

## QUARTERLY ACTIVITIES REPORT ENDED 31 MARCH 2023

Nelson Resources Limited (“Nelson” or “the Company”) is pleased to provide shareholders its Activities Report for the quarter ended 31 March 2023.

### Highlights:

- ① The Company is planning to undertake a ~5,000m aircore drilling program at its 100% Fortnum gold project.
- ① The 50-hole program will test anomalous gold in basement intersected by previous explorers where the results were not adequately followed up.
- ① Historical gold intercepts at Fortnum include:
  - 3m @ 2.43 g/t from 2m and 5m @ 4.71 g/t from 35m in FRB3032
  - 8m @ 2.41 g/t from 52m in FRB1117
  - 2m @ 5.31 g/t from 2m in FRB1068
  - 9m @ 1.07 g/t from 33m in FRB3038
- ① The proposed aircore drilling program at Fortnum will likely commence during Q2, with a follow-up program depending on results to define targets for RC drilling.
- ① The Company has entered into a heritage agreement with the Jidi Jidi people relating to E52/3695 (Fortnum Project). A PoW has been submitted for the planned 50-hole ~5,000m aircore drilling program.
- ① The Company is also reviewing a number of new project opportunities, both in Australia and overseas, to complement existing projects and to drive value to shareholders.
- ① The Company ended the March quarter with \$1.065 million cash at bank and nil debt.

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# NELSON PROJECT PORTFOLIO

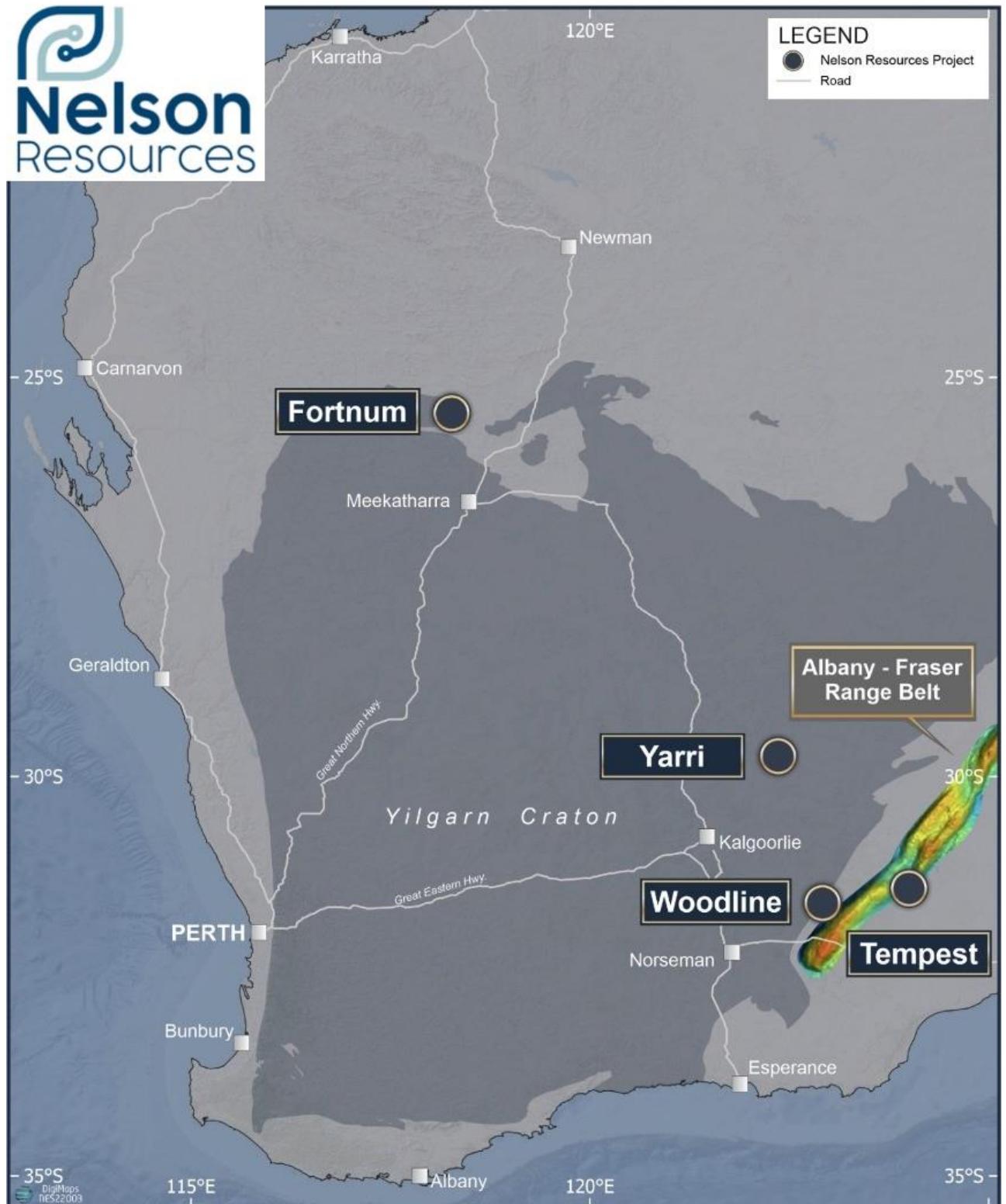


Figure 1: Project Locations.



## PROJECT ACTIVITY

### Woodline Project

In December 2022, several new tenements were granted in the Woodline project, as shown by Figure 1.

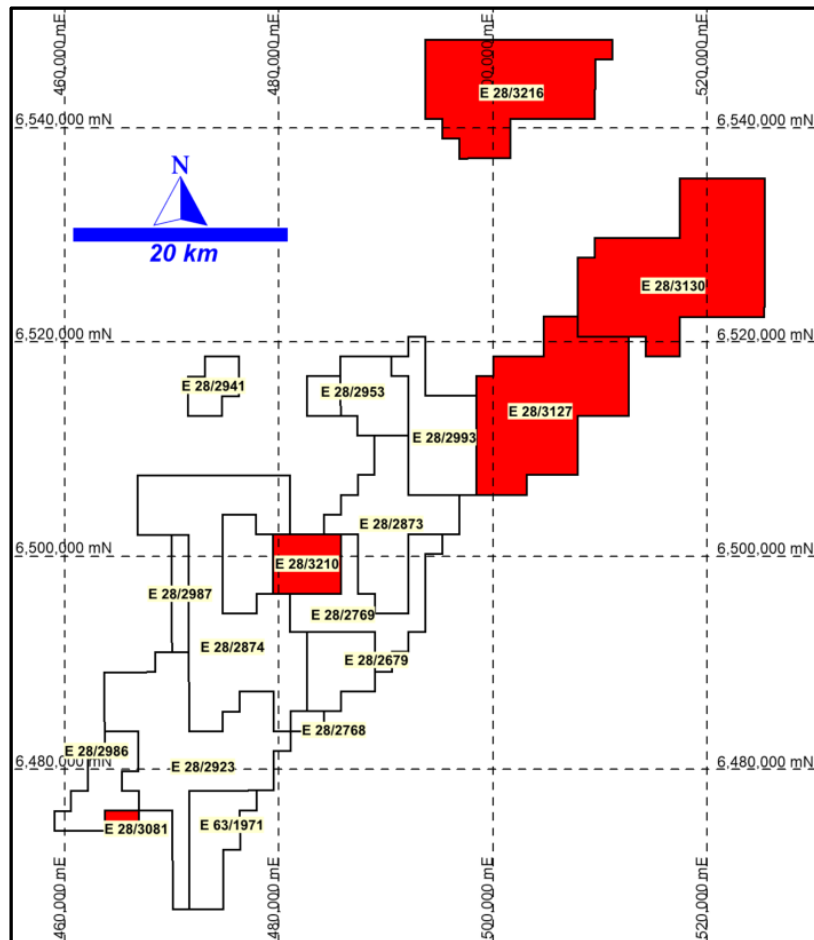


Figure 1: Woodline tenure showing newly granted tenements in red.

The Company will complete the compilation of previous work for these projects and commence prospect targeting during the coming quarter.

### Tempest Project

Work continued on evaluation of the Tempest project during the March quarter.

### Fortnum Project

The Fortnum Project consists of two exploration licences, Billara (E52/3695, granted 2019) and Billara Bore (E52/4133, granted 2022), 100% owned by Nelson Resources (Figure 2). Previous work at Nelson's Fortnum project includes surface sampling and drilling programs that date back to the 1980's. The initial work completed in the early-1990's identified a gold-in-soil anomaly across the central-north of what is now Nelson's Fortnum Project. These surface soil anomalies were drilled with RAB drilling up to the mid-1990's and a number of anomalous intersections were returned (Figure 3).

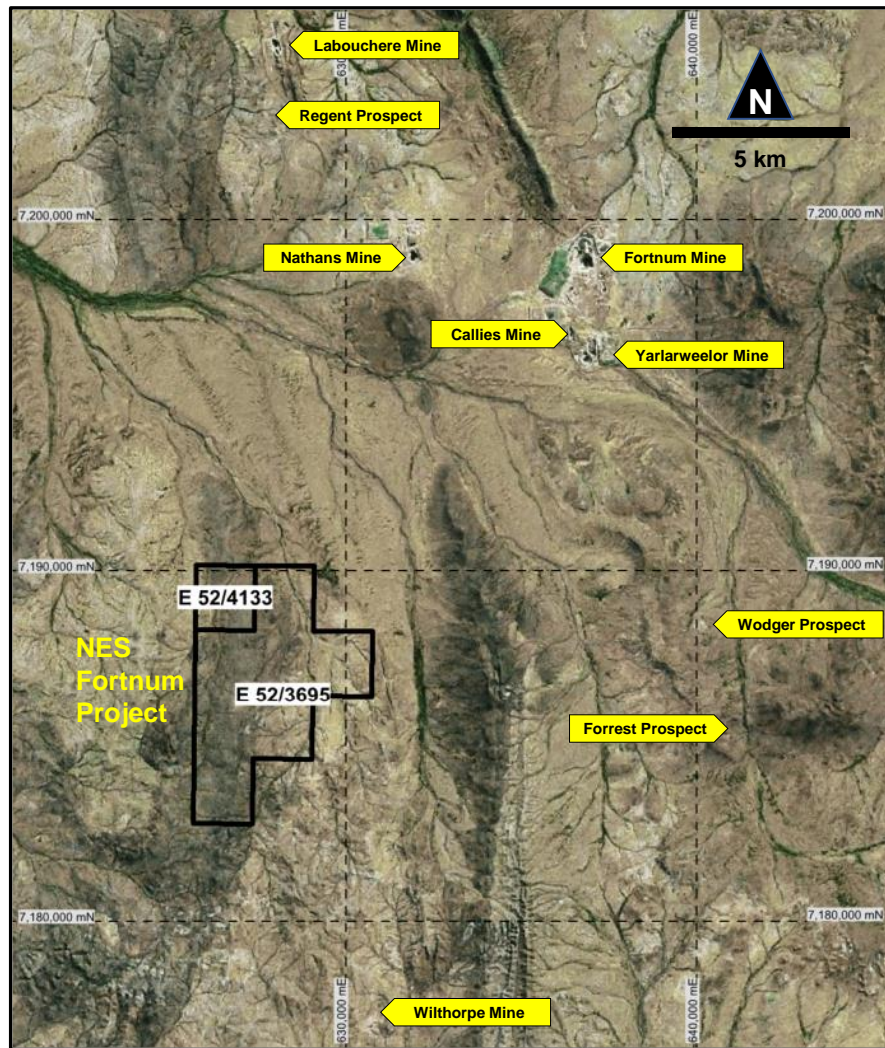


Figure 2: Nelson Resources, Fortnum Project location on aerial photograph showing regional mines and reported resources.

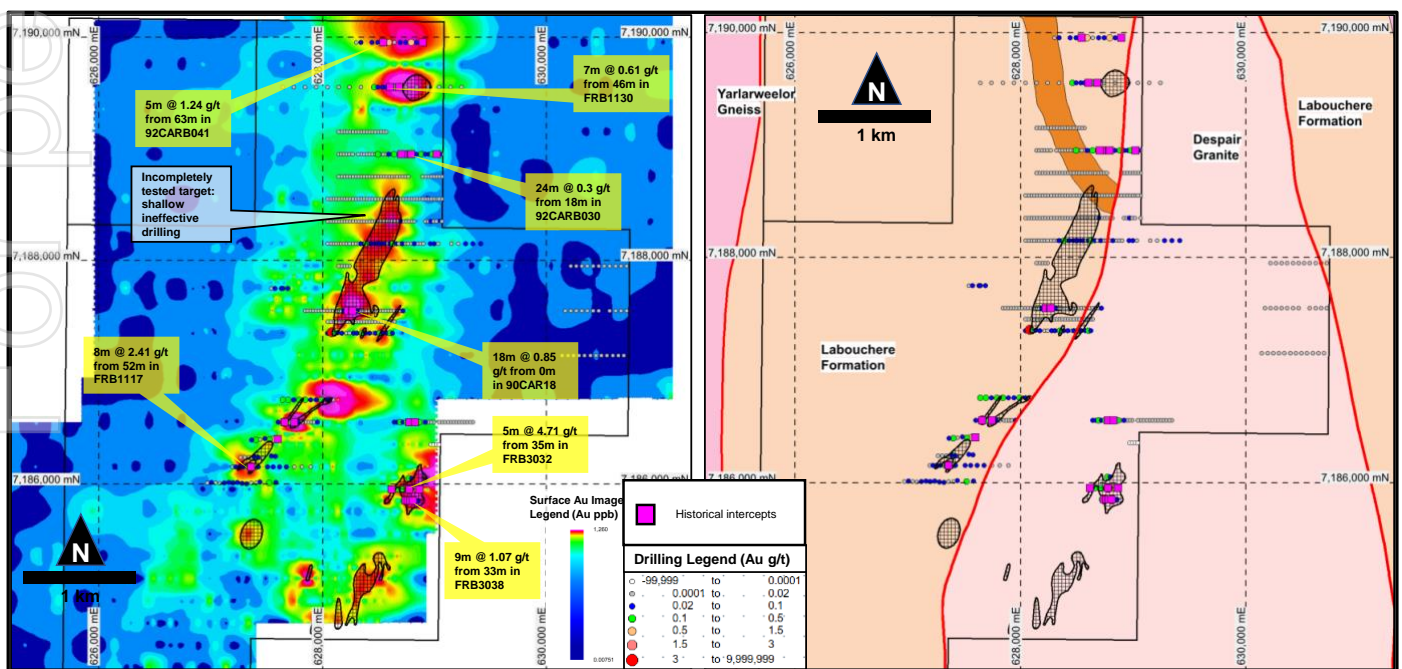


Figure 3: Comparison of significant drilling intersections on soil Au image against drill holes and soil Au targets on interpreted geology.



The work completed by previous explorers defined two corridors of anomalous gold-in-soil: in the centre and on eastern side of the tenement. Several RAB drilling programs tested under these areas, during the 1990's, and intersected anomalous gold in basement. Several areas were tested with set-depth, shallow holes which did not test the full depth of the weathered profile. These areas represent an opportunity to rapidly advance the project.

The Company is confident that the previous work is valid and that the work has defined a target area which is incompletely tested. The Company will complete a staged approach to drilling these targets commencing with a 50 hole, aircore drilling program (Figure 4).

The drilling is designed to extend and confirm the existing anomalous gold zones and provide the basis to develop RC drilling targets.

The Company has now signed a heritage agreement with the Jidi Jidi people and is engaging with them regarding a heritage clearance program for the proposed aircore drilling to proceed.

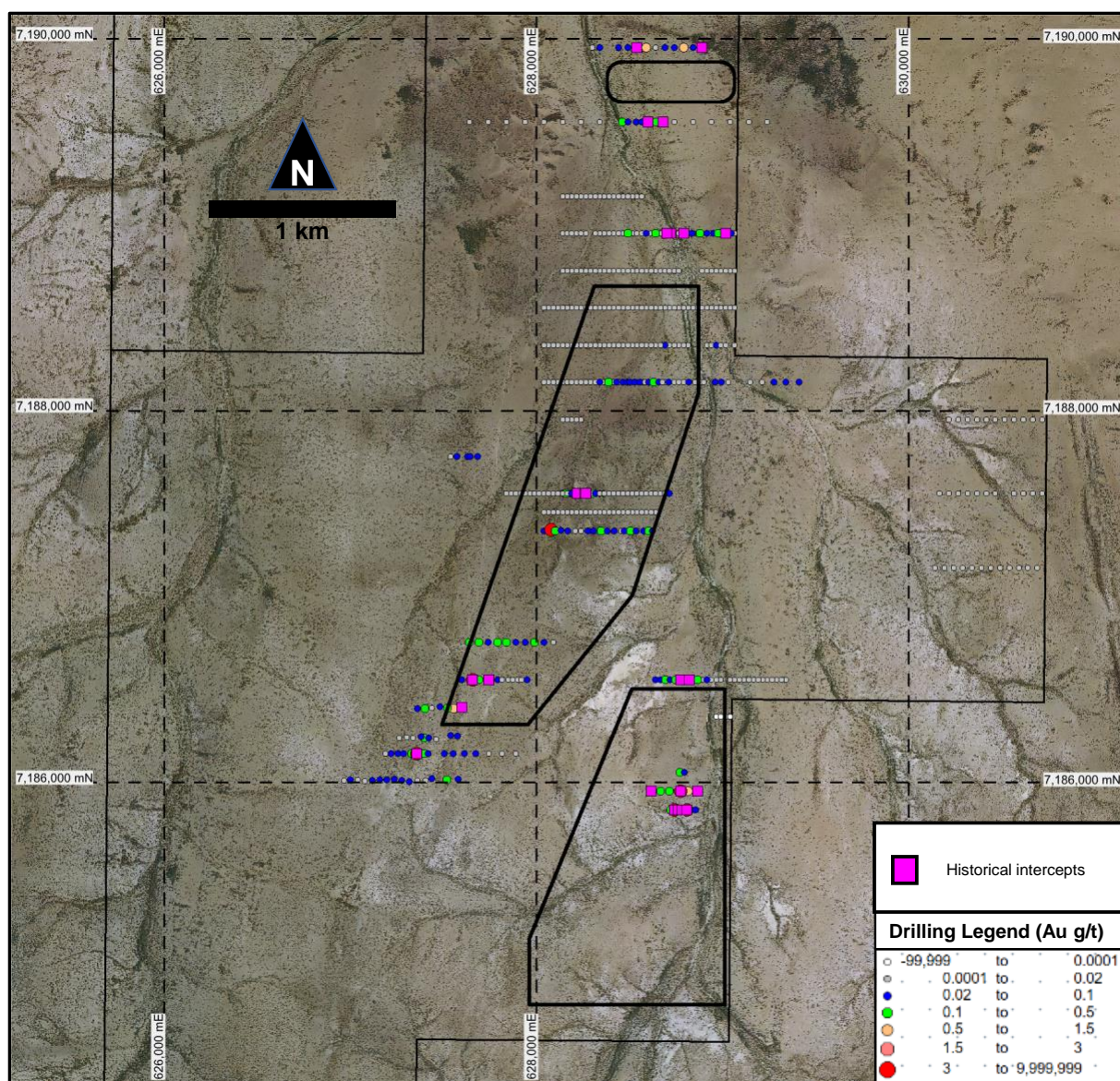


Figure 4: Drilling by Au (g/t) showing areas of aircore drilling on aerial photograph.



## Yarri Project

During the March quarter, the Company has completed a review of the greater region geological and exploration data at Yarri. with a view to determining what future work can be undertaken to add value to this project.

## Happy Jack

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

## New Project Opportunities

The Company has allocated part of its working capital budget to the identification and evaluation of new mineral resource opportunities in Australia and overseas, undertaking a review of a range of opportunities during the March quarter. Discussions and due diligence are on-going with several opportunities but no decision has been made at this stage.

## Cash Position

In accordance with Listing Rule 5.3.1, the Company reports that there was \$37K spent on exploration and evaluation of projects. Administration and corporate costs were \$106K. The Company's cash position including listed investments as at 31 March 2023 was approximately \$1.065 million. The Company retains sufficient funding to carry out its planned activities over the coming quarters.

## Note 6 to Appendix 5B

Payments to related parties of the entity and their associates:

- Directors fees and wages of \$31,100.
- Company secretarial and accounting services fees of \$11,613.

## For further information please contact:

Nicholas Ong  
Director and Company Secretary

Dan Smith  
Director



## Schedule of Exploration Tenements

The schedule of tenements as at 31 March 2023 is shown below.

Lease	Name	Status	Interest: Previous Period	Interest Acquired	Interest Reduced	Interest: Current Period
E28/2805	Tempest	Granted	100%	-	-	100%
P31/2085	Yarri - Wallaby	Granted	100%	-	-	100%
P31/2086	Yarri - Gibberts	Granted	100%	-	-	100%
P31/2087	Yarri - Great Banjo	Granted	100%	-	-	100%
E28/2633	Socrates	Granted	100%	-	-	100%
E28/2769	Grindall	Granted	100%	-	-	100%
E28/2873	Socrates South	Granted	100%	-	-	100%
E28/2941	Socrates West	Granted	100%	-	-	100%
E28/2953	Socrates South East	Granted	100%	-	-	100%
E28/2993	Socrates East	Granted	100%	-	-	100%
E28/3127	Hope West	Granted	-	100%	-	100%
E28/3130	Hope East	Granted	-	100%	-	100%
E28/3210	Tyler	Granted	-	100%	-	100%
E28/3216	Hope North	Granted	-	100%	-	100%
E28/2679	Grindall	Granted	100%	-	-	100%
E28/2768	Grindall South	Granted	100%	-	-	100%
E28/2874	Redmill	Granted	100%	-	-	100%
E28/2987	Redmill West	Granted	100%	-	-	100%
E28/2923	Harvey	Granted	100%	-	-	100%
E28/2986	Harvey West	Granted	100%	-	-	100%
E63/1971	Harvey South	Granted	100%	-	-	100%
E28/3081	Harvey South West	Granted	100%	-	-	100%
E52/3695	Fortnum-Billara	Granted	100%	-	-	100%
E52/4133	Fortnum-Billara Bore	Granted	-	100%	-	100%

There were no other changes to tenure during the quarter.

### Competent Persons Statement

*The information in this report that relates to Exploration Results is based on information compiled by Mr Derek Shaw, a geologist employed by Nelson Resources Limited. Mr Shaw is a Member Australian Institute of Geoscientists and has sufficient experience that is relevant to this style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shaw consents to the inclusion in the report of the matters in the form and context in which it appears.*

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## 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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(295)
(e) administration and corporate costs	(106)	(308)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(168)</b>	<b>(602)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(62)
(d) exploration & evaluation	(37)	(816)
(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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	195	219
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>158</b>	<b>(659)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,471
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	-	(165)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(13)	(37)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(13)</b>	<b>1,269</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,088	1,057
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	158	(659)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	1,269

## 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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,065</b>	<b>1,065</b>

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	1,065	1,088
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,065</b>	<b>1,088</b>

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	42
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.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(168)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(37)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(205)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,065
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,065
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.2
<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:	
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:	
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:	
<i>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.</i>	

## 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: 28 April 2023

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.