

## QUARTERLY ACTIVITIES REPORT ENDED 30 JUNE 2023

Nelson Resources Limited (“Nelson” or “the Company”) is pleased to provide shareholders its Activities Report for the quarter ended 30 June 2023.

### Highlights:

- ① The Company has entered into a sale and purchase agreement to acquire a 100% of 6 granted prospecting licenses and two mining license applications, owned by Rock Mining Australia Pty Ltd (RMA), that surround the Company’s Yarri Project.
- ① Significant drill results from RMA’s Yarri tenements include:
  - 8m @ 4.62 g/t gold from 40m, including 2m @ 10.87 g/t from 44m (TP6).
  - 15m @ 1.33g/t gold from 12m, including 3m @ 3.31 g/t from 20m (TP21).
  - 6m @ 1.38 g/t gold from 41m, including 1m @ 4.01 g/t from 44m (TP33).
- ① The proposed acquisition will increase the size of the Company’s Yarri gold project from 0.35 km<sup>2</sup> to 8.76 km<sup>2</sup> and, by increasing the size of the project, make the project practical to explore. The project, which contains historical gold mines, is located close to a number of operating mills.
- ① The consideration for the acquisition consists of upfront payment of \$35,000 cash and 25 million ordinary shares. The deferred consideration is \$75,000 of Nelson shares, 12 months from settlement, and up to \$150,000 in Nelson shares based on performance milestones (refer to ASX announcement dated 19 May 2023).
- ① Significant work was completed at Yarri during the quarter including drill hole collar surveys, data compilation of previous work and rehabilitation of drilling.
- ① The Company applied for new tenure adjacent to the Tempest Project.
- ① The Company continues to review 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 ~\$0.897 million cash at bank and nil debt.



# NELSON PROJECT PORTFOLIO

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Figure 1: Project Locations.



## PROJECT ACTIVITY

### Yarri Project

During the June quarter, the Company announced the proposed acquisition of 6 granted prospecting licenses and two mining license applications, from Rock Mining Australia Ltd (RMA). RMA's Yarri tenements completely surround the Nelson Yarri Project, which is 140 km northeast of Kalgoorlie.

RMA have completed significant drilling campaigns since 2017, with gold intercepts comparable to the Nelson's drilling at the Yarri project. The acquisition will increase the footprint of the Yarri project from 0.35 km<sup>2</sup> to 8.76 km<sup>2</sup> and will increase the scope of the Yarri Project for the Company.

Nelson have explored the Yarri project since 2017 and have completed substantial exploration programs, including:

- Aerial photography over the individual tenements.
- Ground magnetic survey over the individual tenements.
- 112 RC drill holes for 10,580m.

From this work, the mineralised system at Yarri was successfully targeted and a number of significant intersections were reported, including:

- 8m @ 18.1g/t Au from 101 m in hole YWRC11, including 3m @ 44.1g/t Au.
- 9m @ 14.6 g/t Au from 70 m in hole YWRC05, including 4m @ 30.2g/t Au.
- 4m @ 4.2g/t Au from 52 m in hole YWRC18, including 1m @ 13.8g/t Au.
- 4m @ 4.1g/t Au from 92 m in hole YWRC 26, including 1m @ 12.2g/t Au.
- 6m @ 13.2g/t Au from 15 m in hole YGRC03, including 1m @ 69.9g/t Au.
- 3m @ 4.8g/t Au from 33 m in hole YBRC04, including 1m @ 10.2g/t Au.

This exploration effort was focussed on the Wallaby area although some drilling was also completed at Great Banjo and Gibberts.

The small size of Nelson's Yarri Project placed severe restrictions on what could be achieved over the project and the addition of the RMA tenure has made the project significantly more viable.

RMA have held their Yarri Project since 2017 and during that period have completed a significant amount of work, including RC drilling (39 holes for 2267m) and photogrammetry. The drilling has produced a number of significant intersections at Hidden Treasure, including:

- 8m @ 4.62 g/t gold from 40m, including 2m @ 10.87 g/t from 44m (TP6).

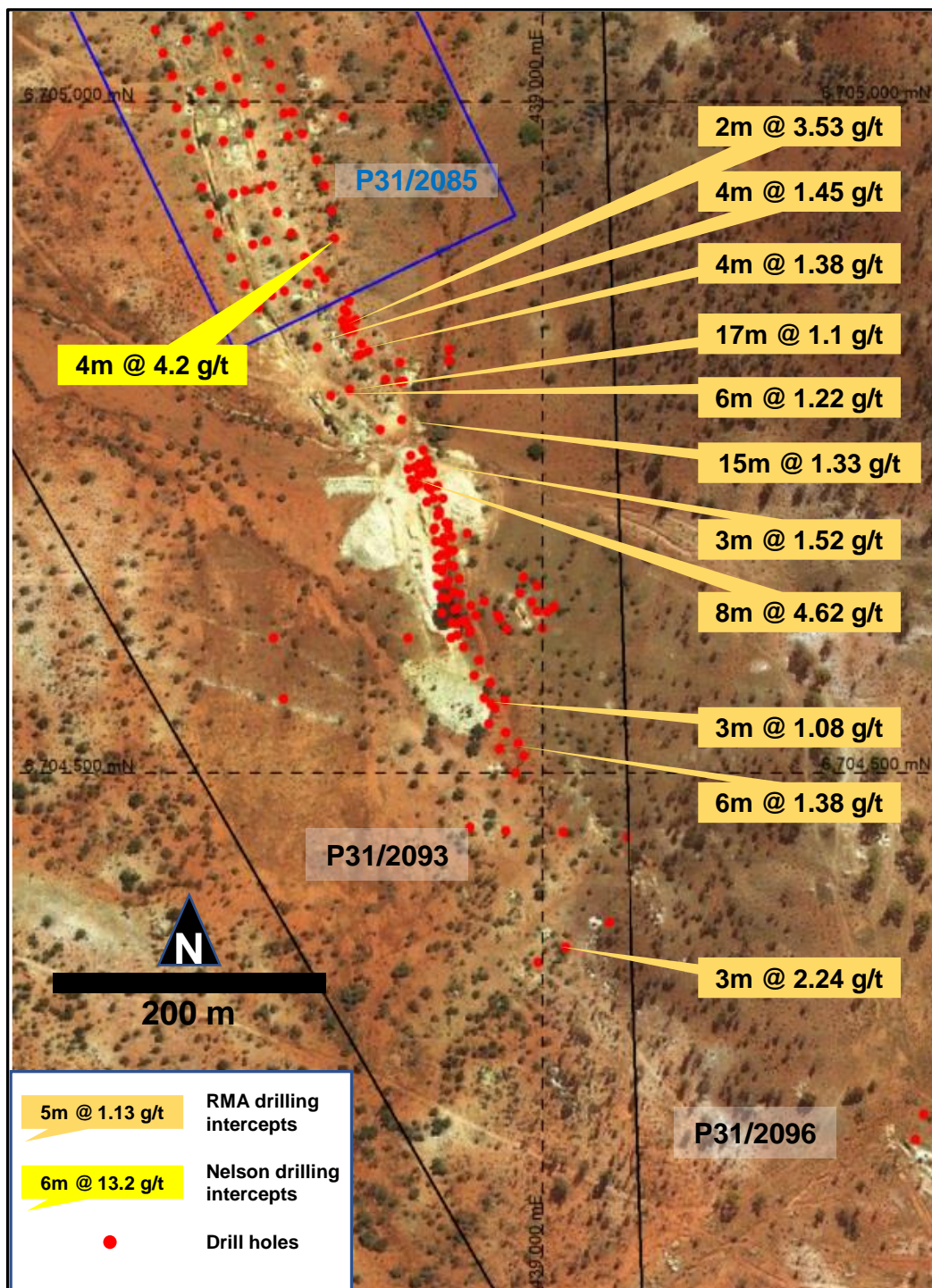
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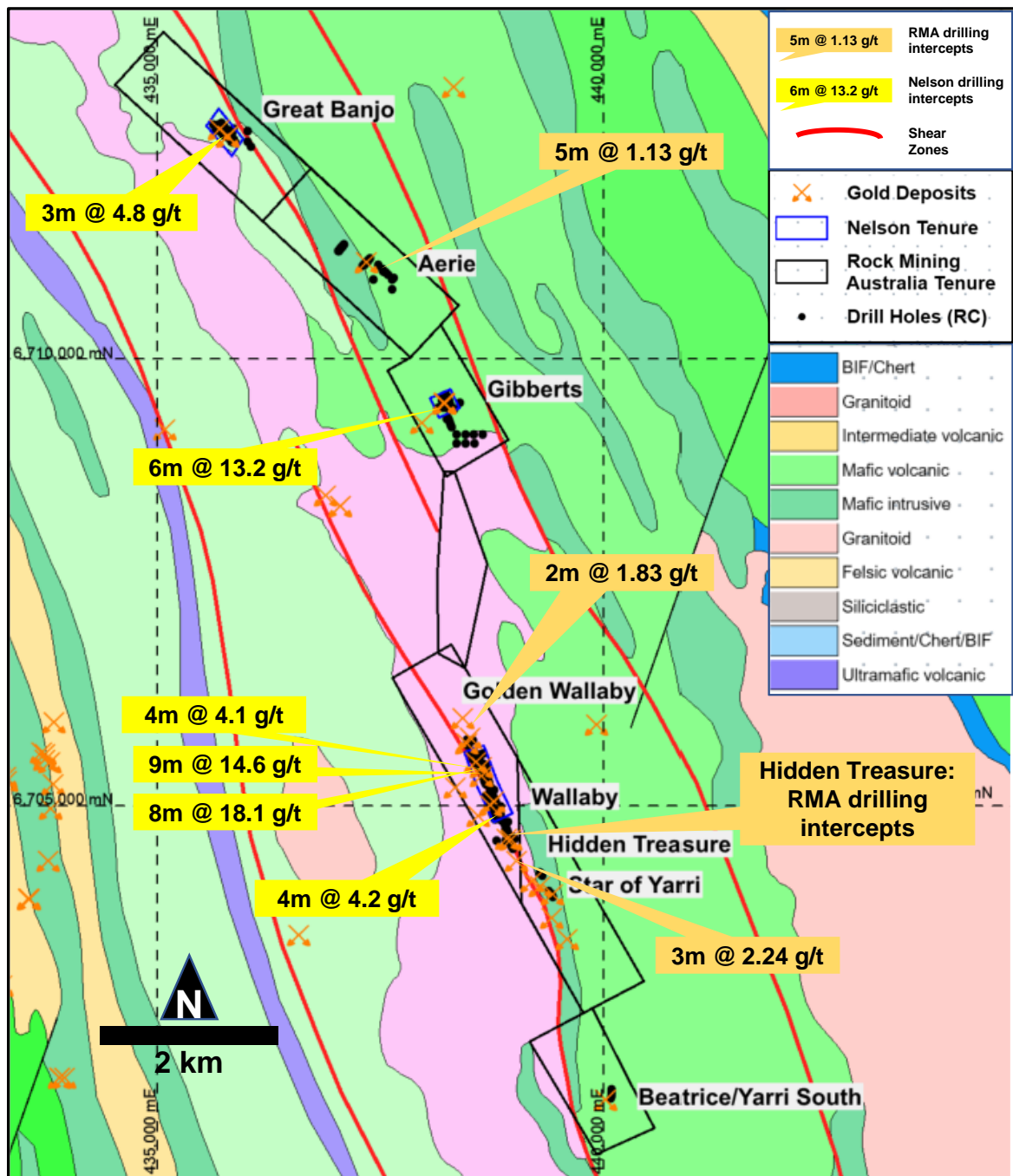
- 15m @ 1.33g/t gold from 12m, including 3m @ 3.31 g/t from 20m (TP21).
- 6m @ 1.38 g/t gold from 41m, including 1m @ 4.01 g/t from 44m (TP33).

This work is shown on Figure .



**Figure 2: Yarri Project, Wallaby-Hidden Treasure significant intersections from Nelson and RMA work.**

In addition, both companies had completed RC drilling at their regional prospects which produced significant intercepts (Figure ).



**Figure 3: Yarri Project, showing drilling and intercepts by both Nelson and RMA at their respective regional prospects.**

By the end of quarter, the sale and purchase process was largely complete and the process of transferring the tenements had commenced.

During the quarter, Nelson completed significant work on the project to prepare for future programs on the project. All of the drilling data has now been compiled, including the Nelson, RMA and other historical drilling.

Over several field visits, all drill hole collars, that could be located on the project, were re-surveyed using DGPS. This work was completed to give confidence in the veracity of the data, that will underpin future work. In addition, all locatable drill hole collars on the Nelson





Yarri project were also rehabilitated.

### Woodline Project

Compilation of the previous work, for the tenements granted during the previous quarter, continued up to the end of June. When this work is complete, the Company will undertake prospect targeting.

### Tempest Project

During June, several blocks were relinquished adjacent to Nelsons Tempest Project (E28/2805) and were applied for by the Company (4).

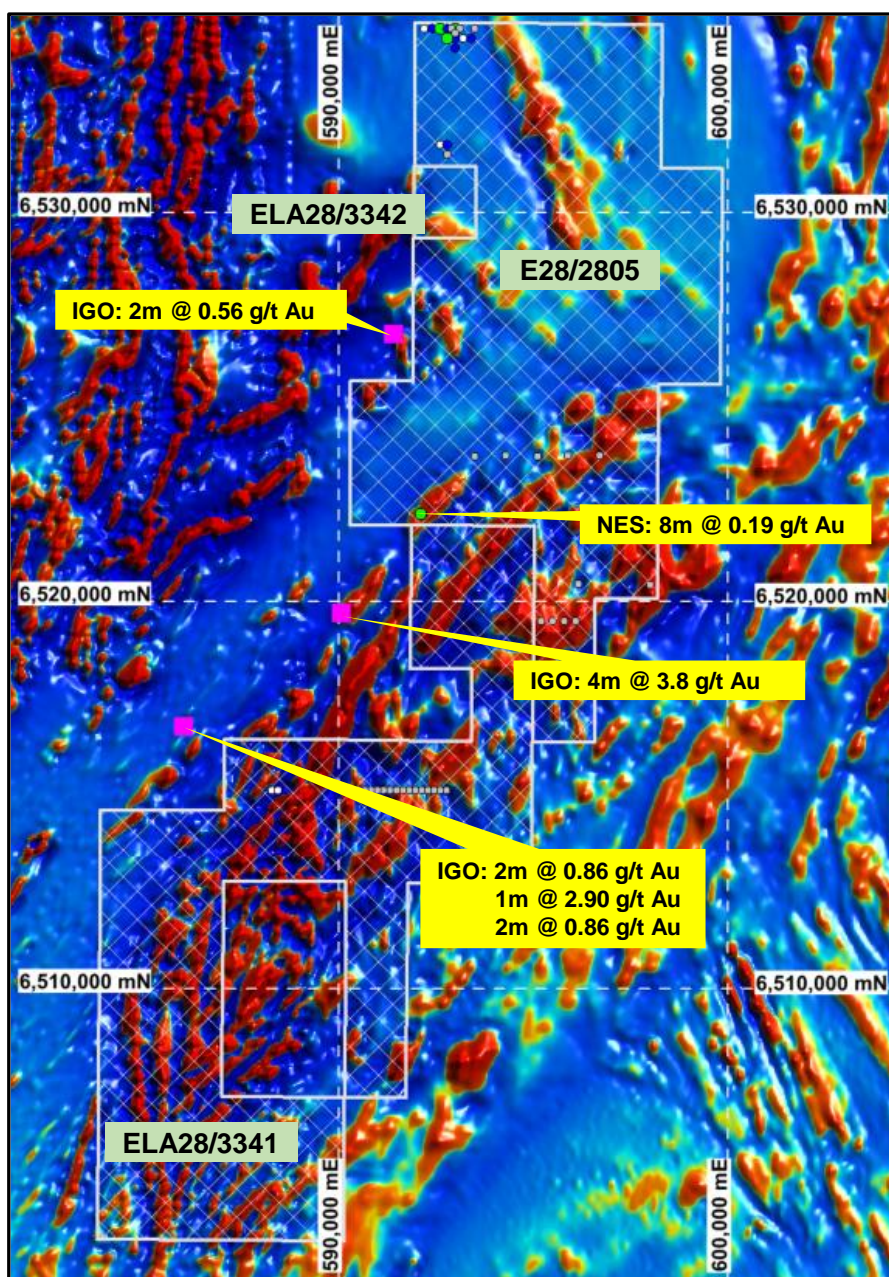


Figure 4: Tempest Project outline on GSWA aeromagnetic imagery.

On grant, the Tempest Project will comprise 3 tenements covering 208 km<sup>2</sup>.

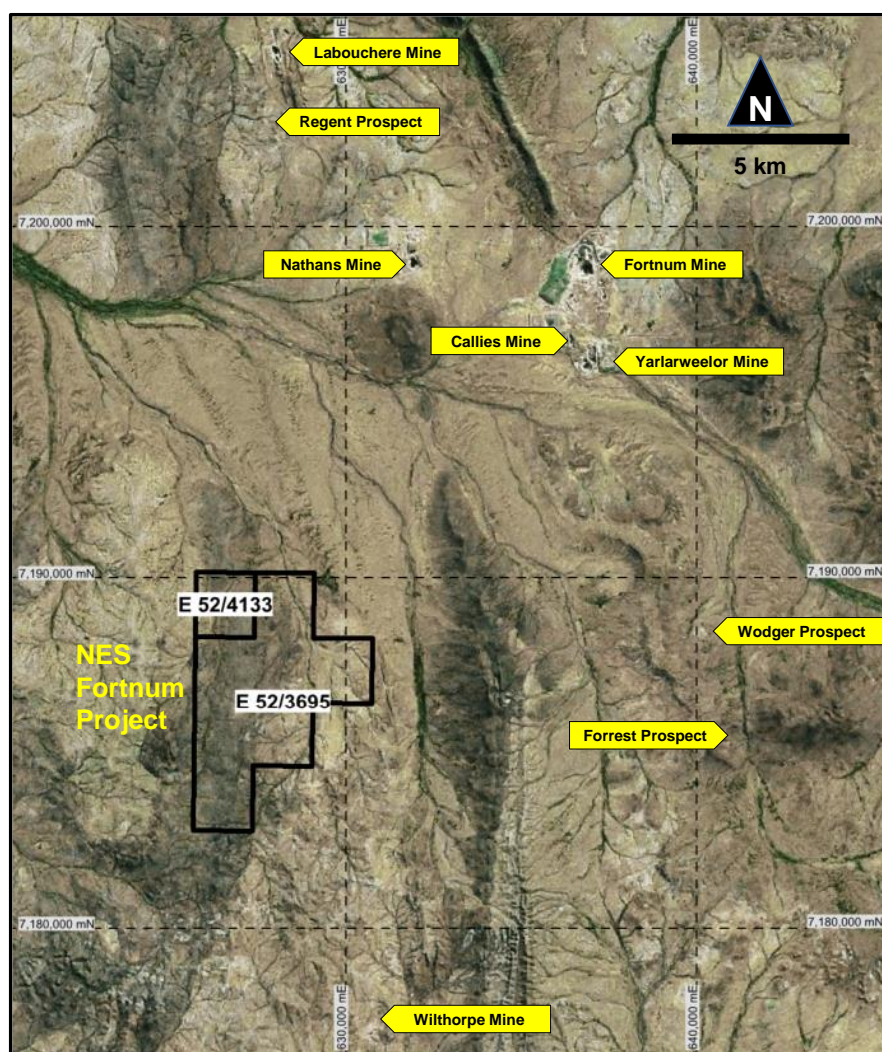


Nelson previously reported low-level intercepts from the Tempest Project<sup>5</sup> and IGO, whose Thunderstorm project adjoins Tempest, have also reported significant intersections (shown on Figure ). Nelson currently holds a limited amount of data for the project and will compile additional data for the project when it becomes available through DMIRS.

These blocks are subject of a competing application and the Company awaits the outcome of the wardens court decision.

### 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 ).



**Figure 5: Nelson Resources, Fortnum Project location on aerial photograph showing regional mines and resources.**

The work completed by previous explorers defined multiple targets on the project and the Company is confident that this previous work is valid. In the previous quarter the Company announced intent to test these targets with aircore drilling. To this end, the Company reached an agreement with native title claimants, of the Jidi people, and continues to engage with them.

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## 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 June quarter. Discussions and due diligence are on-going with several opportunities but no decisions have been made at this stage.

## Cash Position

In accordance with Listing Rule 5.3.1, the Company reports that there was \$84K spent on exploration and evaluation of projects. Administration and corporate costs were \$68K. The Company's cash position as at 30 June 2023 was approximately \$0.897 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 \$27,000.
- Company secretarial and accounting services fees of \$15,000.

For further information please contact:

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Director  
[info@nelsonresources.com.au](mailto:info@nelsonresources.com.au)

Dan Smith  
Director





## Schedule of Exploration Tenements

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

Lease	Name	Status	Interest: Previous Period	Interest Acquired	Interest Reduced	Interest: Current Period
E28/2805	Tempest	Granted	100%	-	-	100%
E28/3341	Tempest West	Pending	-	100%	-	100%
E28/3342	Tempest South	Pending	-	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%

Two new tenements were applied for at the Tempest project and there were no other changes to tenure during the quarter. All tenements remain in good standing.

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## 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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(9)	(304)
(e) administration and corporate costs	(68)	(376)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	8
1.5 Interest and other costs of finance paid	(2)	(6)
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>(76)</b>	<b>(678)</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	(84)	(900)
(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	5	224
	(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>(79)</b>	<b>(738)</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)	(50)
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>1,256</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	1,065	1,057
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(76)	(678)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(738)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	1,256

## 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 (12 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>897</b>	<b>897</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	897	1,065
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>897</b>	<b>1,065</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.*

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

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(76)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(84)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(160)
8.4 Cash and cash equivalents at quarter end (item 4.6)	897
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	897
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.6
<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: N/A	
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: N/A	
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: N/A	
<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: 31 July 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.