



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

QUARTERLY ACTIVITIES REPORT

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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Quarter ended 30 June 2018

ASX RELEASE 31 July 2018

HIGHLIGHTS

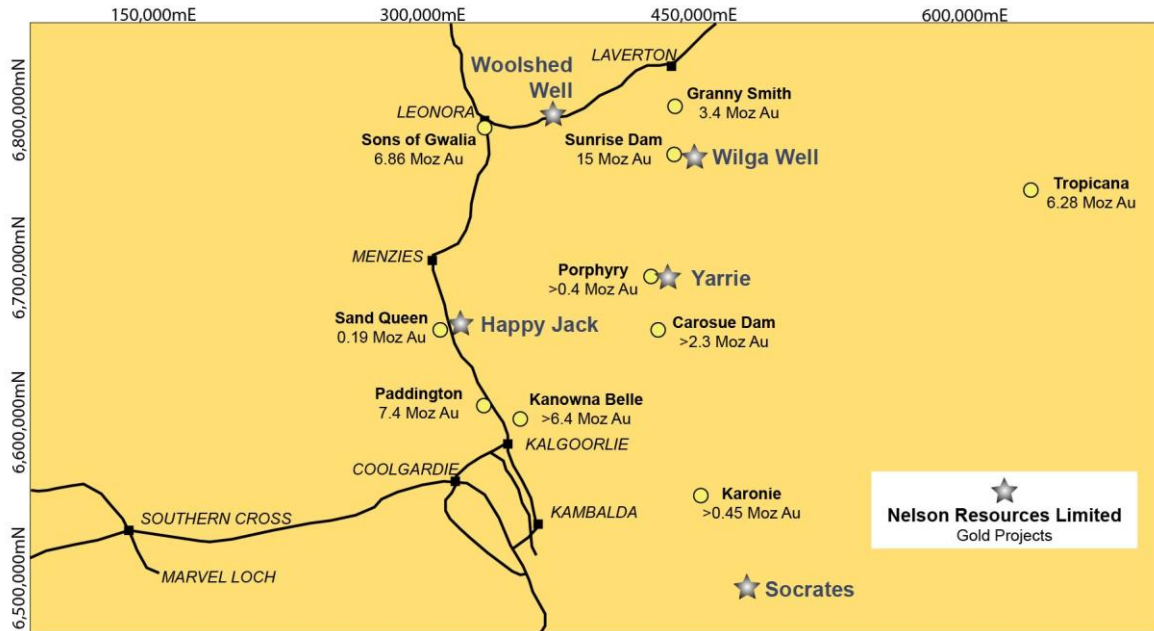
- **Appointment of experienced full time Geologist Donald Thomson to enhance exploration program across prospect portfolio**
- **Completion of high resolution Ground Magnetics Programs at its Socrates Project and Yarrie Projects**
- **Drill program planning completed for its Socrates Project set to commence middle of July 2018. Follows on from successful February 2018 drill program with highlights including 14m at 6.96g/t Au from 20m (Including 2m at 14.7g/t Au from 24m & 2m at 23.5g/t Au from 27m).**

Nelson Resources Limited (ASX: NES) (**Nelson or Company**) is pleased to provide its Activities Report for the quarter ended 30 June 2018.

Nelson Resources continues to focus on exploring and assessing and delineating its portfolio of gold prospects within the Eastern Goldfields of the Kalgoorlie region which is one of the most highly gold endowed regions in the world.



Nelson Resources Kalgoorlie Region Prospect Portfolio Map



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.

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.

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.

Woodshed Well

Woolshed 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:

Socrates

The Company has completed a Ground Magnetic Survey (GMAG) at its Socrates gold prospect located 155km South East of Kalgoorlie in WA.

The completion of the GMAG (See Figure 1) has provided the Company with data leading to a better understanding of the structural setting at Socrates.

This has assisted with the planning of the next drill program at Socrates due to commence in the middle of July 2018.

The GMAG survey was conducted on 25m line spacings for a total of 225 line kilometres and took seven days to complete.

The planned RC drilling program is for approximately 3000m and intended to determine the tenor and extent of mineralisation at Socrates.

The planned RC drilling program follows on from the successful drill program completed in February 2018 and the consolidation of the new and historical geological datasets. Highlights of the February drilling include the following exciting high grade gold intercepts **including 14m at 6.96g/t Au from 20m (Including 2m at 14.7g/t Au from 24m & 2m at 23.5g/t Au from 27m).**

Yarrie

The Company has completed a Ground Magnetic Survey (GMAG) at its Yarrie prospect to include the Wallaby, Great Banjo and Gibberts projects. The data will be assessed in the next quarter to aid with planning a follow up drilling program at Wallaby from the program completed in December 2017 and will aid in planning any potential drill programs at Great Banjo and Gibberts.

Happy Jack

The company has conducted the following at its Happy Jack project:

- A drone survey to include a high resolution terrain model, aerial imagery and a volume assessment of the tailings which are reported to contain an average of +/- 1.8 g/t Au.



Wilga Well

The company has conducted a site visit to assess any viable drill opportunities and has yet to determine a future drill program.

Woodshed Well

The company has conducted a site visit to assess any viable drill opportunities and has yet to determine a future drill program.

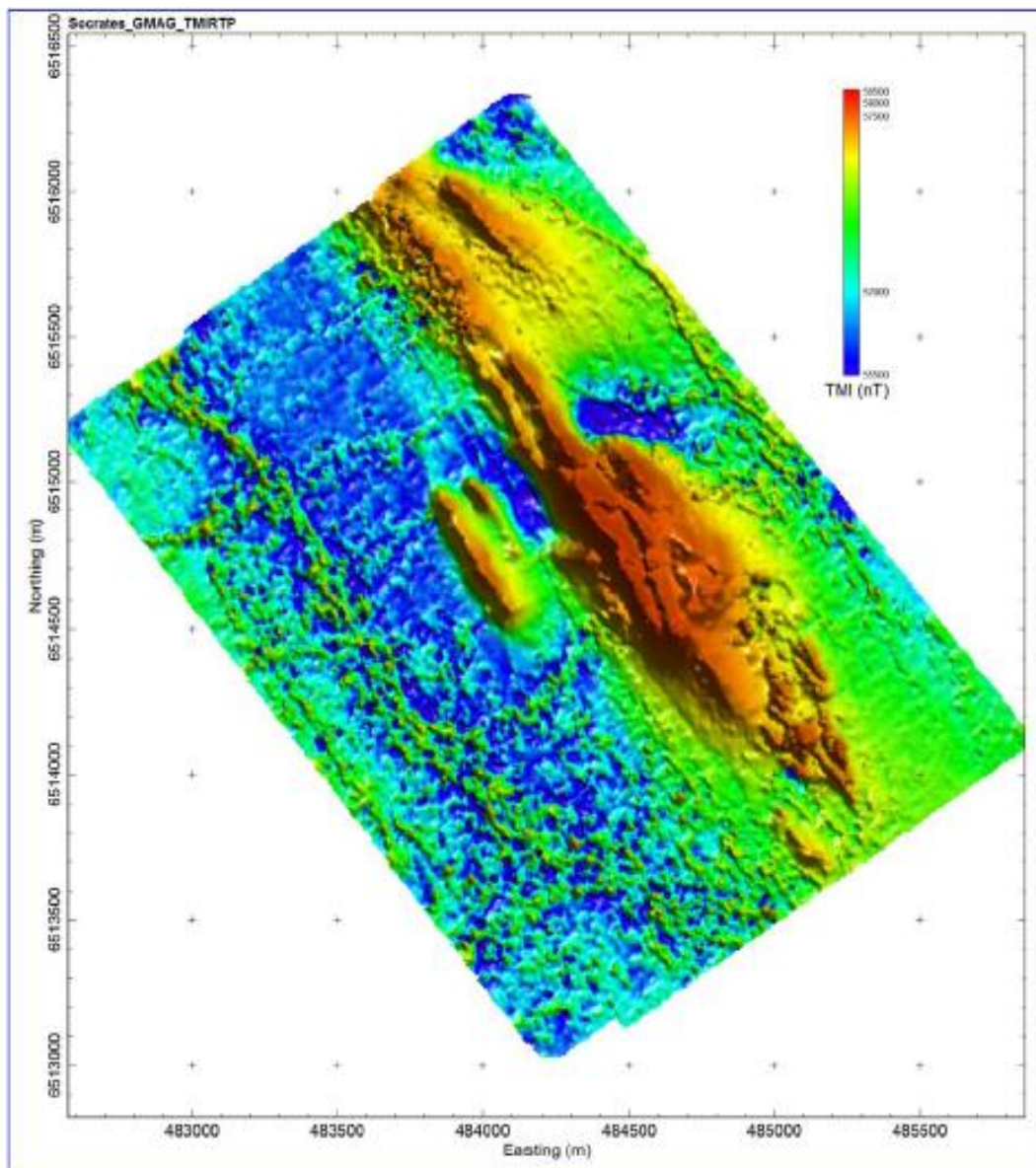


Figure 1: Socrates TMI RTP Image.



CORPORATE

Appointment

Nelson has appointed an experienced full-time geologist Mr Donald Thomson, who will oversee and conduct all geological and technical work across the Nelson Resources portfolio of prospective gold tenements.

Mr Donald Thomson has over 30 years' experience in gold, nickel-copper-cobalt, iron ore and base metals exploration in Australia and internationally. He is experienced in mineral resource estimation and has extensive experience in areas of; Native Title negotiations, project management and development planning, application of satellite imagery, ground magnetics and geological mapping.

Mr Thomson was key to the discovery and/or advancement of significant projects including: the Gilbeys deposit at Dalgaranga for Newcrest Mining, Rosemont at Duketon for Johnsons Well Mining, the prefeasibility study at Koolan Island for Aztec Resources, Wingellina for Acclaim Exploration and Chaketma phosphate project in Tunisia for Celamin Holdings.

Capital

The Company's cash balance as at 30 June 2018 was A\$3.648m.

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 Donald Thomson who is a member of The Australasian Institute of Geoscientists. Mr Thomson is a full-time employee of Nelson Resources Limited. Mr Thomson 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 Thomson 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:

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Chairman

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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



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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(50)	(408)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(131)	(589)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	8
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)
1.9 Net cash from / (used in) operating activities	(178)	(1,089)

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	(6)	(6)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)*	-	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	(6)	6

*Deposit for sale of Mongolian Resources tenements.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of IPO shares	-	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	-	(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	-	4,519

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,832	212
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(178)	(1,089)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	6
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,519

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,648	3,648

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	648	3,832
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term deposits	3,000	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,648	3,832

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	66
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	700
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	175
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	875

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	N/A			

Compliance statement

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



Sign here:
(Company Secretary)

Date:31 July 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.