



QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2020

Woodline Projects

- The Company has continued to develop its exploration model for its various Woodline projects and believes it now has a clear exploration model to guide its future exploration programs.

Highlights:

- **20 Km geochemical gold anomaly**
- **899 km² of highly prospective tenure**
- **1556m of RC Drilling and 789m of Diamond Drilling**
- **\$14m of successful exploration work by Sipa / Newmont / MRG Metals / Nelson Resources**
- **Potential for a Tropicana scale Gold Deposit**

Yarri Project

- The Company has had several discussions regarding potentially divesting the Yarri Project and its associated data it has obtained from its previous drilling campaigns in 2018 and 2019.

COVID-19

- The Company has ensured any in-field exploration meets State Government travel restrictions.

Corporate and Finance

- On the seriousness of COVID-19 becoming apparent in early March the company took immediate steps to reduce its operating costs and asked its staff to work from home. Most of the Companies suppliers have assisted it to ensure a positive outcome for the Company whilst the impacts of COVID-19 are ascertained.

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

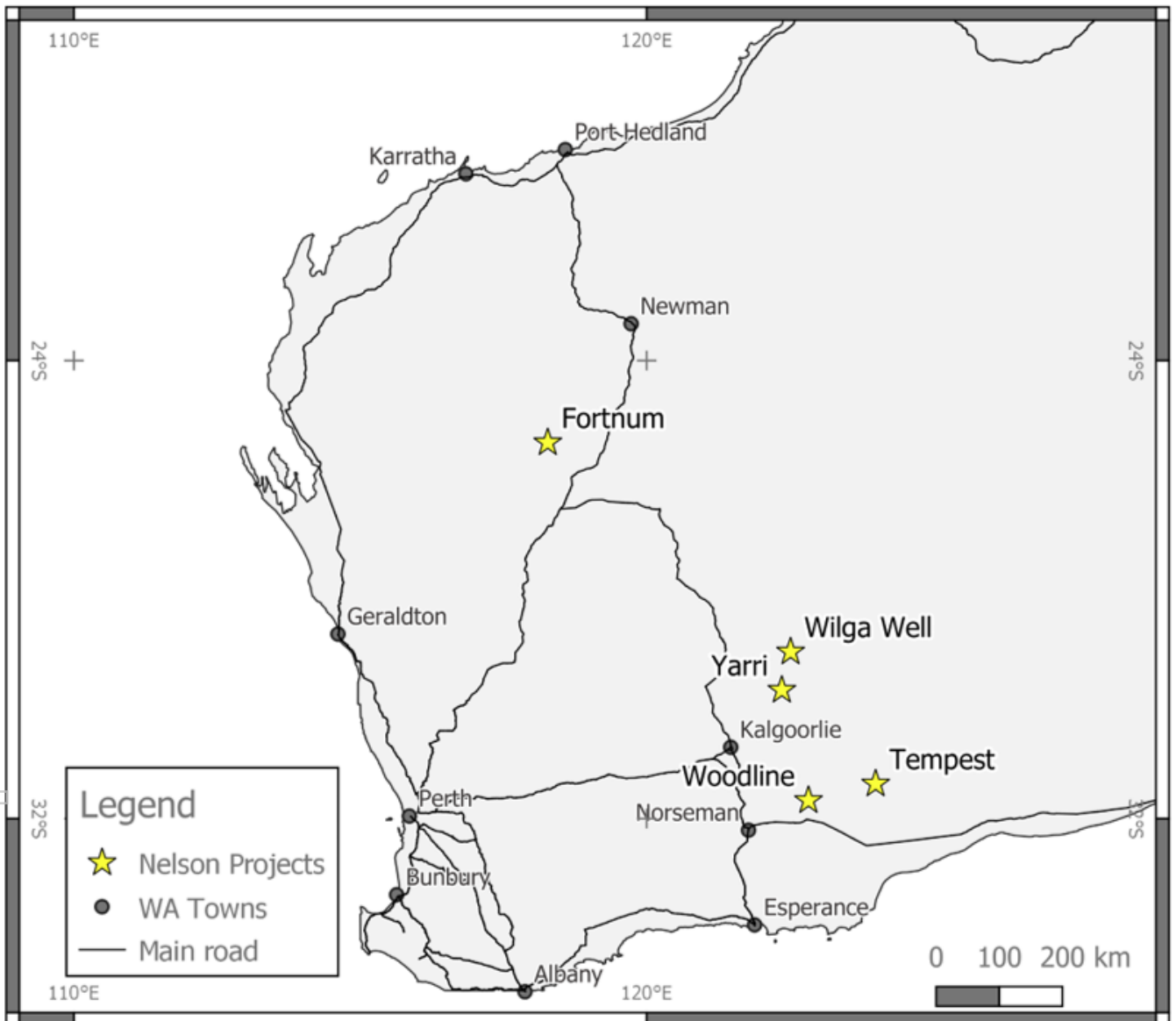
February 2020 – Placement

\$300K @ 4.15c



Existing Projects Summary:

Figure 1 – Project Locations





Woodline (Socrates, Socrates East, Grindall, Redmill, Harvey & Morris)

The Woodline Projects lie 90km North East of Kalgoorlie and halfway between the Trans Australia Rail line and the Eyre Highway. The Woodline Project is made up of the Redmill, Grindall, Harvey, Morris (application) and Socrates Projects which make up 899km² 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 Redmill, Grindall, Harvey and Morris each have the potential to host a Tropicana scale gold deposit.

Redmill-Grindall-Harvey

The Redmill, Grindall and Harvey prospects are associated with sub-parallel curvilinear structures that dip moderately to the east. The structures are interpreted to form in the hanging wall of the [deep-seated / crustal-scale] Cundeelee Fault which is the boundary between the Yilgarn Craton and the Albany Fraser Orogen.

Anomalous Au, Te, Bi and Cu present in the bedrock can be used to identify structurally-controlled gold mineralisation and has been identified over a strike length of 12 km on the Redmill-Harvey trend and over 5 km at Grindall.

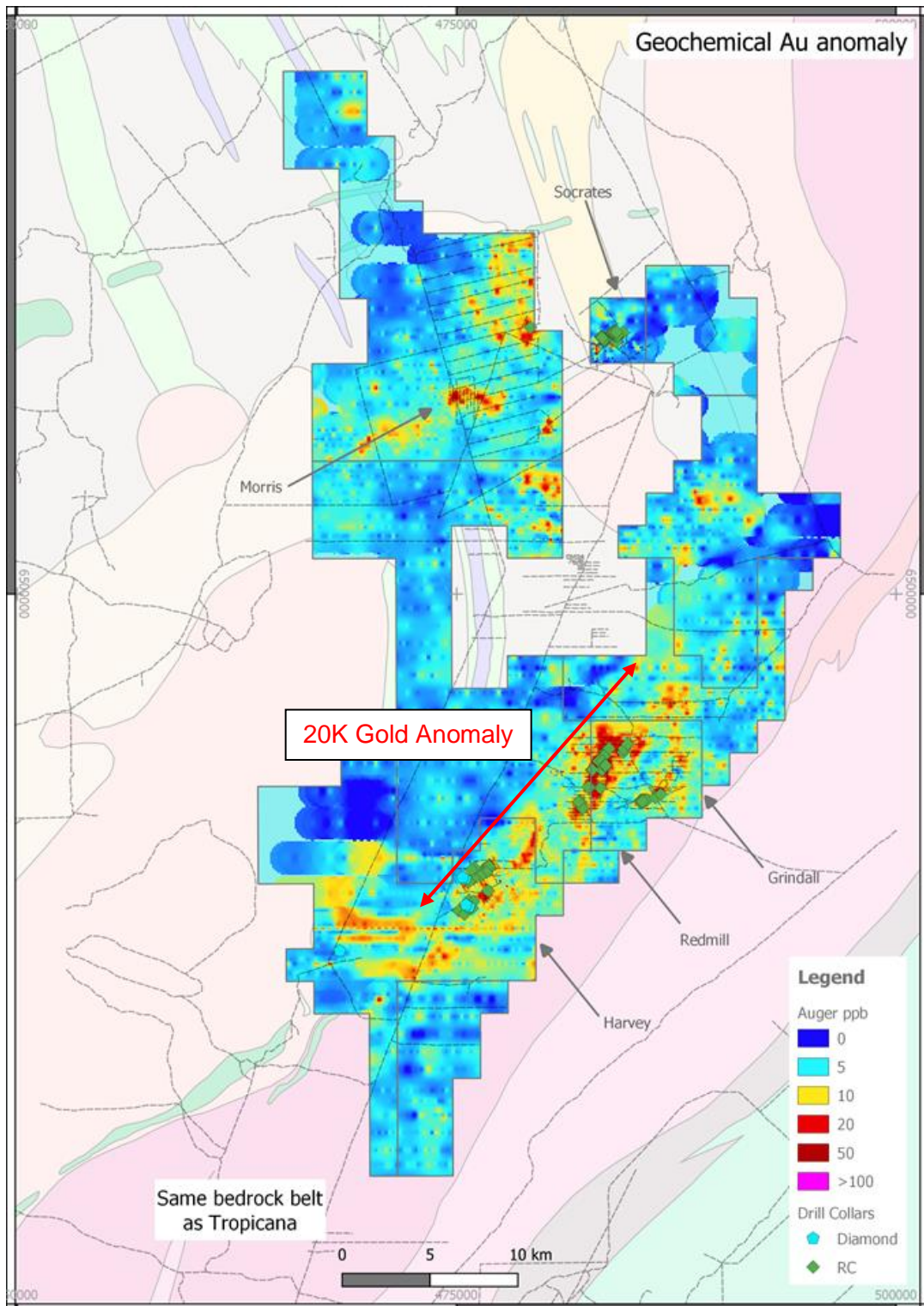
Socrates

Socrates is hosted within a mafic unit that is bounded to the west by andesitic and rhyolitic volcanics and sediments to the east.





Figure 2. 20 Km Geochemical Gold Anomaly with Woodline tenure shown (Granted, Pending & Under Application)





Socrates East Prospect (New Application)

Application: E 28/2953

Area of tenement: 41 km²

Geology

The tenements lithology comprises siliciclastic sedimentary rocks in the west and foliated metagranite in the east.

Previous Exploration

- Sipa and Newmont explored part of the tenement from 2005 to 2008.
- 2005 Sipa conducted wide spaced shallow auger calcrete sampling in the northern part of the tenement.
- 2008 Newmont conducted a RAB drilling program on the Socrates east tenement.
- 2013 AngloGold Ashanti conducted an auger program on the north eastern part of the tenement.

Total work

- 60 Auger and RAB Calcrete samples within the tenement – Drill lines are wide spaced (800m x 400m) with some infill lines (800m x 200m)
- 4 RAB holes within the tenement
- 56 Auger samples within the tenement

The Salt Lake is unexplored and this tenement links the total Woodline package.



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Tempest Project

Tenement E28/2805

The Company's Tempest project is located 250km ESE of Kalgoorlie and 90km NE from Nova-Bollinger Mine. It has an area of 105 km² and borders the IGO / Rumble Thunderstorm JV project (Figure 3). Recent drilling at the Thunderstorm JV includes an exceptional intercept of 25m @2.42g/t Au at the Themis Prospect and 4m @ 3.8g/t Au at the Pion Prospect (ASX Announcement Rumble Resources 1st July 2019).

Geology

The project is located in the Fraser Complex of the Proterozoic Albany-Fraser Belt on the east of the Archean Yilgarn Craton. Tertiary fluvio-marine sediments associated with the Eucla Basin cover much of the region. The Proterozoic geology is characterized by granulite facies, felsic to mafic gneisses and felsic and mafic schists and intruded granites.

Previous Exploration

Historic exploration has been minimal and early stage within the project area. In the period between 2010 and 2011 Black Fire Minerals Limited (WAMEX) conducted a Soil Auger Geochemistry and a limited AC program. Auger sampling was done on a 1000m x 500m grid and later infill auger soil geochemistry was done on a 500m x 500m and 250m x 250m grid. All samples were sampled for Au, As, Ca, Cu, Fe, Mg, Ni, Pb, Sb, Te & Zn. Aircore holes are located on the north-western part of the tenement that tested two +10ppb Au anomalies targets defined by previous Auger drilling.

- 430 Auger samples taken within the tenement.
Lines are wide spaced (1000mx500m) in east-west direction with some infill lines spaced 500mx500m and 250mx250m
- 18 AC holes for 1,989m

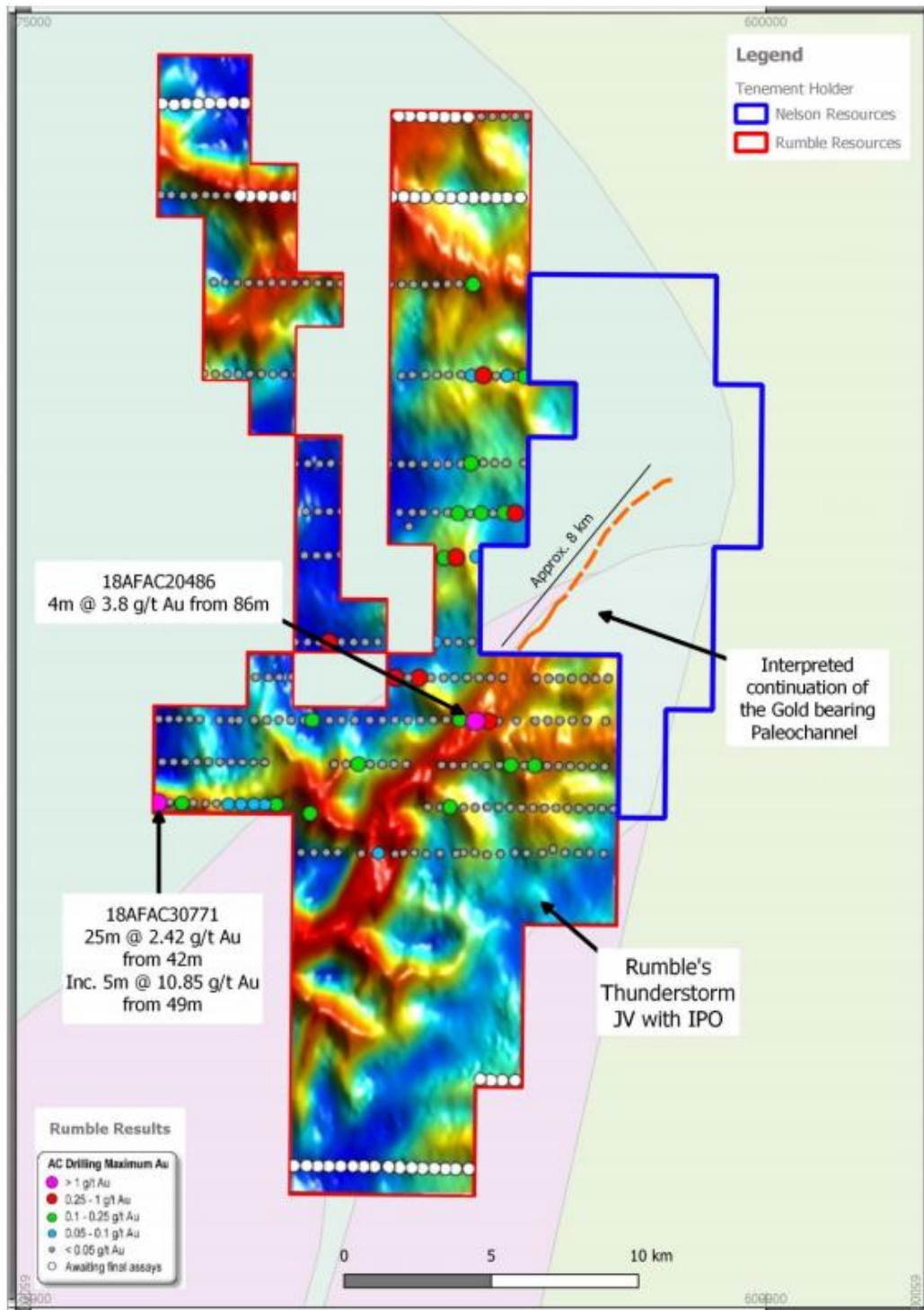
Summary

- Tenement E28/2805 has the potential to host a gold resource.
- Historical exploration has been limited and is early stage with work done being unrelated to the anticipated extension of the paleochannel identified at the Thunderstorm project
- The Company will re-evaluate the historical exploration work and look to conduct several targeted geophysics programs.
- These geophysics programs will guide the planning of a drilling program designed to target the paleochannel and any other potential gold bearing structures identified.



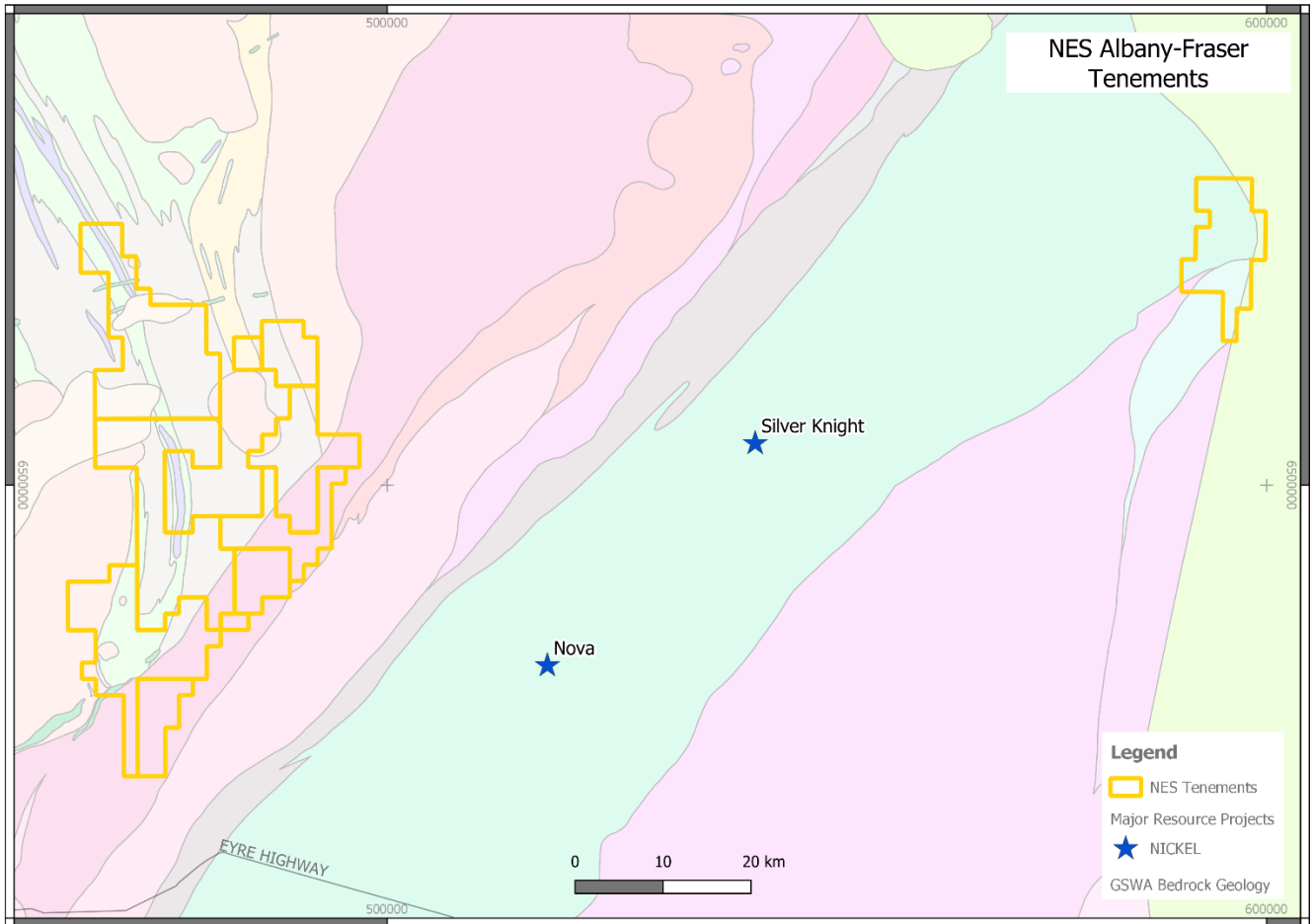


Figure 3. Tenement E28/2805 in relation to Rumble's Thunderstorm JV with IGO





**Figure 4. Nelson Resources Albany-Fraser Range Tenements
(Includes pending & applied for)**



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

The Fortnum project tenement number E52/3695 was granted within the September quarter and totals 21km². The Project is located within the Peak Hill Mineral Field, 140km north-west of Meekatharra and approximately 14km southwest of the Fortnum Mining center, in the locality of Billara Bore.

The geology of the tenure consists of a fault bounded package of schists derived from the Narracoota and Labouchere Formation constrained by the Despair Granite to the east and Yarlarweelor Gneiss complex to the West.

Thin surficial cover extends over the area, with strong insitu regolith development in the eastern parts of the schist, adjacent to the Despair Granite.

There are four gold mineralisation prospects on the tenure. Billara A, Billara North and Billara South are associated with quartz veining in highly sheared mafic schist adjacent to the contact with the Despair Granite. Billara D is associated with quartz veins in a NNE-trending, biotiterich schist, the Despair Granite, analogous to the Wilthorpe gold mine, 9km to the south.



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Project Activity:

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

Woodline

During the Quarter, the Company continued to reinterpret the extensive data set it has for all the prospects within its Woodline Project. This review has been able to produce an exploration model showing the exceptional potential of the Woodline Project as compared to the Tropicana Gold Mine. The review has also demonstrated the significance of the previous work that has already been conducted whilst showing areas of improvement and opportunity.

Tempest Project

During the Quarter the Company continued a desktop review of available data for this project.

The company has yet to commence the planned seismic geophysics program aimed at delineating the targeted Paleochannel. This geophysics work will recommence as soon as is reasonably possible.

Wilga Well

During the Quarter no work was done on the Wilga Well prospect.

Yarri Project

During the Quarter no work was done on the Wallaby, Great Banjo and Gibberts prospects. Discussions have been had about potentially divesting the project.

Fortnum Project

During the Quarter the Company continued its desktop review of the data it has for this tenement. The Company has identified a number of potential drill targets it believes will improve the understanding of the geology of the project and add to the work done by previous explorers. Discussions have been had about potentially divesting the project.

Happy Jack

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



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

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 656Km² 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.

As approved by the Board for release.

For further information please contact:

Adam Schofield
Executive Director & CEO



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Schedule of Exploration Tenements

Project Name	Tenement	Interest Held: 31-Dec-19	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest Held: 31- Mar-20
Socrates	E28/2633	100%	-	-	100%
Grindall	E28/2679	100%	-	-	100%
Grindall North	E28/2768	100%	-	-	100%
Grindall South	E28/2769	100%	-	-	100%
Redmill	E28/2873	100%	-	-	100%
Redmill	E28/2874	-	100%	-	100%
Yarri (Wallaby)	P31/2085	100%	-	-	100%
Yarri (Gibberts)	P31/2086	100%	-	-	100%
Yarri (Great Banjo)	P31/2087	100%	-	-	100%
Wilga Well	P39/5586	100%	-	-	100%
Bullen West	E52/3695	100%	-	-	100%
Harvey	E63/1971	-	100%	-	100%
Harvey	E28/2923	-	100%	-	100%
Morris – Application	E28/2941	-	-	-	-
Tempest	E28/2805	100%	-	-	100%



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nelson Resources Limited

ABN

83 127 620 482

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(45)	(155)
(e) administration and corporate costs	(37)	(244)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(82)	(399)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(15)
(d) exploration & evaluation (if capitalised)	(60)	(286)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(61)	(301)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	300	300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(11)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liability)	(9)	(34)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	282	255
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	82	666
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(82)	(399)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(61)	(301)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	282	255

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	221	221

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	201	82
5.2	Call deposits	20	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	221	82

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

28

24

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Directors' salaries, fees and superannuation (inclusive of GST).

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(82)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(60)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(142)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	221
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	221
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.5

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes. The Company also expects to further reduce its operating cash flows to ensure it has operating capital during the period Coronavirus affects its operations.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company proposes to raise funds at a future date when the operational and market issues associated with Coronavirus are better understood.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company has reduced its operating costs and is still processing its large library of geological data to meet its objectives as an exploration company.

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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.

Date: 30 April 2020

Authorised by: By the Board of Nelson Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.