

Nelson Resources Limited

ACN 127 620 482

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 9 June 2020 (**Prospectus**) issued by Nelson Resources Limited (**Company**).

This Supplementary Prospectus is dated 7 July 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. Neither ASIC nor ASX (and their respective officers) take any responsibility as to the contents of this Supplementary Prospectus.

To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

The Offer closed on 1 July 2020 with Applications exceeding New Shares offered. The Company has today issued 52,821,762 New Shares and 26,410,881 New Options under the Prospectus. Attached to this Supplementary Prospectus is the Company's announcement to ASX made today.

Whilst the Company and Mahe Capital consider alternatives in dealing with the excess Applications, the Company offers 2 New Shares, with 1 New Option for every 2 New Shares issued, at an issue price of \$0.038 and otherwise on the same terms as the Offer (**Supplementary Offer**).

The Supplementary Offer is only available to persons nominated by the Directors.

The Directors do not consider the circumstances disclosed in this Supplementary Prospectus to be materially adverse from the point of view of an investor, and no withdrawal rights will be offered to investors.

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 7 July 2020

A handwritten signature in blue ink, appearing to be 'AS', located below the date.

Adam Schofield
Executive Director
On behalf of Nelson Resources Limited

SUCCESSFUL COMPLETION OF RIGHTS ISSUE

- Entitlement securities issued
- Trading to commence on a normal basis on 8 July 2020
- Nelson now well funded to undertake its exploration strategy

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to advise that it has completed the issue of all entitlement securities offered under the Renounceable Rights Issue announced on 9 June 2020 (“Offer”). A total of 52,821,762 shares and 26,410,881 new options, exercisable at 8 cents and expiring on 8 July 2022 (“Options”) have been issued. The Options will be listed under the ASX code NESOA.

The Company is considering alternatives to accommodate the excess demand under the Rights Issue, and as a result has today lodged a supplementary prospectus leaving the Rights Issue prospectus open.

Mahe Capital Pty Ltd advised Nelson on the Rights Issue and acted as Lead Manager to the capital raising. Nelson welcomes these new shareholders, including institutional shareholders introduced by Mahe Capital to the register.

As a result of the Rights Issue and in accordance with the Listing Rules, the exercise price of the NESAE unlisted options on issue (with an expiry date of 20 November 2020) are reduced from \$0.20 to \$0.19030.

An Appendix 2A and supplementary prospectus accompany this announcement.

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

CAPITAL STRUCTURE

ORDINARY SHARES

Issued 105,643,524

OPTIONS

Listed options 26,410,881

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

July 2020 – SPP

\$2.007m @ 3.8c

For more information, please contact:

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ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a highly prospective 956km² tenure holding. The key focus for the company is its 828 km² 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 ¹ as the 7.7 million ounce Tropicana Gold mine ².
- 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 ³. 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.

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

¹ https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf

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

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

