

RENOUNCEABLE ENTITLEMENT ISSUE CLOSES OVERSUBSCRIBED

- Renounceable rights issue seeking to raise \$1.9 million closed oversubscribed
- Significant support from shareholders and new sophisticated and institutional investors
- Nelson now well funded to deliver its exploration strategy

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to advise that the Renounceable Rights Issue announced on 24 January 2022 ("Offer") has closed oversubscribed and raised \$1.9 million (before costs). To accommodate a portion of the excess demand, the Company has agreed to undertake a placement to raise additional \$557,078 on the same terms as the rights issue (**Follow-on Placement**). Funds raised under the Follow-on Placement will be used to increase the amount of planned AC / RC drilling and geophysics.

Following completion of the Follow-on Placement, the total amount raised will be \$2.5 million (before costs). The Company will issue a total of 100,000,000 new fully paid ordinary shares (**Shares**) and 50,000,000 new options exercisable at \$0.08, with an expiry date of 17 August 2023 (**Options**). The Options will be quoted under the ASX code NESO.

The securities will be issued using the Company's existing capacity under Listing Rules 7.1 and 7.1A, and without shareholder approval.

The final allocations are set out below.

| | Funds raised (\$) | Shares | NESO Options* |
|---------------------|--------------------------|--------------------|----------------------|
| Rights taken up | \$916,472 | 36,658,890 | 18,329,445 |
| Shortfall placed | \$1,026,450 | 41,057,988 | 20,528,994 |
| Follow-on Placement | \$557,078 | 22,283,122 | 11,141,561 |
| Total | \$2,500,000 | 100,000,000 | 50,000,000 |

*The number of new Shares and NESO Options issued is subject to rounding. A further 2,500,000 NESO options will be issued to the underwriter as described in the Prospectus.

Mahe Capital Pty Ltd advised Nelson on the Rights Issue and acted as Lead Manager and Underwriter to the capital raising. Nelson would like to thank all of its shareholders for their support and welcomes new shareholders, including institutional shareholders introduced by Mahe Capital to the register.

The new securities are expected to be issued on Tuesday, 22 February 2022 and to be trading on a normal basis from Wednesday, 23 February 2022.

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

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

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

