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And Controlled Entities

ABN: 83 127 620 482

HALF YEAR REPORT

For the Period Ended 31 December 2023

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CORPORATE DIRECTORY

DIRECTORS

Peter Bird	Non-Executive Chairman
Nicholas Ong	Non-Executive Director
Daniel Smith	Non-Executive Director

SECRETARY

Nicholas Ong

REGISTERED OFFICE

Level 8, 99 St Georges Terrace
Perth WA 6000
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STOCK EXCHANGE LISTINGS

Australian Securities Exchange
ASX Share Code: **NES**

AUDITORS

Criterion Audit Pty Ltd
Suite 2
642 Newcastle Street
Leederville WA 6902

BANKER

National Australia Bank
1232 Hay Street
West Perth WA 6005

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

DIRECTORS' REPORT continued

Your Directors submit the financial report of the Consolidated Entity for the 6-month period ended 31 December 2023.

DIRECTORS

The names of Directors who held office during or since the end of the period:

Director	Details
Peter Bird	Non-Executive Chairman (appointed 21 November 2022)
Daniel Smith	Non-Executive Director (appointed 15 August 2022)
Nicholas Ong	Non-Executive Director (appointed 21 November 2022)

COMPANY SECRETARY

Nicholas Ong (appointed 21 November 2022)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the period were the exploration and development of natural resources. There have been no other significant changes in the activities of the Consolidated Entity during the period other than matters noted in this report.

REVIEW OF RESULTS

The consolidated loss after tax for the period ended 31 December 2023 was \$1,693,392 (2022: \$708,386).

CORPORATE
Acquisition of Tenements

On 5 July 2023, the Company announced the completion of acquisition of six granted prospecting licenses and two mining license applications surrounding the Yarri Gold Project. Consequently, 25,000,000 ordinary shares were to Rock Mining as part consideration for those tenements.

Expiry of Options

79,198,858 quoted options exercisable at \$0.08 have expired unexercised on 17 August 2023.

8,000,000 unquoted options exercisable at \$0.0907 have expired unexercised on 14 September 2023.

OPERATIONS
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 2,640m (Figure 1).

Nelson have explored the project since 2017 and have put a substantial amount of effort into compiling the historical data for the project, which includes:

- Aerial photography, aeromagnetic and remote sensing surveys.
- 2,992 surface samples over the area of the project.
- 566 RAB, and some aircore, drill holes for 14,174m.

This work effectively outlined two linear targets coincident with the western edge of the Despair Granite. Further compilation of the geology also identified that significant areas of the project were poorly tested because the original drilling was too shallow or had been sampled ineffectively.

From this compilation work, interpretation of the results and additional work completed by Nelson, several targets were defined. These targets were tested by a small aircore drilling program, as reported previously. This drilling program was completed during September when a total of 46 aircore drill holes were drilled for 2,640m. The drilling was sampled in 4m composites and sent to the laboratory and these results have now been returned.

The significant intercepts from this work include:

Hole	From	To	Intercept	Including
FTA003	8	16	8m @ 0.29g/t from 8m.	
FTA003	40	56	16m @ 0.17g/t from 40m.	
FTA007	36	44	8m @ 0.54g/t from 36m.	
FTA007	84	86	2m @ 0.32g/t from 84m.	EOH
FTA008	108	116	8m @ 0.23g/t from 108m.	
FTA018	28	36	8m @ 0.52g/t from 28m.	
FTA023	60	63	3m @ 0.14g/t from 60m.	EOH
FTA052	16	28	12m @ 0.45g/t from 16m.	
FTA052	44	56	12m @ 2.59g/t from 44m.	including 4m @ 7.31 g/t from 48m
FTA052	64	66	2m @ 0.19g/t from 64m.	EOH
FTA056	64	68	4m @ 0.24g/t from 64m.	
FTA056	92	102	10m @ 0.45g/t from 92m.	including 2m @ 1.13 g/t from 100m (EOH).

These intercepts are distributed through a wide range of lithologies and through every part of the regolith. Together with the historical results, they define a narrow, 4km long, zone, within deformed Labouchere Formation along the interpreted western edge of the Despair Granite. This zone is interpreted to be related to mineralisation in the basement.

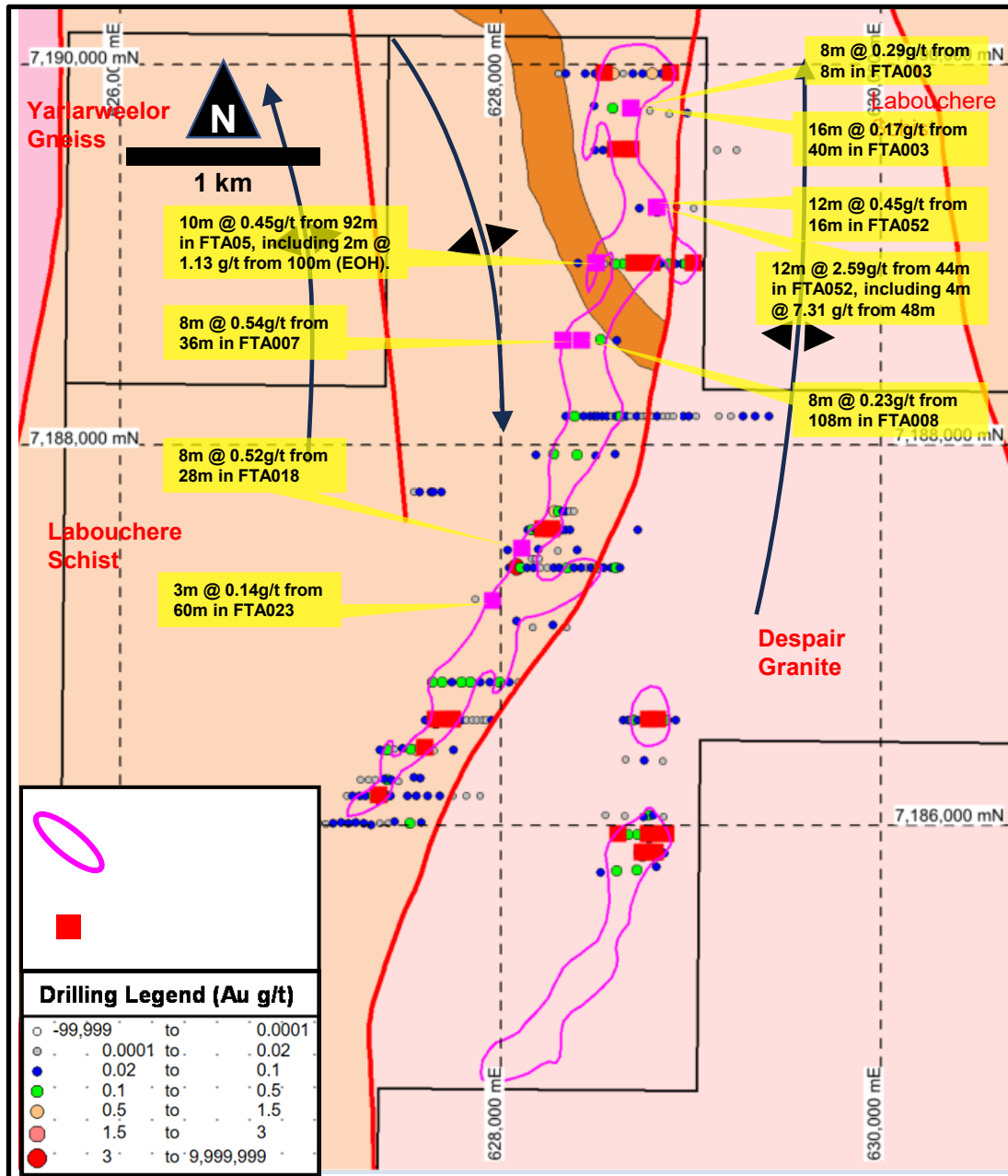


Figure 1: Fortnum Significant intercepts from the recent drilling program on interpreted geology (GSWA) showing location of historical intercepts.

Next Steps

It is clear from the historical and the recent drilling, that there is a mineralised system on the project. However, the scale and intensity are effectively unknown because there is simply not enough drilling over the whole system and limited drilling into un-weathered basement. The range of lithologies intercepted in this program are somewhat more complex than originally interpreted and work is continuing on understanding the mineralised system at the Fortnum Gold Project.

Lake Johnston Project

During the quarter, the Company applied for a circa 215km² exploration license covering the interpreted southern extension of the Lake Johnston structural corridor (**Lake Johnston**). The Lake Johnston project adjoins White Cliff Minerals to the north and sits approximately 60km south of the recent lithium discoveries of Charger Metals and TG Metals.

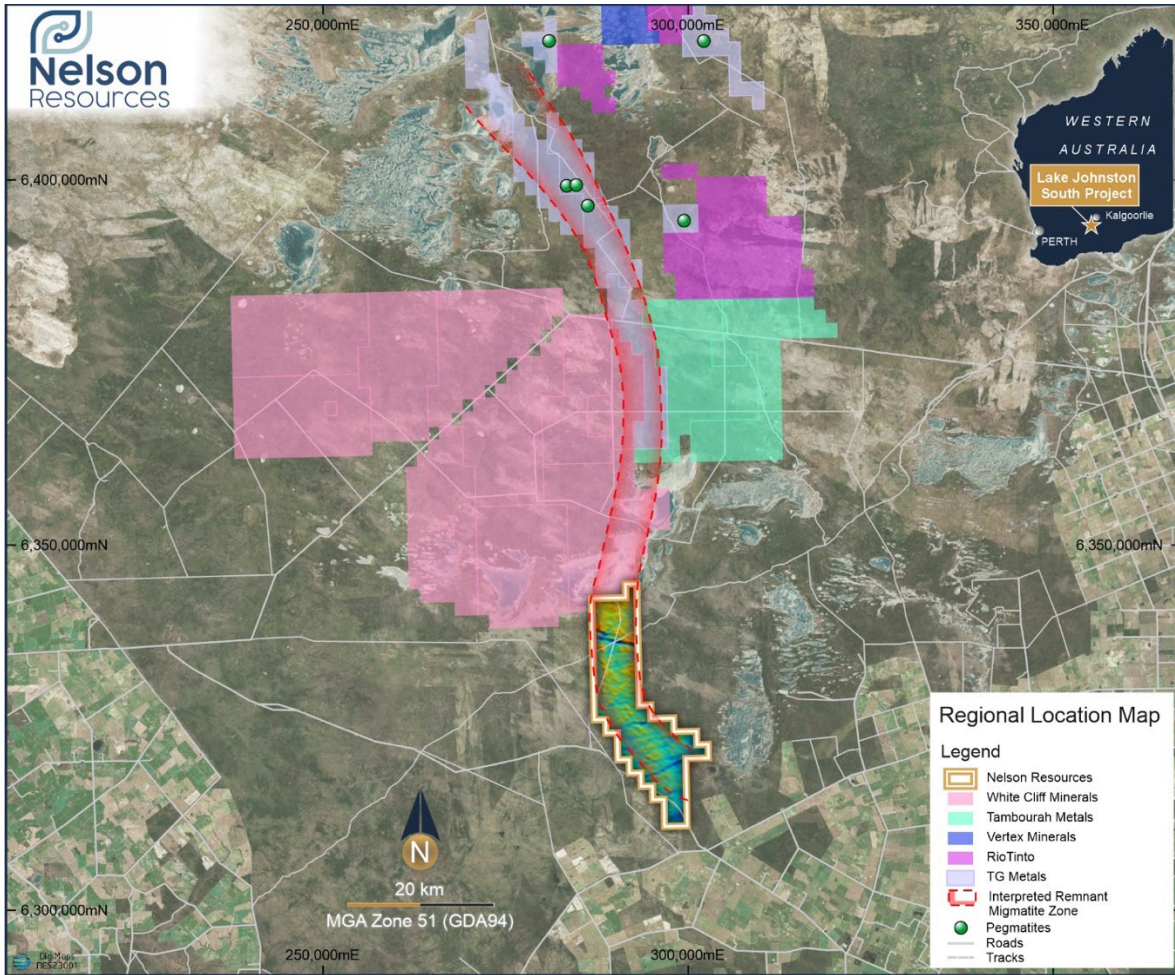


Figure 2: Location Map showing Nelson Resources license area and regional tenement holders.

The Lake Johnston Project consists of 1 exploration license covering circa 213km² and is immediately adjacent to and along strike from White Cliff Mineral’s Lake Tay project, and the recent lithium discoveries by Charger Minerals and TG Metals. Based on GSWA airborne magnetics data, the Company interprets that these greenstone and magnetic trends continues into the project area. The broader region is located within the Phillips River Goldfield in the Southern Cross Domain of the Youanmi Terrane in the southern Yilgarn Craton.

The area is underlain by granites, gneisses and migmatite as well as hosting greenstone belts which daylight through the Quaternary transported cover.

Woodline Project

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

Tempest Project

The grant of new tenements, applied for during the June quarter 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.

Yarri Project

The purchase of the Yarri Project tenements from Rock Mining Australia Ltd (RMA) was completed during the period. 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).

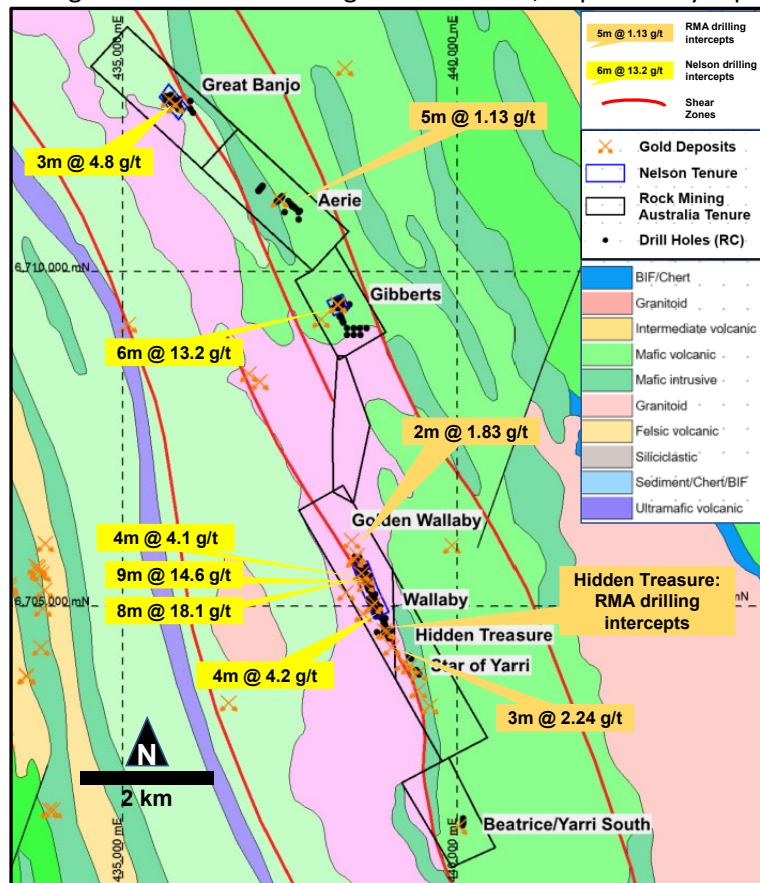


Figure 3: Yarri Project, showing drilling and intercepts by both Nelson and RMA at their respective regional prospects.

A review of the Yarri project is in progress.

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.

Competent Person Statement

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Edward Mead, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mead is a consultant of the Company. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Mead consents to the inclusion of this information in the form and context in which it appears in this report.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 31 December 2023 has been received and is included within the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3) of the *Corporation Act 2001*. Signed in accordance on behalf of the Directors.



Nicholas Ong
Non-Executive Director
12 March 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Nelson Resources Limited and its controlled entities for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 12th day of March 2024

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
Revenue and other income	4	12,056	41,880
Administration and other expenses		(47,622)	(136,925)
Accounting and audit fees		(22,448)	(62,715)
Consultancy fees		(58,955)	-
Depreciation	7	(14,049)	(235,915)
Depreciation: right of use assets		-	(26,556)
Directors' fees		(52,216)	(173,747)
Drilling expenses		-	(3,519)
Employee expenses		(11,388)	(35,636)
Finance costs		-	(4,877)
Legal fees		(387)	(39,743)
Occupancy expenses		(2,005)	(16,430)
Reversal of shared-based payments	13	-	14,400
Travel and accommodation expenses		(2,076)	(27,931)
Written-off of capitalised exploration expenditure	8	(1,465,719)	-
Tenement expenses		(28,583)	(672)
Loss before tax		(1,693,392)	(708,386)
Income tax expense		-	-
Net loss for the period from operations		(1,693,392)	(708,386)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,693,392)	(708,386)
Basic and diluted loss per share (cents)		(0.28)c	(0.19)c

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	278,495	896,796
Trade and other receivables	6	4,610	22,254
Prepaid expenses		32,842	45,841
Total Current Assets		315,947	964,891
Non-Current Assets			
Plant and equipment	7	77,481	97,531
Exploration and evaluation assets	8	5,516,236	6,295,469
Total Non-Current Assets		5,593,717	6,393,000
Total Assets		5,909,664	7,357,891
LIABILITIES			
Current Liabilities			
Trade and other payables	9	167,110	50,406
Provisions		-	21,539
Total Current Liabilities		167,110	71,945
Total Non-Current Liabilities		-	-
Total Liabilities		167,110	71,945
Net Assets		5,742,554	7,285,946
EQUITY			
Contributed equity	10	46,578,784	46,428,784
Reserves	11	49,704	500,121
Accumulated losses		(40,885,934)	(39,642,959)
Total Equity		5,742,554	7,285,946

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

Consolidated Entity	Contributed Equity	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2023	46,428,784	500,121	(39,642,959)	7,285,946
Equity issues	150,000	-	-	150,000
Share based payments (expired options)	-	(450,417)	450,417	-
Loss for the period	-	-	(1,693,392)	(1,693,392)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,693,392)	(1,693,392)
Balance at 31 December 2023	46,578,784	49,704	(40,885,934)	5,742,554

Consolidated Entity	Contributed Equity	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	45,044,487	610,244	(38,353,889)	7,300,842
Equity issues	1,471,486	-	-	1,471,486
Equity issue expenses	(164,912)	-	-	(164,912)
Share based payments (expired securities)	-	(32,400)	18,000	(14,400)
Loss for the period	-	-	(708,386)	(708,386)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(690,386)	(690,386)
Balance at 31 December 2022	46,351,061	577,844	(39,044,275)	7,884,630

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
Cash flows from operating activities			
Receipts from customers		-	15,000
Payments to suppliers and employees		(117,513)	(589,283)
Interest paid: lease liability		-	(4,877)
Other income received		25,218	-
Interest received		4,481	2,135
Net cash used in operating activities		(87,814)	(577,025)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(536,487)	(727,993)
Proceeds from disposal of plant and equipment		6,000	56,683
Payments for plant and equipment		-	(1,500)
Net cash used in investing activities		(530,487)	(672,810)
Cash flows from financing activities			
Proceeds from equity issues		-	1,471,486
Payment for costs of equity issues		-	(164,912)
Repayment of borrowings: lease liability		-	(24,479)
Net cash generated by financing activities		-	1,282,095
Net increase / (decrease) in cash held		(618,301)	32,260
Cash and cash equivalents at beginning of the period		896,796	1,056,653
Cash and cash equivalents at period end	5	278,495	1,088,913

The accompanying notes form part of these financial statements.

1. Corporate information

This half year report covers Nelson Resources Limited (the “Consolidated Entity”), a company incorporated in Australia for the 6-month period ended 31 December 2023. The presentation currency of the Consolidated Entity is Australian Dollars (“\$”). A description of the Consolidated Entity’s operations is included in the review and results of operations in the Directors’ Report. The Directors’ Report is not part of the financial statements. The Consolidated Entity is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code “NES”. The financial statements were authorised for issue on 12 March 2024 by the Directors of the Consolidated Entity. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. Statement of compliance

The general purpose financial statements of the Consolidated Entity have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board.

b. Going concern

The half year report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$1,693,392 for the period ended 31 December 2023 (2022: \$708,386), had net cash outflows from operating activities of \$87,814 (2022: \$577,025) and net cash outflows from investing activities of \$530,487 (2022: \$672,910). The net working capital position of the Consolidated Entity at 31 December 2023 was \$115,995 (30 June 2023: \$892,946). The Consolidated Entity has exploration commitments due within the next 12 months. The Directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. The ability of the Consolidated Entity to continue to pay its debts as and when they fall due is principally dependent upon the following assumptions:

- successfully raising additional share capital;
- full or partial divestment of assets;
- financial support from the Directors, N Ong and D Smith, in the form of temporarily suspending their directors, company secretarial and accounting fees payable to Minerva Corporate Pty Ltd until the Company has sufficient funds for its working capital purposes; and
- containing expenditure in line with available funding whilst maintaining its exploration commitments.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

In particular, given the Consolidated Entity's history of raising capital to date, the Directors are confident of the Consolidated Entity's ability to raise additional funds as and when they are required. However, in the event that the future capital raisings are not successful or are delayed, or the other assumptions not met, there exists a material uncertainty that casts significant doubt about the ability of the Consolidated Entity to continue as a going concern and therefore the Consolidated Entity may be unable to realize its assets and discharge its liabilities in the ordinary course of business and the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

c. Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australia dollars, unless otherwise noted. The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Consolidated Entity's annual financial report for the financial year ended 30 June 2023, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australia Accounting Standards and with International Financial Reporting Standards.

d. Adoption of new and revised accounting standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

e. Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023

3. Segment reporting

Operating segment are determined based on the reports reviewed by the Board of Directors, which are used to make strategic decisions. The Company does not have any operating segments with discrete financial information. All of the Company's assets and liabilities are located within Australia. The Company does not have any customers at this stage. Internal management reports for the Board of Directors' review are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

	Consolidated Entity 31 December 2023	Consolidated Entity 31 December 2022
	\$	\$
4. Revenue and other income		
Interest income	4,481	2,135
Rent Income	7,575	30,000
Gain on disposal of fixed assets	-	9,745
	12,056	41,880
	Consolidated Entity 31 December 2023	Consolidated Entity 30 June 2023
	\$	\$
5. Cash and cash equivalents		
Cash at hand and in bank	278,495	896,796
6. Trade and other receivables		
Accrued interest revenue	417	417
Other receivables	4,193	21,837
	4,610	22,254

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023**

7. Plant and equipment

	Computer Equipment \$	Office Equipment \$	Motor Vehicles \$	Exploration Equipment \$	Total \$
31 December 2023					
Written down value at beginning of period	754	5,246	31,070	60,461	97,531
Disposal	(754)	(5,246)	-	-	(6,000)
Depreciation	-	-	(5,560)	(8,490)	(14,050)
Written down value at end of period	-	-	25,510	51,971	77,481
30 June 2023					
Written down value at beginning of period	3,905	72,136	133,397	529,250	738,688
Additions	-	-	263,749	1,500	265,249
Depreciation	(2,065)	(28,395)	(145,414)	(167,448)	(343,322)
Impairment	-	(37,847)	-	-	(37,847)
Disposals	(1,086)	(648)	(220,662)	(302,841)	(525,237)
Written down value at end of period	754	5,246	31,070	60,461	97,531

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
8. Exploration and evaluation assets		
Balance at beginning of period	6,295,469	5,435,616
Exploration and evaluation expenditure incurred during the period	686,486	859,853
Written-off of capitalised exploration expenditure*	(1,465,719)	-
Balance at end of period	5,516,236	6,295,469

*: During the period, the company relinquished a number of un-prospective exploration licenses after a tenement review. The carrying amounts of these area of interests were fully written off and charged to profit or loss account.

9. Trade and other payables

Other Payables	225	14,938
Accrued expenses	85,500	12,000
Trade creditors	81,385	23,468
	167,110	50,406

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Consolidated Entity 31 December 2023		Consolidated Entity 30 June 2023	
	No.	\$	No.	\$
10. Contributed equity				
Balance at beginning of period	588,594,328	46,428,784	294,297,164	45,044,487
Share issue: 18 November 2022	-	-	294,297,164	1,471,486
Share issue: 05 July 2023	25,000,000	150,000	-	-
Share issue costs	-	-	-	(87,189)
Balance at end of period	613,594,328	46,578,784	588,594,328	46,428,784
			Consolidated Entity 31 December 2023 No.	Consolidated Entity 30 June 2023 No.
<u>Listed options</u>				
Balance at beginning of period			79,198,858	112,498,753
Options expired			(79,198,858)	(33,299,895)
Balance at end of period			-	79,198,858

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023



	Consolidated Entity 31 December 2023 No.	Consolidated Entity 30 June 2023 No.
10. Contributed equity (continued)		
<u>Unlisted options</u>		
Balance at beginning of period	10,152,539	10,152,539
Options expired	(8,000,000)	-
Balance at end of period	<u>2,152,539</u>	<u>10,152,539</u>

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
11. Reserves		
<u>Options reserve</u>		
Balance at beginning of period	500,121	577,844
Reversal of expired options	(450,417)	(77,723)
Balance at end of period	<u>49,704</u>	<u>500,121</u>

12. Commitments and contingencies

The Company had no capital expenditure contracted at the reporting date (30 June 2023: nil). The Company has certain statutory requirements to undertake a minimum level of exploration activity in order to maintain rights of tenure to its various exploration tenements. These requirements may vary from time to time, subject to approval of the relevant government departments and are expected to be fulfilled in the normal course of operations of the Company to avoid forfeiture of any tenement. The Company has a 100% share of tenements rental and expenditure commitments. These exploration commitments are not provided for in the financial statements and are payable:

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
Not longer than 1 year	510,900	910,986
More than 1 year but not longer than 5 years	409,000	1,398,817
More than 5 years	-	-
	<u>919,900</u>	<u>2,309,803</u>

a. Contingent assets and Contingent liabilities

There are no contingent assets and contingent liabilities as at 31 December 2023.

13. Interests in controlled entities

Company Name	Place of Incorporation	31 December 2023 % Ownership	30 June 2023 % Ownership
79 Exploration Pty Ltd	Australia	100%	100%
Nelson Exploration Services Pty Ltd	Australia	100%	100%

14. Events after the end of the reporting period

There are no matters or circumstances which have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

15. Related party transactions

There were no transactions with related parties during the period ended 31 December 2023, other than Director remuneration and the following:

During the period the Company incurred fee of totalling \$30,000 for company secretarial and accounting services received from Minerva Corporate Pty Ltd, a company of which Dan Smith and Nicholas Ong are directors. Among the fee, \$5,000 remained unpaid and was included in other payables as at the end of December 2023.

DIRECTORS' DECLARATION

The Directors of the Consolidated Entity declare that:

The financial statements and notes:

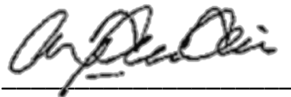
- a. are in accordance with the *Corporations Act 2001* and comply with Australian Accounting Standards *AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of the performance for the period ended 31 December 2023.

In the Directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Nicholas Ong
Non-Executive Director

12 March 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

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Independent Auditor's Review Report

To the Members of Nelson Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Nelson Resources Limited ("the Company") and Controlled Entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Nelson Resources Limited and its Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the half year report, which indicates that the Consolidated Entity incurred a loss from ordinary activities of \$1,693,392 for the period ended 31 December 2023, had net cash outflows from operating activities of \$87,814 and net cash outflows from investing activities of \$530,487. The net working capital position of the Consolidated Entity as at 31 December 2023 was \$115,995. As stated in Note 2 (b), these events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Criterion Audit

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Chris Watts

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Director

DATED at PERTH this 12th day of March 2024