



27 October 2022

Dear Shareholders

Nelson Resources Limited – Notice to Ineligible Shareholders

On 21 October 2022, Nelson Resources Limited ACN 127 620 482 (**NES** or the **Company**) announced a 1 for 1 renounceable entitlement offer of fully paid ordinary shares in NES (**New Shares**), to raise approximately \$1.47 million (**Entitlement Offer**). Details of the Entitlement Offer are set out in the prospectus lodged with ASX on 21 October 2022, a copy of which can be obtained from www.asx.com.au.

The proceeds of the Entitlement Offer will be used to continue exploration activities at the Company's highly-prospective Woodline and Tempest projects, evaluate potential project opportunities and contribute towards working capital requirements and costs of the offer. The Entitlement Offer is partially underwritten by Mahe Capital for \$1,000,000.

The Entitlement Offer is only available to eligible shareholders. NES has determined under ASX Listing Rule 7.7.1(a) that it would be unreasonable to make offers to shareholders with a registered address outside Australia or New Zealand. Accordingly and as required by ASX Listing Rules, this letter is to inform you that NES has determined that you are not an eligible shareholder and you are therefore ineligible to apply for the New Shares. You are not required to do anything in response to this letter.

In accordance with Listing Rule 7.7.1(c), the Company has appointed Mahe Capital as the nominee to arrange for the sale of the Ineligible Shareholders' Entitlements and to account to them for the net proceeds of the sale (if any). The net proceeds of sale (in Australian dollars) will be distributed to the Ineligible Shareholders for whose benefits the Entitlements have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale) in accordance with the Listing Rules.

If the net proceeds of sale are less than the reasonable costs that may be incurred by the Company for distributing those proceeds, the proceeds may be retained by the Company. Accordingly, there is a possibility that Ineligible Shareholders may receive no net proceeds if the costs of the sale of the Entitlements are greater than the sale proceeds. The Company and the nominee will not be held liable for a failure to obtain any net proceeds, or for the sale of any of the Entitlements at any particular price or the timing of such sale. If you have any queries, please contact the Company Secretary on info@nelsonresources.com.au or +61 8 9481 0389 between 9:00am and 5:00pm (WST) Monday to Friday, alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.

On behalf of the directors, I thank you for your continued support of NES.

Yours sincerely
Jonathan Shellabear
Non-Executive Chairman
Nelson Resources Limited

Important notices

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act.

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