



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

Nelson Resources Limited

ABN 83 127 620 482

ASX Code: NES

Board and Management

Executive Director
Adam Schofield

Non-Executive Chairman
Peter Cook

Non-Executive Director
Brett Clark

Company Secretary
Stephen Brockhurst

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QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2017

ASX RELEASE 31 JANUARY 2018

HIGHLIGHTS

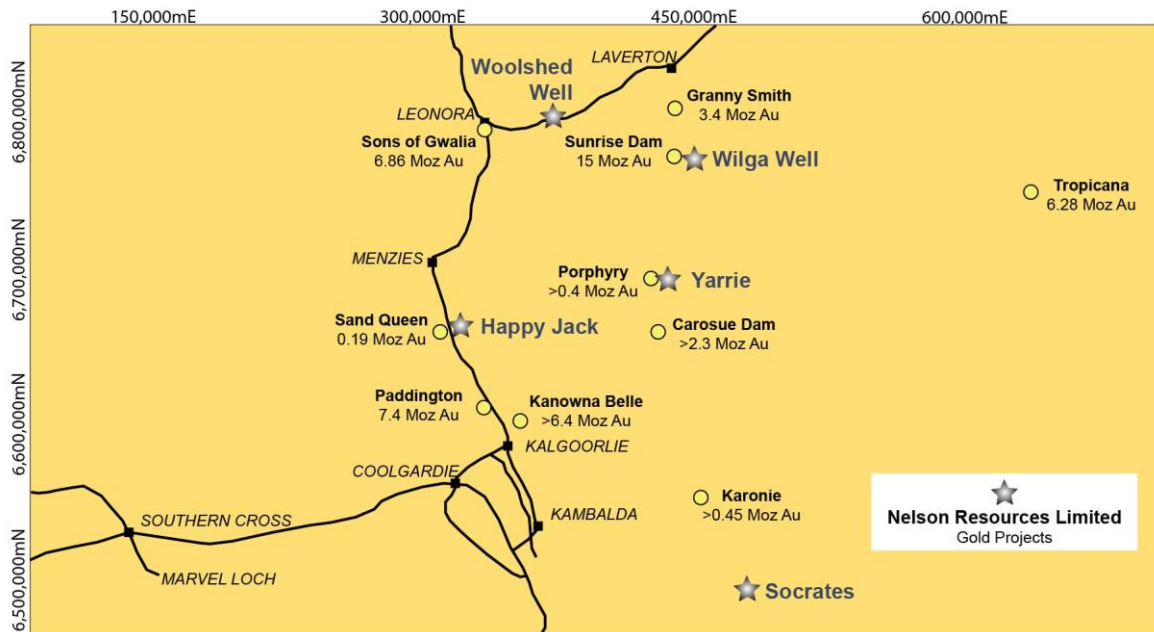
- **Successful listing on the ASX with \$5 million raised;**
- **100% ownership secured over 4 additional gold projects;**
- **Maiden 1183m drill program completed at the Wallaby (Yarri) Gold Project (P31/2085);**
- **High grade gold intercepts including 10g/t for 5 meters;**
- **POW's in place for 3 projects, Wallaby, Socrates and Happy Jack;**
- **Planning underway for 1300m drill program commencing at the Socrates Project in early February.**

Nelson Resources Limited (ASX: NES) (**Nelson or Company**) is pleased to provide its Activities Report for the quarter ended 31 December 2017.



ACQUISITIONS

Nelson Resources has completed the acquisition of 79 Exploration Ltd which holds the tenure for the projects shown in the below map. This excludes the woolshed well project which Nelson already owned.



Yarrie

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

Socrates

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

Happy Jack

Happy Jack lies 30 km south of Menzies, on the Goldfields Highway and 60km's north of Norton Goldfield's Paddington Gold operations. Eastern Goldfields Limited's Davyhurst Operations lies 50km WSW.

Wilga Well

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



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Woodshed Well

Woodshed Well lies 20 km's east of Leonora.

COMPANY PROJECT ACTIVITY

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

Yarrie

- Wallaby - A maiden 1183m drill program has been completed at Wallaby with assays completed. Work has yet to determine a resource estimate but drilling has delivered significant gold results including 10g/t for 5 meters. A large alteration zone has also been identified that warrants additional work;
- Great Banjo (Yarrie) - No work done in quarter;
- Gibberts (Yarrie) - No work done in quarter.

Socrates

The Company has identified drill targets for an upcoming drill program and pegged holes. POW has been approved and Nelson is commencing clearing activities in early February prior to commencing a 1300m drill program.

Happy Jack

A Conservation Management Plan is awaiting approval by the Department of Planning and the Department of Mines and Petroleum prior to applying for a POW.

Wilga Well

No work done in quarter.

Woodshed Well

No work done in quarter.



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Corporate

The Company's cash balance as at 31 December 2017 was A\$4,267,000.

The Company listed on the ASX on 7 December 2017 having raised A\$5,000,000 (before fees) through the issue of 25,000,000 fully paid ordinary shares, together with 1 free attaching option for every 2 shares issued.

Capital Structure

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

ABOUT NELSON RESOURCES

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

Competent Person Statement

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

For further information please contact:

Adam Schofield
Executive Director

Peter Cook
Chairman



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

| Country | Location | Project | Tenement | Change in Holding (%) | Current Interest (%) |
|----------------|-----------------|----------------------|-----------------|------------------------------|-----------------------------|
| Australia | WA | Socrates | E28/2633 | 100 | 100 |
| Australia | WA | Wilga | P39/5586 | 100 | 100 |
| Australia | WA | Yarrie (Wallaby) | P31/2085 | 100 | 100 |
| Australia | WA | Yarrie (Gibberts) | P31/2086 | 100 | 100 |
| Australia | WA | Yarrie (Great Banjo) | P31/2087 | 100 | 100 |
| Australia | WA | Woolshed Well | P37/8597 | 100 | 100 |
| Australia | WA | Woolshed Well | P37/8598 | 100 | 100 |
| Australia | WA | Woolshed Well | P37/8599 | 100 | 100 |
| Australia | WA | Woolshed Well | P37/8600 | 100 | 100 |
| Australia | WA | Happy Jack | P29/2217 | 100 | 100 |



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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

ABN

83 127 620 482

Quarter ended ("current quarter")

31 December 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (25) | (46) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | - | - |
| (e) administration and corporate costs | (276) | (330) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other – payment on listing on the ASX in order to settle a legal dispute | (100) | (100) |
| 1.9 Net cash from / (used in) operating activities | (401) | (476) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10)* | 12 | 12 |
| (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 – Cash acquired on acquisition of subsidiary | - | - |
| 2.6 Net cash from / (used in) investing activities | 12 | 12 |

*Deposit for sale of Mongolian Resources tenements.

| | | |
|---|--------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of IPO shares | 5,000 | 5,000 |
| 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 | (402) | (481) |
| 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) | - | - |
| 3.10 Net cash from / (used in) financing activities | 4,598 | 4,519 |

| | | |
|---|-------|-------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 58 | 212 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (401) | (476) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | 12 | 12 |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 4,598 | 4,519 |

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Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 4,267 | 4,267 |

| 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 | 4,267 | 58 |
| 5.2 Call deposits | - | - |
| 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) | 4,267 | 58 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 182 |
| 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 | |

Directors including non-executive and executive director's fees for the quarter.

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 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 | |

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|--|---|
| 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. | | |

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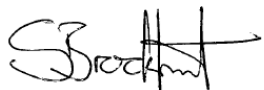
| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|------------|
| 9.1 Exploration and evaluation | 255 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 70 |
| 9.5 Administration and corporate costs | 50 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 375 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | N/A | | | |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | -E28/2633 Socrates, WA | Acquired | - | 100% |
| | -P39/5586 Wilga, WA | Acquired | - | 100% |
| | -P31/2085 Yarrie, WA | Acquired | - | 100% |
| | -P31/2086 Yarrie, WA | Acquired | - | 100% |
| | -P31/2087 Yarrie, WA | Acquired | - | 100% |
| | -P29/2217 Happy Jack, WA | Acquired | - | 100% |

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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.



Sign here:
(Company Secretary)

Date:31 January 2018.....

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.