

Rights Issue closes Oversubscribed

- Rights issue closes oversubscribed
- Significant support from shareholders and new sophisticated and institutional investors
- Nelson now well funded to undertake its exploration strategy

Nelson Resources Limited (ASX: NES) (Nelson or the Company) is pleased to advise that the Renounceable Rights Issue announced on 9 June 2020 (“Offer”) has closed oversubscribed and raised \$2 million. As a result of demand, the Company is considering alternatives to accommodate some of the excess demand.

The total amount raised is \$2,007,226 (before costs) through the issue of 52,821,762 new fully paid ordinary shares (Shares) and 26,410,881 new options, exercisable at 8 cents and expiring on 8 July 2022 (“Options”). The Options will be listed under the ASX code NESOA.

The final allocations are set out below.

	Funds Raised	Shares	Options*
Entitlements Taken up	1,359,422	35,774,255	17,887,128
Shortfall placed	647,804	17,047,507	8,523,753
Total	2,007,226	52,821,762	26,410,881

*Note: As discussed in the Prospectus, a further 2,007,226 Options will, subject to shareholder approval, be issued to the lead manager as described in the Prospectus.

Mahe Capital Pty Ltd advised Nelson on the Rights Issue and acted as Lead Manager and Underwriter to the capital raising. Nelson would like to thank all of its shareholders for their support and welcomes new shareholders, including institutional shareholders introduced by Mahe Capital to the register.

The new securities are expected to be issued on Tuesday, 7 July 2020 and to be trading on a normal basis from Wednesday, 8 July.

Nelson’s Chairman Warren Hallam said: “We are very pleased with the support shown by the large percentage of existing shareholders that participated in the Rights Issue and we thank them for their ongoing support. We also welcome the new shareholders that have been introduced through Mahe Capital. Nelson is now well funded to proceed to deliver on its exciting exploration strategy.”

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

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

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ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a highly prospective 956km² tenure holding. The key focus for the company is its 828 km² Woodline Project.

The Woodline Project lies on the boundary of the Albany Fraser Oregon and the Norseman - Wiluna Greenstone belt in Western Australia.

The Woodline Project contains:

- 45km of the Cundeelee Shear Zone which already consists of a known +20km gold geochemical and bedrock anomaly, hosted in the same geological structural setting ¹ as the 7.7 million ounce Tropicana Gold mine ².
- 30km of significantly unexplored greenstones along the Norseman-Wiluna greenstone belt.
- A significant and unique holding within the confluence of the Keith-Kilkenny Fault / the Claypan Shear Zone and the Cundeelee Shear Zone. These three Shears have hosted many of the largest gold projects in Western Australia.
- Historical exploration of \$14 million by the Company, Sipa Resources, Newmont and MRG.

The 7.7 million ounce Tropicana Gold Mine which is operated by AngloGold Ashanti was discovered in 2005 by IGO Group Limited via a gold-in-soil anomaly that led to further exploration and is one of the most important gold discoveries in Australia for decades. Tropicana currently produces approximately 450,000 ounces per annum ³. In today's gold price terms, that equates to over A\$1 billion dollars per annum.

Nelson Resources confirms that it is not aware of any new information or data that materially affects the exploration results included in this announcement.

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

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

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

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

