

## RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$2 MILLION

- One for one Renounceable Rights Issue to raise up to \$2 million
- Attractively priced at 3.8 cents per share
- Discount of 17% to the 30 day VWAP of 4.6 cents
- With every two New Shares, shareholders will receive one free attaching New Option
- New Options will have Exercise Price of 8 cents, term of 2 years and will be listed
- Shareholders can trade their rights and apply for additional shares and options
- Rights to start trading from 11 June 2020 (deferred settlement basis)
- Directors intend to participate for their full entitlement
- Directors sub-underwriting for additional \$150,000 from the shortfall
- Funds to be used to undertake exploration on the Company's Woodline gold project

**Nelson Resources Limited (ASX: NES) (Nelson or the Company)** is pleased to announce a Renounceable Rights Issue to raise up to \$2.0 million to fund exploration on its Woodline project.

Under the offer, shareholders will be offered one New Share for every one Existing Share held on 12 June 2020 ("Record Date"), with one attaching listed Option, exercisable at \$0.08 and expiring 24 months from issue, for every two New Share subscribed. The offer price represents a 17% discount to the 30 day VWAP of \$0.046. The Directors believe the issue is attractively priced, and intend to participate for their full entitlement and agreed to sub-underwrite for additional \$150,000 from the shortfall.

Assuming full subscription under the Rights Issue, Nelson will be well-funded with approximately \$2 million available to:

- undertake exploration on the Company's Woodline gold project located at the boundary of the Albany Fraser Oregon and Yilgarn Craton; and
- contribute towards working capital requirements and costs of the offer.

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 1 July 2020 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement. Shareholders can also trade their rights (on a deferred settlement basis) from 11 June 2020. The issue is partially underwritten by Mahe Capital to \$600,000, which acts as the Underwriter and Lead Manager to the Rights Issue.

### CAPITAL STRUCTURE

#### ORDINARY SHARES

Issued 52,821,762

#### OPTIONS

Unlisted options 7,614,458

### BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst

### LAST CAPITAL RAISE

February 2020 – Placement

\$300K @ 4.15c

All New Shares issued will rank equally with existing shares on issue, and the Company will apply for quotation of the New Shares and Options. A prospectus in relation to the Rights Issue was lodged with ASIC on 9 June 2020 and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Rights Issue, and will need to follow the instructions on the entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Ex entitlement date	11 June 2020
Rights trading commences on a deferred settlement basis	
Record Date for determining entitlements (5:00pm AEST)	12 June 2020
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	17 June 2020
Rights trading ends	24 June 2020
Closing date of entitlement issue (5:00pm AEST)	1 July 2020
ASX notified of under subscriptions	6 July 2020
Issue date	8 July 2020

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

The Company has also, subject to shareholder approval, agreed to issue the Underwriter or its nominees one Option for every \$1 raised under the Rights Issue, or in the event approval is not obtained, a cash amount equal to the value of the Options.

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 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>1</sup> as the 7.7 million ounce Tropicana Gold mine <sup>2</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>3</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.

<sup>1</sup> <https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Korsch-presentations-0012.pdf>

<sup>1</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>2</sup> <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

<sup>3</sup> <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>

