

RENOUNCEABLE ENTITLEMENT ISSUE TO RAISE UP TO \$1.9 MILLION

- ① 2 for 5 Renounceable Rights Issue to raise up to \$1.9 million
- ① Attractively priced at 2.5 cents per share
- ① Discount of 27% to the 1 month VWAP of 3.4 cents and 31% to the 3 month VWAP of 3.6 cents
- ① With every two New Shares, shareholders receive one free attaching New Option
- ① New Options will have Exercise Price of 8 cents, expire on 17 August 2023 and will be listed
- ① Shareholders can trade their rights and apply for additional shares and options
- ① Rights to start trading from 27 January 2022
- ① Directors to participate for their full entitlement
- ① Funds to be used to initiate a maiden drilling program at the Company's Fortnum Project, continue drilling at the Woodline project, initiate a number of geophysics programs at the Tempest project, and working capital.

Nelson Resources Limited (ASX: [ASX]) ("Nelson Resources" or "the Company") is pleased to announce a Renounceable Rights Issue to raise up to \$1.9 million to fund a maiden drilling program at the Company's Fortnum Project, continue drilling at the Woodline project and initiate a number of geophysics programs at the Tempest project. These programs drilling and geophysics programs are designed to expand the Company's understanding of its projects and to better target its known Gold bearing systems.

Under the offer, shareholders will be offered two New Shares for every five existing shares held on 28 January 2022 ("Record Date"), with one attaching listed Option, exercisable at \$0.08 and expiring on 17 August 2023, for every two New Shares subscribed.

The rights issue price represents a discount of:

- ① 27% to the Company's 10 day VWAP of \$0.034; and
- ① 31% to the Company's 90 day VWAP of \$0.036.

On completion, the Company will be well-funded with up to \$1.7 million available to:

- ① Initiate a maiden drilling program at the Company's Fortnum Project, continue drilling at the Woodline project and initiate a number of geophysics programs at the Tempest project.; and
- ① contribute towards working capital requirements and costs of the offer.

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 15 February 2022 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement. Shareholders can also trade their rights from 27 January 2022.

Mahe Capital advised on the issue and acts as Lead Manager and Underwriter. The issue is partially underwritten to \$1 million, subject to certain terminating events at the Underwriter's election.

CAPITAL STRUCTURE ORDINARY SHARES

Issued 194,292,195

OPTIONS

Listed options 60,003,800

Unlisted options 13,341,997

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

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and Options (under the class NESO). A prospectus in relation to the Rights Issue was lodged with ASIC on 24 January 2022 and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Rights Issue, and will need to follow the instructions on the entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Prospectus lodged with ASIC and announced to ASX	24 January 2022
Ex entitlement date	27 January 2022
Rights trading commences on a deferred settlement basis	
Record Date for determining entitlements (5:00pm EST)	28 January 2022
Prospectus & personalised Entitlement & Acceptance Forms sent out to Eligible Shareholders	2 February 2022
Rights trading ends	8 February 2022
Closing date of entitlement issue (5:00pm EST)	15 February 2022
ASX notified of under subscriptions	18 February 2022
Issue date	22 February 2022

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

This ASX Announcement has been approved for release by the Board.

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:

- ① 65km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting ² as the 7.7 million ounce Tropicana Gold mine ³.
- ① 30km of significantly unexplored greenstones along the Norseman-Wiluna greenstone belt.
- ① 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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Nelson
Resources
L I M I T E D

Previous ASX Announcements and report references:

¹ ASX Announcement by Sipa Resources Limited dated 18 February 2010: 'Encouraging Drilling Results at Woodline'

² <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.tropicanajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

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