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**NELSON RESOURCES LIMITED**

**ACN 127 620 482**

**Notice of Annual General Meeting**

The Annual General Meeting will be held at  
Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on Thursday 18 November 2021  
commencing at 12:00pm (AWST).

**Important Notice**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

# NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an annual general meeting of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) will be held at Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on Thursday 18 November 2021, commencing at 12:00pm (AWST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

## **Business**

### **Annual Report**

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To receive and consider the Annual Report of the Company for the financial year ended on 30 June 2021, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

### **Resolution 1: Remuneration Report**

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To consider and, if thought fit, to pass the following Resolution as an **advisory only resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended on 30 June 2021 be adopted."*

**Note:** The votes on this Resolution are advisory only and do not bind the Directors or the Company.

**A voting exclusion statement is set out below.**

### **Resolution 2: Re-election of Director – Stephen Brockhurst**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*"That, for all purposes, Stephen Brockhurst, who retires by rotation at the Meeting in accordance with ASX Listing Rule 14.4 and clause 13.2 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director".*

### **Resolution 3: Ratification of Prior Issue of Placement Shares - 7.1 Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,220,321 Shares under the January 2021 Placement on the terms and conditions set out in the Explanatory Statement".*

**A voting exclusion statement is set out below.**

### **Resolution 4: Ratification of Prior Issue of Placement Shares - 7.1A Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,480,214 Shares under the January 2021 Placement on the terms and conditions set out in the Explanatory Statement".*

**A voting exclusion statement is set out below.**

#### **Resolution 5: Ratification of Prior Issue of Shares - 7.1 Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,333,333 Shares to S3 Consortium Pty Ltd on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 6: Ratification of Prior Issue of Follow-on Placement Shares - 7.1A Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,353,429 Shares under the Follow-on Placement on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 7: Ratification of Prior Issue of Follow-on Placement Shares - 7.1 Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,901,890 Shares under the Follow-on Placement on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 8: Ratification of Prior Issue of Follow-on Placement Options - 7.1 Capacity**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,627,660 Listed Options under the Follow-on Placement on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 9: Approval to Issue Unlisted Options – Merchant Capital**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,152,539 Unlisted Broker Options on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 10: Approval to Issue Listed Options – Mahe Capital**

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To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,294,497 Listed Options on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

#### **Resolution 11: Approval of 10% Placement Facility**

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To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement”.*

**A voting exclusion statement is set out below.**

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#### **VOTING PROHIBITION AND EXCLUSION STATEMENTS**

##### **Corporations Act**

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

<b>Resolution</b>	<b>Persons Excluded from Voting</b>
Resolution 1: A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons: Remuneration Report	<p>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</p> <p>(b) a Closely Related Party of such a member.</p> <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <p>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</p> <p>(b) the voter is the Chair of the Meeting and the appointment of the chair as proxy:</p> <ul style="list-style-type: none"><li>• does not specify the way the proxy is to vote on this Resolution; and</li><li>• expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</li></ul>

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##### **ASX Listing Rules**

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

<b>Resolution</b>	<b>Persons excluded from voting</b>
Resolution 3: Ratification of prior issue of Placement Shares - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 4: Ratification of prior issue of Placement Shares - 7.1A Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 5: Ratification of prior issue of Shares - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 6: Ratification of prior issue of Shares - 7.1A Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 7: Ratification of prior issue of Shares - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 8: Ratification of prior issue of Listed Options - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 9: Approval to Grant Options – Merchant Capital	Persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, or any associate of those persons.
Resolution 10: Approval to Grant Options – Mahe Capital	Persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, or any associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

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- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
  - (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
  - (c) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
    - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**By order of the Board**

**Stephen Brockhurst**  
Company Secretary  
Nelson Resources Limited

13 October 2021

## EXPLANATORY STATEMENT

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### Important information

This Explanatory Statement has been prepared for the information of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on Thursday 18 November 2021, commencing at 12:00pm (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which the Directors deem as material to the shareholders to make a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

### Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

### Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed in the Voting Prohibition and Exclusion Statements section.

### Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the proxy form enclosed and either:

- send the Proxy Form by post to Automic, GPO Box 5193, SYDNEY NSW 2001;
- send the Proxy Form in person to Automic, Level 5, 126 Phillip Street, SYDNEY NSW 2000; or
- vote online at: <https://investor.automic.com.au/#/loginsah>,

so that it is received not less than 48 hours prior to commencement of the Meeting.

### **Voting in person**

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach of local public health laws and regulations.

### **Corporate representatives**

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (Advanced Share Registry Services).

### **Voting entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (AWST) on 16 November 2021. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

### **Poll**

All Resolutions will be determined by a poll at the Meeting.



## REGULATORY INFORMATION

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### 1. Annual Report

The Annual Report of the Company for the financial year ended on 30 June 2021, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, Criterion Audit Pty Ltd, will be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

#### Resolution 1: Remuneration Report

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Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks the adoption of the Remuneration Report.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended on 30 June 2021, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Shareholders approved the Company's Remuneration Report for financial year ended on 30 June 2020, and as a result there is no requirement to vote on a Spill Resolution if 25% or more of the votes cast vote against Resolution 1.

## Resolution 2: Re-election of Director – Stephen Brockhurst

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### 2.1 General

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer, and that a director appointed to fill a casual vacancy must also not hold office (without re-election) past the company's next annual general meeting.

In accordance with clause 13.2 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, unless agreed between the directors, by drawing lots.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

As Warren Hallam was re-elected at the Company's 2020 AGM, Stephen Brockhurst retires by rotation at this Meeting and, being eligible, offers himself for re-election. Brief background information on Mr Brockhurst is set out in the Annual Report.

### 2.2 Directors' recommendations

The Directors (excluding Mr Brockhurst) recommend that Shareholders vote in favour of Resolution 2.

## Resolutions 3 & 4: Ratification of Prior Issue of Placement Shares - 7.1 Capacity & 7.1A Capacity

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### 3.1 Background

As announced on 22 January 2021, the Company completed a capital raising via the issue of 28,700,535 Shares to professional and sophisticated investors (**Participants**) (**January 2021 Placement**).

The funds raised under the January 2021 Placement were used towards funding 12-18 months of additional geophysics and drilling at the Woodline project beyond the current work programs, initial Geophysics and drilling at the Tempest project which hosts both Gold and Nickel potential and maintaining a strong balance sheet.

On 29 January 2021, pursuant to the Placement, the Company issued a total of 28,700,535 Shares (**January 2021 Placement Shares**) to professional and sophisticated investors who participated in the January 2021 Placement. The Shares were issued without Shareholder approval using the Company's its 15% capacity under Listing Rule 7.1 and 10% capacity under Listing Rule 7.1A.

Resolutions 3 and 4 seek Shareholder approval under Listing Rule 7.4 to ratify the following issues of the January 2021 Placement Shares:

- (a) 17,220,321 January 2021 Placement Shares which were issued under the Company's Listing Rule 7.1 capacity (**Resolution 3**).
- (b) 11,480,214 January 2021 Placement Shares which were issued under the Company's Listing Rule 7.1A capacity (**Resolution 4**).

The effect of the various issues of securities (the subject of Resolution 3 and 4) on the capital structure of the Company is set out in Schedule 1.

### **3.2 ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issues have been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issues.

If Resolutions 3 and 4 are passed, the issues will be excluded in calculating the Company's 15% and 10% limits under Listing Rule 7.1 and 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolutions 3 and 4 are not passed, the issues will be included in calculating the Company's 15% and 10% limits under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue under Listing Rule 7.1 and 7.1A without Shareholder approval over the 12 months following the issues.

### **3.3 Resolutions 3 and 4 - Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the January 2021 Placement Shares were issued to professional and sophisticated investors who were identified by the Directors and Merchant Capital. None of the recipients were related parties of the Company or otherwise persons to whom Listing Rule 10.11 applies.
- (b) 28,700,535 January 2021 Placement Shares were issued on the following basis:
  - (i) Resolution 3 – 17,220,321 January 2021 Placement Shares were issued using the Company's Listing Rule 7.1 capacity; and
  - (ii) Resolution 4 - 11,480,214 January 2021 Placement Shares were issued using the Company's Listing Rule 7.1A capacity.
- (c) the January 2021 Placement Shares issued to the Participants were all fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue.

- (d) the January 2021 Placement Shares were issued on 29 January 2021.
- (e) the issue price per January 2021 Placement Share was \$0.075.
- (f) the purpose of the issue of the January 2021 Placement Shares was to raise \$2,152,540, which was used towards funding 12-18 months of additional geophysics and drilling at the Woodline project beyond the current work programs, initial Geophysics and drilling at the Tempest project which hosts both Gold and Nickel potential and maintaining a strong balance sheet.
- (g) other than those set out in this section, there are no other material terms in relation to the issues; and
- (h) a voting exclusion statement is included in the Notice.

### 3.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 and 4. These will restore the Company's 15% and 10% annual limits permitted by Listing Rules 7.1 and 7.1A and allow the Company to issue further securities as permitted by Listing Rules 7.1 and 7.1A without Shareholder approval.

## Resolution 5: Ratification of Prior Issue of Shares - 7.1 Capacity

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### 4.1 Background

On or about 20 January 2021 the Company engaged S3 Consortium Pty Ltd for a four month digital marketing campaign (**Digital Marketing Engagement**). S3 Consortium being paid \$100,000 plus GST with the fee component to be satisfied through the issue of Shares at an issue price equal to the 5 day VWAP for Shares. The engagement is otherwise on terms customary for an agreement of this type.

On 29 January 2021, the Company issued a total of 1,333,333 Shares to S3 Consortium Pty Ltd without Shareholder approval and using its 15% capacity under Listing Rule 7.1. The Shares were issued in satisfaction of S3 Consortium's fees for the digital marketing campaign at a deemed issue price of \$0.075 per Share.

### 4.2 ASX Listing Rules

The relevant ASX Listing Rules have been summarised in section 3.2.

If Resolution 5 is passed, the issue will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolution 5 is not passed, the issue will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue under Listing Rule 7.1 without Shareholder approval over the 12 months following the issues.

### 4.3 Resolution 5 - Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Shares were issued to S3 Consortium Pty Ltd, who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) 1,333,333 Shares were issued using the Company's Listing Rule 7.1 capacity.
- (c) the Shares issued to S3 Consortium Pty Ltd were all fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue.

- (d) the Shares were issued on 29 January 2021.
- (e) the deemed issue price per Share was \$0.075.
- (f) the purpose of the issue of the Shares was in lieu of cash payment for services performed under the Digital Marketing Engagement.
- (g) other than those set out in this section, there are no other material terms in relation to the issues; and
- (h) a voting exclusion statement is included in the Notice.

#### 4.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. It will allow the Company to issue securities to satisfy its payment obligations while preserving the Company's 15% capacity under Listing Rule 7.1.

### Resolution 6, 7 & 8: Ratification of Prior Issue of Follow-on Placement Shares & Options - 7.1 Capacity & 7.1A Capacity

#### 5.1 Background

On 19 July 2021, the Company announced a renounceable rights issue to raise approximately \$2 million through the issue of Shares at an issue price of \$0.047, with 1 Listed Option for every 2 Shares issued (**Rights Issue**). The issue was oversubscribed and to accommodate excess demand, the Company subsequently raised an additional \$341,000 (**Follow-on Placement**) through issuing 7,255,234 Shares (**Follow-on Placement Shares**) and 3,627,616 free attaching Listed Options on the same terms as the Rights Issue (**Follow-on Placement Securities**). Funds raised under the Follow-on Placement together with funds raised under the Rights Issue and existing cash on hands will be used as follows (as disclosed in the supplementary prospectus announced to ASX on 13 August 2021):

Item	Use of funds (approx.)
Geophysics	\$30,000
Diamond Drilling	\$119,988
RC Drilling	\$405,220
Assays	\$306,000
Plant and Equipment	\$350,000
Working Capital	\$827,272
Costs of the Offer	\$256,017
<b>Total use of funds</b>	<b>\$2,294,497</b>

The Follow-on Placement was made without Shareholder approval and using the Company's capacities under Listing Rules 7.1 and 7.1A.

Resolutions 6, 7 and 8 seek Shareholder approval under Listing Rule 7.4 to ratify the following issue of Follow-on Placement Securities:

- (a) 4,353,429 Shares which were issued under the Company's Listing Rule 7.1A capacity (**Resolution 6**).
- (b) 2,901,890 Shares which were issued under the Company's Listing Rule 7.1 capacity (**Resolution 7**).
- (c) 3,627,660 free attaching Listed Options under the Company's Listing Rule 7.1 capacity (**Resolution 8**).

The Rights Issue and Follow-on Placement were lead-managed and partially underwritten by Mahe Capital. Pursuant to the term of its appointment, Mahe Capital is entitled to be issued 1 Listed Option for every dollar raised under the capital raising, subject to shareholder approval. The Rights Issue and Follow-on Placement raised \$2,294,497 and Mahe Capital is entitled to be issued 2,294,497 Listed Options, subject to Shareholder approval. Resolution 10 seeks such approval.

The effect of the various issues of securities (the subject of Resolution 6 to 8) on the capital structure of the Company is set out in Schedule 1. The terms and conditions of the Follow-on Placement Options are contained within Schedule 3.

## **5.2 ASX Listing Rules**

The relevant ASX Listing Rules have been summarised in section 3.2.

If Resolutions 7 and 8 are passed, the issues will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolutions 6, 7 and 8 are not passed, the issues will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue under Listing Rule 7.1 without Shareholder approval over the 12 months following the issues.

If Resolution 6 is passed, the issues will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolution 6 is not passed, the issues will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A over the 12 months following the issues.

## **5.3 Resolutions 6, 7 and 8 - Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 6, 7 and 8:

- (a) the Follow-on Placement Securities were issued to professional and sophisticated investors who were identified by Mahe Capital and the Directors as having applied for shortfall shares under the Rights Issue. None of the recipients were related parties of the Company or otherwise persons to whom Listing Rule 10.11 applies.
- (b) 7,255,319 Follow-on Placement Securities were issued on the following basis:
  - (i) Resolution 6 – 4,353,429 Follow-on Placement Shares were issued using the Company's Listing Rule 7.1A capacity; and
  - (ii) Resolution 7 – 2,901,890 Follow-on Placement Shares were issued using the Company's Listing Rule 7.1 capacity; and

- (iii) Resolution 8 – 3,627,660 Listed Options were issued using the Company’s Listing Rule 7.1 capacity.
- (c) the Follow-on Placement Shares issued were all fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue. The Listed Options are exercisable at \$0.08 each and expire on 17 August 2023 and otherwise on the terms set out in Schedule 3.
- (d) the securities were issued on 17 August 2021.
- (e) the issue price per Follow-on Placement Share was \$0.047, with one attaching Listed Option for every two Follow-on Placement Shares issued.
- (f) the purpose of the issue of the Follow-on Placement Shares was to raise \$341,000, which was used towards funding 12-18 months of additional geophysics and drilling at the Woodline project beyond the current work programs, initial Geophysics and drilling at the Tempest project which hosts both Gold and Nickel potential and maintaining a strong balance sheet. Funds raised from the exercise of the Follow-on Placement Options will be used for general working capital.
- (g) other than those set out in this section, there are no other material terms in relation to the issues.
- (h) a voting exclusion statement is included in the Notice.

#### 5.4 Directors’ recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 6, 7 and 8. These will restore the Company’s 15% and 10% annual limits permitted by Listing Rules 7.1 and 7.1A and allow the Company to issue further securities as permitted by Listing Rules 7.1 and 7.1A without Shareholder approval.

#### Resolution 9: Approval to Issue Unlisted Options – Merchant Capital

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##### 6.1 General

The Company engaged Merchant Capital Partners Pty Ltd for broking services relating to the Placement as announced to ASX on 22 January 2021. The Company agreed to pay Merchant Capital Partners the following (as disclosed in the Appendix 3B announced by the Company to ASX on 22 January 2021):

- (a) a management fee of 2% of the total amount raised under the January 2021 Placement;
- (b) a placement fee of 4% of the total amount raised under the January 2021 Placement;; and
- (c) 1 Unlisted Option for every dollar raised under the January 2021 Placement, subject to shareholder approval.

The January 2021 Placement raised \$2,152,539 and Resolution 9 seeks approval under Listing Rule 7.1 to issue 2,152,539 Unlisted Options to Merchant Capital Partners Pty Ltd.

The Unlisted Options are exercisable at \$0.1125 each and expire 3 years from the date of issue and otherwise on the terms set out in Schedule 3.

If Resolution 9 is passed, the Company will be able to proceed with the issue and to satisfy its obligations to Merchant Capital Partners. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1. If Resolution 9 is not passed, the Company will not be able to proceed with the issue and will have to negotiate with Merchant Capital Partners on alternative arrangement or the Company may have to pay Merchant Capital Partners in cash, which will be a significant cost to the Company.

The effect of the issue of securities (the subject of Resolution 9) on the capital structure of the Company is set out in Schedule 1.

## **6.2 Specific Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Unlisted Options:

- (a) the Unlisted Options will be issued to Merchant Capital Partners Pty Ltd (or its nominee), who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) a maximum of 2,152,539 Unlisted Options will be issued.
- (c) the Unlisted Options are exercisable at \$0.1125 each and expire 3 years from the date of issue and otherwise on the terms set out in Schedule 4.
- (d) the Unlisted Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), it is intended that the issue will occur on the same date.
- (e) the Unlisted Options are issued for nil cash consideration but for broking services relating to the January 2021 Placement announced to ASX on 22 January 2021 and no funds will be raised from the issue. Funds raised from the exercise of the Unlisted Options will be used towards the working capital of the Company.
- (f) other than those set out in this section and Schedule 4, there are no other material terms in relation to the issue.
- (g) a voting exclusion statement is included in the Notice.

## **6.3 Director's recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9. It will allow the Company to issue securities to satisfy its payment obligations while preserving the Company's 15% capacity under Listing Rule 7.1.

## **Resolution 10: Approval to Issue Listed Options – Mahe Capital**

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### **7.1 General**

The Company engaged Mahe Capital Pty Ltd for broking services relating to the Rights Issue as announced to ASX on 19 July 2021. The Company agreed to pay Mahe Capital the following (as disclosed in the Rights Issue prospectus announced by the Company to ASX on 21 July 2021):

- (a) \$30,000 with an additional \$30,000 if the Rights Issue closes oversubscribed;
- (b) a lead manager's fee of 1% of the total amount raised under the Rights Issue;
- (c) an underwriter's fee of 5% of Mahe Capital's underwritten amount;
- (d) a placement fee of 5% of any shortfall securities placed by Mahe Capital's beyond the underwritten amount; and
- (e) 1 Listed Option for every dollar raised under the capital raising, subject to shareholder approval.



The Rights Issue and subsequent Follow-on Placement raised \$2,294,497 and Resolution 10 seeks approval under Listing Rule 7.1 to issue 2,294,497 Listed Options to Mahe Capital Pty Ltd.

The Listed Options are exercisable at \$0.08 each and expire on 17 August 2023 and otherwise on the terms set out in Schedule 3.

If Resolution 10 is passed, the Company will be able to proceed with the issue and to satisfy its obligations to Mahe Capital. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1. If Resolution 10 is not passed, the Company will not be able to proceed with the issue and will be required to pay Mahe Capital an amount equal to the value of the Listed Options in cash, which will be a significant cost to the Company.

The effect of the issue of securities (the subject of Resolution 10) on the capital structure of the Company is set out in Schedule 1.

## **7.2 Specific Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Listed Options:

- (a) the Listed Options will be issued to Mahe Capital Pty Ltd (or its nominee), who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) a maximum of 2,294,497 Listed Options will be issued.
- (c) the Listed Options are exercisable at \$0.08 each and on 17 August 2023 and otherwise on the terms set out in Schedule 2.
- (d) the Listed Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), it is intended that the issue will occur on the same date.
- (e) the Listed Options are issued for nil cash consideration but for broking services relating to the Rights Issue announced to ASX on 19 July 2021 and no funds will be raised from the issue. Funds raised from the exercise of the Listed Options will be used towards the working capital of the Company.
- (f) other than those set out in this section and Schedule 2, there are no other material terms in relation to the issue.
- (g) a voting exclusion statement is included in the Notice.

## **7.3 Director's recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10. It will allow the Company to issue securities to satisfy its payment obligations while preserving the Company's 15% capacity under Listing Rule 7.1.

## **Resolution 11: Approval of 10% Placement Facility**

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### **8.1 General**

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval (**10% Placement Facility**).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 8.3(a) below).

Any funds raised will be used for exploration on the Company's projects and general working capital.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## 8.2 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 11. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

## 8.3 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue quoted Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval by way of a special resolution. The 10% Placement Facility is subject to conditions and in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

### (a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$$\text{Number of Equity Securities} = (A \times D) - E$$

"A" the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the Relevant Period; or

- the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

(D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;

(E) plus the number of partly paid shares that became fully paid in the Relevant Period;

(F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” is 10%.

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

As the date of this Notice, the Company:

(i) has the following securities on issue:

(A) 194,292,195 Shares (quoted);

(B) 57,709,303 Options (quoted);

(C) 15,189,458 Options (unquoted); and

(D) 3,000,000 Performance Rights (unquoted).

(ii) has the capacity to issue:

(A) Nil Equity Securities under Listing Rule 7.1; and

(B) Nil Equity Securities under Listing Rule 7.1A.

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

#### 8.4 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

(a) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:

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- (i) the date that is 12 months after the date of the Meeting;
  - (ii) the time and date of the Company's next annual general meeting; and
  - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(b) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) The issue under Listing Rule 7.1A can only be made for cash consideration. The Company intends to use any funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and expenditure on the Company's current assets and/or general working capital.

(d) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

Variable 'A' (Shares on issue)		Issue price		
		\$0.021 (50% decrease)	\$0.042 (Current) <sup>2</sup>	\$0.063 (50% increase)
194,292,195 (Current) <sup>1</sup>	Shares issued	19,429,220	19,429,220	19,429,220
	Funds raised	\$408,014	\$612,020	\$816,027
291,438,293 (50% increase)	Shares issued	29,143,829	29,143,829	29,143,829
	Funds raised	\$816,027	\$1,224,041	\$1,632,054
388,584,390 (100% increase)	Shares issued	38,858,439	38,858,439	38,858,439
	Funds raised	\$1,224,041	\$1,836,061	\$2,448,082

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options have been exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (v) The issue price is \$0.04 being the closing price of the Shares on ASX on 29 September 2021.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:

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- (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
  - (ii) The effect of the issue of the Equity Securities on the control of the Company.
  - (iii) The financial situation and solvency of the Company.
  - (iv) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company has issued 21,573,750 Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting which represents 11.1% of the total number of Equity Securities (being 194,292,195 Equity Securities) on issue at the commencement of 12 month period before the Meeting). Information required under Listing Rule 7.3A.6 is set out in schedule 1. There is no circumstance that the Company has agreed before the 12 month period to issue Equity securities under Listing Rule 7.1A.2 but as at the date of the Meeting not yet issued those Equity Securities.
- (g) As at the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, no voting exclusion statement is required for the Notice.

## DEFINITIONS

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In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

**Annual Report** means the annual report of the Company for the financial year ended on 30 June 2021.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Auditor's Report** means the auditor's report contained in the Annual Report.

**AWST** means Western Standard Time, being the time in Perth, Western Australia.

**Board or the Directors** means the board of Directors.

**Chair** means the chairperson of the Meeting.

**Company** means Nelson Resources Limited ACN 127 620 482.

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the directors' report contained in the Annual Report.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Statement** means this explanatory statement incorporated in this Notice.

**Financial Report** means the financial report contained in the Annual Report.

**January 2021 Placement Shares** has the meaning given in section 3.1.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listed Options** mean an option to be issued a Share exercisable at \$0.08 each and expiring on 17 August 2023, and otherwise on the terms set out in Schedule 3.

**Listing Rules** means the listing rules of ASX, as amended from time to time.

**Meeting, General Meeting or Annual General Meeting** means the Annual General Meeting of Shareholders to be held at Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on 18 November 2021, commencing at 12:00pm (AWST).

**Notice or Notice of Meeting** means this notice of annual general meeting incorporating this Explanatory Statement.

**Proxy Form** means the proxy form attached to this Notice.

**Relevant Period** has the meaning given in Listing Rule 7.1; being

- (a) if the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or

- (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

**Remuneration Report** means the remuneration report contained in the Annual Report.

**Resolution** means a resolution contained in the Notice.

**Share** means an ordinary fully paid share in the Company.

**Shareholder** means a holder of a Share.

**Unlisted Options** mean an option to be issued a Share exercisable at \$0.1125 each and expiring 3 years from issue, and otherwise on the terms set out in Schedule 4.

**VWAP** has the meaning given in the Listing Rules.

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**Schedule 1: Effect of various issues and proposed issues on the capital structure**

	Shares	%
Shares currently on issue (excluding shares the subject to the Resolutions)	157,003,008	81.81%
Shares subject to Resolution 3 and 4	28,700,535	14.77%
Shares subject to Resolution 5	1,333,333	0.69%
Shares subject to Resolutions 6 to 7	7,255,319	3.73%
<b>Total</b>	<b>194,292,195</b>	<b>100.00%</b>

**Schedule 2: Issues of Securities under Listing Rule 7.1A in the previous 12 months**

Issue Date	No. Securities issued	Security Type	Security Recipients	Issue Price & Details of any Discount to Market Price (if applicable)	Consideration and Use of Funds as at the Date of this Notice of Meeting
29 January 2021	17,220,321 Shares	Fully paid ordinary shares	Professional and sophisticated investors	\$0.075 each, which was 124% of closing market price of \$0.093 on the date of the issue	\$1,291,524 consideration. Funds have been applied towards exploration activities at the Company's existing Western Australian projects (Woodline), new project /JV evaluation and working capital. No funds remain.
17 August 2021	4,353,429 Shares	Fully paid ordinary shares	Professional and sophisticated investors	\$0.047 each, which was 100% of closing market price of \$0.047 on the date of the issue	\$539,570 consideration, of which \$539,570 is yet to be spent. Funds will be applied towards exploration activities at the Company's existing Western Australian projects (Woodline) and working capital.

### Schedule 3: Terms and conditions of Listed Options

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#### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

#### 2. Expiry Date

Each Option will expire at 5.00pm (WST) on the date that is 2 years from the date of issue (**Expiry Date**), being 17 August 2023.

#### 3. Exercise Price

Each Option will have an exercise price equal to \$0.08 (**Exercise Price**).

#### 4. Exercise period and lapsing

Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

#### 5. Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

#### 6. Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

#### 7. Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

#### 8. Timing of issue of Shares

Subject to clause 9 (shareholder and regulatory approvals), within 5 business days after the later of the following:

- i. receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- ii. the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will allot and issue the Shares pursuant to the exercise of the Options and, provided it is legally able to do so:

- iii. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- iv. apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

## **9. Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

## **10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

## **11. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- i. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- ii. no change will be made to the Exercise Price.

## **12. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders, there will be no adjustment to the Exercise Price.

## **13. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

## **14. Quotation**

The Company will apply for quotation of the Options on ASX.

## **15. Transferability**

The Options are not transferrable.

## Schedule 4: Terms and conditions of Unlisted Options

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### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Expiry Date

Each Option will expire at 5.00pm (WST) on the date that is 3 years from the date of issue (**Expiry Date**).

### 3. Exercise Price

Each Option will have an exercise price equal to \$0.12 (**Exercise Price**).

### 4. Exercise period and lapsing

Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

### 5. Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

### 6. Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

### 7. Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

### 8. Timing of issue of Shares

Subject to clause 9 (shareholder and regulatory approvals), within 5 business days after the later of the following:

- v. receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- vi. the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will allot and issue the Shares pursuant to the exercise of the Options and, provided it is legally able to do so:

- vii. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- viii. apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

## **9. Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

## **10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

## **11. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- iii. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- iv. no change will be made to the Exercise Price.

## **12. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders, there will be no adjustment to the Exercise Price.

## **13. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

## **14. Quotation**

The Company will not apply for quotation of the Options on ASX.

## **15. Transferability**

The Options are not transferrable.



Nelson Resources Limited | ACN 127 620 482

# Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **12.00pm (AWST) on Tuesday 16 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Contact	<b>Return your completed form</b>	<b>All enquiries to Automic</b>	
	<b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	<b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	<b>BY EMAIL</b> meetings@automicgroup.com.au  <b>BY FACSIMILE</b> +61 2 8583 3040
	<b>WEBCHAT</b> https://automic.com.au/  <b>PHONE</b> 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)		

STEP 1: Appoint Your Proxy	<b>Complete and return this form as instructed only if you do not vote online</b>																					
	I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Nelson Resources Limited, to be held at <b>12.00pm (AWST) on Thursday 18 November 2021 at Level 11, 216 St Georges Terrace Perth, Western Australia 6000</b> hereby:																					
	<b>Appoint the Chairman of the Meeting (Chair) OR</b> if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof. <table border="1" style="width: 100%; height: 20px; margin-top: 5px;"> <tr> <td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td> </tr> </table>																					

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**  
 Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**  
 Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
	1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Ratification of prior issue of Follow-on Placement Shares – 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Re-election of Director – Stephen Brockhurst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Ratification of prior issue of Follow-on Placement Options – 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Ratification of prior issue of Placement Shares – 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval to Issue Unlisted Options – Merchant Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Ratification of prior issue of Placement Shares – 7.1A Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval to Issue Listed Options – Mahe Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Ratification of prior issue of Shares – 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Ratification of prior issue of Follow-on Placement Shares – 7.1A Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

STEP 3: Sign Here + Contact Details	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<input style="width: 95%; height: 30px;" type="text"/>	<input style="width: 95%; height: 30px;" type="text"/>	<input style="width: 95%; height: 30px;" type="text"/>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:			
<input style="width: 100%; height: 20px;" type="text"/>			
Email Address:			
<input style="width: 100%; height: 20px;" type="text"/>			
<input style="width: 100%; height: 20px;" type="text"/>			
Contact Daytime Telephone		Date (DD/MM/YY)	
<input style="width: 100%; height: 20px;" type="text"/>		<input style="width: 30px; height: 20px;" type="text"/> / <input style="width: 30px; height: 20px;" type="text"/> / <input style="width: 30px; height: 20px;" type="text"/>	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			