



**Nelson
Resources**
L I M I T E D

QUARTERLY ACTIVITIES REPORT

Quarter ended 30 September 2018

ASX RELEASE 30 October 2018

Nelson Resources Limited

ABN 83 127 620 482

ASX Code: NES

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Adam Schofield*

*Non-Executive Chairman
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HIGHLIGHTS

- **Completion of 3,248m, 18 hole reverse circulation (RC) drilling program at Socrates;**
- **Acquisition of the Grindall project and application for 2 additional exploration licences taking the Company's landholding in this highly prospective area from 13 km² to approximately 150 km² when granted;**
- **Review of all historic data at the Yarrie Project reveals exciting drill targets. An initial RC drill program of up to 8,000 metre will test the width and strike extent of the known mineralisation;**
- **Divestment of the small Happy Jack Project with a retained 1% Net Smelter Royalty.**



The following outlines the activity of Nelson Resources Ltd for the quarter ending 30 September 2018.

ACQUISITIONS

Nelson Resources has acquired the Grindall Project during the quarter and applied for 2 additional Prospecting Licenses.

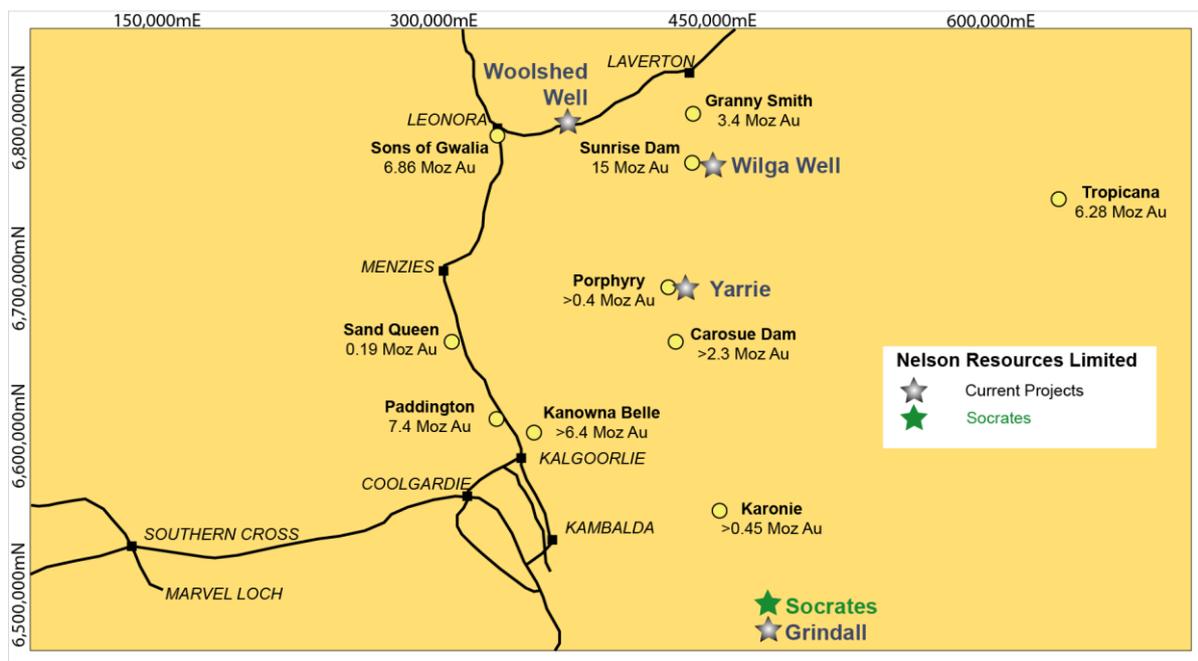


Figure 1 – Project Locations

Existing Projects Summary:

Socrates

The Socrates Gold Project lies 155km southeast of Kalgoorlie and 110km northeast of Norseman. The project lies over the reworked Archaean margin adjacent to the Albany-Fraser Province.

Yarrie

Yarrie lies 30km's north of Saracen Mineral's Carosue Dam Operations and 9km's west of their Red October haul road. Yarrie includes the Wallaby, Gibberts and Great Banjo prospects.

Grindall

The Grindall Gold Project lies 175km southeast of Kalgoorlie and 90km northeast of Norseman. The project lies over the reworked Archaean margin adjacent to the Albany-Fraser Province.





Wilga Well

Wilga Well lies 9 km's east of AngloGold Ashanti's Sunrise Dam project.

Woodshed Well

Woolshed Well lies 20 km's east of Leonora.



Project Activity:

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

Socrates Project

On 17 September 2018 Nelson announced the results of a 3,248m, 18 hole reverse circulation (RC) drilling program at Socrates. The drilling indicated a major increase in the extents of the mineralised system at Socrates.

Multiple significant drilling intercepts from this second RC drilling campaign completed at Socrates Gold Project indicate the gold mineralised system is much larger than previously determined with the strike length increased from 120m to 370m:

Drilling completed during the quarter returned the following best intercepts:

- SDRC026: 9m at 2.14g/t Au from 111m
including 2m at 4.86g/t Au from 118m
- SDRC026: 8m at 3.53g/t Au from 194m
including 2m at 7.42g/t Au from 194m
- SDRC036: 7m at 2.16g/t Au from 131m
- SDRC041: 7m at 3.01g/t Au from 260m
excitingly 250m NW of previous drilling

The most recent drilling at Socrates extended the area of known mineralisation by 250 metres in a North Westerly direction from the discovery zone, established the orientation and broad extents of the host and tested for mineralisation on the lower or Western contact. Drillhole locations shown in (Figure 2) below.



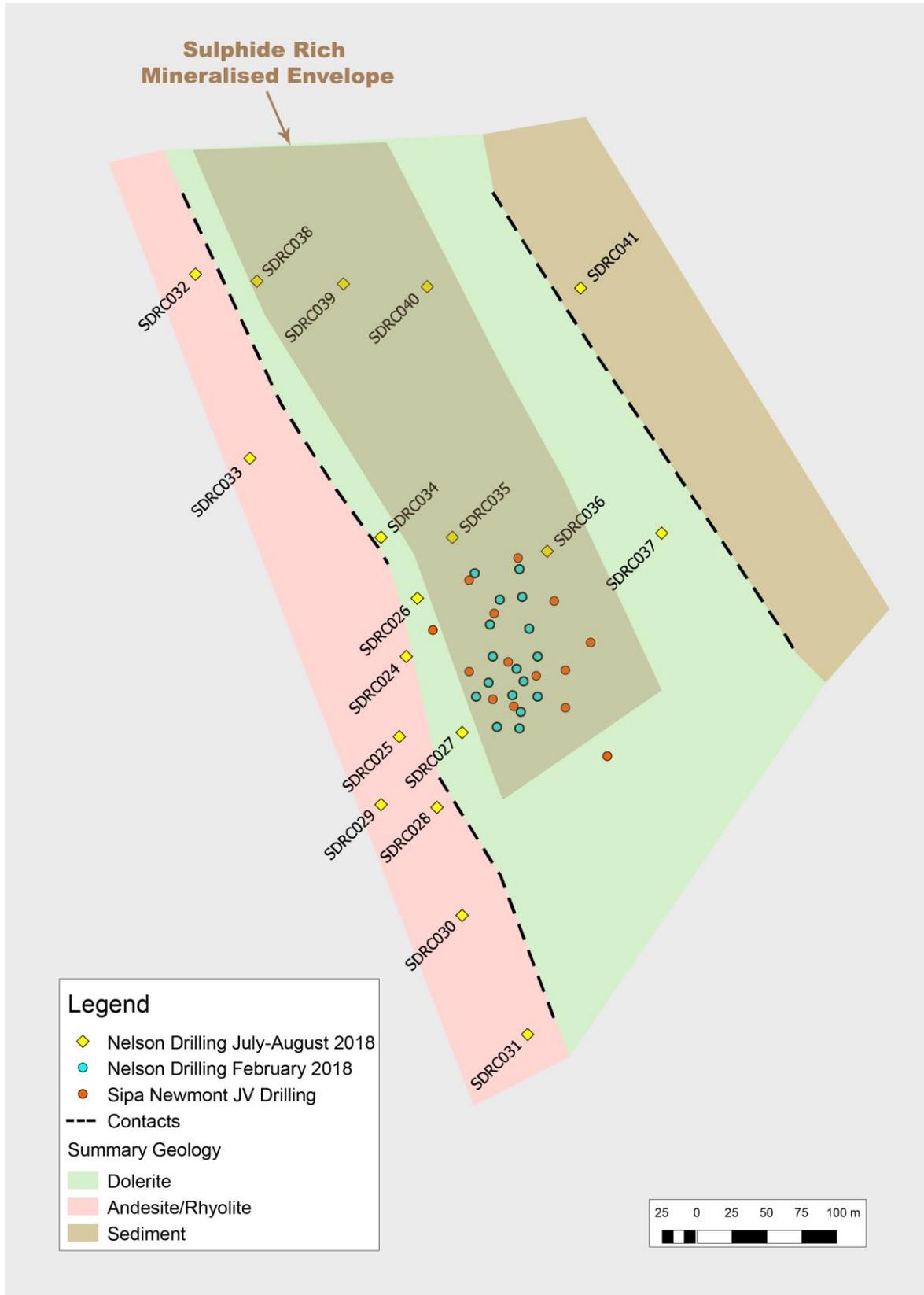


Figure 2 – Socrates Drilling Locations



The drilling confirmed that the mineralisation consists of a series of multiple stacked lodes hosted by a granophyric quartz dolerite. The host unit dips at approximately 70 degrees to the North East (Figure 3) with mineralised veins within this host unit interpreted to dip to the South West (Figure 4).

Mineralised zones are typified by sulphide-rich veining within a silica-pyrite altered dolerite host. The core mineralisation is surrounded by a larger low-grade envelope of disseminated sulphide and weaker alteration. This is best illustrated by hole SDRC026 where a 192 metre downhole halo grading 0.5g/t contains multiple zones of plus 1 g/t gold mineralisation (Figure 3).

An Inverse Polarisation (IP) survey completed by previous explorers appears to have successfully mapped the alteration halo within the quartz dolerite. A second and larger IP anomaly to the east remains untested. This second anomaly is coincident with a plus 50ppb gold in calcrete anomaly.

To date the drilling has been confined to a relatively small area. Future work based on the new knowledge and interpretations from the latest drilling program and data coincidence will drilling test for additional extension to the mineralisation both along strike and at depth. The second IP anomaly will also be tested.

A future work program including 3 – 4,000 metres of reverse circulation drilling will test for multiple stacked zones at Socrates. Prior to drilling, a number of additional geophysics techniques to better guide this planned drilling program will be completed.



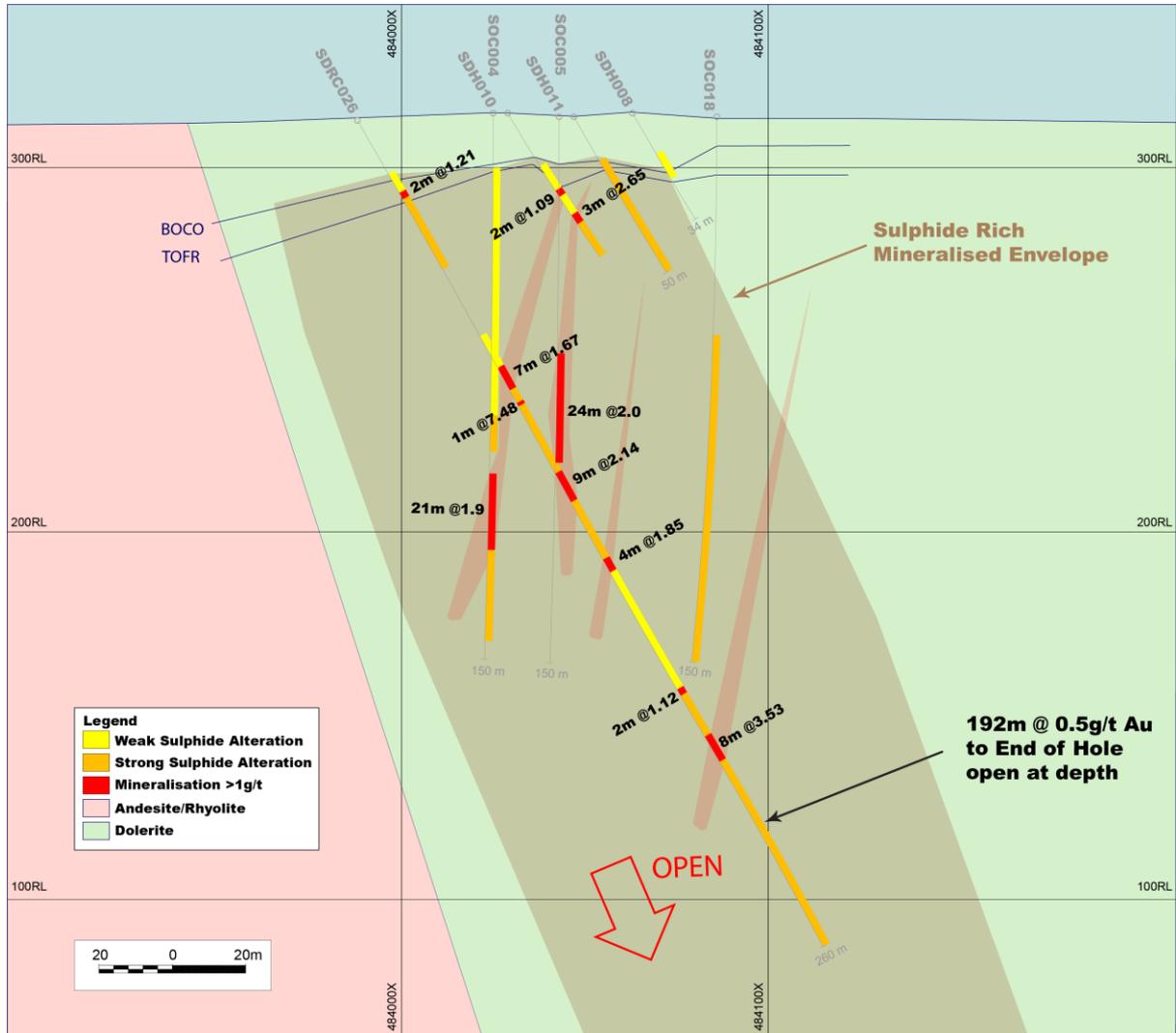


Figure 3 – Socrates Drill Section





Figure 4 – Socrates Oblique Section

Grindall Prospect

Early in the Quarter Nelson announced the acquisition of a new tenement E28/2679 (Grindall). The Grindall Prospect is located 20 kilometres South of the Company's Socrates Prospect and covers the previously discovered mineralisation known as the Heraclitus prospect.

The Company has also applied for 2 additional exploration licences E28-2768 and E28-2769, which are adjacent to the Grindall tenement significantly expanding the Company's footprint in the region to approximately 150 sq. km when granted.

Previous explorers had invested approximately \$2.6 million on exploration within the prospect. During the quarter the Company purchased an extensive data set covering the area compiled by the previous explorers.

Previous exploration results from the Grindall Prospects include the following best intercepts:

- HRC001 – 1m at 9.1g/t Au from 93m
- WDR108 – 1m at 1.51g/t Au from 32m



- WDR109 – 1m at 1.62g/t Au from 20m
- HRC002 – 4m at 1.1g/t Au from 28m
- HRC004 – 1m at 1.1g/t Au from 41m

Yarrie Prospect

During the quarter a review of the Yarrie Prospects was completed including the activities of tribute miners and historic drilling of the known ore system. The exploration potential of the prospect has been enhanced by this review. The Wallaby lodes within the prospect were historically 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.

Further, between 1903 and 1905 the Great Banjo lodes within the prospect were mined producing 84.2 ounces of gold from 129 tonnes of ore at an average grade of 20.3g/t. The Gibberts lodes within the prospect also produced 37.5 ounces from 64.5 tonnes at an average grade of 18.1g/t. No production is documented since this time.

The lodes are virtually untested below 30 metres depth and to date no holes have tested the multiple veins known to occur in the 40 metre width of the mineralised corridor.

A 6,000 - 8,000 metre RC drilling program has been designed to test the targets and the extent of the mineralization.

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 resources estimates from available literature).

Happy Jack

The company has deemed this project to be too small to justify any additional work and as such has divested this project whilst retaining a 1% net smelter royalty on any future gold production.

Wilga Well

The company has not conducted any work on this project in the quarter.

Woodshed Well

The company has not conducted any work on this project in the quarter.



Capital

The Company's cash balance as at 30 September 2018 was A\$2,627,476.

Capital Structure

Fully Paid Ordinary Shares	45,592,846
Listed Options	12,500,000 exercisable at \$0.20 on or before 30 September 2019
Unlisted Options	3,000,000 exercisable at \$0.20 on or before 30 September 2019





ABOUT NELSON RESOURCES

Nelson Resources is a minerals exploration company based in Perth, Western Australia. The Company holds a number of gold tenements in the Eastern Goldfields. The Company's objectives are to identify, delineate and develop viable gold resources. The Company is actively looking to increase its gold asset base.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Donald Thomson who is a member of The Australasian Institute of Geoscientists. Mr Thomson is a full-time employee of Nelson Resources Limited. Mr Thomson has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Thomson consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

For further information please contact:

Adam Schofield
Executive Director & CEO



Appendix 1 – Tenement Information as Required by Listing Rule 5.3.3.

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Australia	WA	Socrates	E28/2633	100	100
Australia	WA	Wilga	P39/5586	100	100
Australia	WA	Yarrie (Wallaby)	P31/2085	100	100
Australia	WA	Yarrie (Gibberts)	P31/2086	100	100
Australia	WA	Yarrie (Great Banjo)	P31/2087	100	100
Australia	WA	Woolshed Well	P37/8597	100	100
Australia	WA	Woolshed Well	P37/8598	100	100
Australia	WA	Woolshed Well	P37/8599	100	100
Australia	WA	Woolshed Well	P37/8600	100	100

