discovery of the Tropicana deposit.

The first results from the Company's maiden diamond drilling program and RC drilling program at the Grindall were received during the previous quarter and have confirmed the Company has successfully targeted and intersected a gold mineralised structure with a strike length of more than 500m (Figure 6).

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.



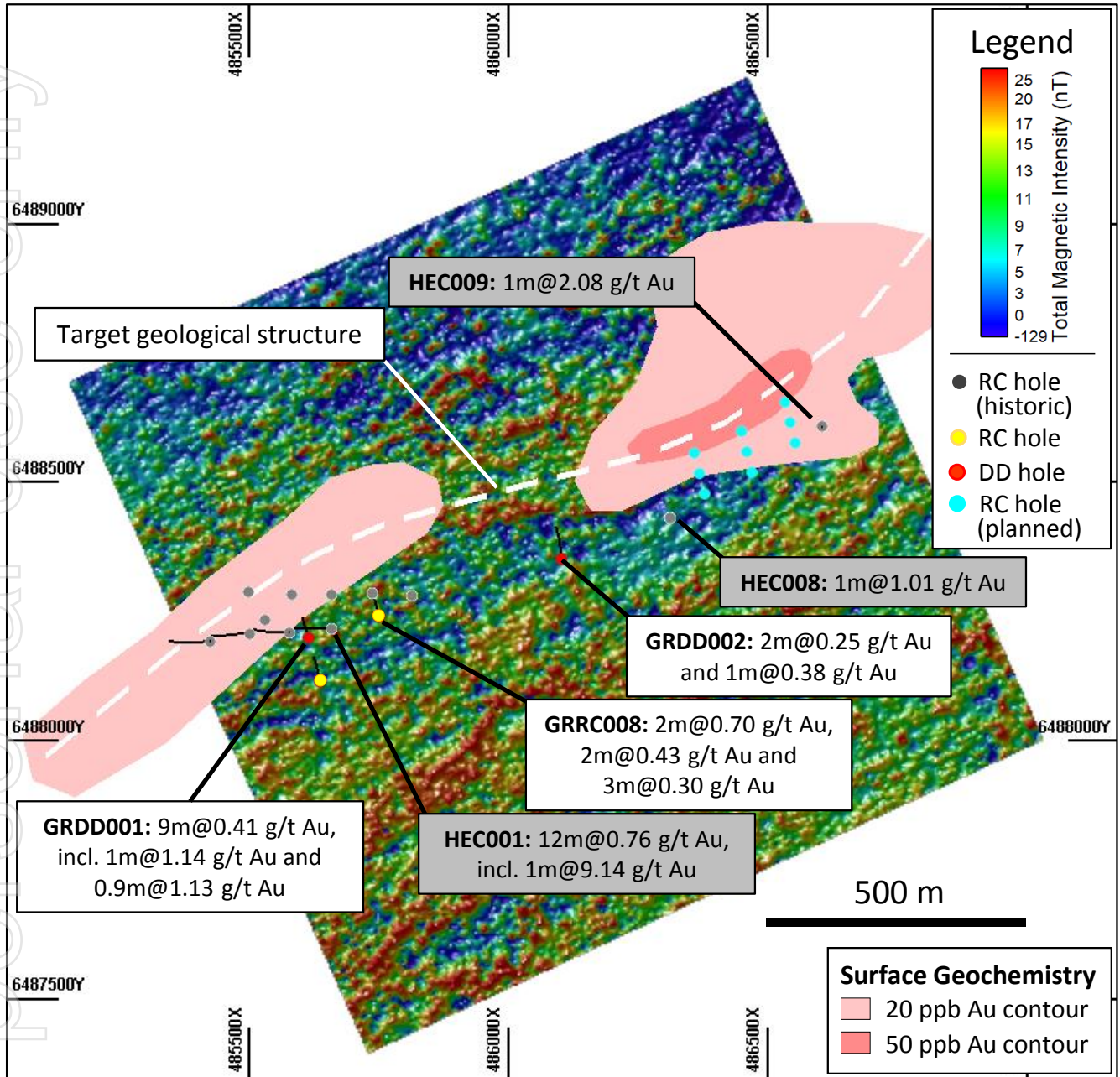


Figure 6: Grindall Total Magnetic Intensity showing the target geological structure, results from new diamond and RC drill holes and historic RC drill holes as well as the 20 ppb Au and 50 ppb Au surface geochemistry contours and planned RC drilling as part of the Company's on-going exploration and drilling program.





#### **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 first quarter of 2021 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 quarter 4 of 2021 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 Q4 2021. IGO has recently conducted a large Moving Loop EM program at the Thunderstorm project adjacent to the Tempest project.



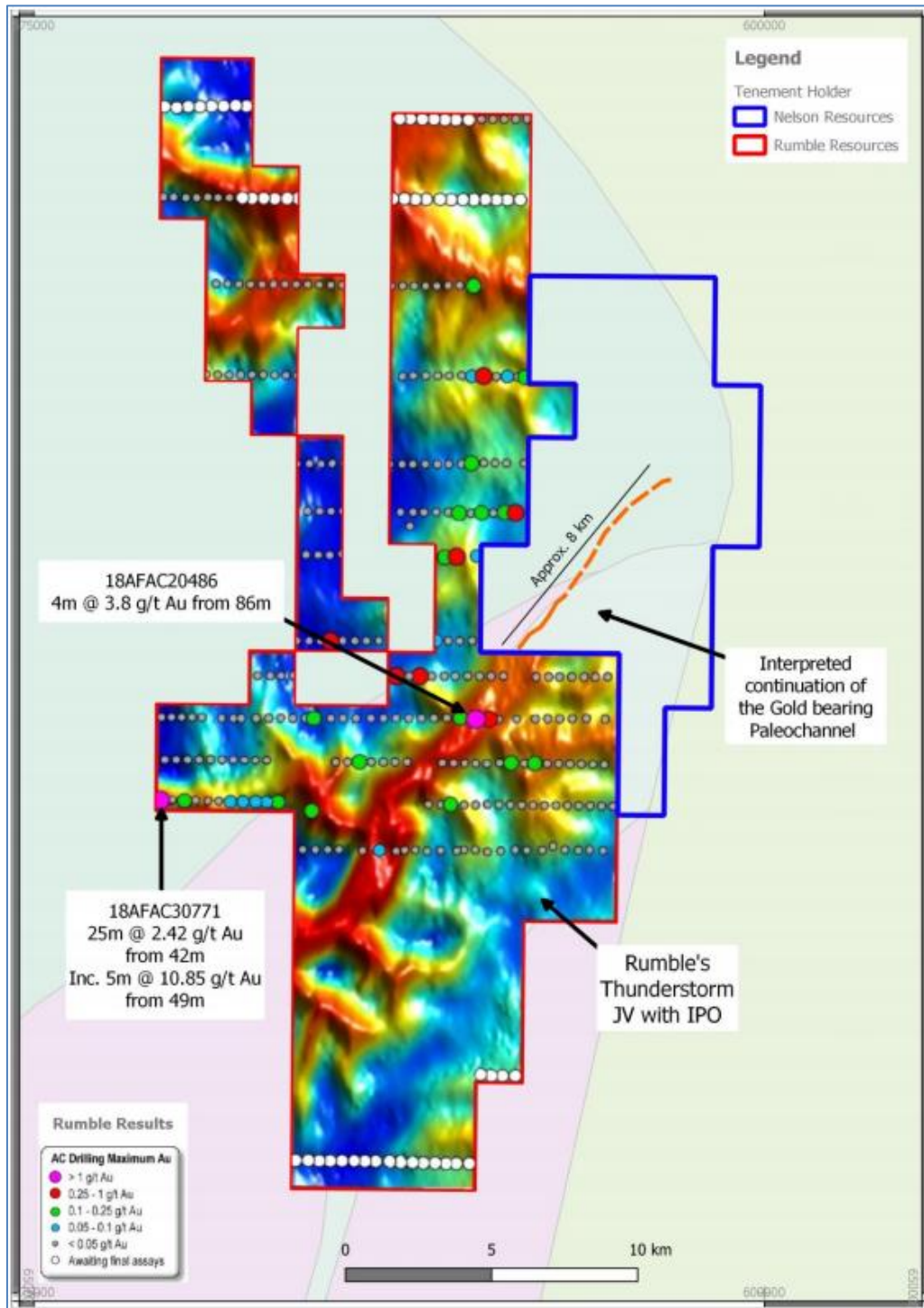


Figure 7. Tempest in relation to Rumble's Thunderstorm JV with IGO



### **Yarri Project**

During the quarter, the Company conducted no work at its 3 prospects at Yarri. 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 30 June 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$595K and plant and equipment expenditure for the quarter was \$290K. Corporate and other expenditure for the quarter was \$223K. The total amount paid to Directors of the Company, their associates and other related parties was \$43K and includes salary, fees and superannuation. Receipts for drilling services totalled \$188K.

## Future Exploration Programs:

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

### RC Drilling

- West Socrates - Complete two exploration holes targeting shear zone with coincident surface geochemistry and EM anomaly.
- East Socrates - Complete two exploration holes targeting shear zone on western-flank of mag anomaly with coincident surface geochemistry anomaly.
- Socrates Main - Drill southern fences to target structures interpreted from Loupe survey and coincident surface geochemistry anomaly. Planned drilling updated with wider spacing and greater depth extent.
- Grindall – Exploration RC drilling to target NE-striking structural position to the NE of previous drilling. This area has the highest surface geochem anomaly.
- Redmill - First-pass drilling (for NES) in the surface geochemistry anomaly and following-up historical drilling.

### Diamond Drilling

- Socrates Main - Complete two planned holes in the main grade carrying zone. Drill diamond tails on the most eastern fence hole and through the central mineralised zone to determine the mineralisation style and orientations.
- West Socrates - Drill one diamond hole targeting area of known RC grade for structural interpretation. Decision to drill will be based on RC results.
- Grindall – Potentially drill a number of diamond holes for structural control information based on planned RC holes.
- Redmill - Drill first two planned holes

### Other

- Conduct Induced Polarisation and additional electromagnetic geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of drill targets.
- Conduct Induced Polarisation and additional electromagnetic geophysical surveys to begin to map identified disseminated sulphides at Grindall and potentially Redmill.
- 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 significant and highly prospective 1682km<sup>2</sup> tenure holding (Granted and Pending). The key focus for the Company is its 1226km<sup>2</sup> Woodline Project (Granted and Pending).

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 \$16 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:

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### 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>



## Schedule of Exploration Tenements

Project Name	Tenement	Granted or Pending	Interest: 31/03/21	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest: 30/06/21
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%
Morris	E 28/2941	G	-	-	-	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	G	-	-	-	100%
Harvey South	E 63/1971	G	100%	-	-	100%
Harvey	E 28/2923	G	100%	-	-	100%
Harvey West	E 28/2986	G	-	-	-	100%
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 - Gibbets	P 31/2086	G	100%	-	-	100%
Yarri - Gt Banjo	P 31/2087	G	100%	-	-	100%
Fortnum	E 52/3695	G	100%	-	-	100%

### Tenement Applications

During the quarter, the Company applied for no tenements.

