



QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2019

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Nelson Resources ("Nelson" or "the Company") is pleased to provide shareholders its Activities Report for the quarter ended 31 December 2019.

HIGHLIGHTS

Woodline Project

During the quarter the Company continued to increase its tenure holding in the Albany-Fraser range and its consolidation of the Woodline Project with a new application (E 28/2953) for an additional 41 km² of tenure.

The tenement named Socrates East formed part of the historic SIPA / Newmont Woodline Project. If this tenement E 28/2953 and previously applied for tenement E 28/2941 are granted the Company will have reconsolidated 899 km² of the Woodline Project (currently XXXKm²). The Woodline Project was previously explored by Sipa Resources and Newmont and MRG Metals and is located on the southern end of the interpreted Tropicana Belt 20 km north-west of the Albany-Fraser Province. The Woodline tenure includes an exciting 20km long geochemical anomaly (Figure 2) that has the potential to produce a Tropicana scale gold deposit. The historical expenditure by the previous explorers and the Company within the Woodline Tenure is approximately \$14 million.

The Company is Actively seeking Joint Venture Partners to continue the Company's and previous explorer's exploration success within the Woodline project.

Woodline Highlights:

- **20 Km geochemical gold anomaly**
- **899 km² of highly prospective tenure**
- **1556m of RC Drilling and 789m of Diamond Drilling**
- **\$14m of successful exploration work by Sipa / Newmont / MRG Metals / Nelson Resources**
- **Potential for a Tropicana scale Gold Deposit**

Nelson Resources Limited

ABN 83 127 620 482

ASX Code: NES

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Acquisition of tenure bordering IGO/Thunderstorm JV

During the quarter the Company acquired tenement E28/2805 (the Tempest Project) which is adjacent to the Independence Group / Rumble Resources Thunderstorm Joint Venture. It is also close to the Company's existing Woodline Project in the Albany-Fraser Range. As part of its JV venture with Rumble Resources, IGO has been conducting an aggressive exploration program throughout this region which is amongst other minerals prospective for Ni-Cu-Co and Au.

Nelson's 105 km² Tempest project is on the Eastern boundary of the Thunderstorm project. Recent drilling by IGO included Aircore (AC) results of 25m @2.42g/t Au at the Themis Prospect and 4m @ 3.8g/t Au at the Pion Prospect.

The Company acquired tenement E28/2805 for a cash consideration of \$15,472 and a 1% gross revenue royalty in relation to minerals extracted, produced and sold from the Tenement.

The Company believes its Tempest project has the potential to host a significant discovery as highlighted by the successful drilling at the Thunderstorm JV.

The Acquisition of this tenement increases the Company's significant tenure holding in the Albany-Fraser Range to 1004 km² (includes applications) (Figure 4) and compliments its Woodline Project which the Company believes could host a Tropicana scale gold deposit.

E 28/2805 Highlights:

- **Anticipated 8km Extension of Gold bearing Paleochannel**
- **105 km² of highly prospective tenure**
- **Early stage historical exploration**
- **Proximal to recent drilling success by IGO**
- **100% ownership of tenure**

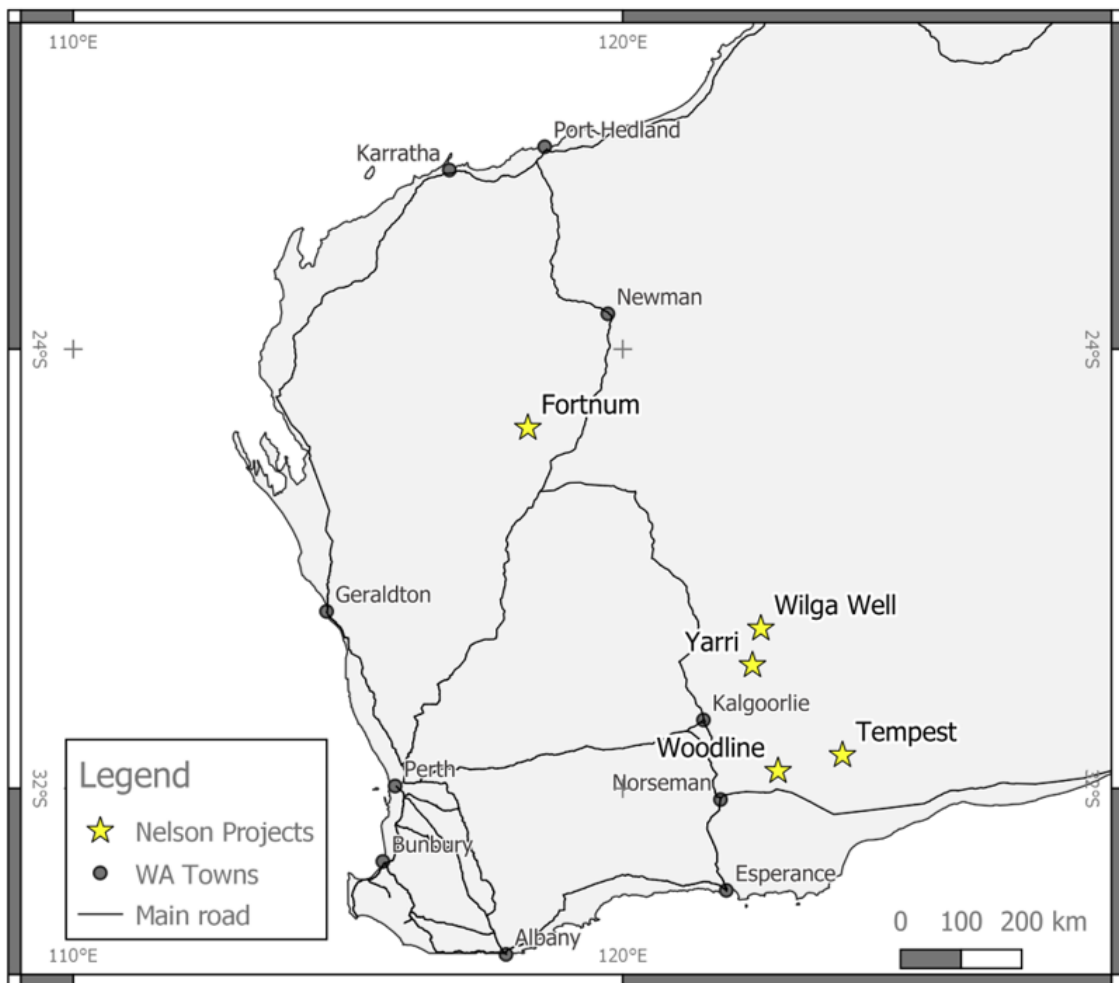


The following outlines the activities of Nelson Resources Ltd for the quarter ending 31 December 2019.

During the Quarter the Company continued to build its Western Australian Gold Tenement package whilst also reducing costs. The Company aims to better focus its activities in the next quarter and will continue its Geophysics activities across its tenure to further delineate its many drill target opportunities. The Company anticipates its next drilling program to commence in Quarter 3.

Existing Projects Summary:

Figure 1 – Project Locations

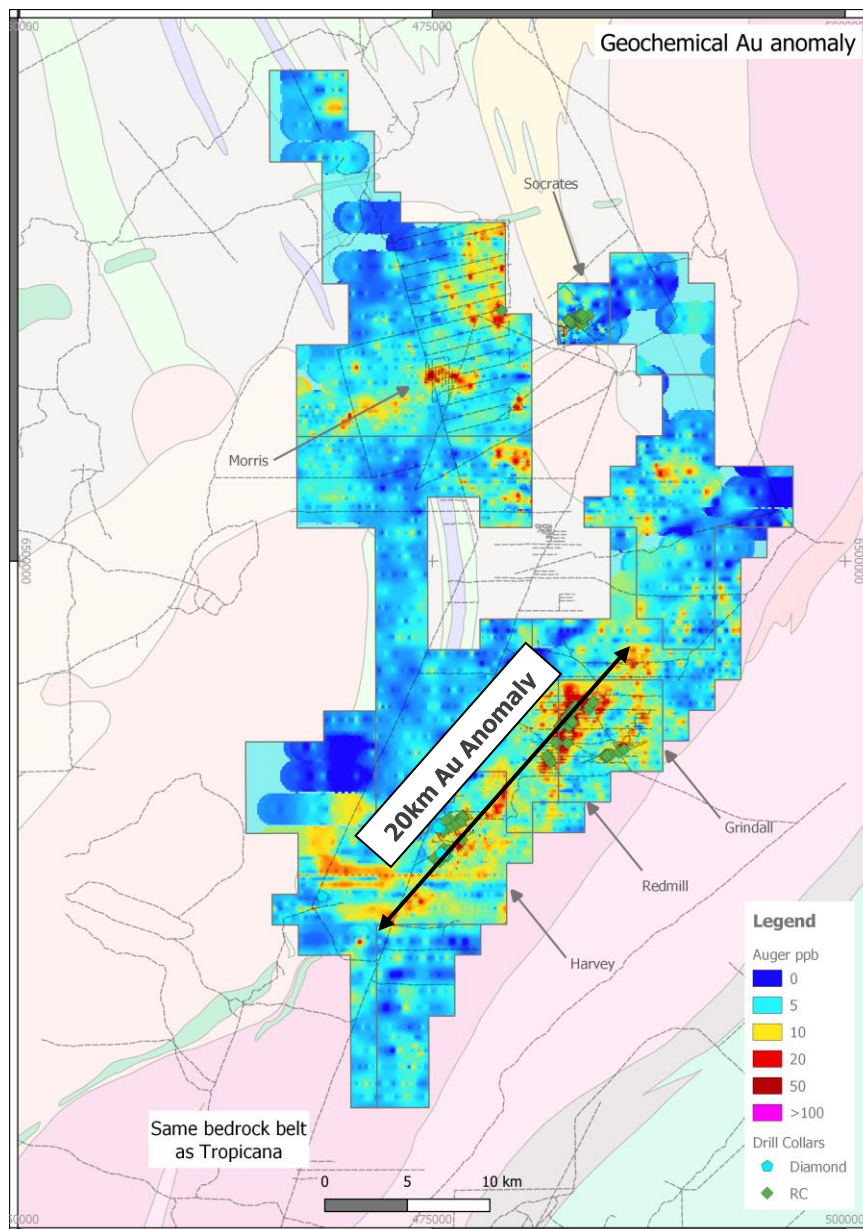


Woodline (Socrates, Socrates East, Grindall, Redmill, Harvey & Morris)

The Woodline Projects lie 90km North East of Kalgoorlie and halfway between the Trans Australia Rail line and the Eyre Highway. The Woodline Project are made up of the Socrates, Grindall, Redmill, Harvey and Morris (application) Projects which make up 899km² of Tenure.

The Projects lie over the reworked Archaean margin adjacent to the Albany-Fraser Province. Work carried out by Nelson at Socrates has returned some high calibre gold intersections, suggestive of a large gold system and it is believed that Grindall, Redmill & Harvey each have the potential to host a Tropicana scale gold deposit.

Figure 2. 20 Km Geochemical Gold Anomaly with Woodline tenure shown (Granted, Pending & Under Application)



Socrates East Prospect (New Application)

Application: E 28/2953

Area of tenement: 41 km²

Geology

The tenements lithology comprises siliciclastic sedimentary rocks in the west and foliated metagranite in the east.

Previous Exploration

- Sipa and Newmont explored part of the tenement from 2005 to 2008.
-
- 2005 Sipa conducted wide spaced shallow auger calcrete sampling in the northern part of the tenement.
-
- 2008 Newmont conducted a RAB drilling program on the Socrates east tenement.
-
- 2013 AngloGold Ashanti conducted an auger program on the north eastern part of the tenement.

Total work

- 60 Auger Calcrete samples within the tenement – Drill lines are wide spaced (800mx400x) with some infill lines (800mx200m)
-
- 4 RAB holes within the tenement
-
- 56 Auger samples within the tenement

The Salt Lake is unexplored and this tenement links the total Woodline package and expands the area under tenure.



Tempest Project (New Acquisition)

Tenement E28/2805

The Company's Tempest project is located 250km ESE of Kalgoorlie and 90km NE from Nova-Bollinger Mine. It has an area of 105 km² and borders the IGO / Rumble Thunderstorm JV project (Figure 3). Recent drilling at the Thunderstorm JV includes an exceptional intercept of 25m @2.42g/t Au at the Themis Prospect and 4m @ 3.8g/t Au at the Pion Prospect (ASX Announcement Rumble Resources 1st July 2019).

Geology

The project is located in the Fraser Complex of the Proterozoic Albany-Fraser Belt on the east of the Archean Yilgarn Craton. Tertiary fluvio-marine sediments associated with the Eucla Basin cover much of the region. The Proterozoic geology is characterized by granulite facies, felsic to mafic gneisses and felsic and mafic schists and intruded granites.

Previous Exploration

Historic exploration has been minimal and early stage within the project area. In the period between 2010 and 2011 Black Fire Minerals Limited (WAMEX) conducted a Soil Auger Geochemistry and a limited AC program. Auger sampling was done on a 1000mx500m grid and later infill auger soil geochemistry was done on a 500mx500m and 250mx250m grid. All samples were sampled for Au, As, Ca, Cu, Fe, Mg, Ni, Pb, Sb, Te & Zn. Aircore holes are located on the north-western part of the tenement that tested two +10ppb Au anomalies targets defined by previous Auger drilling.

- 430 Auger samples taken within the tenement.
Lines are wide spaced (1000mx500m) in east-west direction with some infill lines spaced 500mx500m and 250mx250m
- 18 AC holes for 1,989m

Summary

- **Tenement E28/2805 has the potential to host a gold resource.**
- **Historical exploration has been limited and is early stage with work done being unrelated to the anticipated extension of the paleochannel identified at the Thunderstorm project**
- **The Company will re-evaluate the historical exploration work and look to conduct several targeted geophysics programs.**
- **These geophysics programs will guide the planning of a drilling program designed to target the paleochannel and any other potential gold bearing structures identified.**



Figure 3. Tenement E28/2805 in relation to Rumble's Thunderstorm JV with IGO

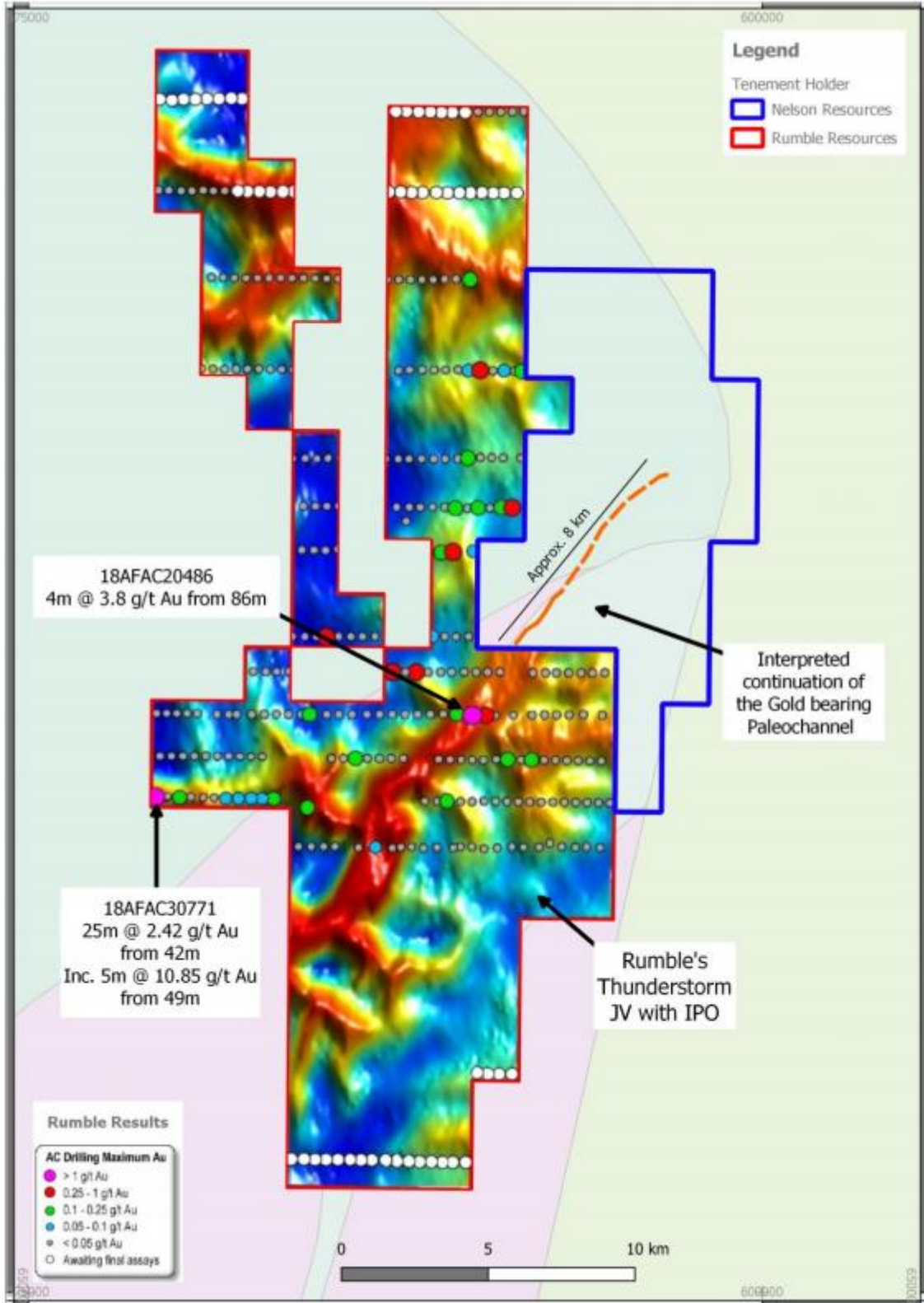
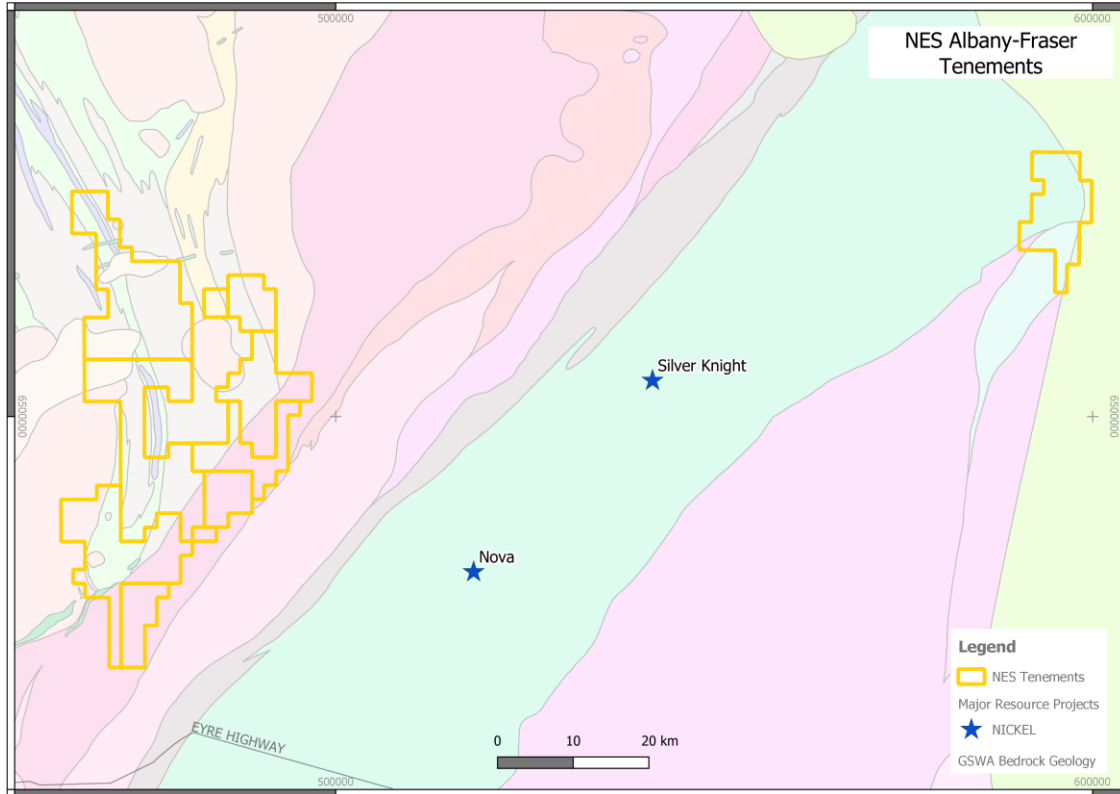


Figure 4. Nelson Resources Albany-Fraser Range Tenements (Includes pending & applied for)



Wilga Well

Wilga Well lies 9 km's East of AngloGold Ashanti's Sunrise Dam project (> 10 million ounces Au). The projects close proximity to Sunrise Dam and some significant historical drilling results indicate the project justifies both new geophysics work and drilling.

The tenement has at least 3 geochemically anomalous areas, one that corresponds to historical workings, while the other two have received little consideration. Drilling beneath the old workings is shallow, and the potential at depth remains largely untested.

Yarri

The Yarri Project lies 160km North East of Kalgoorlie on Edjudina Station and is 30km North of Saracens Carosue Dam Mine and 7.5km East of the Porphyry Mine. Nelson's Yarri project consists of three prospects to the North and East of the historic Yarri State Battery site. The Company's main focus is on the Wallaby line of workings immediately to the East of Yarri, where recent drilling by the Company has returned a number of high grade encouraging drill intersections.

The Wallaby lodes were mined from 1902 to 1914 and from 1934 to 1940 producing 22,000 ounces of gold. The maximum depth of the old workings was to a shallow 35 metres (100 feet) below surface.

The Great Banjo lodes were mined between 1903 and 1905 producing 84.2 ounces of gold from 129 tonnes of ore at an average grade of 20.3g/t.

The Gibberts lodes were also mined between 1903 and 1905 and produced 37.5 ounces from 64.5 tonnes at an average grade of 18.1g/t. No production is documented since this time.

In the region, the Porphyry Mine is located approximately 7.5 kilometres to the West in similar host rocks. It has amassed a resource of approximately 880,000 ounces of gold (production plus defined resource estimates obtained from available literature).

Fortnum

The Fortnum project tenement number E52/3695 was granted within the September quarter and totals 21km². The Project is located within the Peak Hill Mineral Field, 140km north-west of Meekatharra and approximately 14km southwest of the Fortnum Mining center, in the locality of Billara Bore.

The geology of the tenure consists of a fault bounded package of schists derived from the Narracoota and Labouchere Formation constrained by the Despair Granite to the east and Yarlalweelor Gneiss complex to the West.

Thin surficial cover extends over the area, with strong insitu regolith development in the eastern parts of the schist, adjacent to the Despair Granite.

There are four gold mineralisation prospects on the tenure. Billara A, Billara North and Billara South are associated with quartz veining in highly sheared mafic schist adjacent to the contact with the Despair Granite. Billara D is associated with quartz veins in a NNE-trending, biotiterich schist, the Despair Granite, analogous to the Wilthorpe gold mine, 9km to the south.



Project Activity:

Nelson Resources has completed the following work at each of its projects during the quarter:

Woodline

Redmill

During the Quarter the Company continued the desktop review of the extensive data set it has for this tenement and based on the data the Company has reviewed it has continued to plan its next AC / RC Drill program whilst assessing geophysical methods to guide these programs.

Harvey (Tenure Pending)

During the Quarter the Company continued the desktop review of the extensive data set it has for this tenement. The Company has identified numerous Gold drill targets as well as some exciting Nickel anomalies it believes are worth pursuing being that the anomalism is proximal to IGO's Nova nickel Project. The Company now intends to run a geophysics campaign in the next quarter to better map the geology at this project and at all its Woodline tenure.

Socrates

During the Quarter no work was done on the Socrates prospect.

Grindall

During the Quarter no work was done on the Grindall prospect.

Tempest Project

During the Quarter the Company commenced a desktop review of available data for this project and began planning a geophysics program to delineate the targeted Paleochannel.

Wilga Well

During the Quarter no work was done on the Wilga Well prospect.

Yarri Project

During the Quarter no work was done on the Wallaby, Great Banjo and Gibberts prospects.

Fortnum Project

During the Quarter the Company commenced a desktop review of the data it has for this tenement. The Company has identified a number of potential drill targets it believes will improve the understanding of the geology of the project and add to the work done by previous explorers.

Happy Jack

The Company has a retained 1% net smelter royalty on any future gold production on this tenement.





ABOUT NELSON RESOURCES

Nelson Resources Limited is an ASX-listed gold exploration company with a portfolio of wholly owned gold projects located in Western Australia. Nelson's projects are located within the Eastern Goldfields Superterrane of the Yilgarn Craton, which contains substantial greenstone belts, considered highly prospective for gold mineralisation. This area is one of the most gold-endowed regions in the world and all tenements sit nearby to some of WA's largest gold mines; Paddington (7.4m oz), Kanowna Belle (6.4m oz), Sunrise Dam (15m oz) and Sons of Gwalia (6.8m oz).

The Company's flagship project is the Woodline project which lies over the reworked Archaean margin adjacent to the Albany-Fraser Province. It is made up of 656Km² of tenure with four individual projects being Socrates, Grindall, Redmill and Harvey with the later three each having the potential to host a Tropicana scale gold deposit.

The Company has also recently applied for tenure in the Fortnum area.

Competent Person Statement

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Mr. Simon Coxhell who is a consultant to Nelson Resources Limited.

Mr. Coxhell is a member of the Australasian Institute of Mining and Metallurgy.

Mr. Coxhell has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Coxhell consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

As approved by the Board for release.

For further information please contact:

Adam Schofield

Executive Director & CEO

