



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

## QUARTERLY ACTIVITIES REPORT

*Quarter ended 30 June 2019*

*ASX RELEASE 30 July 2019*

Nelson Resources ("Nelson" or "the Company") is pleased to provide shareholders its Activities Report for the quarter ended 30 June 2019.

### HIGHLIGHTS

#### Woodline Project

The Company has finalised its consolidation of 644 km<sup>2</sup> of tenure located on the southern end of the interpreted Tropicana Belt 20 km north-east of the Albany-Fraser Province (see Figure 2). The tenure includes a 20 km long Gold Geochemical anomaly within 3 large project areas being Grindall / Redmill and Harvey. These 3 projects have had approximately \$12M of direct historical exploration expenditure spent on them by Sipa, Newmont and MRG Metals Limited (including at the Socrates Project). The company believes this 20km Gold Geochemical anomaly contains significant potential to host a Tropicana scale gold deposit. This consolidation over the last few years was finalised with applications made for tenements E63/1971 and E28/2923. These tenements hosted a project previously called Ommaney when held by Sipa / Newmont.

#### Socrates Project

The Company completed its assessment of a successful downhole survey undertaken by Wireline Services which has significantly improved the companies understanding of the structural controls at Socrates which will aid in planning for a new drilling program in the next quarter. The company has several walk-up drill targets not previously tested.

#### Wilga Well Project

The Company completed a successful Auger Drilling program aimed at understanding the surface geochemistry of the Wilga Well project. This data will be evaluated to design a potential follow up Aircore and possible RC drill program to test the anomalous results at depth.

**Nelson Resources Limited**

ABN 83 127 620 482

ASX Code: NES

#### Board and Management

*Executive Director  
Adam Schofield*

*Non-Executive Chairman  
Warren Hallam*

*Non-Executive Director  
Stephen Brockhurst*

*Company Secretary  
Stephen Brockhurst*

Registered Office  
*Level 11, London House  
216 St Georges Terrace  
Perth WA 6000*

Postal Address  
*GPO Box 2517 Perth WA 6831*

*Telephone: +61 8 9481 0389  
Facsimile: +61 8 9463 6103*

Email  
*info@nelsonresources.com.au*

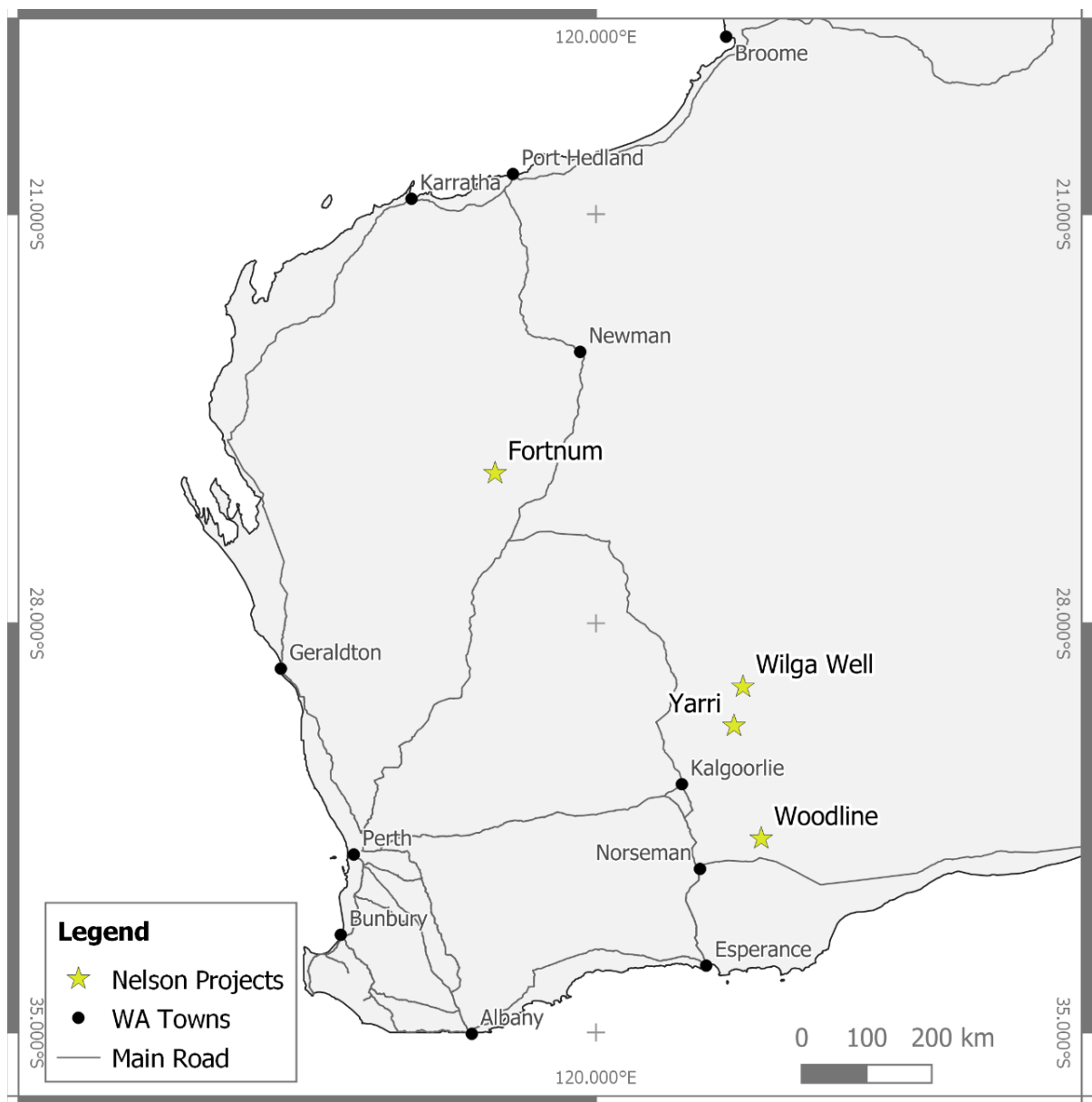
Website  
*www.nelsonresources.com.au*



The following outlines the activities of Nelson Resources Ltd for the quarter ending 30 June 2019.

### Existing Projects Summary:

Figure 1 – Project Locations



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## **Woodline (Socrates, Grindall, Redmill & Harvey)**

The Woodline Projects lie 90km North East of Kalgoorlie and halfway between the Trans Australia Rail line and the Eyre Highway. The Woodline Project are made up of the Socrates, Grindall, Redmill and Harvey Projects which make up 656km<sup>2</sup> of Tenure.

The Projects lie over the reworked Archaean margin adjacent to the Albany-Fraser Province. Work carried out by Nelson at Socrates has returned some high calibre gold intersections, suggestive of a large gold system and it is believed that Grindall, Redmill & Harvey each have the potential to host a Tropicana scale gold deposit.

## **Wilga Well**

Wilga Well lies 9 km's East of AngloGold Ashanti's Sunrise Dam project (> 10 million ounces Au). The projects close proximity to Sunrise Dam and some significant historical drilling results indicate the project justifies both new geophysics work and drilling.

The tenement has at least 3 geochemically anomalous areas, one that corresponds to historical workings, while the other two have received little consideration. Drilling beneath the old workings is shallow, and the potential at depth remains largely untested.

## **Yarri**

The Yarri Project lies 160km North East of Kalgoorlie on Edjudina Station and is 30km North of Saracens Carosue Dam Mine and 7.5km East of the Porphyry Mine. Nelson's Yarri project consists of three prospects to the North and East of the historic Yarri State Battery site. The Company's main focus is on the Wallaby line of workings immediately to the East of Yarri, where recent drilling by the Company has returned a number of high grade encouraging drill intersections.

The Wallaby lodes were 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.

The Great Banjo lodes were mined between 1903 and 1905 producing 84.2 ounces of gold from 129 tonnes of ore at an average grade of 20.3g/t.

The Gibberts lodes were also mined between 1903 and 1905 and produced 37.5 ounces from 64.5 tonnes at an average grade of 18.1g/t. No production is documented since this time.

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 resource estimates obtained from available literature).

## **Fortnum (Tenure Pending)**

The Fortnum project comprises 3 tenements totalling 142km<sup>2</sup> being: Bullen North & Bullen South that are located within the Peak Hill Mineral Field, 140km North-West of Meekatharra and the Bullen West prospect which is located approximately 14km Southwest of the Fortnum Mining centre, in the locality of Billara Bore.

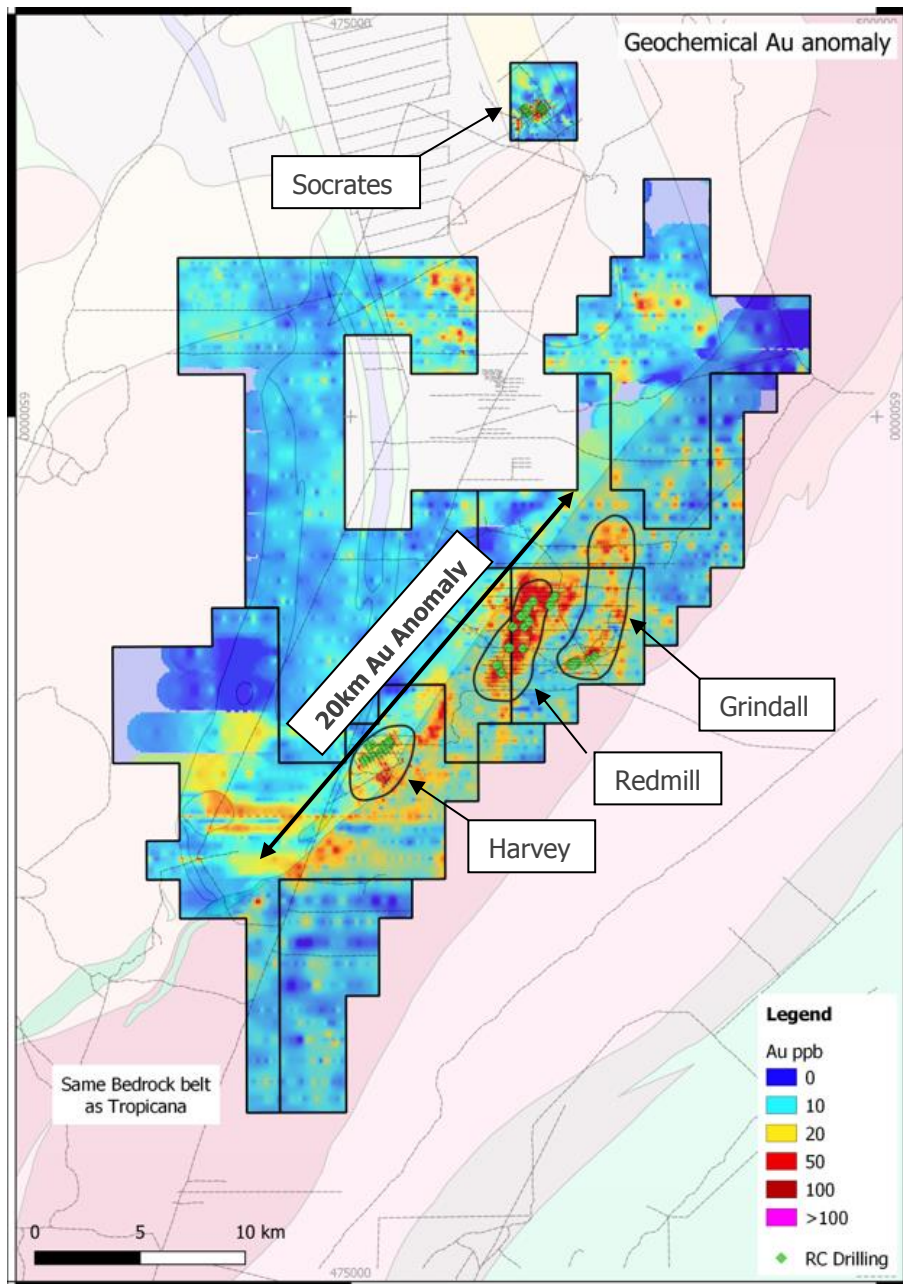


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## Project Activity:

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

**Figure 2. 20Km Geochemical Gold Anomaly showing Socrates, Redmill, Grindall & Harvey**



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## Socrates

During the Quarter the Company completed its assessment of the successful downhole survey undertaken by Wireline Services which has significantly improved the companies understanding of the structural controls at Socrates which will aid in planning a new drilling program in the following quarter. The company has several walk-up drill targets not tested by its previous drilling programs.

## Grindall

During the Quarter the Company continued its desktop review of the extensive data set it has for this tenement and based on the data the company has planned a number of AC / RC Drill holes to infill drilling done by SIPA / Newmont. It is anticipated that the planned drilling will increase the potential of a significant gold discovery.

## Redmill (Tenure Pending)

During the Quarter the Company continued the desktop review of the extensive data set it has for this tenement and based on the data the company has planned a number of AC / RC Drill holes to infill drilling done by SIPA / Newmont. It is anticipated that the planned drilling will increase the potential of a significant gold discovery.

## Harvey (Tenure Pending)

During the Quarter the Company applied for two new tenements E63/1971 and E28/2923 which further consolidates a large portion of the Woodline Project that Sipa / Newmont operated as a JV. The company also commenced a desktop review of the extensive data set it has for this tenement. This project was previously called Ommaney when it was held by Sipa / Newmont.

## Wilga Well

The company conducted a 175 samples auger program on this project during the quarter.

The Wilga well project is located 9km east of AngloGold Ashanti's Sunrise Dam Gold Mine.

Historical production at the Wilga Well Project included:

- 296t @ 43.14g/t Au between 1899 and 1901\*
- 651t @ 11.31g/t Au between 1984 and 1994\*

Best historical intercepts included:

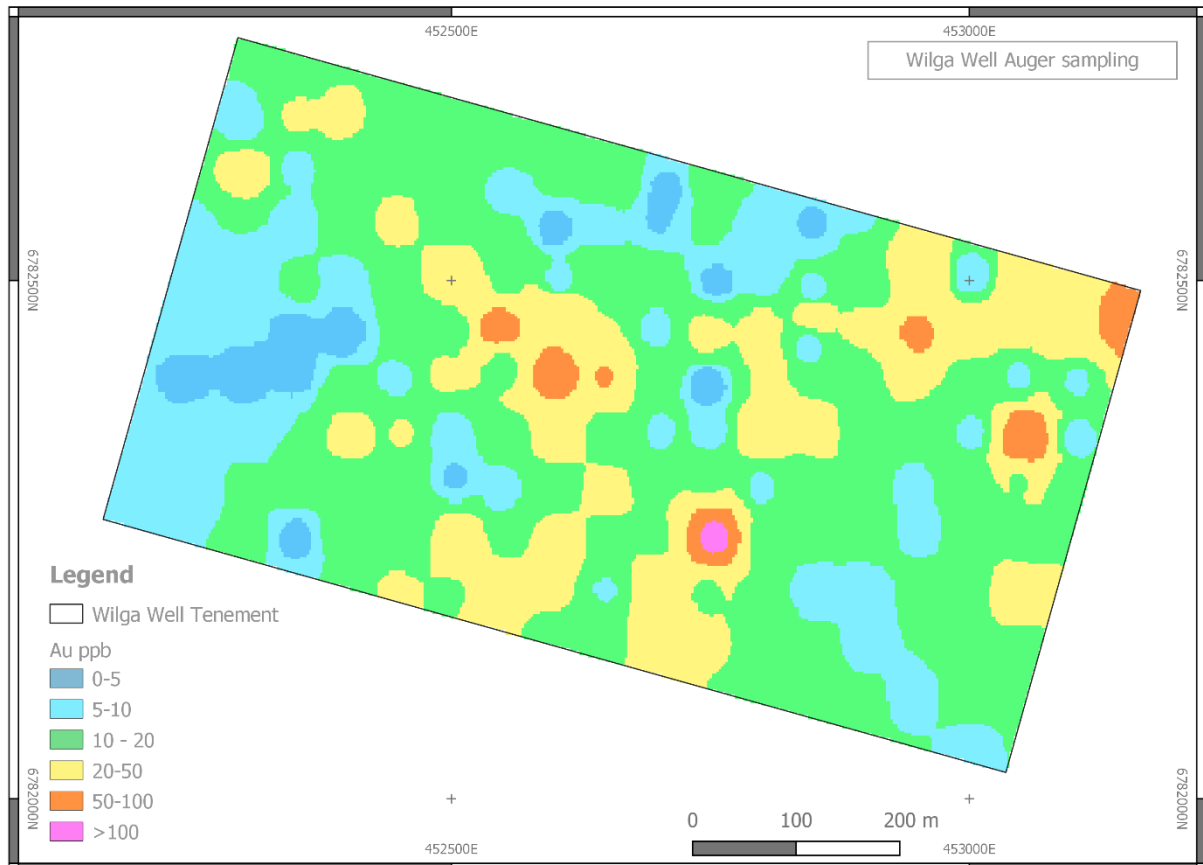
- RAB 002 from 13m for 9m @ 18.26 g/t Au\*
- RAB010 from 28m for 1m @ 17.6 g/t Au\*
- WPC019 from 16m for 1m @ 10.70 g/t Au\*

Costean sampling has reported up to 103g/t Au and rock chip sampling has returned up to 13.5g/t Au.\*



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The Company completed a 175 samples auger program on a nominal 40x40m grid to test the mineralized shear zone over the tenement with the aim of generating future Aircore and RC drill targets. Samples were sent to SGS for low level gold analysis via aqua regia digest followed by ICP MS. Results have now been returned and integrated into the database.



**Figure 3 Inverse distance weighted auger sampling map highlighting geochemical anomalies**

The results as outlined in Figure 3 above are encouraging enough to suggest a follow up AC drilling program to verify historical data and possibly extend the known high-grade zone. Drilling is proposed to be focused mainly on the NW striking lineament incorporating the aforementioned high grade intercept of 13m for 9m @ 18.26 g/t Au.

Any additional drilling programs will be decided upon after additional field work is conducted in the next quarter.

\*historical results refer to: WAMEX report: A78306



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## Yarri Project

During the June Quarter no work was done on the Wallaby, Great Banjo and Gibberts prospects.

## Fortnum Project (Tenure Pending)

During the June Quarter no work was done on the Bullen West, Bullen North & Bullen South Prospects.

## Happy Jack

The company has a retained 1% net smelter royalty on any future gold production on this tenement.

## ABOUT NELSON RESOURCES

Nelson Resources Limited is an ASX-listed gold exploration company with a portfolio of wholly owned gold projects located in Western Australia. Nelson's projects are located within the Eastern Goldfields Superterrane of the Yilgarn Craton, which contains substantial greenstone belts, considered highly prospective for gold mineralisation. This area is one of the most gold-endowed regions in the world and all tenements sit nearby to some of WA's largest gold mines; Paddington (7.4m oz), Kanowna Belle (6.4m oz), Sunrise Dam (15m oz) and Sons of Gwalia (6.8m oz).

The Company's flagship project is the Woodline project which lies over the reworked Archaean margin adjacent to the Albany-Fraser Province. It is made up of 656Km<sup>2</sup> of tenure with four individual projects being Socrates, Grindall, Redmill and Harvey with the later three each having the potential to host a Tropicana scale gold deposit.

The Company has also recently applied for tenure in the Fortnum area.

## Competent Person Statement

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Mr. Simon Coxhell who is a consultant to Nelson Resources Limited.

Mr. Coxhell is a member of the Australasian Institute of Mining and Metallurgy.

Mr. Coxhell has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Coxhell consents to the inclusion in this report of the matters based on information in the form and context in which it appears.



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**For further information please contact:**

Adam Schofield

Executive Director & CEO

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**Appendix 1. Auger Hole Details and samples >20 ppb Au**

| Sample ID | Easting | Northing | Au ppb |
|-----------|---------|----------|--------|
| WW 011    | 452702  | 6782151  | 28     |
| WW 012    | 452754  | 6782149  | 21     |
| WW 019    | 452449  | 6782203  | 22     |
| WW 021    | 452549  | 6782203  | 35     |
| WW 022    | 452598  | 6782200  | 23     |
| WW 024    | 452702  | 6782204  | 32     |
| WW 031    | 453046  | 6782200  | 36     |
| WW 037    | 452507  | 6782248  | 33     |
| WW 039    | 452603  | 6782244  | 29     |
| WW 042    | 452753  | 6782252  | 115    |
| WW 058    | 452649  | 6782294  | 25     |
| WW 072    | 452401  | 6782351  | 29     |
| WW 073    | 452453  | 6782353  | 21     |
| WW 076    | 452601  | 6782351  | 27     |
| WW 080    | 452800  | 6782356  | 36     |
| WW 081    | 452857  | 6782351  | 27     |
| WW 085    | 453053  | 6782346  | 98     |
| WW 092    | 452495  | 6782412  | 23     |
| WW 094    | 452599  | 6782409  | 71     |
| WW 095    | 452649  | 6782407  | 51     |
| WW 098    | 452806  | 6782422  | 23     |
| WW 101    | 452939  | 6782410  | 24     |
| WW 111    | 452547  | 6782455  | 71     |
| WW 112    | 452598  | 6782475  | 43     |
| WW 115    | 452746  | 6782450  | 25     |
| WW 116    | 452800  | 6782454  | 25     |
| WW 117    | 452850  | 6782469  | 33     |
| WW 118    | 452900  | 6782458  | 23     |
| WW 119    | 452949  | 6782447  | 61     |
| WW 120    | 452999  | 6782455  | 28     |
| WW 121    | 453049  | 6782447  | 21     |
| WW 122    | 453098  | 6782459  | 33     |
| WW 123    | 453148  | 6782459  | 65     |
| WW 129    | 452503  | 6782502  | 30     |
| WW 138    | 452954  | 6782504  | 42     |
| WW 140    | 453053  | 6782492  | 44     |
| WW 146    | 452446  | 6782556  | 23     |
| WW 157    | 452301  | 6782605  | 32     |
| WW 168    | 452353  | 6782659  | 22     |
| WW 169    | 452395  | 6782657  | 24     |

**Note:** All collars located using GPS and are reported in MGA94- Zone 51. Reported are Samples with Au, utilising a 20 ppb Au cut off grade.

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**Appendix 2 – Tenement Information as Required by Listing Rule 5.3.3.**

| Country   | Location | Project             | Tenement | Change in Holding (%) | Current Interest (%) |
|-----------|----------|---------------------|----------|-----------------------|----------------------|
| Australia | WA       | Socrates            | E28/2633 | 0                     | 100                  |
| Australia | WA       | Grindall            | E28/2679 | 0                     | 100                  |
| Australia | WA       | Grindall            | E28/2768 | 0                     | Pending              |
| Australia | WA       | Grindall            | E28/2769 | 0                     | Pending              |
| Australia | WA       | Redmill             | E28/2873 | 0                     | Pending              |
| Australia | WA       | Redmill             | E28/2874 | 0                     | Pending              |
| Australia | WA       | Harvey              | E28/2923 | 0                     | Pending              |
| Australia | WA       | Harvey              | E63/1971 | 0                     | Pending              |
| Australia | WA       | Fortnum             | E52/3695 | 100                   | 100                  |
| Australia | WA       | Fortnum             | E52/3697 | 0                     | Ballot               |
| Australia | WA       | Fortnum             | E52/3702 | 0                     | Ballot               |
| Australia | WA       | Wilga Well          | P39/5586 | 0                     | 100                  |
| Australia | WA       | Yarri (Wallaby)     | P31/2085 | 0                     | 100                  |
| Australia | WA       | Yarri (Gibberts)    | P31/2086 | 0                     | 100                  |
| Australia | WA       | Yarri (Great Banjo) | P31/2087 | 0                     | 100                  |

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## Appendix 3: JORC Code, 2012 Edition - Wilga Well Project Auger Drilling Geochemistry (Refer Figure 3)

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

| Criteria            | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sampling techniques | <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 representivity 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.</li> <li>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>Auger sampling was undertaken on a nominal 40m X 40 m staggered grid pattern. Hole depths ranged from 0.5 m to a maximum depth of 2 metres. The top 20 cm was scrapped aside, and the sample then collected and sieved at -1mm.</li> <li>Approximately 500 grams of sample was collected from each auger hole drilled.</li> <li>Sample locations were recorded by handheld GPS survey with estimated accuracy of +/- 5m.</li> <li>Analysis was conducted by submitting the 500 grams sample whole for preparation by crushing, drying and pulverising at SGS Laboratories for gold analysis via Aqua Regia digest followed by ICP MS.</li> <li>Samples were analyzed for low level gold, at a 1 ppb detection limit.</li> </ul> |
| Drilling techniques | <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>Open Hole Auger sampling was used for collection of the samples with a maximum depth of 2 metres drilled.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Criteria                                              | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Drill sample recovery</i>                          | <ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>• One sample per hole collected.</li> <li>• There is insufficient data available at the present stage to evaluate potential sampling bias.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <i>Logging</i>                                        | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Not applicable, shallow auger drilling.</li> <li>• Not applicable, shallow auger drilling.</li> <li>• Not applicable, shallow auger drilling.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul> | <ul style="list-style-type: none"> <li>• No core</li> <li>• Sample preparation for all recent samples follows industry best practice and was undertaken by SGS Laboratories in Perth where they were crushed, dried and pulverised to produce a sub sample for analysis.</li> <li>• Sample preparation involving oven drying, followed by rotary splitting and pulverisation to 85% passing 75 microns.</li> <li>• QC for sub sampling follows Intertek procedures.</li> <li>• No field duplicates were taken.</li> <li>• No Blanks were inserted.</li> <li>• No Standards were inserted.</li> <li>• Sample sizes are considered appropriate to the grain size of the material being sampled.</li> </ul> |

| Criteria                                          | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Quality of assay data and laboratory tests</i> | <ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• The methods are considered appropriate to the style of mineralisation. Extractions are considered near total.</li> <li>• No geophysical tools were used to determine any element concentrations at this stage.</li> <li>• Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Repeat and duplicate analysis for samples shows that the precision of analytical methods is within acceptable limits.</li> </ul> |
| <i>Verification of sampling and assaying</i>      | <ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• The Company's Geologist and field assistant has visually reviewed the samples collected.</li> <li>• No twin holes drilled</li> <li>• Data and related information is stored in a validated Mapinfo or Micromine database. Data has been visually checked for import errors.</li> <li>• No adjustments to assay data have been made.</li> </ul>                                                                                                                                                                               |
| <i>Location of data points</i>                    | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• All sample locations have been located by GPS with precision of sample locations considered +/-5m.</li> <li>• Location grid of plans and and coordinates in this release samples use MGA94, Z51 datum.</li> <li>• No Topographic data was used.</li> </ul>                                                                                                                                                                                                                                                                   |
| <i>Data spacing and distribution</i>              | <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>• The samples are nominally spaced on a 40m (E-W spacing) with sample spacing along each section on a 40m spacing along each line.</li> <li>• Data spacing and distribution is considered sufficient to establish the likely trends of anomalous gold.</li> <li>• No Sample compositing has occurred. One sample per hole.</li> </ul>                                                                                                                                                                                          |

| Criteria                                                       | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                          | Commentary                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Orientation of data in relation to geological structure</i> | <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>The orientation of sampling is considered adequate and there is not enough data to determine bias if any.</li> <li>Mineralised outcrop strikes north-north-west. Sampling was more or less orthogonal to this apparent strike.</li> </ul>                                                                      |
| <i>Sample security</i>                                         | <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>Chain of custody is managed by the Company and samples are transported to the laboratory via Company staff with samples safely consigned to SGS for preparation and analysis. Whilst in storage, they are kept in a locked yard. Tracking sheets are used track the progress of batches of samples.</li> </ul> |
| <i>Audits or reviews</i>                                       | <ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>No review or audit of sampling techniques or data compilation has been undertaken at this stage.</li> </ul>                                                                                                                                                                                                    |

## SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria Listed in the preceding section also apply to this section)

| Criteria                                       | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• The areas covered by geochemical sampling is located on granted exploration and prospecting tenements located within a 10 kilometre of radius of the Sunrise Dam mine.</li> <li>• The tenement are in good standing</li> <li>• No impediments to operating on the permit are known to exist.</li> </ul>                                                                                                                                |
| <i>Exploration done by other parties</i>       | <ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• The areas subject to geochemical sampling has previously been evaluated in a broad manner by other parties. Data evaluation and capture is ongoing.</li> </ul>                                                                                                                                                                                                                                                                         |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• The area consists of variable shallow overburden, sub outcropping principally mafic and sedimentary rocks. Gold mineralization in the area is often found on sheared contact zones and associated with sulphides, shearing and minor quartz veining and zones of silicification.</li> </ul>                                                                                                                                            |
| <i>Drill hole Information</i>                  | <ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Auger geochemical sampling was completed, given the large number of auger geochemical holes and the nature of the drilling and sampling completed, it is considered not relevant/appropriate to include the coordinates of all holes.</li> <li>• Hole depths ranged from 0.5-2 metres vertical depth and all were vertical. Coordinates were all captured with a hand held GPS and are considered accurate to +/- 5 metres.</li> </ul> |

| Criteria                                                                | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Data aggregation methods</i>                                         | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul> | <ul style="list-style-type: none"> <li>No averaging or aggregation techniques have been applied.</li> <li>No top cuts have been applied to exploration results.</li> <li>No metal equivalent values are used in this report.</li> </ul>  |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>                                                                                                                                                                             | <ul style="list-style-type: none"> <li>The orientation or geometry of the mineralised zones strikes in a north-northwesterly.</li> <li>Not applicable, shallow auger drilling</li> <li>Not applicable, shallow auger drilling</li> </ul> |
| <i>Diagrams</i>                                                         | <ul style="list-style-type: none"> <li><i>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 plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Appropriate maps are included in main body of report.</li> </ul>                                                                                                                                  |
| <i>Balanced reporting</i>                                               | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>All results for the target economic mineral being gold have been reported.</li> </ul>                                                                                                             |
| <i>Other substantive exploration data</i>                               | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>All available data has been reported.</li> </ul>                                                                                                                                                  |
| <i>Further work</i>                                                     | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Future drilling and sampling is being considered to further evaluate these gold geochemical anomalies.</li> <li>Refer to maps in main body of report for potential target areas.</li> </ul>       |



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Nelson Resources Limited and Its Controlled Entity

**ABN**

83 127 620 482

**Quarter ended ("current quarter")**

30 June 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|-----------------------------------------------------------|----------------------------|----------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                        |
| 1.1 Receipts from customers                               | -                          | -                                      |
| 1.2 Payments for                                          |                            |                                        |
| (a) exploration & evaluation (includes staff costs)       | (139)                      | (1,967)                                |
| (b) development                                           | -                          | -                                      |
| (c) production                                            | -                          | -                                      |
| (d) staff costs                                           | (42)                       | (271)                                  |
| (e) administration and corporate costs                    | (142)                      | (437)                                  |
| 1.3 Dividends received (see note 3)                       | -                          | -                                      |
| 1.4 Interest received                                     | -                          | 42                                     |
| 1.5 Interest and other costs of finance paid              | -                          | (1)                                    |
| 1.6 Income taxes paid                                     | -                          | -                                      |
| 1.7 Research and development refunds                      | -                          | -                                      |
| 1.8 Other                                                 | -                          | -                                      |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(323)</b>               | <b>(2,634)</b>                         |
| <b>2. Cash flows from investing activities</b>            |                            |                                        |
| 2.1 Payments to acquire:                                  |                            |                                        |
| (a) property, plant and equipment                         | (3)                        | (339)                                  |
| (b) tenements (see item 10)                               | -                          | -                                      |
| (c) investments                                           | -                          | -                                      |

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## Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows |                                                                                   | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|--------------------------------------|-----------------------------------------------------------------------------------|----------------------------|----------------------------------------|
|                                      | (d) other non-current assets                                                      | -                          | -                                      |
| 2.2                                  | Proceeds from the disposal of:                                                    |                            |                                        |
|                                      | (a) property, plant and equipment                                                 | -                          | -                                      |
|                                      | (b) tenements (see item 10)                                                       | -                          | 1                                      |
|                                      | (c) investments                                                                   | -                          | -                                      |
|                                      | (d) other non-current assets                                                      | -                          | -                                      |
| 2.3                                  | Cash flows from loans to other entities                                           | -                          | -                                      |
| 2.4                                  | Dividends received (see note 3)                                                   | -                          | -                                      |
| 2.5                                  | Other                                                                             | -                          | -                                      |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>                             | <b>(3)</b>                 | <b>(338)</b>                           |
| <b>3.</b>                            | <b>Cash flows from financing activities</b>                                       |                            |                                        |
| 3.1                                  | Proceeds from issues of shares                                                    | -                          | -                                      |
| 3.2                                  | Proceeds from issue of convertible notes                                          | -                          | -                                      |
| 3.3                                  | Proceeds from exercise of share options                                           | -                          | -                                      |
| 3.4                                  | Transaction costs related to issues of shares (IPO), convertible notes or options | (1)                        | (10)                                   |
| 3.5                                  | Proceeds from borrowings                                                          | -                          | -                                      |
| 3.6                                  | Repayment of borrowings                                                           | -                          | -                                      |
| 3.7                                  | Transaction costs related to loans and borrowings                                 | -                          | -                                      |
| 3.8                                  | Dividends paid                                                                    | -                          | -                                      |
| 3.9                                  | Other (provide details if material)                                               | -                          | -                                      |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>                             | <b>(1)</b>                 | <b>(10)</b>                            |
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b>      |                            |                                        |
| 4.1                                  | Cash and cash equivalents at beginning of period                                  | 993                        | 3,648                                  |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)                   | (323)                      | (2,634)                                |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)                   | (3)                        | (338)                                  |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)                  | (1)                        | (10)                                   |

## Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|----------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                                      |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>666</b>                 | <b>666</b>                             |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 46                         | 97                          |
| 5.2 | Call deposits                                                                                                                                                        | -                          | -                           |
| 5.3 | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4 | Term deposits                                                                                                                                                        | 620                        | 896                         |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>666</b>                 | <b>993</b>                  |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$A'000

52

-

Directors including non-executive and executive director's fees for the quarter (inclusive of GST).

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter  
\$A'000

-

-

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                             | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| 8.1 Loan facilities                                                                                                                                                                                                                                                                        | -                                                       | -                                              |
| 8.2 Credit standby arrangements                                                                                                                                                                                                                                                            | -                                                       | -                                              |
| 8.3 Other (please specify)                                                                                                                                                                                                                                                                 | -                                                       | -                                              |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                         |                                                |
| N/A                                                                                                                                                                                                                                                                                        |                                                         |                                                |

| <b>9. Estimated cash outflows for next quarter</b>          | <b>\$A'000</b> |
|-------------------------------------------------------------|----------------|
| 9.1 Exploration and evaluation (includes staff costs)       | 216            |
| 9.2 Development                                             | -              |
| 9.3 Production                                              | -              |
| 9.4 Staff costs                                             | 60             |
| 9.5 Administration and corporate costs                      | 39             |
| 9.6 Other (capital raising costs)                           | -              |
| <b>9.7 Total estimated cash outflows (inclusive of GST)</b> | <b>315</b>     |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|-----------------------------------------|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |                                        |                           |                                         |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           | E28/2768                               | Pending                   | 0%                                      | 0%                                |
|                                                                                            | E28/2769                               | Pending                   | 0%                                      | 0%                                |
|                                                                                            | E28/2873                               | Pending                   | 0%                                      | 0%                                |
|                                                                                            | E28/2874                               | Pending                   | 0%                                      | 0%                                |

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Stephen Brockhurst  
(Company Secretary)

Date: 30 July 2019

Print name: Stephen Brockhurst

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.