

Rights Issue closes Oversubscribed

- Renounceable rights issue seeking to raise \$2 million closed oversubscribed
- Significant support from shareholders and new sophisticated and institutional investors
- Nelson now well funded to deliver its exploration strategy

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to advise that the Renounceable Rights Issue announced on 21 July 2021 (“Offer”) has closed oversubscribed and raised \$2 million (before costs). To accommodate a portion of the excess demand, the Company has agreed to undertake a placement to raise additional \$341,000 on the same terms as the rights issue (**Follow-on Placement**).

Following completion of the Follow-on Placement, the total amount raised will be \$2,294,497 (before costs). The Company will issue a total of 48,819,088 new fully paid ordinary shares (**Shares**) and 24,409,544 new options exercisable at \$0.08, with an expiry date of 17 August 2023 (**Options**). The Options will be quoted under the ASX code NESO.

Under the Follow-on Placement, the Company will issue 7,255,319 new Shares and 3,627,660 NESO options. These will be issued using the Company’s existing capacity under Listing Rule 7.1 and 7.1A and without shareholder approval.

The final allocations are set out below.

	Funds raised (\$)	Shares	NESO Options*
Rights taken up	867,132	18,449,627	9,224,814
Shortfall placed	1,086,365	23,114,142	11,557,071
Follow-on Placement	341,000	7,255,319	3,627,660
Total	2,294,497	48,819,088	24,409,544

*The number of new Shares and NESO Options issued is subject to rounding. A further 2,294,497 NESO options will be issued to the underwriter as described in the Prospectus.

Mahe Capital Pty Ltd advised Nelson on the Rights Issue and acted as Lead Manager and Underwriter to the capital raising. Nelson would like to thank all of its shareholders for their support and welcomes new shareholders, including institutional shareholders introduced by Mahe Capital to the register.

The new securities are expected to be issued on Tuesday, 17 August 2021 and to be trading on a normal basis from Wednesday, 18 August 2021.

CAPITAL STRUCTURE

ORDINARY SHARES

Issued 145,473,192

OPTIONS

Listed options 33,299,895

Unlisted options 15,189,458

BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst

LAST CAPITAL RAISE

August 2021 – Rights Issue +
Placement

\$2.3 million @ 4.7 cents per share

This ASX Announcement has been approved for release by Adam Schofield, Executive Director.

For more information, please contact:

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ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a significant and highly prospective 1682km² tenure holding (Granted and Pending). The key focus for the Company is its 1226km² Woodline Project (Granted and Pending).

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:

- 65km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting ² as the 7.7 million ounce Tropicana Gold mine ³.
- 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 \$16 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 ⁴. 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

¹ ASX Announcement by Sipa Resources Limited dated 18 February 2010: 'Encouraging Drilling Results at Woodline'

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

² https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf

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

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

