

QUARTERLY ACTIVITIES REPORT ENDED 30 SEPTEMBER 2023

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

Highlights:

- ① Aircore drilling was completed at the Fortnum Project, with 46 holes drilled for 2640m. Assay results will be reported during November.
- ① The purchase of the Yarri tenements from Rock Mining Australia Pty Ltd (RMA), was completed during the quarter and the transfer of ownership of the tenements is near completion.
- 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 \$0.635 million cash at bank and nil debt.

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NELSON PROJECT PORTFOLIO

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Figure 1: Project Locations.



PROJECT ACTIVITY

Woodline Project

The compilation of the previous work, for the tenements granted during the previous quarter, continued up to the end of September. A review of the project is in progress.

Tempest Project

The grant of new tenements, applied for during June and reported in the previous quarter, is still awaited.

These tenements are subject of a ballot with one other company and on grant, the Tempest Project will comprise 3 tenements covering 208 km². The project footprint will cover areas where previous work give a strong indication of gold mineralisation in the basement and the cover.

Fortnum Project

Following agreement with the traditional owners of the land on which the Fortnum Project is located, an aircore drilling program was completed during September. A total of 46 holes were drilled for 2640m (Figure 2).

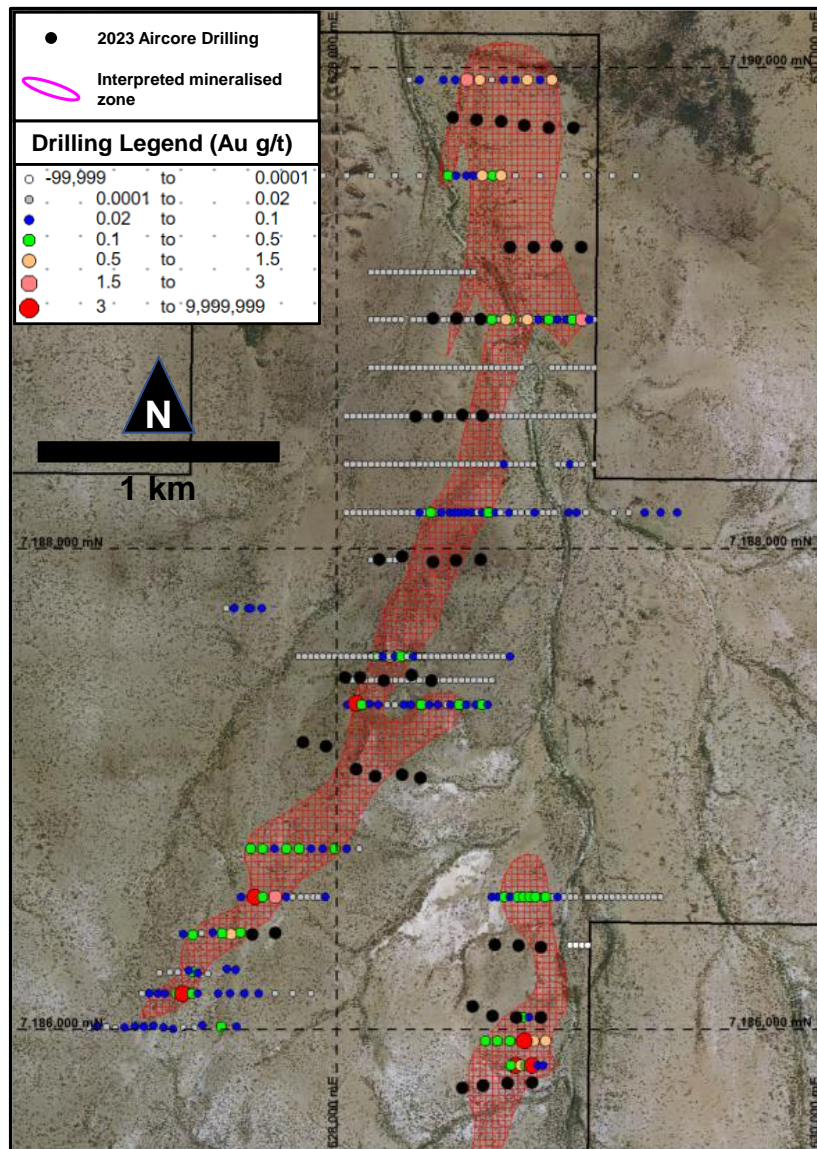


Figure 2: Location of aircore drilling completed during September.

Monitors, from the Jidi Jidi Aboriginal Corporation, who represent the Nharnuwanga Wajarri and Ngarlawangga native title claimants were present on the site for the pegging and drilling of the program. The drilling proceeded without incident and basement was intersected in every hole.

The drilling targeted significant results generated by previous explorers and Nelsons program was designed to confirm the previously defined zone of anomalous results and to generate targets for infill aircore drilling, prior to RC drilling, if warranted.

The samples from the drilling have been delivered to the laboratory and results are expected during November with re-sampling to be completed and reported before the end of the year.

Yarri Project

The purchase of the Yarri Project tenements from Rock Mining Australia Ltd (RMA) was completed during the quarter and the tenement transfer process is continuing.



RMA's Yarri tenements completely surround the Nelson Yarri Project, which is 140 km northeast of Kalgoorlie. Both companies have completed significant drilling campaigns on the project and have generated numerous significant results, as previously reported (Figure 3).

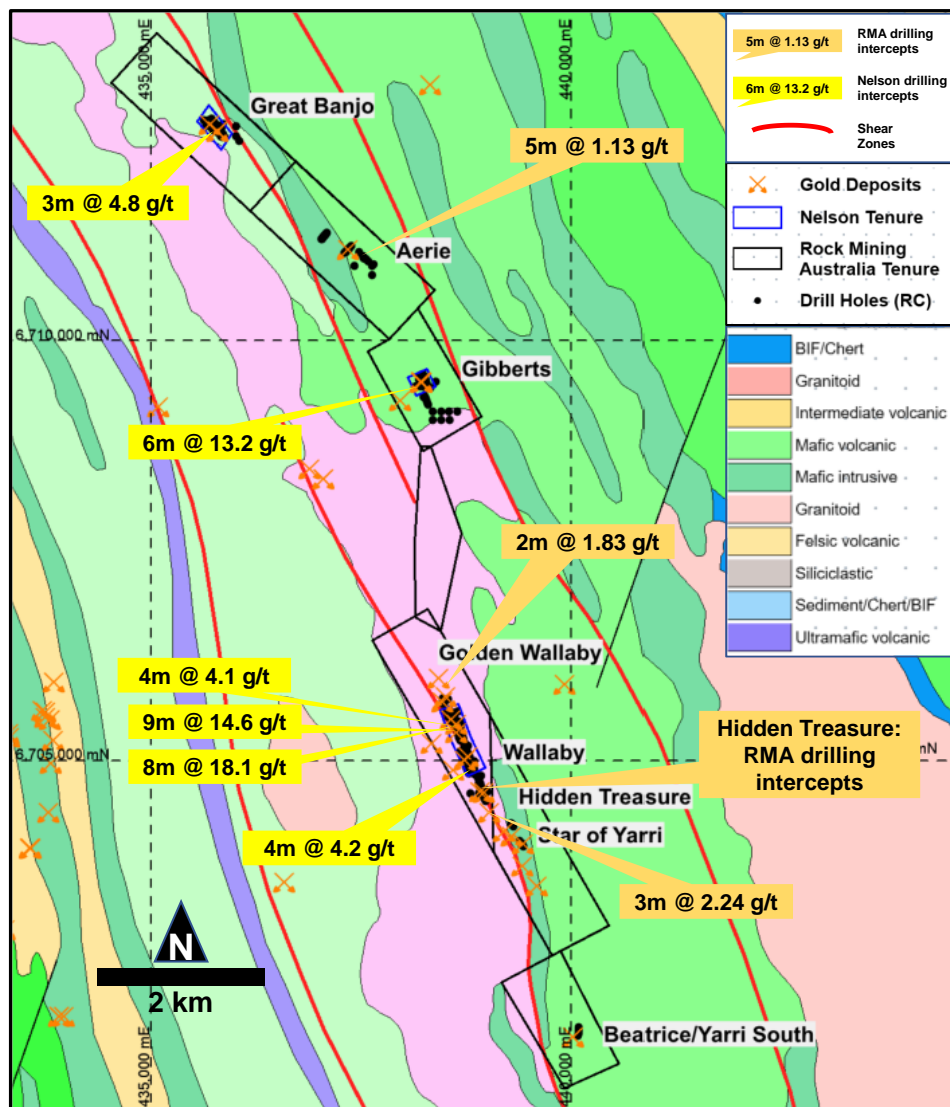


Figure 3: Yarri Project, showing drilling and intercepts by both Nelson and RMA at their respective regional prospects.

By the end of September, the sale and purchase process was complete, the tenement transfer was largely complete and Nelson have completed the compilation of all previous work on the 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

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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 \$182K spent on exploration and evaluation of projects. Administration and corporate costs were \$80K. The Company's cash position as at 30 September 2023 was approximately \$0.635 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 \$29,000.
- Company secretarial and accounting services fees of \$15,000.

For further information please contact:

Nicholas Ong

Dan Smith

Director and Company Secretary

Director

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 HGLWLRQ RI WKH ³\$XVWUDODVLDQ &RGH IRU 5HSRUWLQJ RI ([S DQG 2UH 5HVHUYHV' 0U 6KZ FRQVHQWV WR WKH LQFOXVLRQ 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 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(9)	(9)
(e) administration and corporate costs	(73)	(73)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(80)	(80)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(78)	(78)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(104)	(104)
(e) investments	-	-
(f) other non-current assets	-	-

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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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(182)	(182)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	897	897
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(80)	(80)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(182)	(182)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	635	635

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	635	897
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	635	897

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	44
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

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(80)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(104)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(184)
8.4 Cash and cash equivalents at quarter end (item 4.6)	635
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	635
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.5
<i>Note if the entity has reported positive relevant outgoings <input type="checkbox"/> ie a net cash inflow <input type="checkbox"/> in item <input type="checkbox"/>, answer item <input type="checkbox"/> as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item <input type="checkbox"/>.</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 <input type="checkbox"/> is less than 2 quarters, all of questions <input type="checkbox"/>1, <input type="checkbox"/>2 and <input type="checkbox"/>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 October 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 101 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.