

## Maiden Diamond Drill Campaign Commences at Woodline Project

### Highlights:

- First ever diamond drilling program underway at Grindall
- Loupe ground electromagnetic surveys completed at Redmill, Grindall, Socrates and Morris nickel prospect with Redmill and Grindall pending final interpretations
- New Nickel targets identified at Morris
- Socrates apparent strike now over 2km with new targets identified for drilling in Q1 2021.
- Exploration results are anticipated to be ready for reporting late January / early February

**Nelson Resources Limited (ASX: NES) (Nelson or the Company)** is pleased to provide this exploration update for its 100% owned Woodline project in the Fraser Range, Western Australia.

Diamond drilling commenced in early December at Grindall as part of the Company's latest drilling program at Woodline. The Company is on track to complete the planned 1000m to 1500m diamond drilling program by the end of January 2021. Prior to commencing exploration drilling, a water bore was successfully established to supply water that is required for the on-going drilling operations in the area.

The Company has also completed ground electromagnetic surveys at Redmill, Grindall, Socrates and the newly identified Morris nickel prospect. The results have been received for Socrates and Morris, with geophysical processing and analysis yet to be finalised for Redmill and Grindall.

With the current drilling at Socrates and the interpreted EM data, the Socrates gold system appears to have large scale potential.

The positive Electromagnetic response on the Nickel anomaly at Morris is of significant interest as it is interpreted to be part of the Jimberlana Dyke and is approximately 50km from IGO's Nova Ni-Cu-Co Operation.

Commenting on the recent results, Nelson's Executive Director and CEO, Adam Schofield said:

*"The Company's purchase of a diamond drilling rig, associated vehicles and equipment has been an immediate success. The Company is now able to operate its drilling programs in a flexible and nimble manner. The significant drilling cost savings to the Company will allow for more drilling than previously planned at much lower costs than budgeted."*

*"The Loupe electromagnetic system has been impressive. The data acquired by Loupe is amazing and has highlighted multiple new gold drill targets at Socrates and a potential nickel target at Morris. We anticipate seeing similar results from the Redmill and Grindall Loupe data when it is processed"*

### CAPITAL STRUCTURE

#### ORDINARY SHARES

Issued 114,802,142

#### OPTIONS

Listed options 33,345,410

Unlisted options 15,614,458

### BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst

### LAST CAPITAL RAISE

July 2020

Entitlements Offer & Placement

\$2.355m @ 3.8c



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## Technical Discussion



*Image 1: Company's Desco SP7000S (WOC) diamond drill rig over first Grindall diamond hole.*

The Company's first diamond drilling commenced in early December at Grindall as part of the planned 1500m program ending late January 2021. Ground conditions are allowing for excellent drilling rates. The Company expects to receive its first assay results in the second week of January 2021. This drilling program is expected to deliver notable gold results, structural controls for future drilling and petrophysics information.





### **Socrates:**

A ground electromagnetic survey has been completed at Socrates on 40m line spacings over an area of 2200m by 600m. The survey used the Time Domain Electromagnetic Loupe system supplied by EMIT.

The Loupe survey has provided the Company with valuable near-surface geological and structural information at Socrates. Interpretation of the survey results has produced refinements to the Company's geological interpretation and significantly increased the apparent strike to over 2km. It has also enabled the development of new drill targets to the north and south of the Socrates mineralisation that has been defined by past exploration (Image 2).

### **Morris:**

The Morris nickel prospect is located in the south of the Woodline Project area, where mafic and ultramafic rocks of the Yilgarn Craton are intruded by the Jimberlana Dyke and are in faulted contact with the Northern Foreland of the Albany Fraser Orogen.

The concept for a nickel target at Morris was originally described by Western Mining Services' renowned geologist Dr Jon Hronsky OAM as part of a review of the magmatic nickel sulphide potential of the Jimberlana Dyke. The review identified the intersection of the Keith-Kilkenny, Jerdacuttup and Cundeelee Faults as a possible magmatic foci<sup>1</sup>.

The Company selected an area of 500m by 200m for a first-pass ground electromagnetic survey using the Loupe. The location of the survey was based on the Western Mining Service review<sup>1</sup> as well as the latest 1:500,000 geological map released Geological Survey of Western Australia 1:500,000 this year. The Loupe survey identified a relatively weak, but near surface conductor (Image 3). The Company is encouraged by the result, as the rocks in the survey area are likely to be oxidised or partly oxidised, and any near surface sulphide response is expected to be muted.

Follow-up surface geochemistry, geophysics and drilling are planned for Morris in 2021.



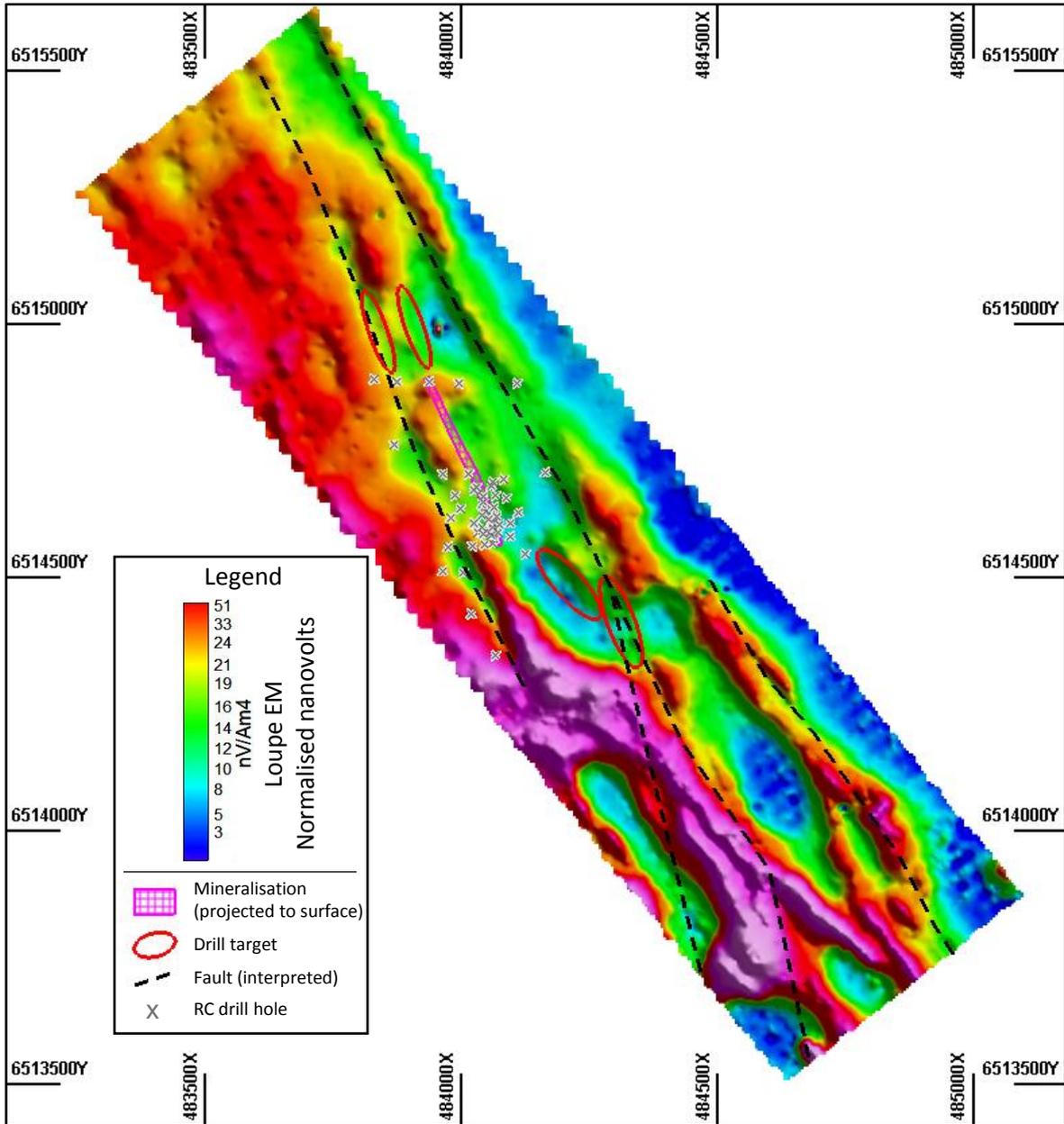


Image 2: Socrates Loupe electromagnetic survey showing existing RC drill holes, interpreted faults and targets for drilling in 2021.



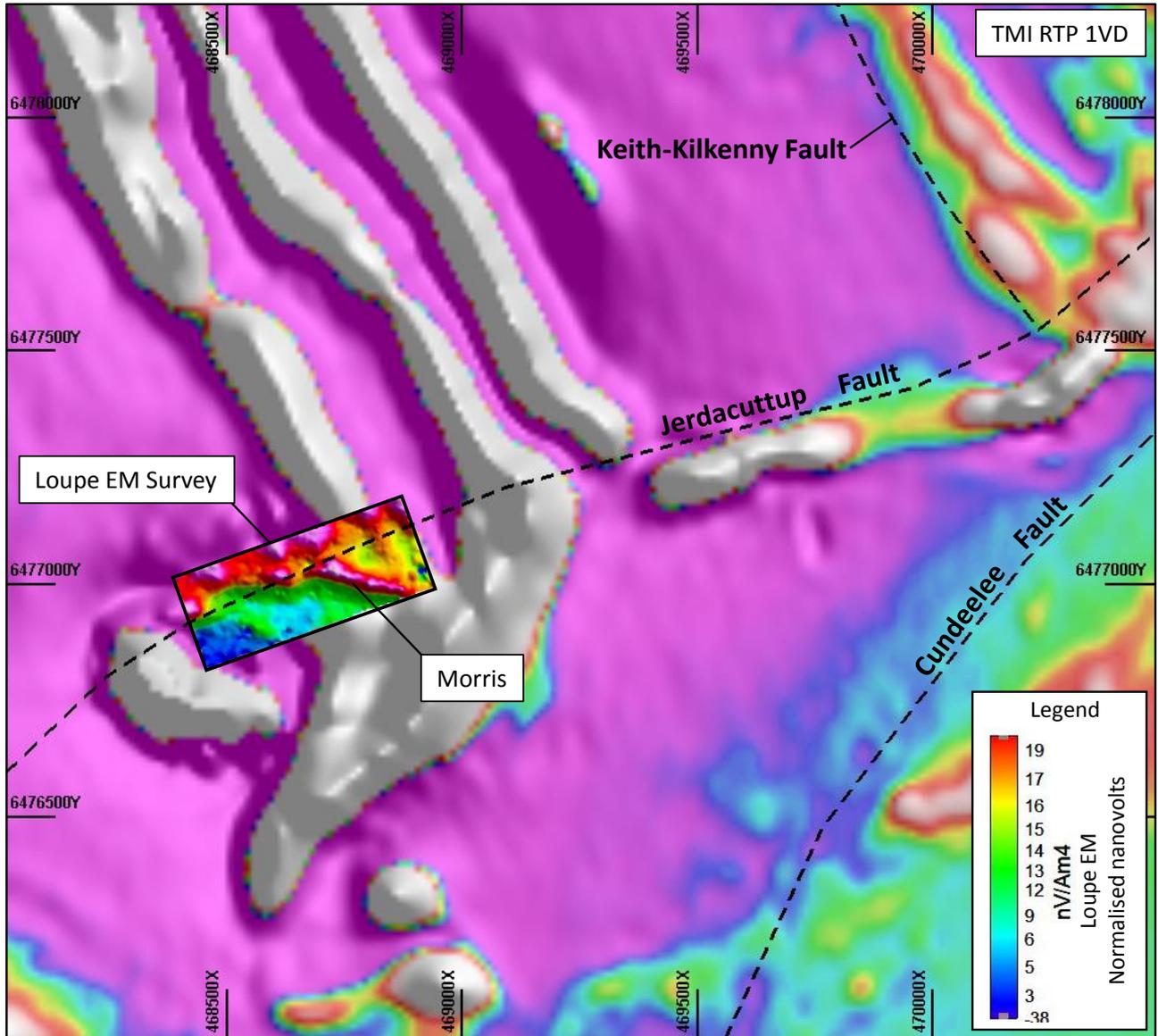


Image 3: Loupe electromagnetic survey showing the conductor identified at the Morris Prospect as well as the regional total magnetic intensity, reduced to pole, first vertical derivative.

A location plan for the Grindall, Socrates and Morris Projects within the overall Woodline Project is shown in Image 4.



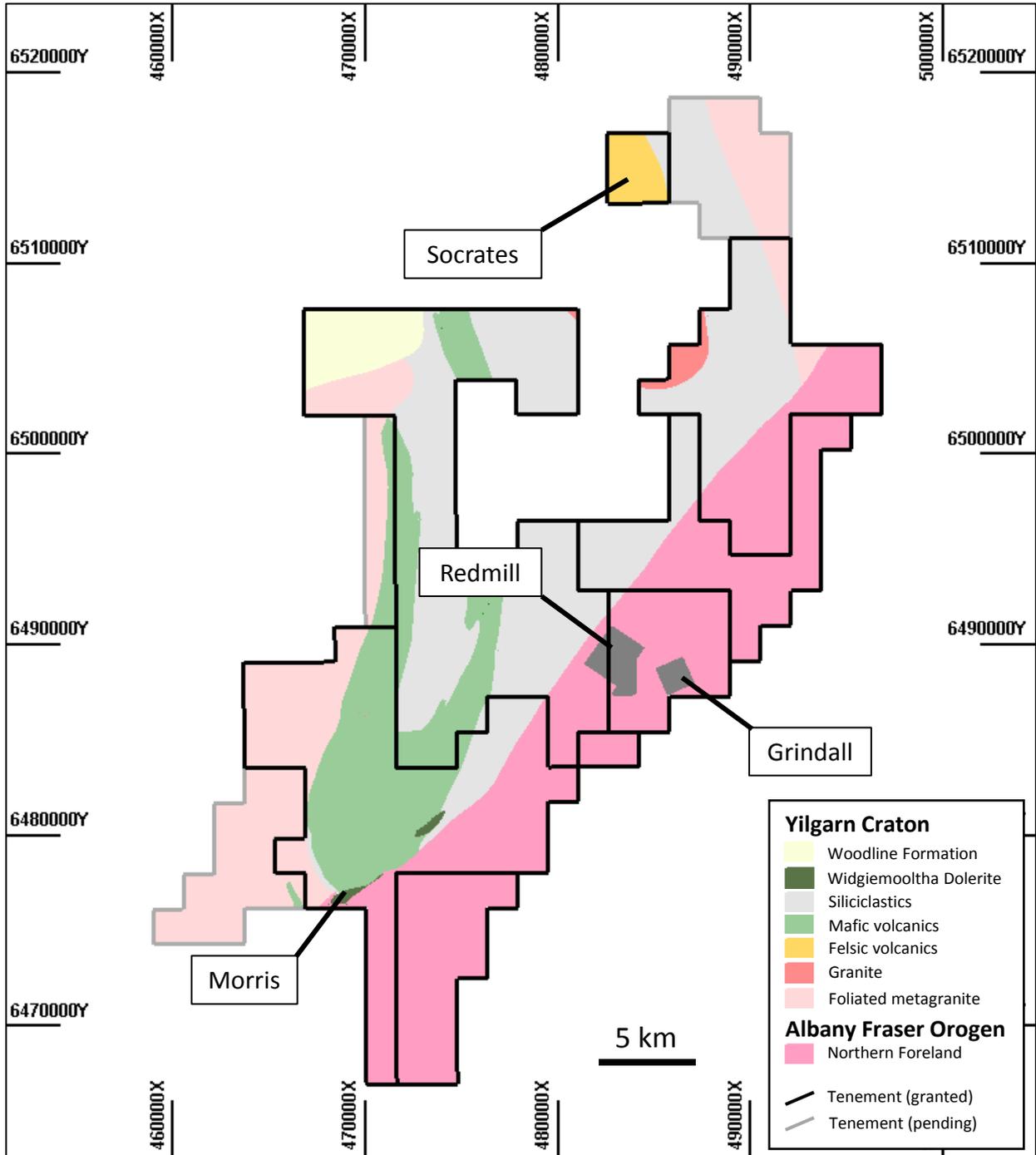


Image 4: Geology of the Woodline Area showing the locations of the Grindall, Socrates and Morris Projects.





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### **Future Exploration Programs:**

Nelson is planning extensive fieldwork programs in 2021, this includes:

- Completion of the interpretation of Loupe survey results for Grindall and Redmill
- Completion of the drilling program that is already underway at Grindall and Redmill followed by planning of an enlarged drilling program.
- Drilling down-plunge from the known mineralisation at Socrates as well as testing of new drill targets identified from the recently completed Loupe survey.
- Induced Polarisation and electromagnetic geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of additional drill targets.
- Follow-up surface geochemistry, geophysics and drilling at the Morris nickel prospect. This work will be done in conjunction with on-going exploration at the Company's Tempest gold and nickel project which is located 100 km east of Woodline.





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## ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a highly prospective 956km<sup>2</sup> tenure holding. The key focus for the Company is its 828 km<sup>2</sup> Woodline Project.

The Woodline Project lies on the boundary of the Albany Fraser Oregon and the Norseman - Wiluna Greenstone belt in Western Australia.

### The Woodline Project contains:

- 45km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting <sup>2</sup> as the 7.7 million ounce Tropicana Gold mine <sup>3</sup>.
- 30km of significantly unexplored greenstones along the Norseman-Wiluna greenstone belt.
- A significant and unique holding within the confluence of the Keith-Kilkenny Fault / the Claypan Shear Zone and the Cundeelee Shear Zone. These three Shears have hosted many of the largest gold projects in Western Australia.

Historical exploration of \$14 million by the Company, Sipa Resources, Newmont and MRG.

The 7.7 million ounce Tropicana Gold Mine which is operated by AngloGold Ashanti was discovered in 2005 by IGO Group Limited via a gold-in-soil anomaly that led to further exploration and is one of the most important gold discoveries in Australia for decades. Tropicana currently produces approximately 450,000 ounces per annum <sup>4</sup>. In today's gold price terms, that equates to over A\$1 billion dollars per annum.

Nelson Resources confirms that it is not aware of any new information or data that materially affects the exploration results included in this announcement.

### For further information please contact:

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### Previous ASX Announcements and report references

<sup>1</sup> WAMEX open file report a096135.

<sup>2</sup> <https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Korsch-presentations-0012.pdf>

<sup>2</sup> [https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari\\_2-presentations-0004.pdf](https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf)

<sup>3</sup> <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

<sup>4</sup> <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>





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## Competent Persons Statements

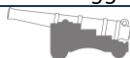
*The information in this report that relates to Exploration Results is based on information compiled by Mr James Farrell (MAusIMM(CP), MAIG), a geologist employed by Nelson Resources Limited. Mr Farrell is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and 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 Farrell consents to the inclusion in the report of the matters in the form and context in which it appears.*



## JORC 2012 Edition - Table 1

### Section 1 Sampling Techniques and Data

| Criteria                     | JORC Code Explanation  | Commentary   |
|------------------------------|--|--|
| <b>Sampling techniques</b>   | <ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representatively and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>No new sample results are included in this report.</li> </ul>   |
| <b>Drilling techniques</b>   | <ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>  | <ul style="list-style-type: none"> <li>No new drilling results are included in this report.</li> </ul> |
| <b>Drill sample recovery</b> | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>   | <ul style="list-style-type: none"> <li>No new drilling results are included in this report.</li> </ul> |
| <b>Logging</b>               | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>   | <ul style="list-style-type: none"> <li>No new drilling results are included in this report.</li> </ul> |



| Criteria  | JORC Code Explanation  | Commentary  |
|---|--|---|
| <b>Sub-sampling techniques and sample preparation</b> | <ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul> | <ul style="list-style-type: none"> <li>• No new sample results are included in this report.</li> </ul>  |
| <b>Quality of assay data and laboratory tests</b>     | <ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>   | <ul style="list-style-type: none"> <li>• The ground electromagnetic surveys were completed using the Time Domain Electromagnetic Loupe system supplied by EMIT.</li> <li>• The survey at Socrates covers an area of 2200m by 600m and the survey Morris was completed over an area of 500m by 200m. Both surveys used a line spacing of 40m.</li> <li>• Data QAQC was performed daily by a geophysicist with 25 years' experience.</li> </ul> |
| <b>Verification of sampling and assaying</b>          | <ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>  | <ul style="list-style-type: none"> <li>• No new sample results are included in this report.</li> </ul>  |
| <b>Location of data points</b>                        | <ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>  | <ul style="list-style-type: none"> <li>• The locations of the Loupe lines is surveyed with a Ublox GPS with an accuracy of less than 5m. The Ublox GPS accuracy is sufficient for the electromagnetic survey.</li> </ul>  |



| Criteria   | JORC Code Explanation  | Commentary  |
|--|--|---|
| <b>Data spacing and distribution</b>                           | <ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>                        | <ul style="list-style-type: none"> <li>• <i>No drilling results are included in this report.</i></li> </ul>   |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>No drilling results are included in this report.</i></li> </ul>   |
| <b>Sample security</b>   | <ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• <i>No new sample results are included in this report.</i></li> </ul>   |
| <b>Audits or reviews</b>                                       | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data reviews.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• <i>Data editing and processing was performed by Nelson Resources' Senior geophysicists. The process was guided by the manufacturer of the equipment. Data has been processed to preliminary field data level at this time as the survey is ongoing.</i></li> </ul> |



## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria                                       | JORC Code Explanation  | Commentary   |
|--|--|--|
| <b>Mineral tenement and land tenure status</b> | <ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul> | <ul style="list-style-type: none"> <li>The Woodline Project is located approximately 160km southeast of Kalgoorlie and 110km northeast of Norseman in the Eastern Goldfields Region of Western Australia.</li> <li>The project includes the following granted Exploration Licences: E28/2633, E28/2769, E28/2873, E28/2679, E28/2768, E 8/2874, E63/1971 and E28/2923.</li> <li>The tenements are held by 79 Exploration Pty Ltd, a wholly-owned subsidiary of Nelson Resources Ltd.</li> <li>All tenements lie within the Ngadju Native Title Claim</li> <li>All the tenements are in good standing with no known impediments.</li> </ul> |
| <b>Exploration done by other parties</b>       | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>  | <ul style="list-style-type: none"> <li>Systematic exploration of the area was carried out for Tropicana-style mineralisation by Newmont and Sipa Resources between 2006 and 2012. The work resulted in identification of a surficial gold anomaly that extends over a strike length of more than 30 km. Follow-up rotary air-blast drilling highlighted areas of bedrock gold, tellurium, bismuth, copper and molybdenum anomalism, with significant bedrock anomalism below the base of oxidation extending over strike lengths of 12 km and 5 km for the Redmill-Harvey and Grindall trends.</li> </ul>                                  |
| <b>Geology</b>                                 | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>  | <ul style="list-style-type: none"> <li>The geology of the Redmill, Grindall and Harvey prospects is dominated by northeast striking metagranitic and metamafic rocks of the Northern Foreland of the Albany Fraser Orogen. The prospects lie on sub-parallel curvilinear structures that dip moderately to the southeast and are interpreted to form in the hanging wall of the crustal-scale Cundeelee Fault, which is the boundary between the Yilgarn Craton and the Albany Fraser Orogen.</li> <li>Gold mineralisation is disseminated within the metagranite host and associated with thin quartz veins.</li> </ul>                   |



| Criteria  | JORC Code Explanation   | Commentary   |
|---|---|--|
| <b>Drill hole Information</b>   | <ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul> | <ul style="list-style-type: none"> <li>• No new drilling results are included in this report.</li> </ul>                           |
| <b>Data aggregation methods</b>   | <ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>   | <ul style="list-style-type: none"> <li>• No new drilling results are included in this report.</li> </ul>                           |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>   | <ul style="list-style-type: none"> <li>• No new drilling results are included in this report.</li> </ul>                           |
| <b>Diagrams</b>   | <ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a</li> </ul>   | <ul style="list-style-type: none"> <li>• Representative maps have been included in the report along with documentation.</li> </ul> |



| Criteria                                  | JORC Code Explanation   | Commentary  |
|---|---|---|
|   | <i>plan view of drill hole collar locations and appropriate sectional views.</i>  |   |
| <b>Balanced reporting</b>                 | <ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>   | <ul style="list-style-type: none"> <li>All of the drill results have previously been reported for the project.</li> </ul>   |
| <b>Other substantive exploration data</b> | <ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul> | <ul style="list-style-type: none"> <li>The Grindall, Redmill and Harvey project areas include 14,511 auger samples, 3961 RAB/Aircore holes, 84 RC holes and 5 diamond holes completed by Sipa, Newmont and MRG as well as a regional aeromagnetic survey and gravity survey.</li> <li>The work identified a gold geochemical anomaly with a strike length of 20km.</li> </ul>   |
| <b>Further work</b>                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>                                     | <ul style="list-style-type: none"> <li>Induced Polarisation and electromagnetic geophysical surveys to map the disseminated sulphides at West Socrates to assist with definition of drill targets.</li> <li>Completion of the drilling at Grindall and Redmill.</li> <li>Drilling down-plunge from the known mineralisation Socrates as well as testing of targets identified from the recently completed Loupe survey.</li> <li>Follow-up surface geochemistry, geophysics and drilling at the Morris nickel prospect. This work will be done in conjunction with on-going exploration at the Company's Tempest gold and nickel project which is located 100 km east of Woodline.</li> </ul> |

