



**Nelson
Resources**
L I M I T E D

ASX RELEASE
29 OCT 2021
ASX:NES

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 SEPTEMBER 2021

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

Highlights:

- The Company continued to test for mineralisation extensions at its Socrates prospects within the Woodline Project completing 1315m of drilling including three diamond holes for 457m, and ten RC holes for 858m.
- The Company is waiting for a significant number of assay results to be returned from the laboratory and is currently compiling assays received at the end of the quarter. Results to date indicate there are at least three parallel mineralised systems at Socrates.
- The Company commenced the recruitment of an experienced Exploration Manager with Albany-Fraser and Archean Gold experience. The Company is excited to have Derek Shaw joining the Company in the next quarter.

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 personnel and travel restrictions between states, as well as a general difficulty in getting staff in the current environment.

Corporate and Finance:

- During the quarter, the company continued to improve its operating systems and make further improvements to its RC and diamond drill rigs. The Company has also commenced preparations to conduct a number of external drilling contracts in the December quarter. The Company believes these external programs will substantially subsidise its exploration activities.

CAPITAL STRUCTURE

ORDINARY SHARES

Issued 194,292,195

OPTIONS

Listed options 57,709,303
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

August 2021

Right Issue & Placement

\$2.3 million @ 4.7cents per share

Existing Projects Summary:

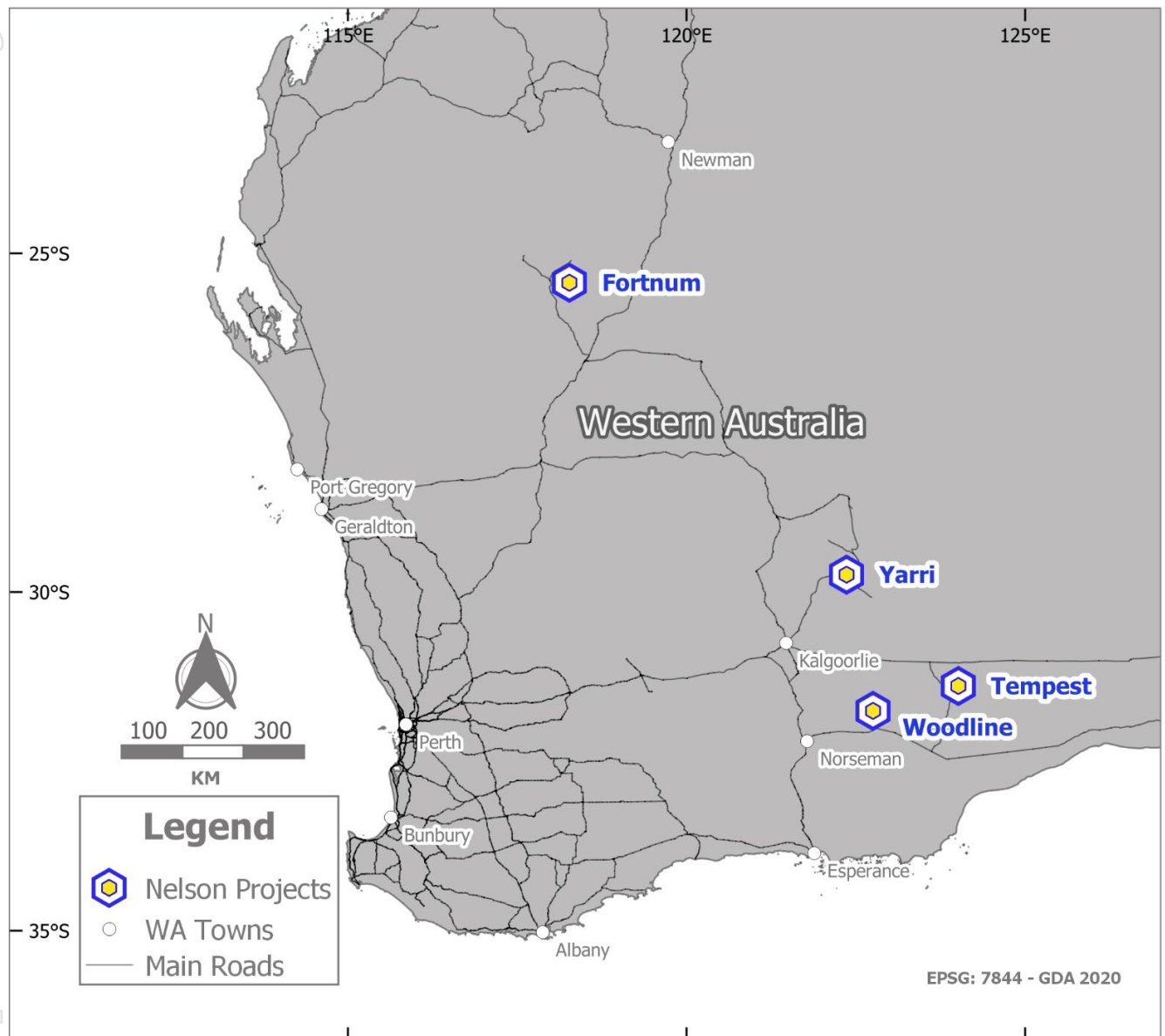


Figure 1: Project Locations.

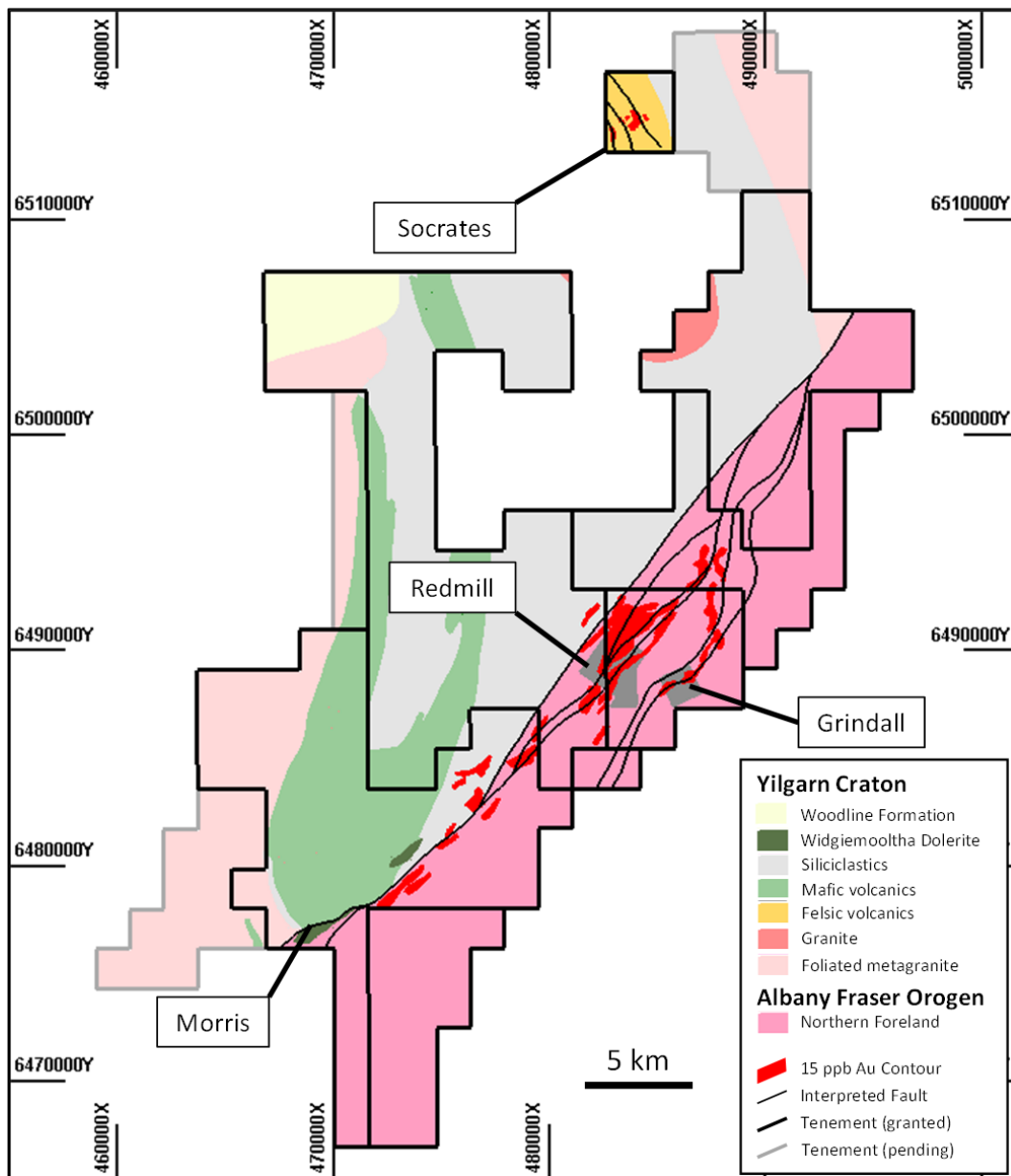


Woodline Projects Summary:

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 1226 km² of prime exploration tenure across the southern boundary of the Archaean Yilgarn Craton and the Proterozoic Northern Foreland of the Albany-Fraser Orogen.



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

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 ² as the 7.7 million ounce Tropicana Gold Mine ³,
- 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 (12km²) (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. This project is part of the Company's original portfolio and it has had approximately 8,400 meters of RC drilling completed to date.

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 in the Socrates main mineralised zone along with 2 parallel structures in the East and the West.

Previous drilling results from the Socrates main zone 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 Central (previously Socrates West)

The Socrates West prospect is within the Socrates Tenement and has been identified from previous drilling by Nelson⁵ as well as mapping and rock chip sampling by Nelson⁶.

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. These structures are coincident 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 will be part of the targeting strategy to identify structurally-controlled gold mineralisation and have 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.

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 the faulted contact between the Northern Foreland of the Albany Fraser Orogen.

The concept for a nickel target at Morris was originally described by Dr Jon Hronsky OAM of Western Mining Services, 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 foci¹.

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 km² and borders the IGO / Rumble, Thunderstorm JV project (Figure 6). 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 Prospect⁵. 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)⁶.

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 is unrelated to the nickel potential or the potential gold bearing extension of the paleochannel identified at the neighbouring Thunderstorm project.



Yarri

The Yarri Project (Figure 1) 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. The project 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. The region has amassed a resource of approximately 880,000 ounces of gold (production plus defined resource estimates obtained from available literature).

Fortnum

The Fortnum project (E52/3695) totals 21km². 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. Partly outcropping basement is shrouded in thin surficial cover 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 a structure within the schist adjacent to the contact with the Despair Granite. Billara D is associated with quartz veins in a NNE-trending, biotite-rich schist, the Despair Granite, analogous to the Wilthorpe gold mine, 9km to the south.

The project has previously been explored for gold since the 1980's but the work has not been overly effective. Nelson intends to compile previous work and develop an aggressive program to test the project effectively.



Project Activity:

A total of three diamond drill holes for 457m and ten RC drill holes for a total of 858m were drilled during the quarter, in addition to project work on Woodline and compilation and project review of Fortnum.

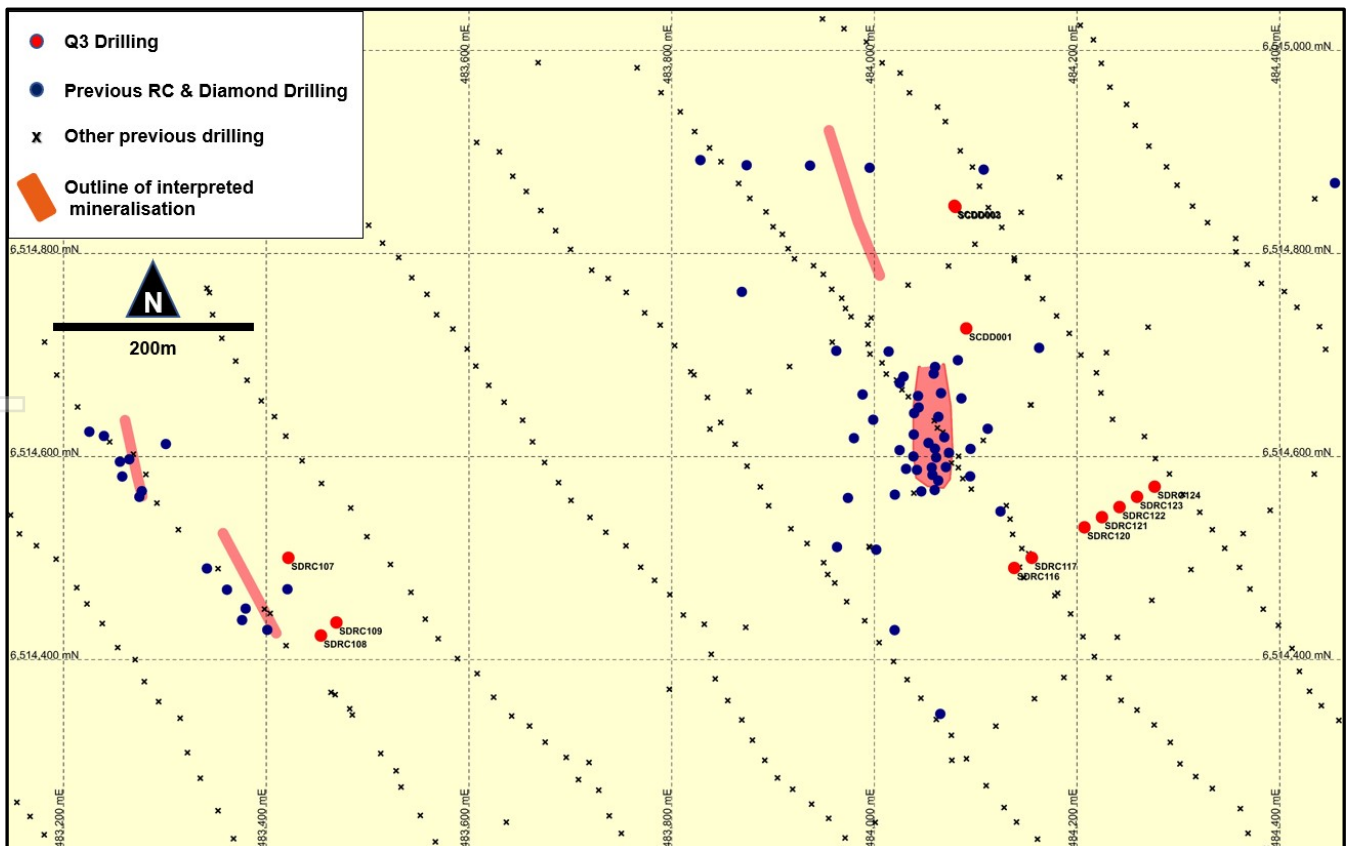
Nelson Resources has completed the following work at each of its projects during the quarter:

Woodline: Socrates

Socrates Main

During the quarter, the Company drilled three diamond drill holes for 457m and ten RC drill holes for a total of 858m at Socrates (Figure 3). Drilling continued into the December quarter across Socrates. Samples from these drill holes have been submitted and it is anticipated that results from these will be returned in the next few weeks.

These holes were planned to test a potential south easterly extension of the Socrates Main target and an undrilled target at Socrates east and to investigate the orientation of the gold bearing Socrates Central target (previously Socrates West). Socrates West an undrilled EM target will be tested in early Q4.



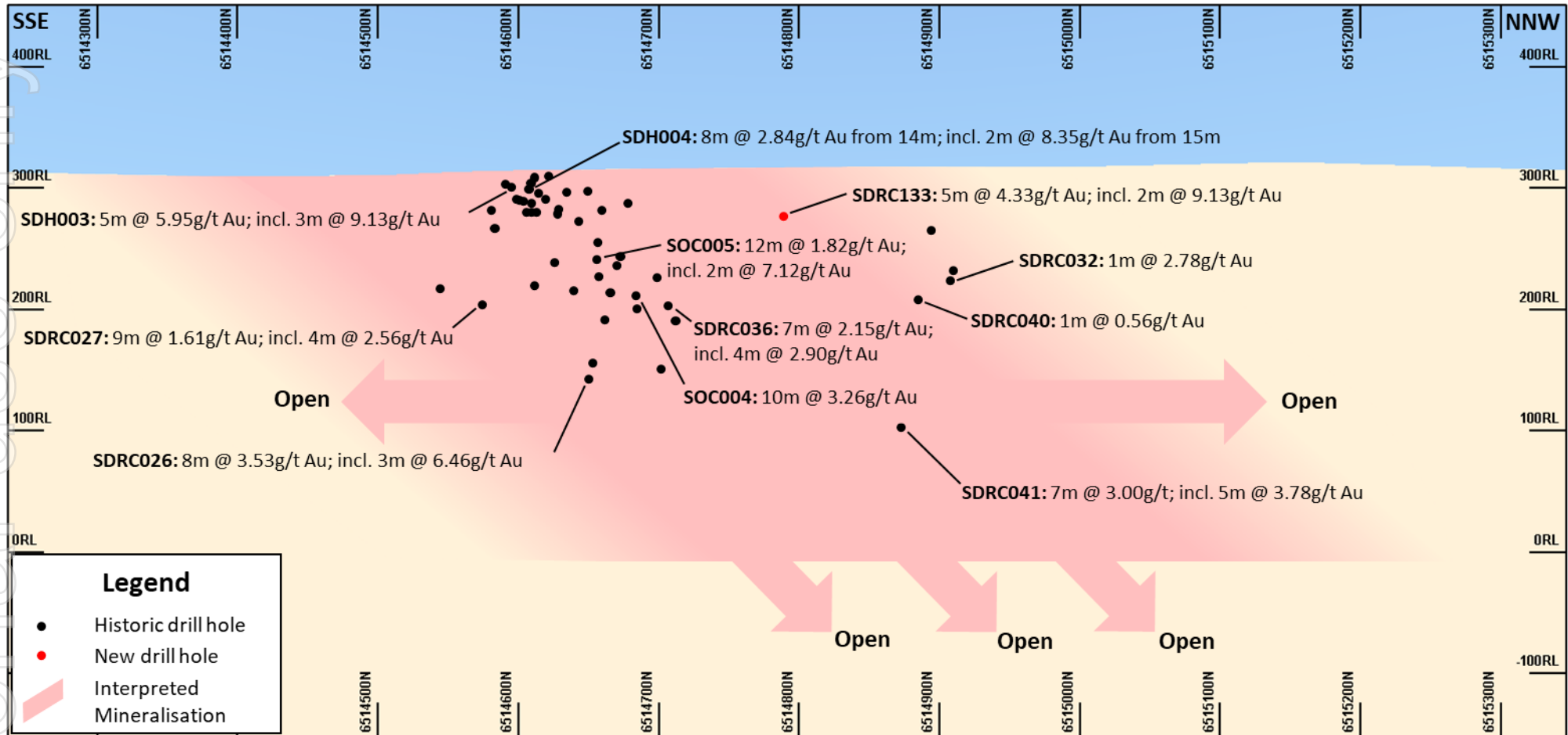


Figure 4: Socrates long section (looking west) showing drill hole results, to date, on the main mineralization.



Grindall-Redmill-Harvey

During the quarter the Company recommenced drilling at Grindall, and this work was ongoing into December quarter. This drilling at Grindall is to test a north eastern predicted extension of the 500m strike identified in previous drilling. This predicted extension is coincidental with a gold geochemical high (figure 5). There was no drilling completed at Redmill or Harvey.

The Company continues to be encouraged by the drilling results at Grindall (Figure 5) and anticipates reporting results when they are received during December quarter.

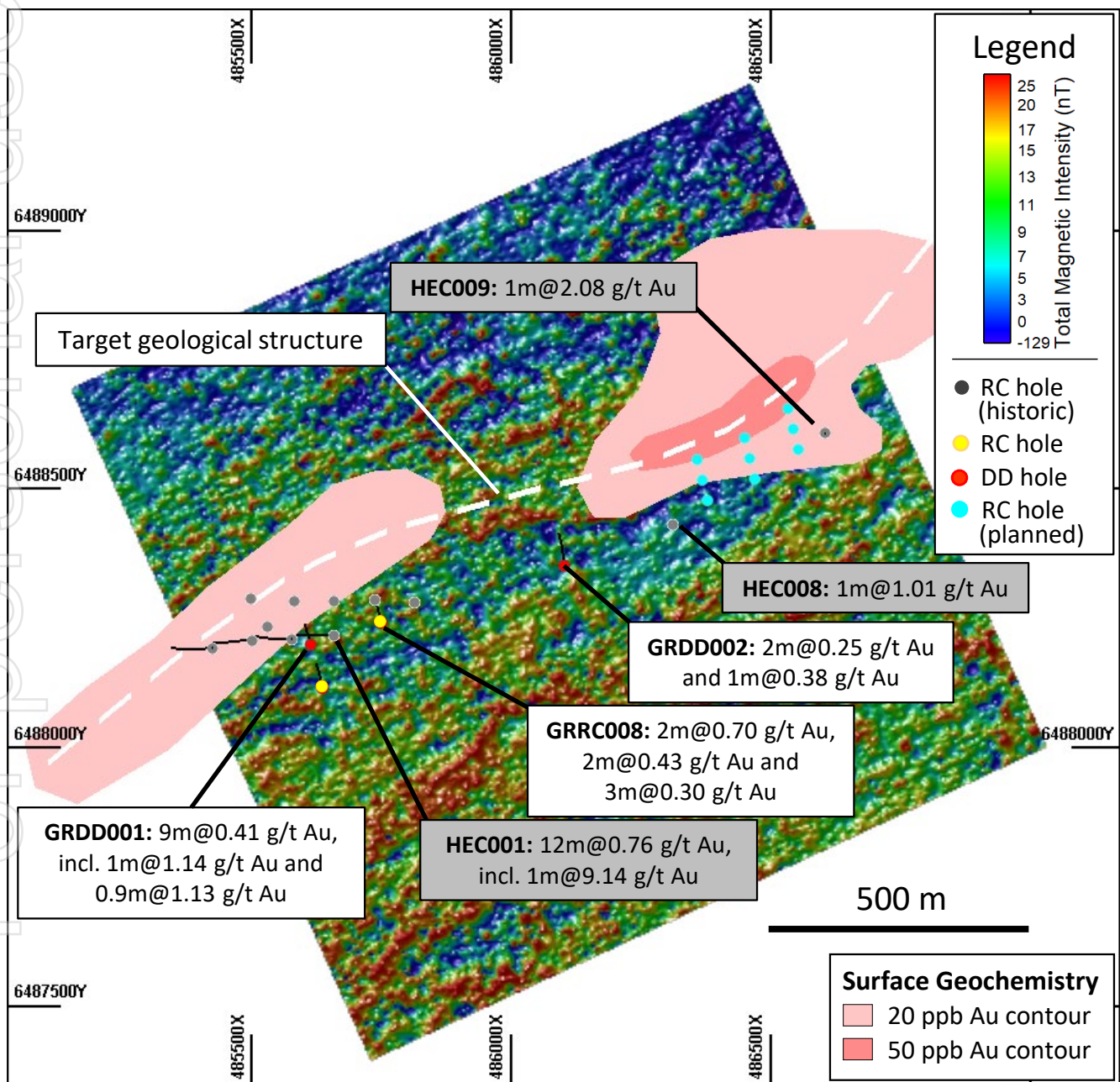


Figure 5: Grindall Total Magnetic Intensity showing the target geological structure, previous results, including drilling and the 20 ppb Au and 50 ppb Au surface geochemistry contours and planned RC drilling as part of the Company's on-going exploration and drilling program.



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 2022. 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 Q1 of 2022 the company intends to conduct:

- 24 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 24 km² Ultra High-Resolution Ground Magnetic Surveys for structural data;
- 24 km² 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 Q1 2022. IGO recently conducted a large Moving Loop EM program at the Thunderstorm project adjacent to the Tempest project (Figure 6).

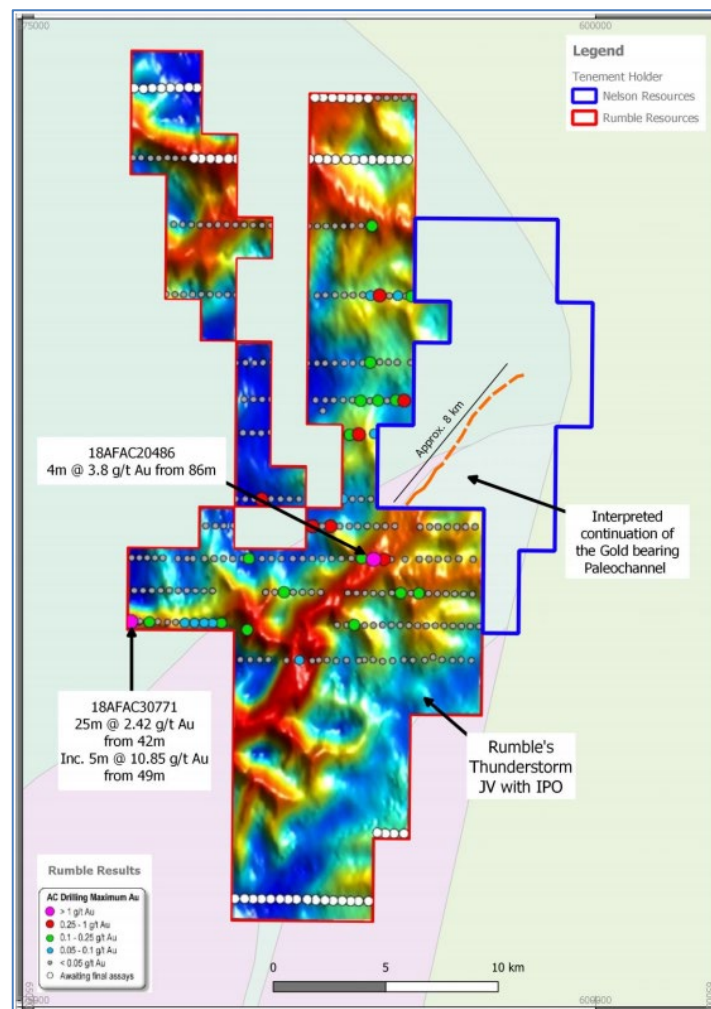


Figure 6: Nelson's Tempest Project to the north of Rumble's Thunderstorm JV with IGO showing reported drilling results on a Spectrum survey (AEM) image.



Yarri Project

During the quarter, the Company conducted no work at its 3 prospects at Yarri. The company will evaluate conducting a yet to be determined diamond drilling program within 2022. 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 but commenced compilation of previous work. It is anticipated that previous work will be compiled during Q4, as well as a rock chipping and mapping field visit to the project, with a view to developing drilling targets for 2022.

Happy Jack

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

Corporate

The Company commenced a recruitment process to engage an Exploration Manager with Albany-Fraser and Archean Gold experience which it believes will be of significant benefit to the Company's exploration activities going forwards. The Company is pleased to have appointed Derek Shaw who will join the Company in the next quarter.

Derek is an exploration geologist with over 20-years professional experience. Prior to being a consultant Derek managed the regional exploration on the Tropicana JV for AngloGold Ashanti. The skill set that he brings to Nelson includes a strong background in exploration project management and his association with the discovery and development of several projects including Tropicana and Sunrise Dam

The Company continued to build its drilling capability and has signed a number of external Diamond and RC drilling contracts for the next quarter.

The Company anticipates it will be able to subsidise its own drilling operations with a limited number of external drilling contracts.

Financial commentary

The Appendix 5B for the quarter ended 30 September 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$649K and plant and equipment expenditure for the quarter was \$37K. Corporate and other expenditure for the quarter was \$284K. The total amount paid to Directors of the Company, their associates and other related parties was \$114K and includes salary, fees and superannuation. Receipts for drilling services totalled \$120K.

Future Exploration Programs:

It is anticipated that the incoming Exploration Manager will conduct a full review of some of the Company's projects and significantly advance its future drill targeting. In addition, the Company has extensive fieldwork programs planned for 2021 and 2022. These programs include:

RC Drilling

- Grindall – Exploration RC drilling to target NE-striking structural position to the NE of previous drilling. This area has the highest tenor, surface geochemistry anomaly.



- Redmill - First pass drilling (for NES) in the surface geochemistry anomaly and following-up historical drilling.

Diamond Drilling

- 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 (IP) and additional electromagnetic (EM) geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of drill targets.
- Conduct IP and additional EM 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.
- Complete drone aerial photographic and DEM survey at Fortnum, in conjunction with a field visit to confirm outcomes of data compilation and targeting.





ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a significant and highly prospective 1682km² tenure holding (Granted and Pending). The key focus for the Company is its 1226km² 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 structural setting ² as the 7.7 million ounce Tropicana Gold mine ³.
- 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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0412 036 231

Previous ASX Announcements and report references

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

² https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf

³ <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

⁴ <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>

⁵ <https://secureservercdn.net/198.71.233.9/eb2.ffb.myftpupload.com/wp-content/uploads/2018/09/02022900.pdf>

⁶ <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: 31/06/21	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest: 30/09/21
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 new tenements.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nelson Resources Limited

ABN

83 127 620 482

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		120	120
1.2 Payments for			
(a) exploration & evaluation		-	-
(b) development		-	-
(c) production		-	-
(d) staff costs		(287)	(287)
(e) administration and corporate costs		(284)	(284)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(3)	(3)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(454)	(454)

2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) tenements		-	-
(c) property, plant and equipment		(37)	(37)
(d) exploration & evaluation		(649)	(649)
(e) investments		-	-
(f) other non-current assets		-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	26	26
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(660)	(660)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,261	2,261
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(248)	(248)
3.5	Proceeds from borrowings	74	74
3.6	Repayment of borrowings	(44)	(44)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,043	2,043

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	127	127
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(454)	(454)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(660)	(660)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,043	2,043

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,056	1,056

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,056	105
5.2	Call deposits	-	21
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,056	127

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	114
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Includes Directors' salaries, fees and superannuation (inclusive of GST).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(454)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(649)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,103)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,056
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,056
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company has signed two external drilling agreements to be conducted during the next quarter for its two drilling rigs. The revenue derived from these drilling contracts ensures the Company has greater than two quarters of funding available. Additionally the Company's exploration & evaluation costs will be significantly reduced in the next quarter as most of the current program costs have been realised.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company has no current plans to raise further cash.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: It does based on current cash at hand and revenue to be derived in the next quarter.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: By the Board of Nelson Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.