NELSON RESOURCES LIMITED

ACN 127 620 482

REPLACEMENT PROSPECTUS

For the offer of 25,000,000 fully paid ordinary shares at an issue price of 20 cents each, together with 1 free attaching Option for every 2 Shares issued to raise up to $5,000,000 before costs.

The Closing Date of this Offer is
16 October 2017.

Important Information

This document is important and it should be read in its entirety. You should consider carefully the risk factors in Section 2.3 and 6 in light of your personal circumstances and seek professional advice before you decide whether to invest. The Offer does not take into account your investment objectives, financial situation or particular needs. If you are in any doubt as to the contents of this Replacement Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Replacement Prospectus should be considered highly speculative.

CORPORATE DIRECTORY

DIRECTORS

Peter Cook	Non-Executive Chairman
Adam Schofield	Executive Director
Brett Clark	Non-Executive Director

COMPANY SECRETARY

Steve Brockhurst
Level 11 London House
216 St George's Terrace
PERTH WA 6000

Telephone +61 (08) 9481 0389
Facsimile +61 (08) 9463 6103

REGISTERED OFFICE

c/- Mining Corporate
Level 11 London House
216 St George's Terrace
PERTH WA 6000

Website: www.nelsonresources.com.au
Email: info@nelsonresources.com.au

Ph: (08) 9481 0389
Fax: (08) 9463 6103

LEGAL ADVISORS TO THE COMPANY

Price Sierakowski Pty Ltd
Level 24, 44 St Martin's Tower
PERTH WA 6000

INDEPENDENT GEOLOGIST

Jonathan King BSc (Hons), MAIG
Collective Prosperity Pty Ltd
38 Meenaar Crescent
COOLBINIA, WA 6050

INVESTIGATING ACCOUNTANTS

Moore Stephens Perth Corporate Services Pty Ltd
Level 15 Exchange Tower
2 The Esplanade
PERTH WA 6000

SHARE REGISTRY*

Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153

Ph: (08) 9315 2333
Fax: (08) 9315 2233

LEAD MANAGERS

Somers and Partners Pty Ltd
Level 9, 190 St Georges Terrace
PERTH WA 6000

AUDITORS

Regency Audit Pty Ltd
Suite 1 GF
437 Roberts Road
SUBIACO WA 6008

* This party had no involvement in the preparation or issue of this Replacement Prospectus. Its name appears for information purposes only.

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IMPORTANT INFORMATION

NOTICE

*This Replacement Prospectus is issued by Nelson Resources Limited ACN 127 620 482 (**Company**).*

This Replacement Prospectus is dated 22 September 2017 and a copy of this Replacement Prospectus was lodged with the ASIC on that date. This Replacement Prospectus replaces an earlier prospectus dated 7 September 2017. This Replacement Prospectus provides additional disclosure within the Investigating Accountant's Report in Section 8, the proposed use of funds table in Section 3.4, the Board of Directors in Section 4.5, and amends the Solicitor's Report on Tenements in Section 9. Neither the ASIC nor the ASX take any responsibility for the contents of this Replacement Prospectus.

No Shares will be issued pursuant to this Replacement Prospectus later than 13 months after the date of this Replacement Prospectus.

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Replacement Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No Shares will be issued on the basis of this Replacement Prospectus later than thirteen (13) months after the date of this Replacement Prospectus. Within seven (7) days of the date of this Replacement Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Replacement Prospectus to be admitted for Quotation.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Replacement Prospectus. Before applying for Shares investors should carefully read this Replacement Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Applicants should read this Replacement Prospectus in its entirety and persons considering applying for Shares pursuant to this Replacement Prospectus should obtain professional advice.

COMPETENT PERSON'S STATEMENT

The information contained in this Replacement Prospectus as it relates to Exploration Results, Mineral Resources or Ore Reserves (as those terms are defined in the JORC Code) is based on information compiled by Jonathan King.

Jonathan King – BSc (Hons), MAIG, of Collective Prosperity Pty Ltd (CPPL), is a Member of the Australasian Institute of Geoscientists with over 10 years of experience. Jonathan holds the relevant qualifications and professional associations required by the ASX, JORC and VALMIN Codes in Australia. He is a Qualified Person under the rules of the CIM and NI 43-101. He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the VALMIN Code and JORC Code.

Jonathan King has over 25 years' experience in mining and exploration geology, with a particular focus on the geochemistry of the region, and the impacts that its development has on mineral commodity exploration. Jonathan King has worked in Australia, Africa, North, Central and South America, China, Korea, Papua New Guinea, and Fiji in, diamonds, tin, nickel, gold and base metals such as copper, lead and zinc.

Jonathan King consents to the inclusion in this Replacement Prospectus of the matters based on his information in the form and content in which it appears.

REPLACEMENT PROSPECTUS AVAILABILITY

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

This Replacement Prospectus will be issued in paper form and as an electronic Replacement Prospectus, which may be viewed online at www.nelsonresources.com.au. Any person accessing the electronic version of this Replacement Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Replacement Prospectus from within Australia.

The Corporations Act 2001 prohibits any person from passing onto another person the

Application Form unless it is attached to or accompanied by the complete and unaltered version of this Replacement Prospectus. During the Offer Period, any person may obtain a hard copy of this Replacement Prospectus free of charge by contacting the Company by e-mail at info@nelsonresources.com.au.

NO COOLING OFF RIGHTS

Applicants have no cooling off rights in relation to Shares for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain specified circumstances as detailed in the Corporations Act.

RISKS

Before deciding to invest in the Company, investors should read the entire Replacement Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Replacement Prospectus should be considered highly speculative. Refer to Section 6 for details relating to risk factors.

DISCLAIMER

This Replacement Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Replacement Prospectus constitute forward looking statements. These forward looking statements are identified by words such as "may", "could", "believes", "expects", "intends", and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Replacement Prospectus uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 6.

FINANCIAL AMOUNTS

All references in this Replacement Prospectus to "$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

All references in this Replacement Prospectus to "USD" are references to the currency of the United States of America.

Any discrepancies between the totals and sums of components in tables contained in this Replacement Prospectus are due to rounding.

WEBSITE

No document or information included on our website is incorporated by reference into this Replacement Prospectus.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Replacement Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Replacement Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Replacement Prospectus are illustrative only and may not be drawn to scale.

FOREIGN INVESTOR RESTRICTIONS

The offers of securities under this Replacement Prospectus do not constitute an offer in any jurisdiction outside Australia. The offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Replacement Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Replacement Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other

consents are required or whether any other formalities need to be considered and followed.

DEFINITIONS AND TIME

A number of terms and abbreviations used in this Replacement Prospectus have defined meanings which appear in Section 11, or in the Glossary of Terms section of the Independent Geologist's Report.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

GOVERNING LAW

This Replacement Prospectus and the contracts that arise from the acceptance of the applications under this Replacement Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

1. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors, I am delighted to present this Replacement Prospectus to you and offer you the opportunity to become a Shareholder of Nelson Resources Limited (Company).

The Company is an explorer of mineral projects in Western Australia. The Company is the holder of tenements comprising the Woolshed Well Project and has entered into a share purchase agreement to acquire 100% of the issued capital in 79 Exploration Pty Ltd, which is the holder of tenements comprising the Socrates Project, Wilga Project, Yarrie Project and Happy Jack Project.

Following the Offer, the Company plans on undertaking targeted exploration programs at its Projects as well as continuing to assess new business development opportunities to expand its portfolio of mineral projects.

This Replacement Prospectus contains an offer to the public of up to 25,000,000 Shares at an issue price of $0.20 each, together with 1 Free Attaching Option for every 2 Shares issued to raise up to $5,000,000 before costs. Each Free Attaching Option will entitle the holder to subscribe for 1 Share in the Company at an exercise price of $0.20 on or before 30 September 2019. The proceeds from the Offer will primarily be used to fund the Company's exploration of the Tenements and ongoing administration costs and provide general working capital. The Shares offered under this Replacement Prospectus will rank equally in all respects with the existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 10.1.

An investment in the Company is subject to risks, including company specific risks and general risks. In particular, investors should note that can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of Nelson Resources Limited.

Yours faithfully

Peter Cook
Non-Executive Chairman

2. INVESTMENT OVERVIEW AND KEY INFORMATION

2.1 Investment Overview

Nelson Resources is an Australian based mineral exploration and development company. On completion of the Offer, Nelson will hold a portfolio of gold exploration projects in Western Australia. Nelson has an experienced management team, led by industry veteran Peter Cook, Managing Director of Westgold Resources Limited.

Description	Amount
Shares currently on issue	15,092,846
Issue price per Share under the Offer	$0.20
Shares offered under the Offer	25,000,000
Amount to be raised under the Offer (before costs)	$5,000,000
Vendor Shares	5,500,000
Total Shares on issue on completion of the Offer	**45,592,846**
Indicative market capitalisation on completion of the Offers[1]	$9,118,569
Executive Options issued under the Offer	2,500,000
Free Attaching Options issued under the Offer	12,500,000
Broker Options issued under the Offer	3,000,000
Total Options on issue on completion of the Offer	**18,000,000**

Note:

1. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the issue price of each Share under the Offer, being $0.20. Please note that there is no guarantee that the Shares will be trading at $0.20 upon the Company listing.

2.2 Indicative Timetable

Indicative timetable	Date
Lodgment of this Replacement Prospectus with ASIC	22 September 2017
Opening Date for Applications	25 September 2017
Closing Date for Applications	16 October 2017
Dispatch of holding statements	30 October 2017
Estimated date for Official Quotation on ASX[1]	6 November 2017

Note:

1. The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

2.3 Key Information

This Section is an overview only and is not intended to provide full information for investors intending on applying for Shares offered under this Replacement Prospectus. The Shares offered pursuant to this Replacement Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares. Prospective investors should read the Replacement Prospectus in full, including the experts' reports in this Replacement Prospectus before deciding to invest in Shares.

Topic	Summary	Details
A. Company		
Who is the issuer of this Replacement Prospectus?	Nelson Resources Limited (ACN 127 620 482).	Section 4
What does the Company do?	The Company is an explorer and planned developer of mineral and metals in Western Australia.	Section 4
What are the Company's key assets?	The Company is the holder of the tenements comprising the Woolshed Well Project and has entered into the Share Purchase Agreement to acquire 100% of the issued capital in 79 Exploration, the holder of the tenements comprising the following projects: • Socrates Project; • Wilga Project; • Yarrie Project; and • Happy Jack Project.	Section 4 and Section 7 Independent Geologists Report

Topic	Summary	Details
What are the Company's key objectives?	The Company's key objectives include: • to undertake targeted exploration programs at the Projects; • to continue assessing opportunities for business development and new venture activities with a view to adding additional mineral projects in the near future; • to assess opportunities for near term cash-flow from the Projects by mining, joint venturing, toll processing or partnering with others to achieve a commercial outcome; • to conduct operations at the highest professional and technical standards of the industry; and • to effectively communicate with Shareholders and the broader market. The Directors are satisfied that on completion of the Offer, the Company will have sufficient funds to carry out its stated objectives.	Section 4
What are the Company's key business strategies?	The Company's key business strategies include: • conducting exploration work including drilling on the Projects; and • creating shareholder value through the delineation and development of mineral resources and potential acquisitions of mineral projects.	Section 4
What is the Company's financial performance?	Based on the reviewed pro-forma consolidated statement of financial position of the Company as at 30 June, 2017, following completion of the Offer the Company will have: • total assets of approximately $6,258,502; • total liabilities of approximately $220,202; and • net assets of approximately $6,038,300. Based on the reviewed pro-forma consolidated statement of financial position of the Company as at 30 June 2017, following completion of the Offers, and after taking into account the costs of the Offers, the Company will have cash and cash equivalents of approximately $4,717,726. The information in respect of the historical performance of the Company should not be regarded as an indication of the future performance of the Company. Prospective investors should be aware that exploration business undertaken by the Company is speculative and future performance of the Company is subject to significant exploration risk. Relevant financial information in respect of the Company, including a pro-forma Statement of	Section 1

Topic	Summary	Details
	Financial Position detailing the effect of the Offers, is set out in the Investigating Accountant's Report in Section 1.	
What is the Company's dividend policy?	The Company does not intend to declare or pay any dividends in the immediately foreseeable future. The extent, timing and payment of any dividends declared or payable in the future will be determined by the Directors, based on a number of factors, including future earnings and the Company's financial position.	Section 3.15
B. The Offer		
What is the Offer?	The Company is offering 25,000,000 shares at an issue price of $0.20 per Share, together with 1 Free Attaching Option for every 2 Shares issued, to raise $5,000,000 before costs. The Free Attaching Options are exercisable at $0.20 per Option on or before 30 September 2019.	Section 3
Why is the Offer being conducted?	The principal purposes of the Offer are to: • provide funds for the purposes set out in Section 3.4; • enhance the public and financial profile of the Company to facilitate further growth of the Company's business; and • provide the Company with access to equity capital markets for future funding needs.	Section 3.3
What are the conditions to the Offers?	The Offer under this Replacement Prospectus is conditional upon the following events occurring: • the Minimum Subscription being met; • ASX granting conditional approval for the Company to be admitted to the Official List; and • ASX approving the quotation of Free Attaching Options.	Section 3.21
What is the proposed use of funds raised pursuant to the Offer?	The Company intends to apply its existing cash reserves and the funds raised from the Offer toward the exploration and development of the Projects and business development activity. Specifically, key areas of expenditure will be: • drilling; • mineral resource estimation; • corporate overheads; • business development activity including the evaluation of potential acquisitions; • expenses of the Offer; • ongoing administration costs; and	Section 3.4 and Section 7 - Independent Geology Report

<table>
<tr><th>Topic</th><th>Summary</th><th>Details</th></tr>
<tr><td></td><td>• working capital.</td><td></td></tr>
<tr><td>What is the minimum subscription of the Offer?</td><td>The minimum subscription of the Offer is $5,000,000.</td><td>Section 3.1</td></tr>
<tr><td>What is the effect of the Offer on the capital structure of the Company?</td><td>The effect of the Offer on the capital structure of the Company will be to increase the number of Shares and Options on issue, as set out in Section 4.2.</td><td>Section 4.2</td></tr>
<tr><td>Will any capital raising fees be payable in respect of the Offer?</td><td>The Company has engaged Somers and Partners Pty Ltd (Somers or the Lead Manager) as Lead Manager to the Offer.

The Lead Manager will be paid a management fee of 1.0% of the total capital raised in the Offer and a capital raising fee of 4.0% of the total amount raised in the Offer.

The Lead Manager will be responsible for paying selling fees to other brokers that the Company wishes to include in the Offer.

The Lead Manager will receive 3,000,000 Broker Options.

Allotment of the Offer Shares will be undertaken by the Company in consultation with the Lead Manager.</td><td>Section 10.5(b)</td></tr>
<tr><td>Will the Shares and Free Attaching Options issued under the Offer be quoted?</td><td>The Company will apply to ASX no later than 7 days from the date of this Replacement Prospectus for admission of the Company to the official list of ASX and official quotation of the Shares and Free Attaching Options offered under this Replacement Prospectus, under the code NES.</td><td>Section 3.22</td></tr>
<tr><td>What are the important dates of the Offer?</td><td><table><tr><th>Important dates</th><th>Date</th></tr><tr><td>Lodgement of this Replacement Prospectus with ASIC</td><td>22 September 2017</td></tr><tr><td>Opening Date for Applications</td><td>25 September 2017</td></tr><tr><td>Closing Date for Applications</td><td>16 October 2017</td></tr><tr><td>Dispatch of holding statements</td><td>30 October 2017</td></tr><tr><td>Estimated date for Official Quotation on ASX</td><td>6 November 2017</td></tr></table></td><td>Key Offer Details</td></tr>
<tr><td>What is the minimum investment size under the Offer?</td><td>Applications under the Offer must be for a minimum of $2000 worth of Shares (10,000 Shares) and thereafter, in multiples of $500 worth</td><td>Section 3.6</td></tr>
</table>

Topic	Summary	Details
	of Shares (2,500 Shares).	
What rights and liabilities attach to the Shares being offered?	The rights and liabilities attaching to the Shares are described in Section 10.1.	Section 10.1
What rights and liabilities attach to the Free Attaching Options being offered?	The rights and liabilities attaching to the Free Attaching Options are described in Section 10.2.	Section 10.2
Is the Offer underwritten?	The Offer is not underwritten.	Section 3.10
Will any Shares be subject to escrow?	The Company expects that certain existing Shares and Options will be subject to escrow. Prior to admission to the official list of ASX, the Company will enter into escrow agreements with the relevant holders in relation to the securities subject to mandatory escrow in accordance with the Listing Rules.	Section 3.19
C. Key risks	Prospective investors should be aware that subscribing for Shares involves a number of risks and uncertainties. The risk factors set out in Section 6 and other general risks applicable to all investments in listed Shares may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This section summarises only some of the risks which apply to an investment in the Company and investing should refer to Section 6 for a more detailed summary.	
Exploration Risk	Exploration prospectivity is a matter of subjective judgement by the Company and its competent Person's. Despite the best efforts of the Company, there is no guarantee of exploration success, and even if the Company achieves exploration success, there is no guarantee that development of any identified mineral deposit will be economically viable.	Section 6
Litigation Risk	The Company is exposed to possible litigation risks arising from demands by the Company against a former secretary and alleged contractor of the Company relating to alleged unauthorised and improper reimbursement of expenses and manipulation of the Company's funds and financial accounts, and counter demands by the former secretary and alleged contractor of the Company against the Company relating to the termination of certain agreements. As at the date of this Replacement Prospectus, no proceedings have been initiated by or against the Company.	Section 6
Future Capital Requirements	Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than	Section 6

Topic	Summary	Details
	is currently anticipated. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business, its financial condition and its performance and the Company's ability to continue as a going concern. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.	
Economic risks	The value of Securities is affected by a number of general economic factors beyond the control of the Company and the Directors. Factors such as inflation, currency movements, interest rates, supply, demand and industrial disruption have the ability to affect operating costs, commodity prices, local and international economic conditions and general investor sentiment. In turn, these factors may affect the price of Securities.	Section 6
Reliance on key management	The Company's operational success will depend substantially on the continuing efforts of Directors and senior executives. The loss of services of one or more Directors or senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.	Section 6
Expiry of Escrow	The Company anticipates that a proportion of Shares will be subject to escrow upon listing, which will reduce the market liquidity of the Shares. Following the end of the escrow period, a significant number of Shares will become tradable on the ASX, which may put downward pressure on the Shares' price.	Section 6
Commodity prices and exchange rates	The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated metal prices and the AUD / USD exchange rate. Commodity prices and exchange rates fluctuate, and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions.	Section 6
Conditions to tenements	Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licenses by the State. The	Section 6

Topic	Summary	Details
	Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments. The Tenements are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied.	
Land Access	There are varying degrees of regulation and restriction on the access to and use of land by exploration and mining companies in Australia. Competing land use and land right claims often require Native Title and or private land owners/occupiers agreements before land can be accessed for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.	Section 6
D. Directors and Key Management Personnel		
Who are the Company's Directors?	The current Board is not anticipated to change upon listing, and shall be comprised of: • Peter Cook; • Adam Schofield; and • Brett Clark.	Section 4.6
Who comprises the senior management of the Company?	The Company's senior management team will initially comprise of Adam Schofield with assistance from technical staff and geologists working as external contractors and consultants to the Company.	Section 4.6
What are the significant interests of the Directors?	Upon the Company listing on the ASX, the Directors will be remunerated as follows: • As Executive Director, Adam Schofield (or his nominee) will receive $125,000 per annum plus the Superannuation Guarantee (**SG**) determined superannuation amount and 2,500,000 Executive Options. The Company acknowledges that this is a part time role (effectively half of the hours of a permanent employee); • The Non-Executive Chairman, Peter Cook (or his nominee) will receive directors fees of $72,000 per annum (plus the SG determined superannuation amount) ; • Non-Executive Director, Brett Clark (or his nominee) will receive directors' fees of $48,000 per annum (plus the SG	Section 4.6

Topic	Summary	Details
	determined superannuation amount); The Directors of the Company are subscribing for the following number of Shares under the Offer: • Peter Cook: 1,250,000 Shares • Brett Clark: Nil Shares • Adam Schofield: 75,000 Shares More information on the security holdings, interests and remuneration of the Directors is set out in Section 4.6.	
Are there any related party transactions?	There are no related party transactions.	Section 4.6
E. Additional Information		
Is there any brokerage, Commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 3.5
What are the Corporate Governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council Recommendations). In addition, the Company's full Corporate Governance Plan is available at www.nelsonresources.com.au.	Section 5
What material contracts is the Company a party to?	The material contracts of the Company include: • Share Purchase Agreement • Lead Manager Mandate; • Consultancy Agreement; • escrow agreements; and • Deeds of access, indemnity and insurance.	Section 10.5
Where can I find more information?	Questions relating to the Offer and completion of Application Forms can be directed to the Company on +61 8 9481 0389.	Corporate Directory

3. DETAILS OF THE OFFER

3.1 Overview

By this Replacement Prospectus, the Company offers for subscription 25,000,000 Shares at an issue price of $0.20 each, together with 1 Free Attaching Option for every 2 Shares issued, to raise $5,000,000 (before costs).

The Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in Section 3.9 before applying for Shares.

The Shares offered under this Replacement Prospectus will rank equally in all respects with the existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 10.1.

Each Free Attaching Option will entitle the holder to subscribe for 1 Share in the Company at an exercise price of $0.20 on or before 30 September 2019. A summary of the terms of the Free Attaching Options is set out in Section 10.2 of this Replacement Prospectus.

Applications for Shares must be made on the Application Form accompanying this Replacement Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 3.5 and the Application Form for further details and instructions.

3.2 Options

The Company currently has no Options on issue.

The Company will seek to have the Free Attaching Options listed on the ASX.

Following Quotation, and subject to Shareholder approval, the Company intends to allot Executive Options to its executive director, Adam Schofield, as set out in Section 10.3.

3.3 Purpose of the Offer

The principal purposes of the Offer are to:

- provide funds for the purposes set out in Section 3.4;
- provide the Company with access to equity capital markets for future funding needs;
- enhance the public and financial profile of the Company to facilitate further growth of the Company's business; and
- comply with ASX's requirements for listing the Company on the ASX.

3.4 Proposed use of funds

It is intended to apply funds raised from the Offer as follows:

Use of funds	Amount	%
Expenses of the Offer	$495,000	9.9%
Socrates Project expenditure	$1,000,000	20%
Wilga Project expenditure	$455,000	9.1%
Yarrie Project expenditure	$835,000	16.7%
Happy Jack Project expenditure	$95,000	1.9%
Woolshed Well Project expenditure	$275,000	5.5%
Review and evaluation of new opportunities	$900,000	18%
General working capital	$945,000	18.9%
Total	**$5,000,000**	**100%**

Notes:

1. The above table is a statement of current intentions as of the date of lodgement of this Replacement Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board may necessarily and contingent on exploration success alter the way funds are applied.
2. Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programmes.
3. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.
4. General working capital will include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project such as investments and acquisitions, or in connection with any other item in the table above, as determined by the Board at the relevant time.
5. See Section 10.8 for further information on the expenses of the Offer.
6. See Section 4.4 for further information on the proposed exploration budget for the Projects.

The above table is a statement of current intentions as at the date of this Replacement Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Board may alter the way the funds are applied.

Whilst none are under consideration or contemplation at this time, the Company may in the future decide to make further acquisitions or even look to acquire competitor businesses or other assets. In that situation, such acquisitions may be funded by additional financing through debt or equity (subject to any necessary Shareholder approvals).

The Board is satisfied that upon completion of the Offer, the Company will have sufficient capital to meet its stated objectives.

3.5 How to apply for the Offer

Applications for Shares under the Offer can only be made on the Application Form attached to this Replacement Prospectus.

Applications must be for a minimum of 10,000 Shares ($2,000) and thereafter, in multiples of $500 worth of Shares (2,500 Shares). There is no maximum number of Shares that may be applied for, however the Company in consultation with the Lead Manager reserve the right to reject or scale back any Applications. All application Monies will be paid into a trust account. No brokerage, stamp duty or other costs are payable by Applicants.

Payments can be made via the following two options:

- **BPAY® -** complete the online Application Form accompanying the electronic version of this Replacement Prospectus which is available via a link at the Share Registry's website www.securitytransfer.com.au and follow the instructions on the online Offer Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

  You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

  When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00pm WST on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive application monies or payments by BPAY before the Offer Closing Date arising as a result of, among other things, processing of payments by financial institutions.

- **Cheques -** must be made payable to "Nelson Resources Limited – Share Application Account" and crossed "Not Negotiable".

  If paying by Cheque, completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by being posted or delivered to the address on the application form.

Applicants are urged to submit applications as soon as possible as the Offer may close early without notice.

A submitted Application Form (either via a completed online Application Form together with a BPAY payment or completed and lodged Application Form together with a cheque constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Application Form is final.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Offer. The return of an Application Form or otherwise applying for Shares under the Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Replacement Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Replacement Prospectus and the Constitution;
- makes the representations and warranties in Section 3.5 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that they are over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at $0.20 each;
- authorises the Company to register it as the holder(s) of the Shares and Free Attaching Options (if applicable) issued to it under the Offer;
- acknowledges that the information contained in this Replacement Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Application Form or

other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

3.6 Minimum Subscription

The minimum subscription to the Offer is 25,000,000 Shares at an issue price of 20 cents per Share to raise $5,000,000 before expenses of the Offer. If the subscription has not been raised within 4 months after the date of this Replacement Prospectus, all Applications will be dealt with in accordance with the Corporations Act.

3.7 Oversubscriptions

There is no allowance for oversubscriptions.

3.8 ASX Listing

Within 7 days after the date of this Replacement Prospectus, application will be made for the Shares offered by this Replacement Prospectus to be granted Quotation.

If approval for Quotation is not granted within 3 months after the date of this Replacement Prospectus, the Company will not allot or issue any Shares, and will repay all Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Replacement Prospectus. The fact that ASX may admit Nelson Resources to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Replacement Prospectus.

3.9 Foreign investor restrictions

This Replacement Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Replacement Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Replacement Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

3.10 Underwriting

The Offer is not underwritten.

3.11 Capital Raising Fees

The Company has engaged Somers as Lead Manager to the Offer.

The Lead Manager will be paid a management fee of 1.0% of the total amount raised in the Offer and a capital raising fee of 4.0% of the total amount raised in the Offer.

The Lead Manager will be responsible for paying selling fees to other brokers that the Company wishes to include in the Offer.

The Lead Manager will receive 3,000,000 Broker Options. The terms of the Broker Options are set out in Section 10.4.

3.12 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Shareholder under this Replacement Prospectus.

This statement will also advise investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer–sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time however a charge may be incurred for additional statements.

3.13 Risk Factors

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Replacement Prospectus involves a number of risks. These risks are set out in Section 6 of this Replacement Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company. The risk factors set out in Section 6 of this Replacement Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative.

3.14 Forecasts

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities. After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Replacement Prospectus.

3.15 Dividends

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. At the date of issue of this Replacement Prospectus the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

3.16 Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Replacement Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Replacement Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Replacement Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, this Replacement Prospectus can be viewed online on the Company's website at www.nelsonresources.com.au, and hard copies of this Replacement Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

3.17 Application Monies held in trust

All Application Monies will be held in a separate subscription account on behalf of applicants until the Shares are issued pursuant to the Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Replacement Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

3.18 Allocation and Issue of shares

The Board reserves the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares and Free Attaching Options, the issue of Shares and Free Attaching Options will occur as soon as practicable after the Offer close. All

Shares and issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares or Free Attaching Options. Applicants who sell Shares or Free Attaching Options before they receive their holding statement will do so at their own risk.

3.19 Escrow Arrangements

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and vendors of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from quotation of the Company's Shares, during which time they must not be transferred, assigned or otherwise disposed of.

The Company expects that certain existing Shares and Options will be subject to escrow. Prior to admission to the official list of ASX, the Company will enter into escrow agreements with the relevant holders in relation to the securities subject to mandatory escrow in accordance with the Listing Rules.

The Company will announce final escrow arrangements to ASX prior to Quotation.

3.20 Privacy Disclosure

Persons who apply for Shares pursuant to this Replacement Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on info@nelsonresources.com.au, or the Share Registry on registrar@securitytransfer.com.au.

3.21 Conditional Offer

The Offer under this Replacement Prospectus are conditional upon the following events occurring:

- the Minimum Subscription being met;
- ASX granting conditional approval for the Company to be admitted to the Official List; and
- ASX approving the quotation of Free Attaching Options.

If these conditions are not achieved, then the Company will not proceed with the Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

3.22 Quotation

The Company will apply to ASX no later than 7 days from the date of this Replacement Prospectus for admission of the Company to the official list of ASX and official quotation of the Shares and Free Attaching Options offered under this Replacement Prospectus, under the code NES.

3.23 Enquiries

This Replacement Prospectus provides information for potential investors in the Company and it should be read in its entirety. If, after reading this Replacement Prospectus, you have any questions about any aspect of an investment in Nelson Resources, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offer and completion of Application Forms can be directed to the Company on info@nelsonresources.com.au.

4. COMPANY AND PROJECT OVERVIEW

4.1 Background

The Company (formally known as Mongolian Resources Corporation Ltd, Alamar Resources Ltd and Minatore Resources Limited) was incorporated on 19 September 2007. The Company was previously listed on ASX before its delisting on 16 May 2016. The Company changed its name to Nelson Resources Ltd on 23 November 2016.

Previously, the Company's main objective had been the exploration and development mineral projects in Mongolia. Pursuant to an agreement dated 9 June 2017 the Company agreed to sell its Mongolian assets to a citizen of Mongolia for US$500,000, of which part payment of US$20,000 was received. It remains unclear as to when and if the conditions in the agreement will be met and consequently, whether the balance of the consideration will be received. The Company is not reliant on receiving the balance of funds and has not included these funds in its budget.

The Company has re-focussed its efforts on mineral projects in Australia and assessing new opportunities and ventures in Australia. On 19 December 2016 the Company lodged a prospectus with ASIC for the offer of 25,000,000 ordinary shares at $0.20 per share. However, the Directors elected to withdraw that prospectus on 26 March 2017 when an agreement for the purchase of tenements by the Company was terminated. Since then, the Company has undertaken an internal review of its operations and has as a result of this review implemented revised control systems and management processes in place.

The ongoing key focus of the Company moving forward is to focus on the exploration and development of the following projects:

- Woolshed Well Project;
- Socrates Project;
- Wilga Project;
- Yarrie Project; and
- Happy Jack Project,

(together, **Projects**).

The Woolshed Well Project is already 100% owned by the Company, and the Company has entered into a share purchase agreement (**Share Purchase Agreement**) to acquire the Socrates Project, Wilga Project, Yarrie Project; and Happy Jack Project. Please refer to Section 10.5 for a summary of the material terms and conditions of the Share Purchase Agreement.

Further details of the Projects are summarised in this Section, and full particulars of the geological settings and work undertaken previously on the tenements are set out in the Independent Geologist's Report in Section 7 of this Replacement Prospectus.

The Board and senior management of the Company have a broad range of expertise with proven technical, operational, financial and commercial skills and experience in the discovery and exploration of resources.

Among the Company's objectives are:

- to undertake targeted exploration programs at the Projects;
- to continue assessing opportunities for business development and new venture activities with a view to adding additional mineral projects in the near future;
- to assess opportunities for near term cash-flow from the Projects by mining, joint venturing, toll processing or partnering with others to achieve a commercial outcome;
- to conduct operations at the highest professional and technical standards of the industry; and
- to effectively communicate with Shareholders and the broader market.

The Directors are satisfied that on completion of the Offer, the Company will have sufficient funds to carry out its stated objectives.

4.2 Pro-forma Capital Structure

The pro-forma capital structure of the Company on listing is summarised in the table below:

Description		
Fully Paid Ordinary Shares	**No. Shares**	**%**
Existing Shareholders	15,092,846	33.10%
Vendor Shares	5,500,000	12.06%
Offer Shares	25,000,000	54.83%
Ordinary Shares on issue on completion of Offer	**45,592,846**	**100%**
Free Attaching Options	12,500,000	69.44%
Broker Options	3,000,000	16.67%
Employee Incentive Options	2,500,000	13.89%
Options on issue on completion of Offer	**18,000,000**	**100%**

4.3 Overview of the Projects

The Company has acquired, or has the rights to acquire 100% interest in 10 tenements in five project areas as set out in the Table 1 below. Each area is considered prospective for gold mineralisation, and exists in known gold districts, often near critical infrastructure. For further details on the Projects please refer to the Independent Geologist's Report in Section 7 of this Replacement Prospectus.

Tenement	Project	Holder	Granted	Expiry	Area	Units
E28/2633	Socrates	Peter Romeo Gianni	07/02/2017	06/02/2022	4	Bl
P39/5586	Wilga	Peter Romeo Gianni	05/07/2016	04/07/2020	43.73	Ha
P31/2085	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	19.4	Ha
P31/2086	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	6.06	Ha
P31/2087	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	9.71	Ha
P37/8597	Woolshed Well	Mongolian Resources Corporation Ltd	19/01/2016	18/01/2020	197	Ha
P37/8598	Woolshed Well	Mongolian Resources Corporation Ltd	19/01/2016	18/01/2020	200	Ha
P37/8599	Woolshed Well	Mongolian Resources Corporation Ltd	19/01/2016	18/01/2020	198	Ha
P37/8600	Woolshed Well	Mongolian Resources Corporation Ltd	19/01/2016	18/01/2020	200	Ha
P29/2217	Happy Jack	Peter Romeo Gianni	19/07/2012	18/07/2020	6	Ha

Table 1: Tenement Schedule

(a) Socrates Project

The Socrates Project comprises one exploration licence application E 28/2633 which has previously been prospected and has defined gold mineralisation. There is no previous physical mining activity or historical workings on the property, however, previous owners have completed mining activity in the form of exploration drill evaluations.

The Socrates Project has a total area of approximately 12km2, and is located 155km south-east of Kalgoorlie and approximately 110km north-east of Norseman, in the Eastern Goldfields region of Western Australia.

A significant gold-in-soil anomaly has been defined at Socrates which resents as a virgin gold discovery in what is postulated to be part of southern extensions of the Kurnalpi Greenstone Terrane. Prior to the discovery of the gold-in-soil anomalies, no previous known gold has been known in the area. Drilling, albeit of reconnaissance and of a wide-spaced nature has returned some significant intercepts well worthy of follow-up and additional exploration (refer to independent geologists report for detail).

(b) Wilga Project

The Wilga Project comprises one prospecting licence, covering an area of 43.73 hectares and is located 52km south-east of Laverton and approximately 9kms to the east of the Sunrise Dam Gold Mine, in the Eastern Goldfields region of Western Australia. Although, relatively small in size, the tenure covers a well defined lode system previously exploited by prospector shafts and workings.

A well-defined gold anomaly and drilling by previous prospectors have outlined an immediate drill target.

The Directors have a strong belief that systematic drill-out of the prospect can yield excellent results and potential for an exploitable gold resource. We ask investors to study the upside in this prospect as evaluated in the independent geologists report.

(c) Yarrie Project

The Yarrie Project consists of three prospecting licences covering a land area of 35Ha in the Yerilla District of the North Coolgardie Mineral Field of Western Australia and is located 150km northeast of Kalgoorlie.

The project area covers numerous zones of sparesely evaluated historic gold workings at the Gibberts, Great Banjo and Wallaby Prospects. All show good historic drilling results and require systematic exploration and drilling to assess their economic significance.

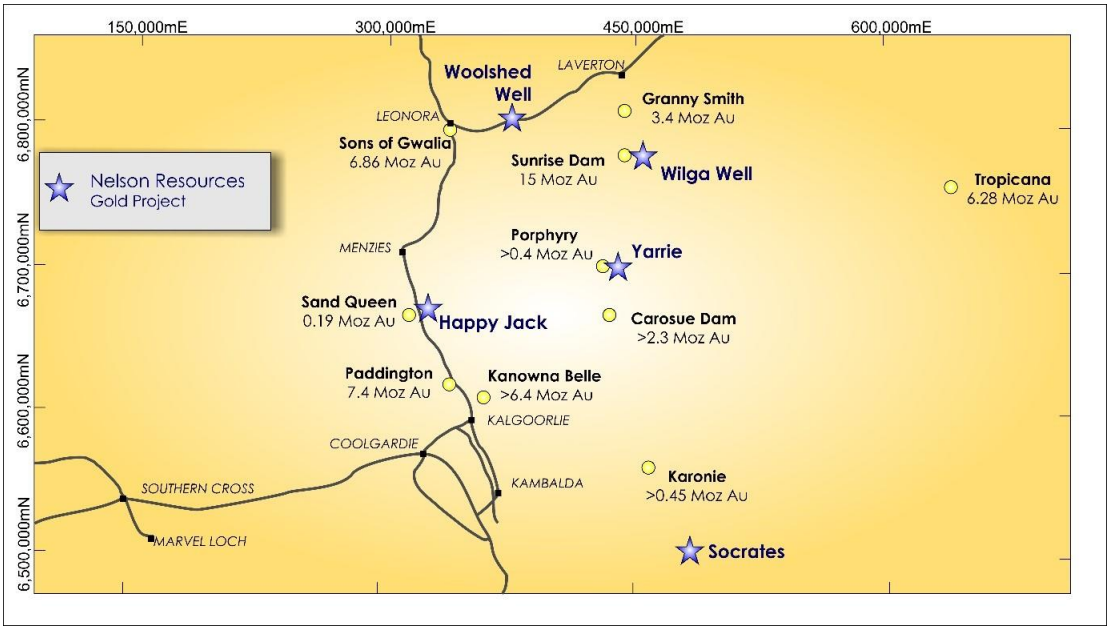
(d) Happy Jack Project

The Happy Jack Project comprises one prospecting licences covering an area of approximately 6 hectares and is located 100km north of Kalgoorlie. The old Happy Jack Mine and old tailings deposit sit within the titles.

The area requires an exploration drill program to assess its potential for further high-grade mienralisation as was mined by the historic operation. Small potential also exists from re-processing the historic tailings dumps.

(e) Woolshed Well Project

The Woolshed Well Project comprises four prospecting licences of roughly equal size, has a combined area of 795 ha and is located 20km east of Leonora along the Leonora-Laverton Highway, in the Eastern Goldfields region of Western Australia. The tenure covers prospective greenstone stratigraphy transected by a number of regional faults which are well regarded as fluid-pathways for gold mineralisation. In additional folded komatiite sequences and intruded granite plutons provide additional emphasis for exploration prospectivity.The Board considers Woolshed Well as a grass-roots exploration prospect covering good stratigraphic and structural signs for mineralisation. It intends to complete first pass reconnaissance and soil- geochemical sampling across the prospect area.



Project Locations

4.4 Proposed Exploration Budget

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from such exploration as carried out. This involves an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests reflecting a change in emphasis. Subject to the above, the following expenditure is proposed:

Location	Project	IPO Subscription ($5m)	
		Year 1	Year 2
Albany-Fraser	Socrates	350,000	650,000
Eastern Goldfields	Wilga	155,000	300,000
	Yarrie	310,000	525,000
	Woolshed Well	135,000	140,000
	Happy Jack	70,000	25,000
Grand Total		**1,020,000**	**1,640,000**

In summary, the Company has a mixture of advanced and grass roots gold exploration prospects requiring and worthy of more intense exploration to determine their commercial outcomes. The Company believes it can achieve its objectives with its management team, and assisted by a number of expert contractors and consultants.

The Company has commitments for expenditure on granted tenements in accordance with the Mining Act and seeks to raise funds for their upkeep and exploration.

4.5 Board of Directors

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Directors have significant experience in the mineral exploration and project development industries. Brief profiles of the Directors are set out in this Section 4.5.

Mr Peter Cook
Non- Executive Chairman
MSc (Min. Econ) BSc (Appl Geol) MAusIMM

Mr Cook is a highly experienced and successful mining company executive with over 30 years relevant experience in exploration, mining, project development and management of mining companies. In recent years he has been the co-founder, Managing Director and Chairman of Metals X Limited and is currently the Managing Director of the newly demerged Westgold Resources Limited which operates the gold division of what was previously the diversified Metals X Limited's portfolio. He was also the founder and Non-Executive Chairman of small gold producer, Pantoro Limited, resigning from that position to focus on the advancement of Westgold Resources Limited.

Mr Adam Schofield
Executive Director
Dip (Mech.Eng)

Mr Schofield has over 20 years' experience in the resources sector in Australia and Africa. He is a Mechanical Engineer with significant experience conducting feasibility studies and in taking projects from feasibility stage into operations. He has experience in gold, mineral sands, copper and iron ore. Mr Schofield is currently a mining consultant with Cassco Consulting, where he provides consulting services in all aspects of mining and equipment selection. In the past, he has been employed as a sales manager of Liebherr-Australia Pty Ltd, a mining and construction equipment manufacturer, and a construction and mining equipment sales specialist with AB Equipment Ltd, a materials handling company in New Zealand.

Mr Brett Clark
Non-Executive Director
B Eng., Dip Finance

Mr Clark has 25 years' experience in the mining and energy sectors in funding, operations and advisory. His extensive experience ranges from project development to operations and sales and marketing in gold, nickel, coal, industrial minerals and upstream oil and gas across a number of continents. His experience includes the US and Asian capital markets, encompassing middle markets and structured debt, equity and mezzanine transactions. In recent years, Brett Clark has held a number of board positions in resources and infrastructure companies including Rey Resources Limited, Surefire Resources NL, Pluton Resources Limited and Oakajee Port and Rail. His executive roles in organisations have included Tethyan Copper Company, Murchison Metals Ltd and Pluton Resources Limited with a combination of CFO, CEO and project director roles. Brett was also a non-equity partner with Ernst and Young Perth running their mining advisory business group. Currently Brett is a Managing Partner in Doonbeg Group Inc, (New York), an investment bank, and its affiliate Doonbeg Capital Limited (London).

4.6 Composition of the Board

The Board currently comprises of 3 members, including 2 Non-Executive Directors and 1 Executive Director.

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers Peter Cook and Brett Clark to be independent Directors.

(a) Interests of Directors

Other than as disclosed in this Replacement Prospectus, no existing or proposed Director holds at the date of this Replacement Prospectus, or has held in the 2 years prior to the date of this Replacement Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director for services in connection with the formation or promotion of the Company or the Offer, or to induce them to become, or qualify as, a Director.

(b) Shareholding Requirements

The Directors are not required to hold any Shares under the Constitution of the Company.

(c) Directors' Security Holdings

Set out below are the anticipated relevant interests of the Directors in the Shares of the Company upon completion of the Offer.

Director	Shares	Free Attaching Options	Executive Options	Voting power
Adam Schofield	74,000	Nil	2,500,000	0.16%
Peter Cook[1]	1,583,334	Nil	Nil	3.47%
Brett Clark	Nil	Nil	Nil	Nil

Notes:

1. 333,334 existing Shares are held by Ajava Holdings Pty Ltd in which Peter Cook is a director and a shareholder in Ajava Holdings Pty Ltd.
2. The table assumes that Adam Schofield and Ajava Holdings Pty Ltd (which Peter Cook is a director and a shareholder in) apply for 74,000, and 1,250,000 Shares under the Offer respectively. Prior to the Offer, Peter Cook held 334,000 Shares and Brett Clark and Adam Schofield held no Shares. The relevant interest of a Director in Shares and Free Attaching Options, and its voting power, will increase to the extent that the Director applies for, and is issued, Shares and Free Attaching Options under the Offer.

(d) Directors' Remuneration

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $250,000 per annum.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

The annual remuneration (exclusive of superannuation) payable to each of the Directors as the date of this Replacement Prospectus is as follows:

Director	Remuneration
Adam Schofield	$125,000 per annum
Peter Cook	$72,000 per annum
Brett Clark	$48,000 per annum

Related Party Arrangements

The Company's policy in respect of related party arrangements is as follows:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

There are no related party arrangements.

5. CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of the Company and acknowledges, as a guiding principle, that it will at all times act ethically, honestly, and in accordance with the law, with a view to creating sustainable value for its shareholders.

The Company has undertaken an internal review of its operations and has as a result of this review implemented revised control systems and management processes in place.

The Board endorses the *Corporate Governance Principles and Recommendations (3rd Edition)* (**ASX Recommendations**) as published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations, to the extent appropriate having regard to the size and circumstances of the Company.

The following policies and procedures have been implemented and are available in full on the company's website at www.nelsonresources.com.au

- Board Charter;
- Board Performance Evaluation Policy;
- Corporate Code of Conduct;
- Audit and Risk Management Committee Charter;
- Expenses Policy;
- Signatures Policy;
- Remuneration and Nomination Committee Charter;
- Security Trading Policy;
- Continuous Disclosure Policy;
- Shareholder Communications Strategy; and
- Diversity Policy.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has considered the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this Replacement Prospectus the Company complies with the Recommendations other than to the extent set out below.

No.	Recommendation	Explanation for non-compliance
2.	**Structure the Board to add value**	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.
2.4	A majority of the board of a listed entity should be independent directors.	The Board currently consists of 1 executive director and 2 non-executive directors, of which 2 are considered by the Board to be independent directors.
4.	**Safeguard integrity in financial reporting**	
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors	Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the Audit Committee meetings to be undertaken by the Board as the company does not have 3 non-executive /

No.	Recommendation	Explanation for non-compliance
	and a majority of whom are discretion; (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (i) the charter of the committee; (ii) the relevant qualifications and experience of the members of the committee; and (iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an Audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external Auditor and the rotation of the Audit engagement partner.	independent Directors. The full Board in its capacity as the Audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. The duties of the full Board in its capacity as the Audit committee are set out in the Company's Audit Committee Charter which is available at www.nelsonresources.com.au. When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. The Board is responsible for the initial appointment of the external Auditor and the appointment of a new external Auditor when any vacancy arises. Candidates for the position of external Auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external Auditor based on criteria relevant to the Company's business and circumstances. The performance of the external Auditor is reviewed on an annual basis by the Board. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed at www.nelsonresources.com.au"
7.	**Recognise and manage risk**	
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework. When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed at www.nelsonresources.com.au.
7.3	A listed entity should disclose: (a) if it has an internal Audit function, how the function is structured and what role it performs; or	The Company does not currently have an internal Audit function however, following admission to the Official List of the ASX the Company will consider establishing an internal

No.	Recommendation	Explanation for non-compliance
	(b) if it does not have an internal Audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Audit function in the future should the need arise. The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Risk Management Policy. A copy of this policy is available at www.nelsonresources.com.au.
8.	**Remunerate fairly and responsibly**	
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available at www.Nelsonresources.com.au. When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed at www.nelsonresources.com.au.

6. RISK FACTORS

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of risk factors that investors should consider and seek independent advice on, before deciding whether or not to invest in Shares. The principal risk factors include, but are not limited to, the following:

6.1 Specific Risks

(a) Litigation Risk

The Company is exposed to possible litigation risks arising from demands by the Company of approximately $407,084 against a former secretary and alleged contractor of the Company (and/or entities associated with them) relating to alleged unauthorised and improper reimbursement of expenses and manipulation of the Company's funds and financial accounts, and counter demands of approximately $546,816 by the former secretary and alleged contractor of the Company (and/or entities associated with them) against the Company relating to the termination of certain agreements, which the Company denies. Please see the notes to the financial accounts in Section 1 for further details.

(b) Exploration Risk

Potential investors should understand that precious metal exploration and development is a high-risk undertaking.

There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the case reserves of the Company and possible relinquishment of part or all of the Projects.

(c) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Expenditure may need to be incurred that has not been taken into account in this Replacement Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

(d) Resource Estimates

The Projects do not have any identified mineral resource estimates defined or definable under JORC 2012. Even if a resource is identified, resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

For further information in respect to these matters refer to the Independent Geologists report in Section 7.

(e) Exploration Cost Estimate

The exploration costs of the Company described in the Project Review section of this Replacement Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) Future Funding

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer price or may involve restrictive covenants that limit the Company's operations be business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(g) Native Title and Cultural Heritage

The effect of present laws in respect of Native Title that apply in Australia is that the Tenements and Tenement Applications may be affected by Native Title claims or procedures. This may prevent or delay the granting of exploration and mining tenements, or affect the ability of the Company to explore, develop and commercialise the resources on the Tenements. The Company may incur significant expenses to negotiate and resolve any Native Title issues, including compensation arrangements reached in settling Native Title claims lodged over any of the Tenements held or acquired by the Company.

The Tenements are subject to the provisions of the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) and the Aboriginal Heritage Act 1972 (WA). Accordingly, any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions, which may adversely impact on exploration and mining activities.

(h) Crown Land

The land subject to the Tenements overlaps with Crown land, including pastoral, historical and general leases. Upon commencing mining operations on any of the Tenements, the Company may need to consider entering into a compensation and access agreement with the lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

(i) Royalties

The Company's gold mining projects may be subject to State royalties. In the event that State royalties are increased in the future, the profitability and commercial viability of the company's projects may be negatively impacted.

(j) Commodity Price Volatility and Exchange Rate Risks

Any substantial decline in the price of gold or an increase in transmission or distribution costs could have a material adverse effect on the Company.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(k) Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, reviews the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

(l) Rehabilitation of Tenements

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

(m) Climate Change Regulation

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increase regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

(n) Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

(o) Expiry of Escrow

In the likely event that ASX imposes mandatory escrow on the Company's securities, a high proportion of Shares will be subject to escrow following completion of the Offer. This would reduce liquidity in the market for the Company's Shares, and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares is likely to have an adverse impact on the Share price.

Following the end of any escrow periods, a significant number of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. See Section 3.19 for further information on likely escrow arrangements.

(p) Insurance Risks

Insurance coverage of all risks associated with minerals exploration, development and production is not always available and, where available, the cost can be high. The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, either because of the unavailability of cover or because the Directors believe the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they have in place is appropriate. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

(q) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(r) Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its securities.

(s) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing shareholders will be diluted.

(t) Tenements

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the Mining Act 1978 (WA) (Mining Act) and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments.

The Tenements held by the Company are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects. There is also a risk that the Tenement Applications will not be granted to the Company. These events could have a materially adverse effect on the Company's prospects and the value of its assets.

If a tenement holder fails to comply with the terms and conditions of a tenement, the Warden or Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.

For more information on the Tenements and Tenement Applications see the Independent Solicitors Report on Tenements in Section 1.

(u) Objections to the Grant of Tenements

Although the Company is not presently aware of any objections being lodged in respect of the Company's, or 79 Exploration, applications for certain Tenements there is a risk that objections may be lodged in the future. Any such objections will need to be resolved before the applications may be granted. In the event that the Company proceeds to defend the objections, it is likely to incur costs (including, in particular, legal costs) in doing so. These costs may be mitigated if the Company is able to agree to a resolution with the objectors.

If the Company is not able to resolve the dispute the subject of the objections there is a risk that the objections will be upheld and that the Tenements may not be granted.

For more information on the Tenements and Tenement Applications see the Legal Report on Tenements in Section 1.

(v) Acquisitions

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(w) Land Access

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration or

mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

6.2 General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates, the prevailing global gold price and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices, particularly for gold. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) Changes to Laws and Regulations

The Company may be affected by changes to laws and regulations (in Australia and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

(c) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of applying for Shares under this Replacement Prospectus.

(d) Share Market

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions may cause the Shares to trade at prices below the price at which the Shares are being offered under this Replacement Prospectus. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some factors include, but are not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

(e) Force Majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

6.3 Other Risks

The risk factors outlined in Sections 2.3 and 6 ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Replacement Prospectus. Therefore, the Shares to be issued pursuant to this Replacement Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Replacement Prospectus.

7. INDEPENDENT GEOLOGIST'S REPORT

AN INDEPENDENT COMPETENT PERSON'S REPORT ON THE EXPLORATION ASSETS OF NELSON RESOURCES LIMITED

Report Prepared for:
Nelson Resources Limited
Level 3
18-32 Parliament Place
West Perth,
WA, Australia, 6005

AUTHOR	SIGNED	DATE
Jonathan King		6/09/2017

TITLE	STATUS	Version
2017_NRL_IGR_V4.docx	Final Draft_CPPL	4

PART IV
INDEPENDENT GEOLOGIST'S REPORT

September 6th, 2017

The Directors
Nelson Resources Limited
Level 3
18-32 Parliament Place
West Perth,
WA, Australia, 6005

Dear Sirs,

Nelson Resources Limited- Independent Geologist's Report

The directors of Nelson Resources Limited (Nelson) have engaged Collective Prosperity Pty Ltd (CPPL) to prepare an Independent Geologist's Report (IGR) on a portfolio of gold assets all located in known gold producing districts within Western Australia (WA), Australia.

The IGR has been prepared for the inclusion in a prospectus to be lodged with Australian Securities and Investments Commission (ASIC). The prospectus will offer 25 million shares at an issue price of $0.20 per share to raise a total of $5,000,000 before the costs associated with the offer (Prospectus). Nelson proposes to lodge the Prospectus with ASIC on or about the 29th May 2017.

Reporting Standards

This IGR has been prepared in compliance with the standards stipulated in the "Joint Ore Reserves Committee" Code 2012 (JORC 2012) and VALMIN Code. The VALMIN Code is the standard binding all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG). The VALMIN Code incorporates the JORC (2012 Edition) Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The IGR is not a valuation report and does not express an opinion regarding the value of the mineral assets or tenements involved, nor to the 'fairness and reasonableness' of any transaction between Nelson and any other parties.

The IGR has been completed and signed off by a relevant Competent Person, Mr Jonathan King – BSc (Hons), as defined by JORC 2012. The effective date of this IGR is as of the 9th of May 2017. CPPL confirms that no further information or activities have come to its attention to indicate any material changes as of the effective date to what has presently been reported in this IGR.

Statement of Independence

Neither the contributing author to this IGR, or any other employees or associates of CPPL have a material interest, either directly or indirectly in Nelson or the assets which is the subject of this IGR. No commercial relationship existed between CPPL and Nelson prior to the engagement to prepare this report. CPPL receives consulting fees and is reimbursed for any overheads associated with the completion of this report.

Sources of Information

Nelson has provided CPPL with a substantial body of technical information sourced from public domain and Nelson's activities. In addition, CPPL have conducted their own independent research and utilised their own proprietary databases to verify and supplement respectively the information provided. The principal sources of information utilised in the preparation of the IGR are documented in the reference list of the IGR.

Warranties and Indemnities

Nelson has warranted in writing to CPPL that complete disclosure of all material information has been provided and that, to the best of Nelson's knowledge and understanding the information provided is complete, accurate and true.

CPPL understands that Nelson Resources Limited ("Nelson") intends to list on the Australian Securities Exchange ("ASX"). The Company was previously known as Mongolian Resources Limited and retains tenements under this name.

As recommended by the VALMIN Code, Nelson has provided CPPL with an indemnity under which CPPL is to be compensated for any liability and/or additional activities or expenditure arising from any additional work required which:

- Results from CPPL reliance on information provided by Nelson;
- Resulting from Nelson's withholding of material information from CPPL; &/or
- Relates to any consequential extension of activities required through queries, questions or public hearings arising from this IGR.

Summary of Projects

Nelson owns the Woolshed Well Gold Project, near Leonora, and has entered agreements to acquire 4 additional exploration projects within Western Australia including:

- Socrates Gold Project, central Albany-Fraser
- Wilga Well Gold Project, Laverton
- Yarrie Gold Project, Edjudina
- Happy Jack Gold Project, Goongarrie

This report discusses the geological setting, exploration history, previous work and proposed exploration of the projects of Nelson Resources Limited. Most projects lie within well-known gold producing districts of Western Australia, close to pertinent infrastructure and adjacent to the towns of Leonora, Laverton, and Menzies.

Gold assets with an infrastructure or gate sale solution include:

- Wilga Well, which lies 9 km's east of AngloGold Ashanti's Sunrise Dam project;
- Yarrie, which lies 30km's north of Saracen Mineral's Carosue Dam Operations and 9km's west of their Red October haul road;
- Woolshed Well, 20 km's east of Leonora; and,
- Happy Jack, 30 km south of Menzies, on Goldfields Highway and 60km's north of Norton Goldfield's Paddington Gold operations. Eastern Goldfields Limited's Davyhurst Operations lies 50km WSW.

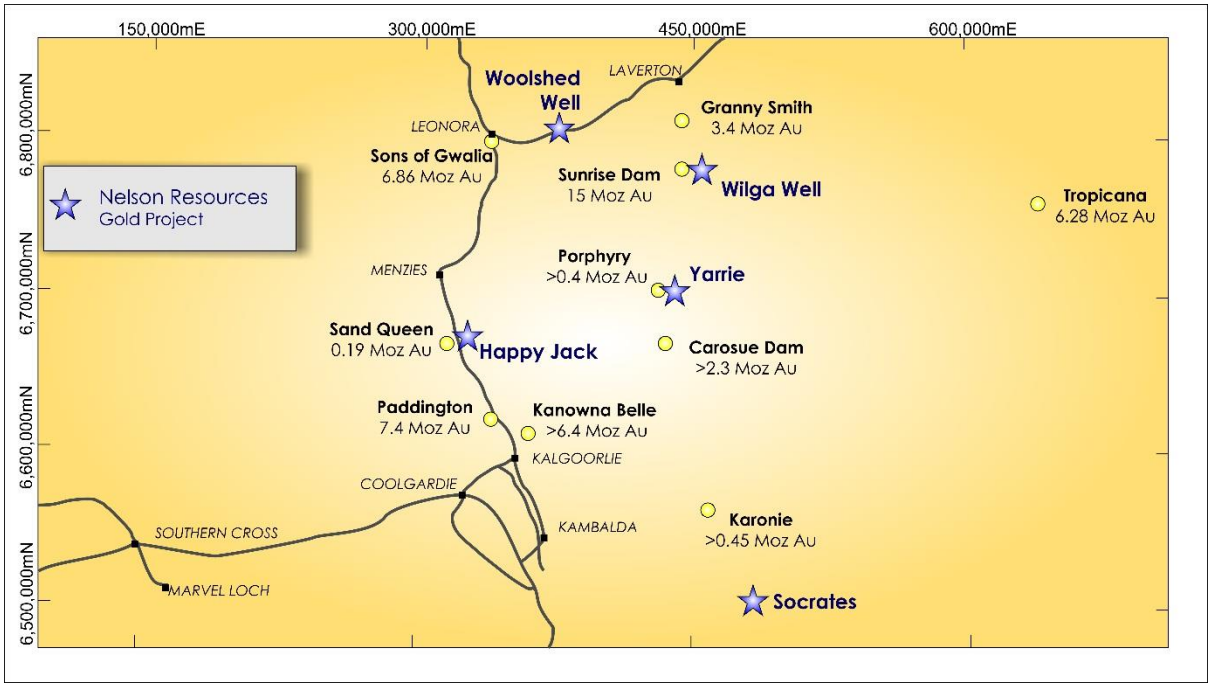


FIGURE 1: PROJECT LOCATION PLAN

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.

No JORC mineral resources have yet been identified, however significant potentially economic mineralisation is known on all projects bar Woolshed Well which represents early stage exploration. The potential of the properties is speculative and involves significant exploration and financial risk. However, CPPL believes that each project is sufficiently prospective to justify exploration at the budgetary levels indicated, using the techniques and programs as described to the author during this assessment.

The tenement package of Nelson Resources comprises 10 tenements totalling approximately 2051Ha. Additional to Woolshed Well, the Company has the right to acquire 100% of the remaining tenements and the reader is referred to the Solicitors Report for a comprehensive review of tenure. The budgeted exploration expenditure is as follows in Table 1.

TABLE 1: PROJECT BASED EXPLORATION BUDGET

Location	Project	IPO subscription	
		Year 1	Year 2
Albany-Fraser	Socrates	350,000	650,000
Eastern Goldfields	Wilga	155,000	300,000
	Yarrie	310,000	525,000
	Woolshed Well	135,000	140,000
	Happy Jack	70,000	25,000
	Grand Total	**1,020,000**	**1,640,000**

Successful exploration and development will require further systematic exploration to understand the local geology, controls on mineralisation and economic potential of the

defined prospects. CPPL considers that the prospect areas have sufficient technical merit to comprehensively justify the proposed exploration programs and associated exploration budgets.

Principal Consultant

Jonathan King has over 25 years' experience in mining and exploration geology, with a focus on the geochemistry of the regolith, and the impacts that its development has on mineral commodity exploration. Jonathan has worked in Australia, Africa, North, Central and South America, China, Korea, Papua New Guinea, and Fiji in iron ore, diamonds, tin, nickel, gold and base metals (Cu, Pb, Zn).

Jonathan holds the relevant qualifications and professional associations required by the ASX, JORC and Valmin Codes in Australia. He is a Qualified Person under the rules of the CIM and NI 43-101. He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the Valmin Code.

Consent

CPPL consents to this Report being included, in full, in the Nelson Resources Limited Prospectus, in the form and context in which it appears.

Yours Sincerely,

Jonathan King- BSc (Hons), MAIG

Perth, September 6th 2017

i. DISCLAIMER

CPPL has prepared this IGR and, in doing so has utilised the information provided by Nelson. Where possible the information has been verified from independent sources with due enquiry in terms of all material issues that are a perquisite to comply with the JORC (2012 Edition) Guidelines. CPPL and its director accept no liability for losses arising from reliance upon the information presented in this report.

The author of this IGR is not qualified to provide extensive commentary on legal issues associated with Nelson or its subsidiaries' right to the mineral property. Nelson as well as their advisors has provided certain information, reports and data to CPPL in preparing this IGR which, to the best of Nelson's knowledge and understanding is complete, accurate and true. Nelson acknowledges that CPPL has relied on such information, reports and data in preparing this IGR. No warranty or guarantee, be it expressed or implied, is made by the author with respect to the completeness or accuracy of the legal aspects of this document.

ii. FORWARD LOOKING STATEMENTS

The following report contains forward-looking statements. These forward-looking statements are based on opinions and estimates of Nelson management and CPPL at the date at which the statements have been made. These statements are subject to several known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include changes in world commodity markets, equity markets, cost and supply of materials relevant to the projects, and changes to regulations affecting them. Although we believe the expectations reflected in our forward-looking statements to be reasonable, we cannot guarantee future results, level of activity, performance or achievements.

iii. DECLARATION

CPPL will receive a commercial consulting fee for the preparation of this report in accordance with industry standard professional consulting fees. The fees obtained through the preparation of this report are not contingent upon the outcome of any proposed fund raising and CPPL will receive no other benefit for the preparation of this report.

Neither CPPL, the Competent Person, nor the director of CPPL have at the date of this report, nor had within the previous two years, any shareholding in Nelson, the Exploration Assets or acted as advisors to Nelson. CPPL, the Competent Person and director of CPPL consider themselves to be independent of Nelson.

iv. SCOPE OF THE OPINION

In the execution of the mandate, CPPL undertook a technical review, to identify the factors of a technical nature that would impact the prospectivity and future development potential of Nelson's mineral project portfolio. CPPL considered the strategic merits of the project in an open and transparent basis. This IGR has been compiled to incorporate all currently available and material information that will enable potential investors to make a reasoned and balanced judgement regarding the economic merits of the mineral project portfolio.

CPPL' primary obligation in preparing mineral asset reports in the public domain is to describe the mineral project in compliance with appropriate reporting codes. In this case the JORC (2012 Edition) Guidelines, prepared by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia is considered appropriate.

CPPL' undertook a full technical assessment of the contributing mineral assets of Nelson and also considered the strategic merit of the mineral asset. This work has been based upon technical information which has been supplied by Nelson, and which has been independently reviewed as part of the due diligence process by CPPL where possible. Nelson have warranted in writing that they have openly provided all material information to CPPL which, to the best of their knowledge and understanding is complete, accurate and true, having made all reasonable enquiries and has not omitted anything likely to affect this report.

CPPL confirms, that to the best of its knowledge and having taken all reasonable care to ensure that the information contained in the IGR is in accordance with the facts, contains no omission likely to affects its outcomes, and that no material change has occurred between the site visit and finalisation of the IGR. CPPL reserves the right, but will not be obliged to, revise this report or sections therein, and conclusions thereto, if additional information becomes known to CPPL after the date of this report.

CONTENTS

Figures:

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1. INTRODUCTION

The directors of Nelson Resources Limited (Nelson) requested Collective Prosperity Pty Ltd (CPPL) to prepare an Independent Geologist's Report (IGR) in accordance with the "Joint Ore Reserves Committee" Code 2012 (JORC 2012) and VALMIN Code (VALMIN) on the mineral assets of Nelson, namely the Socrates, Wilga, Yarrie, Woolshed Well and Happy Jack Gold Projects. The mineral assets are located within Western Australia, in known gold centres and near pertinent gold infrastructure. The technical aspects of this report are based on current and historical exploration activity, past reporting by geological consultants and mineral exploration teams, and prior site visits conducted by the Competent Person.

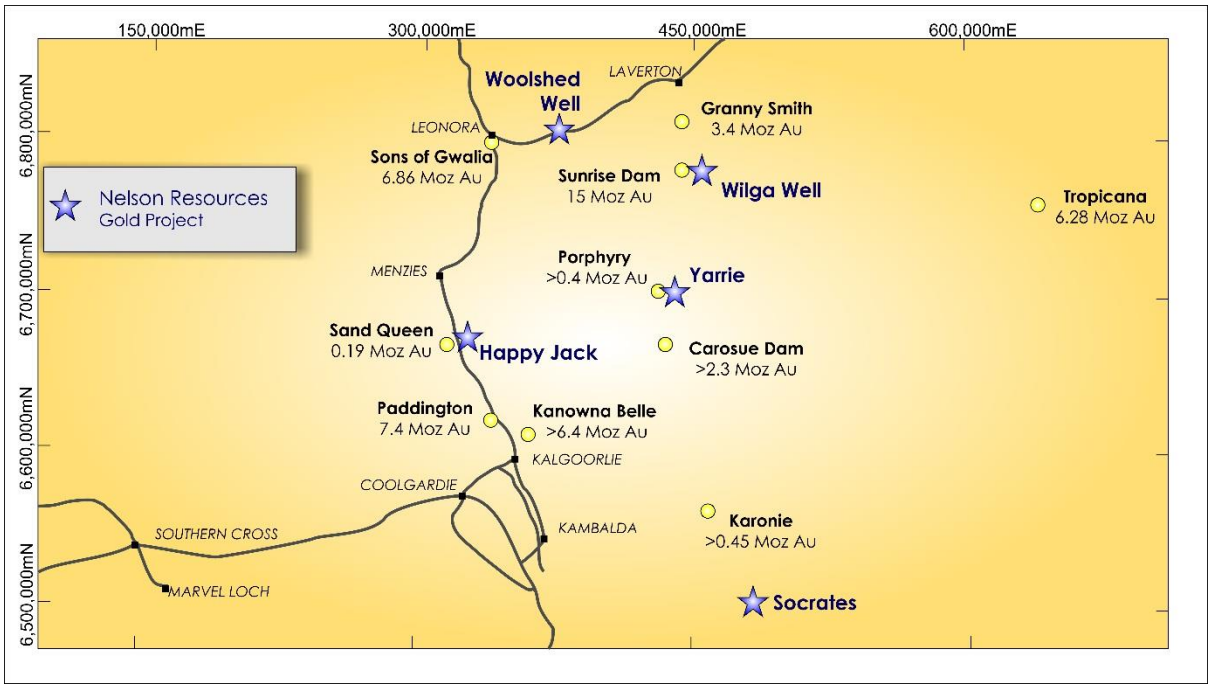

FIGURE 2: PROJECT LOCATION PLAN

This IGR has been prepared in compliance with, and to the extent required, by the JORC (2012 Edition) Guidelines for the reporting of exploration results, mineral resources and ore reserves. The effective date of this IGR is 9th May 2017.

Nelson's development strategy following a proposed fundraising is focussed towards the refining targets at Socrates, Wilga and Yarrie to allow for drill testing upon listing. CPPL has reviewed the proposed exploration and development strategy of Nelson and supports that the methodology, timeframe and expected outcomes are both achievable and reasonable.

CPPL consent to Nelson using this IGR as part of their disclosure requirements and to reference this IGR in any applicable disclosure document, providing that no portion be used out of context or in such a manner as to convey a meaning which differs from that set out in the whole.

2. TENEMENT INFORMATION

Nelson Resources has acquired, or has the rights to acquire 100% interest in 10 tenements in five project areas. Each area is considered prospective for gold mineralisation, and exists in known gold districts, often near critical infrastructure. Work programs to test the more prospective geology and advance the geological understanding of all projects have been designed and budgeted, in conjunction with the Company's consultants. The Company is actively capturing all the available digital data from previous work to optimise the planned exploration activities. Further work programs will evolve as exploration results are returned to the company.

CPPL understands Nelson Resources Limited ("Nelson") intends to list on the Australian Securities Exchange ("ASX"). The company was known previously as Mongolian Resources Limited ("Mongolian").

TABLE 2: TENMENT SCHEDULE

Tenement	Project	Holder	Granted	Expiry	Area	Units
E28/2633	Socrates	Peter Romeo Gianni	07/02/2017	06/02/2022	4	BL
P39/5586	Wilga	Peter Romeo Gianni	05/07/2016	04/07/2020	43.73	Ha
P31/2085	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	19.4	Ha
P31/2086	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	6.06	Ha
P31/2087	Yarrie	Peter Romeo Gianni	31/05/2016	30/05/2020	9.71	Ha
P37/8597	Woolshed Well	Mongolian Resources	19/01/2016	18/01/2020	197	Ha
P37/8598	Woolshed Well	Mongolian Resources	19/01/2016	18/01/2020	200	Ha
P37/8599	Woolshed Well	Mongolian Resources	19/01/2016	18/01/2020	198	Ha
P37/8600	Woolshed Well	Mongolian Resources	19/01/2016	18/01/2020	200	Ha
P29/2217	Happy Jack	Peter Romeo Gianni	19/07/2012	18/07/2020	6	Ha

3. NELSON STRATEGY

Nelson's primary focus is the exploration and development of their mineral assets through systematic exploration across exploration targets. The assets range from grassroots through to advanced exploration plays upon substantial expenditure has already been incurred. The near-term aims for Nelson are:

- to expand upon the drill indicated mineralisation available at Wilga and Yarrie to generate gold resources for near term cash flow via gate sale or toll processing; and,
- to re-evaluate and delineate economically significant gold mineralisation at Socrates.

A systematic exploration program to understand the potential of Woolshed Well and processing of the mineralised tailings at Happy Jack will be undertaken.

4. REGIONAL SETTING: EASTERN GOLDFIELDS SUPERTERRANE

The assets of Nelson Resource's all lie within the Eastern Goldfields Superterrane of the Yilgarn Craton in Western Australia. The Eastern Goldfields Superterrane ("EGST") contains substantial greenstone belts separated by granite and granitic gneiss. It is one of the most gold-endowed regions in the world, and forms as a complex mosaic of different tectono-metamorphic domains and terranes, including the Kalgoorlie, Kurnalpi, Burtville and Yamarna terranes (Figure 3; Cassidy et al., 2006; Pawley et al., 2012). These roughly linear terranes are thought to have accreted into one by the end of the Archaean.

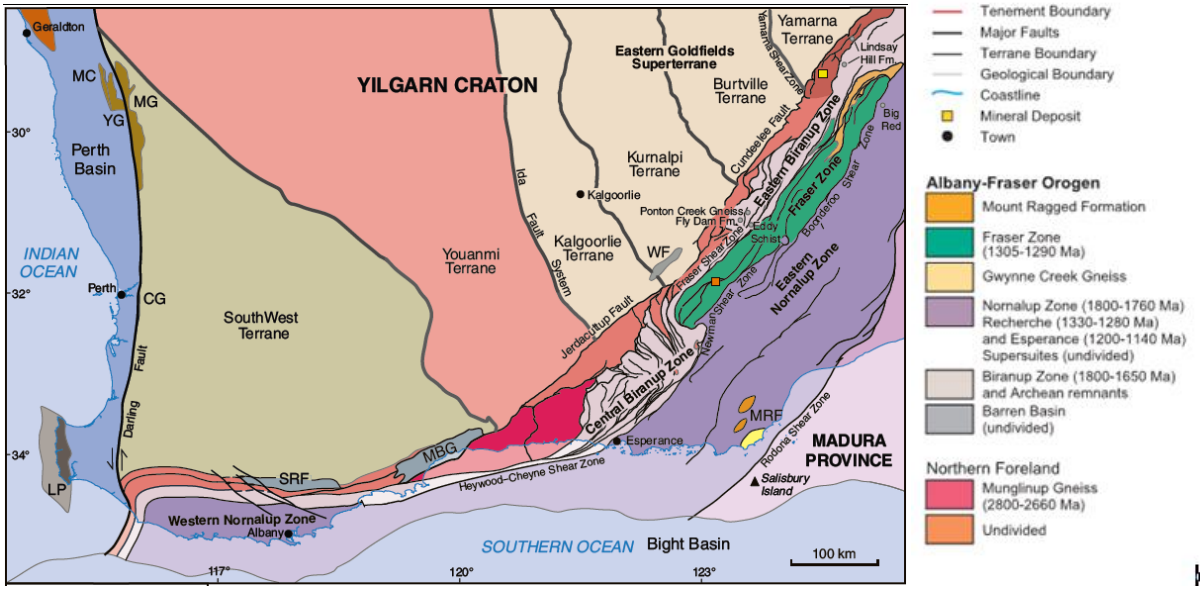

FIGURE 3: KEY TECTONIC ELEMENTS OF SOUTH WEST AUSTRALIA INCLUDING THE DISTRIBUTION OF TERRANES AND THE LITHOTECTONIC STRUCTURE OF THE ALBANY-FRASER OROGEN (KIRKLAND ET AL., 2014)

These terranes have had an extensive geological history, having undergone regional metamorphism and often multiple deformation events. The Kalgoorlie Terrane is broadly subdivided into three sequences, each separated by a major unconformity: 1) the 2710 to 2700 Ma Kambalda Sequence, dominated by mafic–ultramafic rocks; 2) the Kalgoorlie Sequence, characterised by siliciclastic rocks, local felsic volcanic centres, and dolerite sills, and 3) late basins dominated by coarse clastic detritus that is ascribed to basin development (between 2690 and 2660Ma) adjacent to a volcanic arc. The Kurnalpi Terrane includes several calc-alkaline volcanic centres and associated sedimentary sequences that range in age from c. 2720 to 2704 Ma. These are succeeded by a widespread c. 2700 Ma tholeiitic to komatiitic volcanic sequence with ocean floor basalt characteristics, and then by a c. 2685 Ma bimodal calc-alkaline succession along the western margin (Groenewald et al, 2006). Similar rock types are present in the Burtville Terrane, including ultramafic to felsic volcanic rocks, mafic intrusive rocks, siliciclastic sedimentary rocks, and minor banded iron-formation. The geology and geochronology suggest the Burtville Terrane was once part of the Youanmi Terrane further to the west (Pawley et al., 2012). The Burtville Terrane became disassociated from its primary craton margin (the Youanmi Terrane) and moved eastward due to massive juvenile input and rifting at ca. 2.73 Ga. This

event separated the Youanmi and Burtville Terranes and ultimately created the Kalgoorlie-Kurnalpi Terranes (Mole et al., 2016). The greenstones of the Yamarna Terrane are similar in age and character to those in the Kalgoorlie Terrane (Pawley et al., 2012).

Each terrane comprises several domains distinguished in terms of chronological, lithostratigraphic, or structural characteristics (Figure 3; Champion, 2004; Cassidy et al., 2006; Groenewald and Riganti, 2004; Blewett and Hitchman, 2004).

The EGST is separated from the western Yilgarn Craton by the Ida Fault and from the Albany Fraser Orogen by the Jerdacuttup and Cundeelee Faults in the south and southeast respectively (Figure 2). The ~1,300Ma Albany-Fraser Orogen comprises four complexly deformed and metamorphosed domains of Paleo- to Mesoproterozoic rocks, some with reworked Archean remnants. It is composed primarily of amphibolite to greenschist facies sedimentary protolith gneisses, migmatites and granites. The Albany-Fraser Orogen displays both subduction-related and prolonged strike-slip tectonic structures.

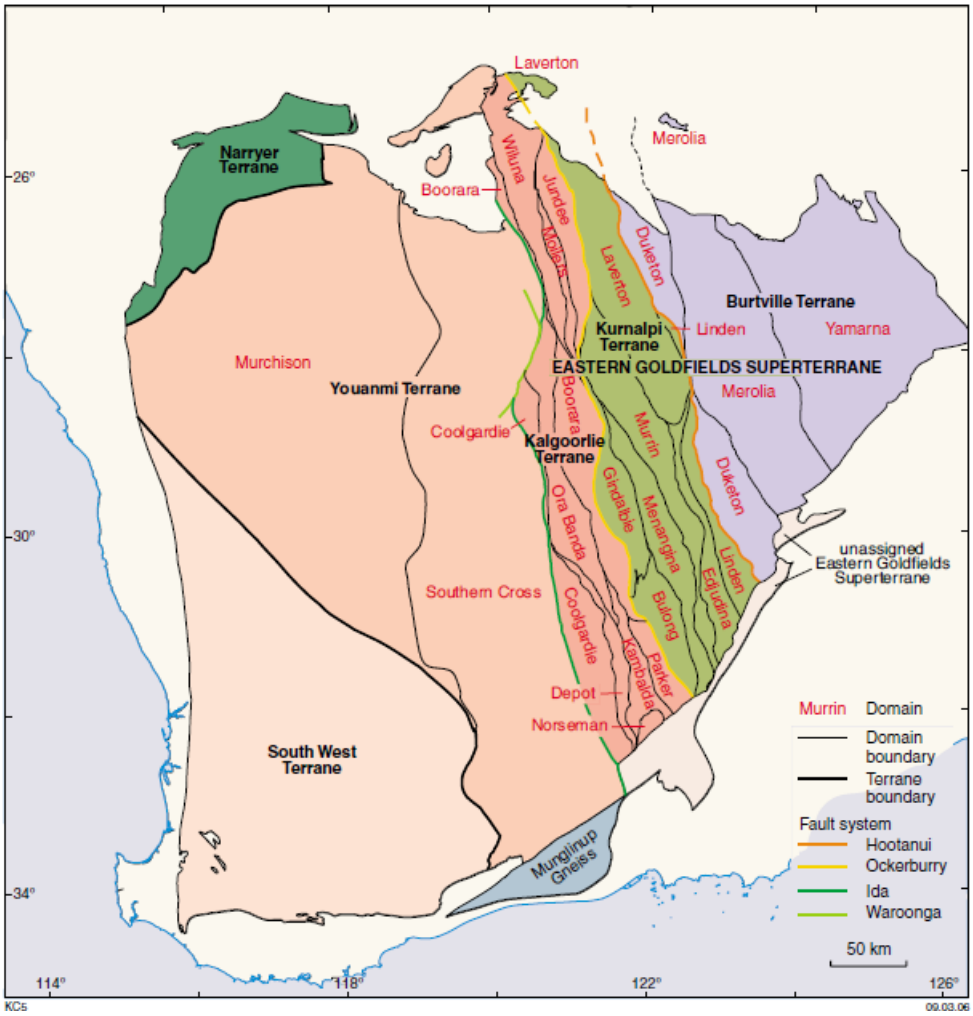

FIGURE 4: SIMPLIFIED LITHOTECTONIC MAP OF THE EASTERN GOLDFIELDS SUPERTERRANE (EAST YILGARN CRATON), SHOWING THE DISTRIBUTION OF TERRANES AND DOMAINS (AFTER CASSIDY ET AL., 2006)

Nelson's assets are located in the Kalgoorlie Terrane (Happy Jack), Kurnalpi Terrane (Socrates, Yarrie, and Woolshed Well) and the Burtville Terrane (Wilga).

5. PROJECT REVIEWS

The fundamental differences in the rocks and structural histories between the terranes also suggest that different mineral systems may be encountered in each. For example, exploration strategies effective in the Youanmi Terrane may prove effective in the Burtville Terrane. These thoughts are developed upon below.

5.1. SOCRATES GOLD PROJECT

The Socrates Gold Project lies adjacent to the Albany-Fraser Orogen in the Kurnalpi Terrane of the Eastern Goldfields Superterrane (Figure 4). The prospectivity of the region was revealed with the discovery of the impressive 6.28 Moz Tropicana gold deposits (Anglo Gold Ashanti, 2016) in 2005, and significantly further upgraded by discovery of the Nova Nickel Deposit in 2012 followed closely by the Bollinger Nickel Deposit in 2013 (Independence Group NL, 2016).

The Project has a total area of approximately 12km^2, is located 155km southeast of Kalgoorlie and 110km northeast of Norseman, in the Eastern Goldfields region of Western Australia. The nearest available processing facilities lie at Goldfields St Ives Camp, 96 km west-northwest of the project.

Access is via the Trans Australian Railway line to near the Karonie mine site, then south along dirt roads and tracks for 85km. Alternatively, the project can be accessed from the south via a turnoff 81km east on the Great Eastern Highway from Norseman, thence 60km northeast. Due to the remoteness of the area has received little historic exploration. Some mapping was conducted in the region by the GSWA in the 1970's.

5.1.1. PHYSIOGRAPHY

The topography around Socrates is typically subdued including lake and lake margin gypsiferous sands, with intervening calcrete-bearing loams in open eucalypt scrub having an under-storey of saltbush/bluebush. Depositional-regime regolith dominates with broad sheetwash and alluvial channels draining into saline pans. Low rises are dominated by calcrete-bearing loams but there is scarce exposure of the deeply weathered bedrock.

5.1.2. GEOLOGY

The Project is located approximately 11km northwest of the south-eastern margin of the Yilgarn Craton, in the Kurnalpi Terrane of the Eastern Goldfields Superterrane (Figure 4). The area is dominated by northwest-trending belts of Archean metasedimentary rocks, mafic volcanic and intrusive rocks and large granitic intrusions.

Regional mapping at 1:100,000 scale has been completed and released by GSWA for the Yardilla (Jones, 2005) and Erayinia (Jones, 2007) map sheets.

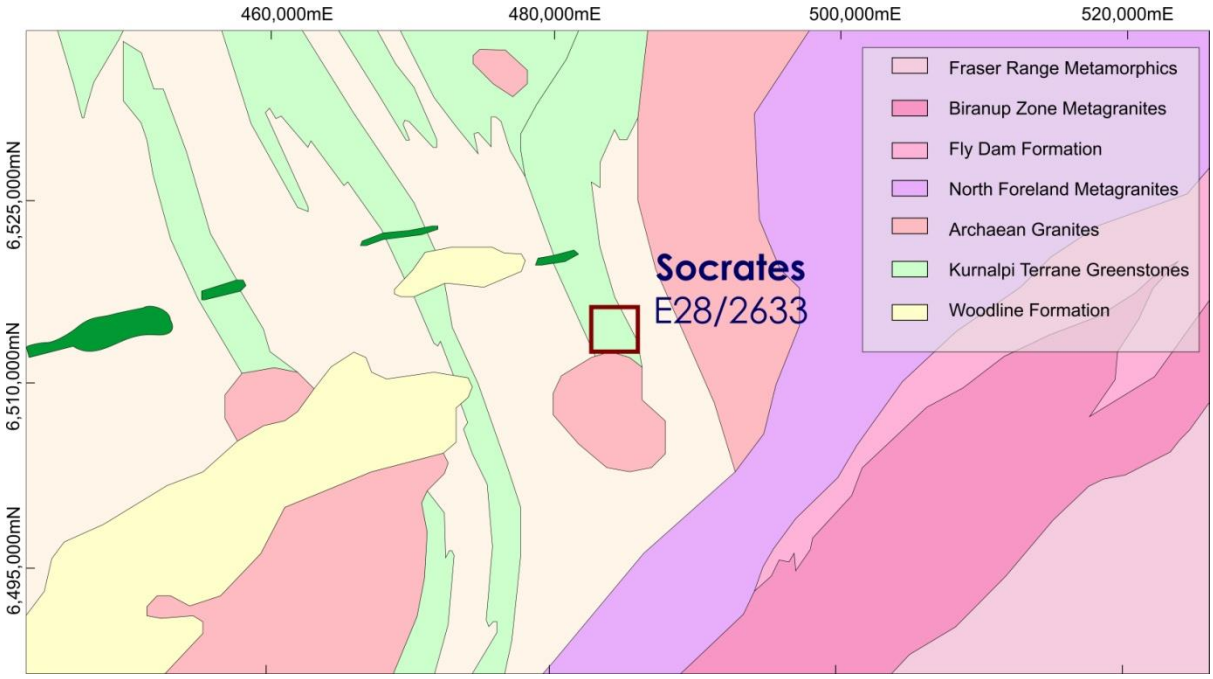

FIGURE 5: GEOLOGICAL SETTING SOCRATES GOLD PROJECT

A series of major NNW-oriented shears extend through the Project that separate broad packages of folded Archean rocks and extend south to the Cundeelee Fault which marks the northeast-trending contact between the Yilgarn Craton and the Albany Fraser Orogen. The project lies on the east limb of a regional antiform.

Archean units in this area are typically lower to middle greenschist facies, but amphibolite facies rocks are observed in the southern part of the project and in localised shear zones. Peak metamorphic conditions are considered contemporaneous with the bulk of granite emplacement (Pisarevsky et al., 2015).

The region has experienced multiple deformation events starting with NNE to SSW compression in the Archean, followed by tectonic overprinting by NNW to SSE compression during the Albany Fraser Orogeny. The latter contributed to development of the regionally extensive Barren Basin along the southern and southeastern extremities of the Yilgarn Craton during the Palaeoproterozoic (Hall et al., 2008). Remnants of the Barren Basin include the rocks of the Woodline Formation, a 50km long, northeast-trending belt of metasedimentary rocks that unconformably lie over rocks of Kurnalpi Terrane (Hall et al., 2008) west of Socrates. The Woodline Formation is dominated by the deposition of mature, quartz-rich sandstone units interbedded with siltstones.

The abundance of locally derived sediment deposited onto a reworked Archean Yilgarn Craton substrate indicates a largely extensional tectonic setting, consistent with a broad continental rift basin or alternatively, a long-lived back-arc basin system along the craton margin (Hall et al., 2008; Spaggiari et al., 2014). Spaggiari et

al., (2014) find an extensional tectonic setting the more likely with the extensional structures that produced the basin, inverted during orogen-wide, craton-vergent thrusting, which dominates the present-day crustal architecture. Jones (2006) observes that the effects of Proterozoic deformation are evident for some 50km into the Cratonic hinterland.

Much of the area is covered by Tertiary marine sedimentary rocks of the Eundynie Formation. The Eundynie Formation has a diverse range of lithologies including siliceous spongillite as well as poorly sorted grit with a clay-rich matrix, rarer conglomerate and poorly bedded to finely laminated claystone. Remnants of broad NE-trending palimpsest palaeo-river systems that empty in to the Eucla Basin. Many areas, particularly in the south, contain remnants of a Tertiary sedimentary "drape" although thicknesses outside of the main channels is mostly less than 2m and commonly less than 1m.

Major Tertiary sedimentation appears to predate lateritic weathering so that they are commonly ferruginised and/or mottled, forming "relic" landforms with locally inverted relief. Siliceous duricrusts on Tertiary sediments are prominent, particularly in the south. Tertiary sediments appear to have in part mantled the Precambrian rocks during deep weathering and, therefore, it is common to find ferricretes and ferruginised sediments in the upper most portions of apparently residual laterite profile.

Calcrete is strongly developed in almost all regolith settings except for the active alluvial channel and clay pans, forming layers near the surface or down to 2m depth, comprising small to large nodules and occasionally indurated calcareous duricrusts. Calcrete appears to be equally well developed over Archaean, Proterozoic and Tertiary substrates.

5.1.3. MINERALISATION

Prior to the discovery of Socrates, gold mineralisation was unknown within or near the project. Workings and prospecting pits are scarce to non-existent in areas with outcropping rock throughout the district, perhaps suggesting that historical prospecting activity was limited by the remoteness and lack of surface water.

The Albany-Fraser belt to the southeast, hosts several recent gold discoveries including the +6 million ounce Tropicana gold deposit, some 300km northeast of Socrates. Other gold discoveries include Beachcomber, Hercules, Corvette, Heraclitis, and Corona. Beachcomber and Hercules occur in similar geology to Tropicana, with the former identified only 75 Km NE of Socrates.

The Nova and nearby Bollinger magmatic nickel-copper deposits were discovered in July 2012 and in February 2013, respectively. The deposits lie 50 km southeast of Socrates and are hosted within the lower granulite facies mafic rocks of the Fraser Zone of the Albany-Fraser Orogen. The Mineral Resource estimate comprised 14.3Mt grading 2.3% nickel, 0.9% copper and 0.08% cobalt for a contained 325,000t of nickel, 134,000t of copper and 11,000t of cobalt (Independence Group NL, 2016).

Minor nickel prospects are known from 15-30km northwest of the tenement, and Zn-Ag-Cu mineralisation is known at Black Raven Mining's King VHMS Deposit some 20km north of the tenement.

Mineralisation is interpreted as being analogous to the typical lithologies, alteration and structural setting as that which host very large Archaean greenstone gold deposits including the Golden Mile and Kanowna Belle.

The lode structure is interpreted as a northeast-southeast trending and northwest dipping body.

5.1.4. PREVIOUS EXPLORATION

The area has been held under several tenure shapes, but in most cases with very limited systematic activity within the current tenement boundary. In terms of systematic previous work, the only significant recorded activities are:

Newmont held the area as part of a very large project in 1965–71 (Item 3363) and then again in 1987-88 (E28/191, Item 3727). Newmont conducted an aeromagnetic survey and followed up specific areas with soil sampling and limited RAB drilling (outside the current tenement).

Southern Venture and Terrex Resources held the western third of the tenement in 1983-85 (Item 3363). Some RAB drilling was carried out with no anomalous results. However, this drilling program appears to have been outside the tenement boundaries.

Ashton Gold (subsequently Aurora Gold) held a large tenement package extending over the current area in 1991-94 as their 'Junction Lake' Project (E28/413-418, Items 7369 and 7757). No activities were reported that extended into the current tenement.

Resolute held the central part of the area briefly as E28/662 but there is no WAMEX entry for their activities.

Privateers Preston and Butler collected 45 x -80# soil samples and 7 rock chip samples in 1997. The soils were on 100m centres on 3 lines over 4 km apart oriented perpendicular to trends in the underlying Archaean rocks with a best result of 8 ppb. Two of the 7 rock samples returned maximum values of 13 ppb (Pearson and Preston, 1997).

WAMEX Open File Data –

1996 -2003: Heron Resources/Avoca Minerals/WMC Resources

Heron Resources covered the Socrates area as part of their larger "Karonie South" Project. Ownership of all tenements in this project was transferred to Avoca Minerals in about June 2001. WMC (later Goldfields St. Ives) operated a Farm-in JV on the Heron/Avoca tenement package in the period 1996 to about June 2003. WMC completed the following work programs under JV on E28/2633 (Gray, 2000; 2001):

- 709 soil samples on 200m x 800m targeting the -75µm fraction across the project group, including the Socrates area. The work identified 7 mostly spot

anomalies with >10ppb gold and a peak value of 99ppb gold sourced immediately north of Socrates. The Connelly soil gold anomaly generated through this work partly covers the Socrates area.

- A 1km-spaced gravity survey (120 stations in the immediate environs to Socrates).
- A detailed 50m line space x 25m terrane clearance aeromagnetic and radiometric survey.

WAMEX Open File Data – A72425, A74936, A78296, A81566, A86093

2005 - 10: Sipa Resources NL/Newmont Exploration Australia Pty Ltd

Sipa Exploration NL held number of tenements in the area since 2005 as part of the Woodline Project. Initial 400 metre spaced calcrete auger sampling detected anomalous gold geochemistry with 109 ppb Au and 44 ppb Au returned from adjacent lines.

Newmont Exploration Australia Pty Ltd became involved in the Project in late 2006 through an Option and Farm-in agreement with Sipa. Newmont continued first pass and infill calcrete sampling, close spaced soil sampling, detailed mapping and rock chip sampling over the Project area, which confirmed a coherent 500 metre x 500 metre >10ppb Au in soils geochemical anomaly with numerous peaks of greater than 50 ppb Au at Socrates.

Newmont in 2007 completed 2 Aircore and 77 RAB drill holes over Socrates. Drill hole NEWWLRB0017 returned 24m @ 2.5 g/t Au from 12m, including 9m @ 5.1g/t Au, from 20m. The hole is located roughly in the middle on the central of three 200m spaced northeast-southwest RAB traverses. Holes on each line were drilled on 50 or 100m centres. Gold results from holes on the adjacent lines were weakly anomalous, peaking at 13m at 32 ppb, although the hole spacing on those lines is such that the mineralised structure in NEWWLRB0017 may have been missed" (Bettenay & Hawkins, 2008).

In 2008 Newmont conducted limited RC drilling to follow up the results within NEWWLRB0017. Disappointingly the hole returned 1m @ 1.2 g/t Au from 29m. Infill drilling, including 62 RAB and 4 Aircore holes was conducted over Socrates producing mainly disappointing results with most values returning less than 20 ppb Au. In early 2010, Newmont returned the project to Sipa following a full technical review of all data which recommended further RC drilling be conducted at Socrates.

WAMEX Open File Data – A89990, A93132, A101689

2010 - 11: Sipa Resources NL

Socrates was viewed by Sipa as having potential to host Archaean greenstone-hosted Golden Mile-Kanowna Belle style of mineralisation. Rock chip sampling of the below outcrop (Figure 6) returned 10g/t and focussed Sipa's attention towards the exploration of the prospect.

FIGURE 6: SOCRATES ROCK OUTCROP (10 G/T AU ROCK CHIP SAMPLE)

Sipa conducted 403 infill RAB holes (WDR184 - 586), 14 Aircore holes (WDR587 - 600) and 14 RC holes (SOC001 - 014) in 2010 and a further 7 RC holes (SOC015 – 021) in 2011. RC hole, SOC001, intersected 18m @ 3.5 g/t Au from 19m beneath gold in soils anomaly A. The holes were drilled along NW – SE lines, perpendicular to Newmont's drilling (Figure 7). Sipa drilled three 40m spaced lines of three vertical RC holes each. Four RC holes (SOC004 – 006, 008; Figure 7) on the central section returned several significant intersections suggesting the mineralisation dips grid west (NW magnetic). The gold results on lines north and south of this section (SOC015 – 019), however, were disappointing with a peak result in SOC016 returning 7m @ 1.2 g/t Au from 95m. RC holes SOC009 – 014 and SOC020 -021 were drilled into Anomaly B (Figure 7). SOC009 – 014 were drilled vertically along the NW-trending RAB lines and failed to intersect anomalous gold, however holes SOC020 and SOC021 were drilled towards the SW and intersected >1 g/t Au with SOC020 intersecting 10m @ 1.8 g/t Au from 47m.

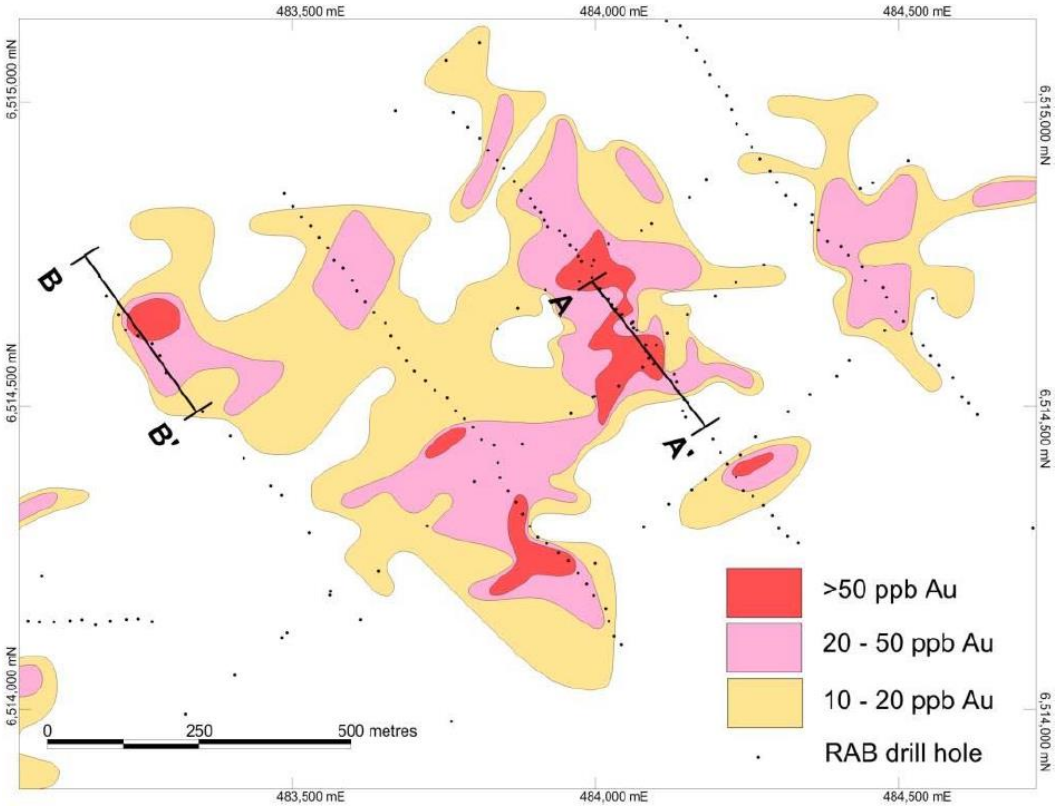

FIGURE 7: GOLD IN SOIL GEOCHEMISTRY AT SOCRATES

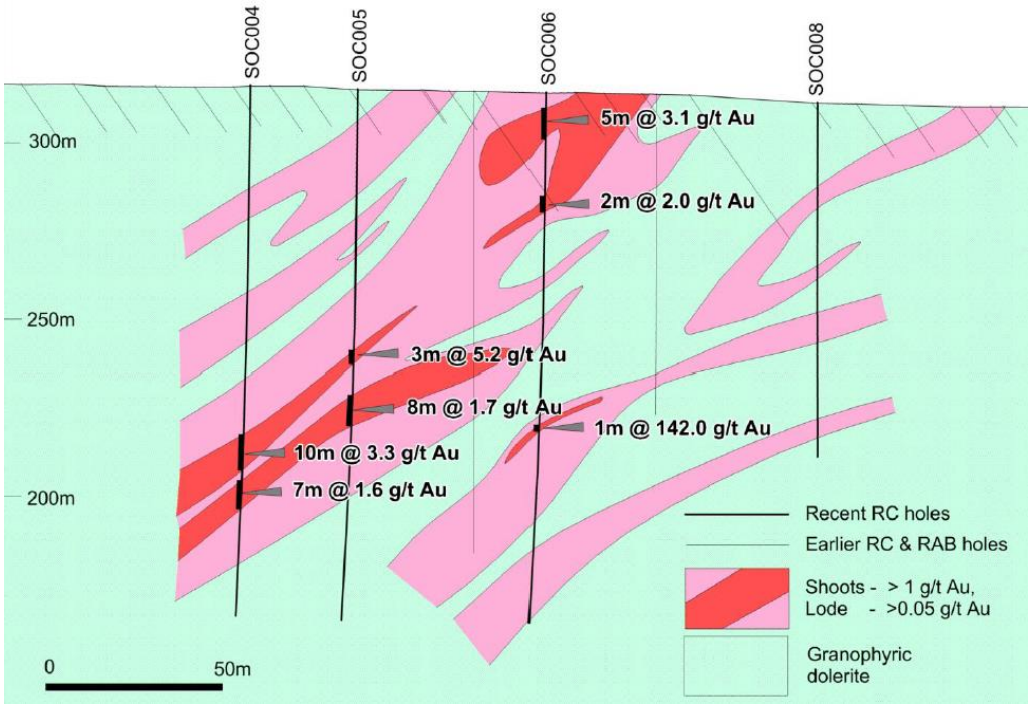

FIGURE 8: RC DRILL SECTION AT SOCRATES ANOMALY A

Significant drill results by Sipa (and Newmont for holes with NEW prefix) include (Table 3):

TABLE 3: SOCRATES GOLD PROJECT SIGNIFICANT DRILLING RESULTS

Hole	Easting	Northing	Depth	Type	Dip	Azimuth	From	Interval	Au g/t
NEWWLRB0017	484076	6514594	41	RAB	-60	232	2	19	3.10
NEWWLRC0001	484095	6514607	200	RC	-60	232	28	4	1.27
SOC001	484057	6514582	190	RC	-55	50	**19**	**18**	**3.35**
SOC002	484054	6514613	130	RC	-90	0	66	1	1.11
							74	9	1.51
SOC004	484025	6514672	150	RC	-90	0	**99**	**10**	**3.01**
							113	4	2.12
							119	1	1.06
SOC005	484044	6514648	150	RC	-90	0	28	1	1.18
							65	12	1.95
							91	1	17.5
SOC006	484074	6514603	150	RC	-90	0	**6**	**4**	**3.74**
							32	2	1.85
							94	**1**	**86.7**
SOC007	484042	6514587	100	RC	-90	0	5	3	2.16
SOC015	483999	6514636	150	RC	-90	0	34	1	1.33
SOC016	484025	6514606	150	RC	-90	0	95	5	1.73
SOC020	483421	6514469	100	RC	-60	230	45	15	1.82
						Including	**50**	**5**	**3.6**
SOC021	483301	6514612	92	RC	-60	230	32	1	1.15
WDR215	484067	6514624	41	RAB	-55	140	**10**	**14**	**3.10**
WDR216	484083	6514601	15	RAB	-55	140	2	13	1.77
							14	1	3
WDR217	484083	6514590	17	RAB	-55	140	**0**	**9**	**5.38**
WDR339	483269	6514603	34	RAB	-55	140	**23**	**8**	**2.05**
WDR341	483292	6514555		RAB	-55	140	26	2	1.38
WDR375	483404	6514446	86	AC	-60	0	50	4	1.86
							73	1	2.21
							76	1	1.83
							80	3	2.74
WDR417	484204	6514701	28	RAB	-60	140	24	1	1.20

The total drilling statistics for the Socrates Project are provided below (Table 4):

TABLE 4: SOCRATES GOLD PROJECT DRILLING STATISTICS

Type of Drilling	Number of Holes	Meters of Drilling
AC	39	1,668
RAB	469	12,275
RC	23	3,146
Total	531	17,089

In addition to these activities by exploration companies, the tenement falls within the area sampled at wide (nominal 3x3 km) spacing as part of the Fraser Range Region GSWA regolith geochemical mapping program (Morris et al., 2000).

5.1.5. EXPLORATION PROGRAM AND BUDGET

Nelson's geologists have reviewed and modelled in 3D all the available historical drilling and geochemistry data. Modelling supports the lode as being NNW-trending, steeply WSW-dipping, and west plunging (Figures 9 and 10). The lode has been modelled to a strike and depth of approximately 150 metres, and remains open in all directions. Past explorers have plausibly misinterpreted the lode geometry and consequently most drill holes also miss intersecting the lode. The preferred drill orientation is east-northeast at -60°.

The gold lode's surface expression aligns with the >50ppb gold in soil anomaly validating the interpretation (Figure 11). Further opportunity remains at the prospect where the surrounding soil anomalies are either not RC drill tested or the existing drilling has not effectively tested elevated soils and RAB geochemistry due to misunderstanding the controls on mineralisation.

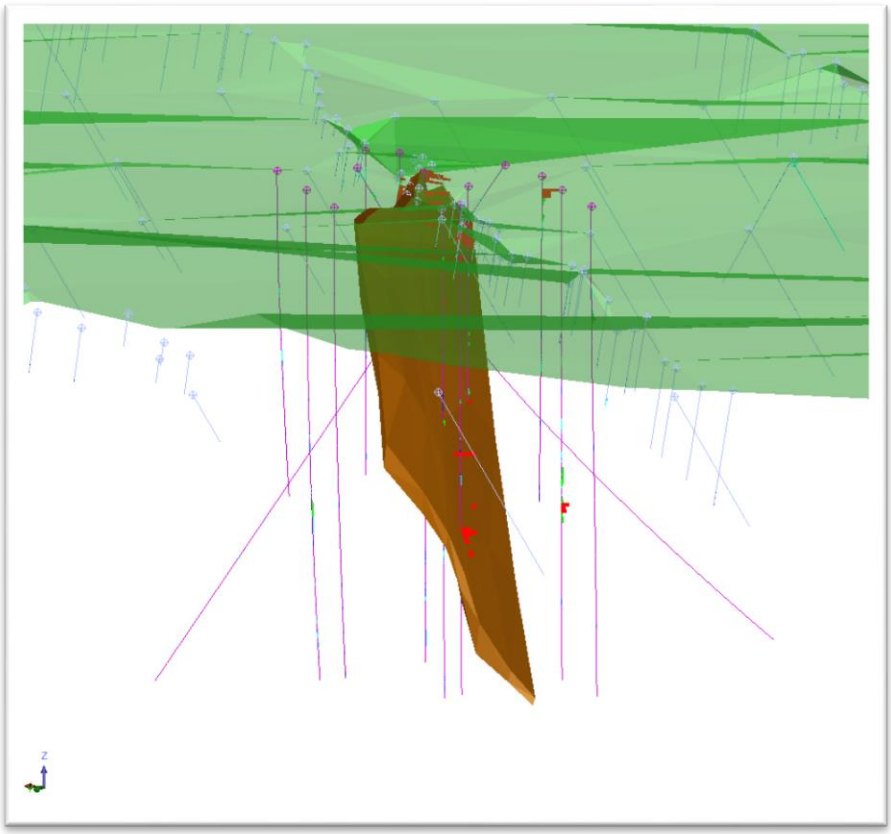

FIGURE 9: 3D MODEL OF INTERPRETED GOLD LODE LOOKING SSE.

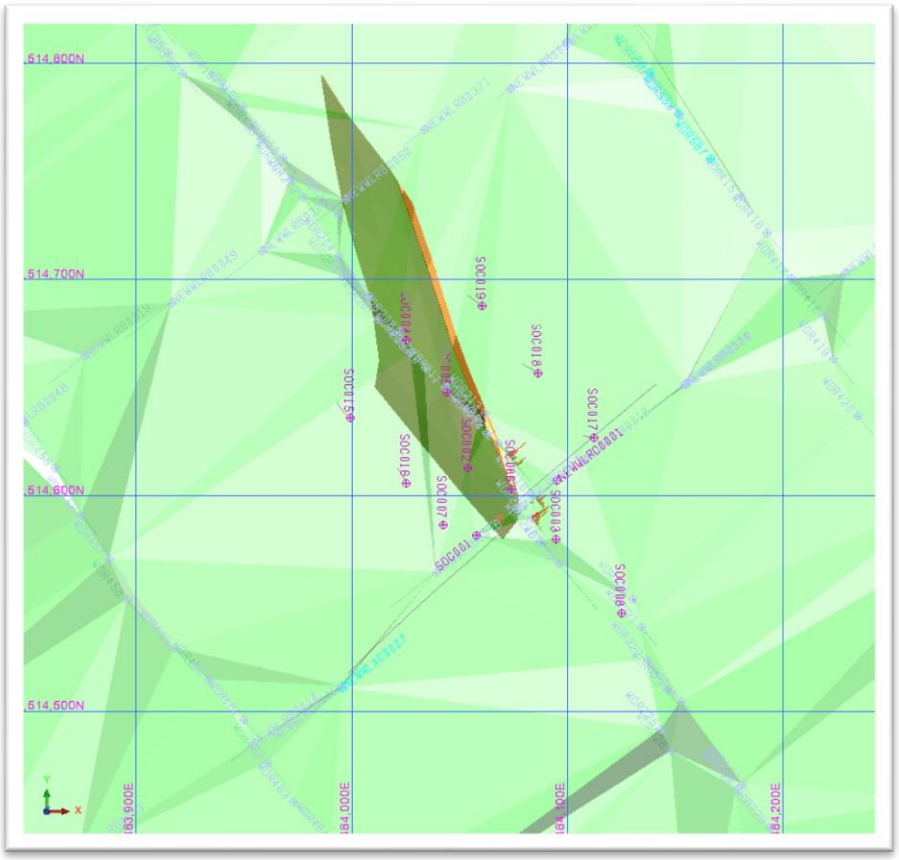

FIGURE 10: PLAN VIEW OF 3D MODEL OF INTERPRETED GOLD LODE (MGA94 GRID OVERLAY).

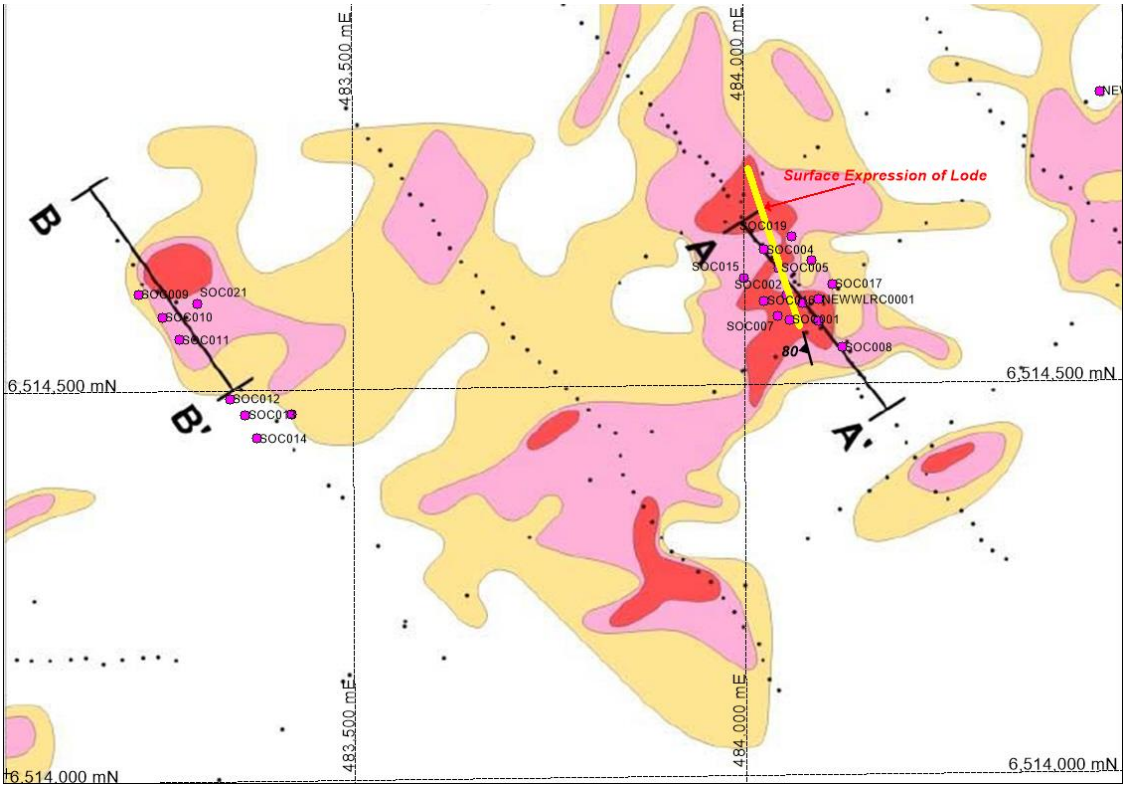

FIGURE 11: PROJECTED SURFACE EXPRESSION OF INTERPRETED GOLD LODE OVER SOIL GEOCHEMISTRY WITH LOCATION OF RC DRILL HOLES (MGA)

Nelson has proposed an RC drill program to confirm the interpreted gold model. A select number of oriented diamond drill holes are being considered in support of building the structural and targeting framework, and to provide sample for density measurement, as well as metallurgical test work. CPPL supports the early adoption of the proposed diamond drilling. Based on positive results being received from the initial drilling, a systematic pattern drilling program will be conducted. The objective is to estimate a mineral resource in accordance with the JORC (2012 Edition) Guidelines. Supporting environmental and heritage surveys will be conducted prior to the commencement of ground disturbing activities.

TABLE 5: SOCRATES EXPLORATION PROGRAM & BUDGET

Activity	IPO Raising	
	Year 1	Year 2
Detailed Technical Review	$20,000	-
Heritage Surveys	$50,000	-
Flora/Fauna Surveys	$20,000	-
Initial RC Drilling Program	$160,000	-
Resource Definition Drilling		$300,000
Mineral Resource Estimation	-	$50,000
Diamond Drilling	$100,000	$100,000
Metallurgical Test Work	-	$75,000
Engineering & Infrastructure Study		$50,000
Mining Lease Application & Permitting	-	$75,000
Total	**$350,000**	**$650,000**

5.2. WILGA GOLD PROJECT

The Laverton region exists in the Eastern Goldfields Superterrane of the Archean Yilgarn Craton of Western Australia (Figure 2). The area is second only to the Kalgoorlie region for gold endowment (more than 28 million ounces; Focus Minerals, 2016) with two world class deposits, Sunrise Dam (exceeding 10 million ounces Au; Focus Minerals, 2016) and Wallaby (7.5 million ounces; Salier et al., 2004), and numerous gold deposits of more than 1 million ounces (Mount Morgans, 3.3 million ounces (Dacian Gold, 2016); Granny Smith, 5.28 million ounces (Goldfields, 2015)). Economic komatiite-associated nickel sulphide deposits also occur in the area (e.g. Windarra South).

The Wilga Project comprises a granted, single 43ha Prospecting License, 39/5586, located approximately 52 km south-southeast of Laverton and 9 km east of AngloGold-Ashanti's Cleo gold mine (Sunrise Dam: Figure 12). The tenure is strategically located close to existing mills and infrastructure.

Access to the project is via well maintained shire roads to the Four Corners Bore and thence via station and exploration tracks to the licence.

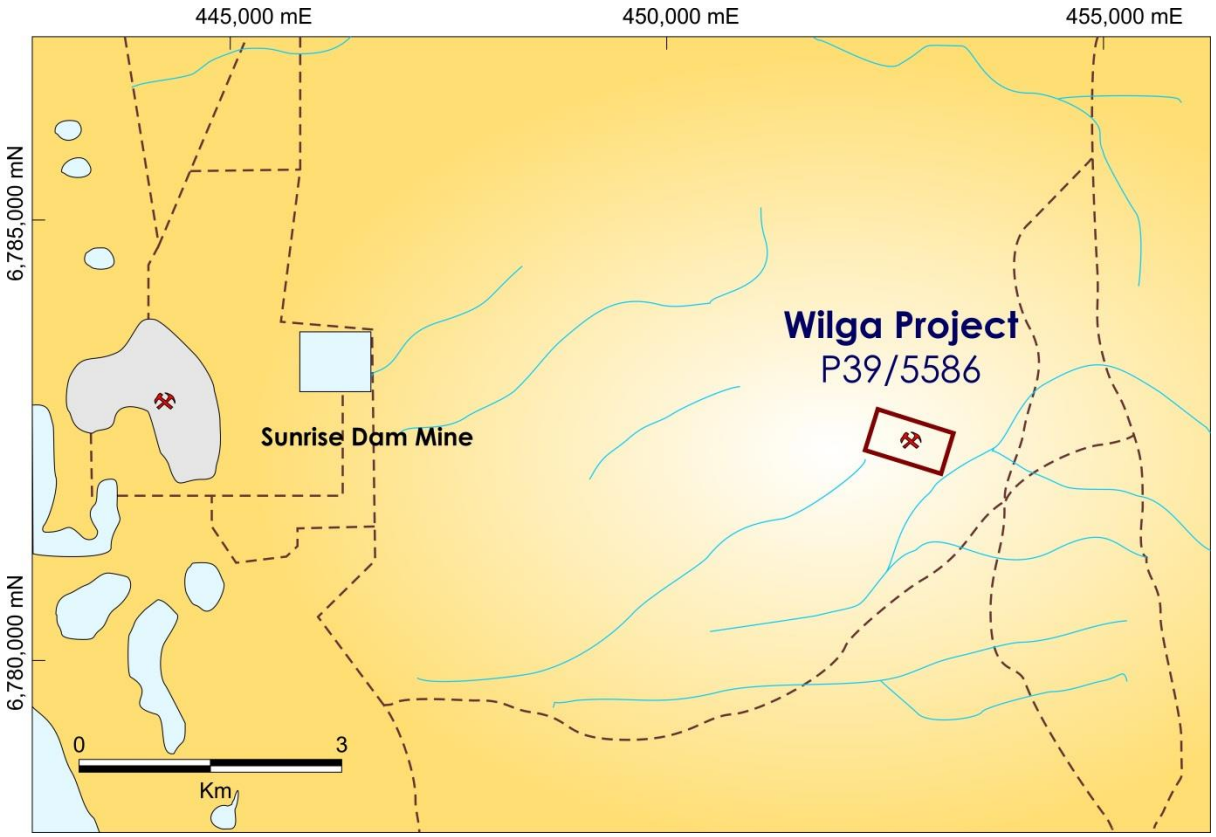

FIGURE 12: WILGA GOLD PROJECT LOCATION MAP

5.2.1. PHYSIOGRAPHY

The area has the low relief typical of the Yilgarn Craton. Apart from some small rises associated with mafic rocks to the immediate west and southwest, there is virtually no outcrop nearby. Colluvial units deposited on the shoulders to the outcropping mafics, merge downslope with sheet wash deposits, gypsiferous dunes, and salt pans that dominate the surface around Lake Carey. The broad depositional environment is cut by several west to west-southwest draining ephemeral creeks that empty into Lake Carey.

The Archaean rocks are weathered to approximately 60-80 m.

5.2.2. GEOLOGY

The Wilga Gold Project is located near the boundary between two major tectonostratigraphic terranes of the Yilgarn Craton, the Kurnalpi and Burtville Terranes (Figure 2; Cassidy et al., 2006). The terrane boundary is defined by major N- to NNW-trending shear zones including the Barnicoat West Fault, which lies immediately west of the Project. The Burtville Terrane is a complex amalgamation of volcanic successions and sedimentary basins which originally formed as part of the Youanmi Terrane (Pawley et al., 2012).

FIGURE 13: WILGA GOLD PROJECT GEOLOGY

The project lies in the southern Duketon Domain of the Burtville Terrane, where it is separated from the adjacent Merolia Domain by the Kirgella Dome, a composite granitic complex (Standing, 2008). The domain includes a basal felsic sedimentary

sequence overlain by high-magnesian (high-Mg) basalt, ultramafic rocks and thick pile of basalt with several thin interflow chert units.

The oldest rocks in the immediate Wilga Project area are relatively undeformed mafic and ultramafic volcanics with interbedded banded iron and cherty units. The sequence is dominated by high-Mg basalts and komatiite, with lesser basalt, dolerite and gabbro and sedimentary rocks. Banded Iron Formations are generally contained within basaltic sequences, at or near the contact between basalts and ultramafic rocks. Several generations of intrusive rocks locally cut the stratigraphy, including dolerites/gabbros, which often occur as sills, and quartz- feldspar intrusives (Delta, 1987).

Regional metamorphism is predominantly greenschist facies, with localised amphibolite facies developed closer to shear zones.

5.2.3. MINERALISATION

Historical production on Wilga is approximately 1000t at +20 g/t gold, including 296t at 43.12 g/t between 1899 and 1901. Between 1984 and 1994, various operators mined a further 651 tonnes at an average grade of 11.31 g/t gold. The recent production was treated at the Laverton State Battery.

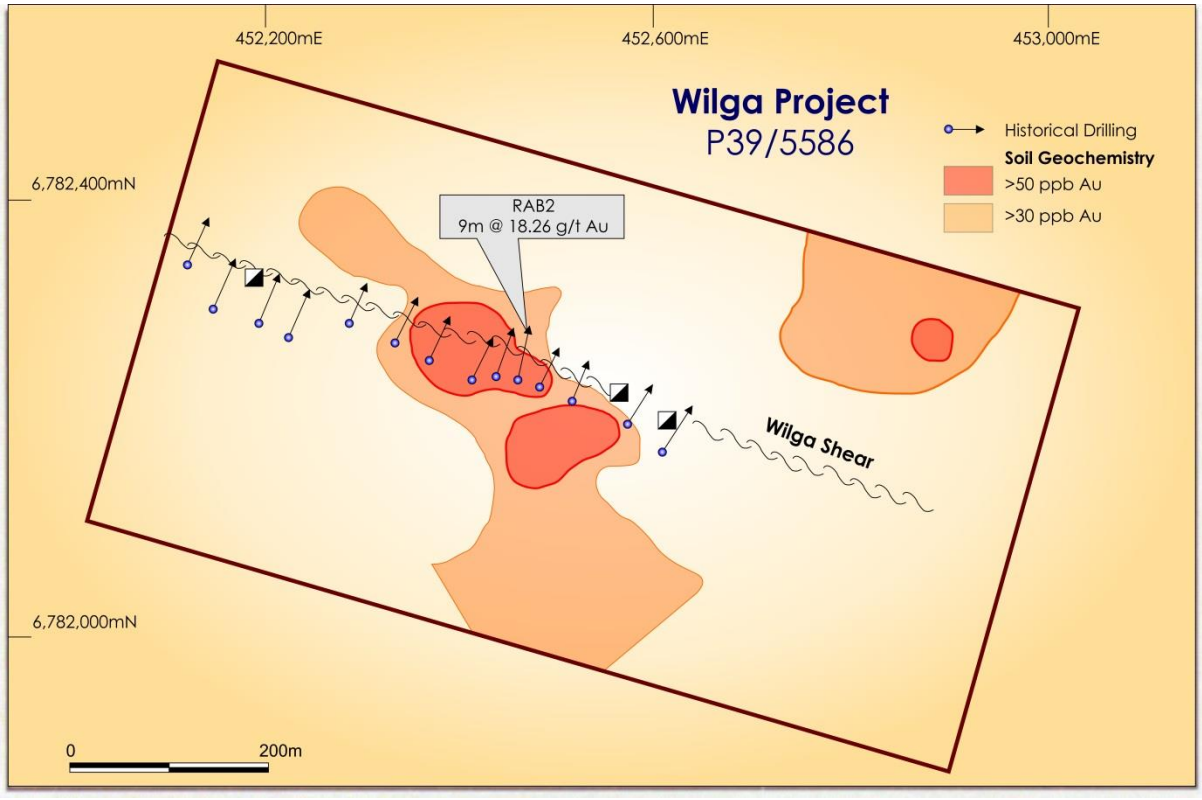

FIGURE 14: WILGA GOLD PROJECT- PREVIOUS EXPLORATION

The mineralisation is contained within a stockwork of quartz carbonate veins in altered and sheared metagabbro. The west-northwest trending mineralised shear zone is exposed over 70 metres, with other workings extending the mineralisation to over 150 metres. The main reef varies in thickness from less than 0.5 metres to 3.5

metres, and dips steeply southwest at between 70º to 85º. Alteration associated with the mineralisation includes carbonate, chlorite and sericite with variable amounts of fuchsite and pyrite. The mineralisation occupies the axial plane of a second-generation shallow (at 15°), east-plunging fold. The area has been extensively fragmented by faulting and thrusting.

5.2.4. PREVIOUS EXPLORATION

The Wilga tenure has operated by privateers under tribute-mining arrangements or held privately for much of its history. A lack of capitalisation under both scenarios has subsequently limited exploration and development within the tenure. The impetus to find another "Sunrise Dam/Cleo" deposit has driven quite substantial work programs on the adjacent ground by the likes of Anglo Gold, Acacia Gold, Delta Gold, and Aberfoyle. Wilga has rarely benefited from efforts by these companies.

Australian Selection Pty Ltd undertook a low level aeromagnetic survey, geological mapping, soil sampling, costeaning, shallow auger and diamond drilling between 1966 and 1971.

Pacminex (between 1973 and 1974) drilled 97 holes southeast of Far Corners Bore.

International Nickel (Australia) Pty Ltd between 1970 and 1973, completed soil sampling south and west of Wilga Hill and a ground magnetic survey.

Nord Resources Ltd (1981 to 1983) drilled 88 airtrack holes to a depth of 9m in an area south of Wilga Hill. The exploration effort, which included geological mapping and soil sampling, concentrated on a zone of BIF associated with mafic volcanics, felsic intrusive and ultramafic rocks. Most results were below 0.008 ppm Au with a peak value of 0.315 ppm Au.

Indian Ocean Resources Ltd drilled 8 RC holes with an average depth of 50m, near Relief Bore.

WAMEX Open File Data – A14606, A19991, A28977

1982 - 89: Hillman Gold Mines Pty Ltd

Hillman Gold Mines Pty Ltd (1982 – 1989) developed 24 holes for 698m: peak value of 56g/t. Hillman also developed 32m of shaft, 15.2m of development drives, and completed 40m of costeans, which returned a peak value of 103 g/t. E and J Lamont, under a tribute agreement with Hillman, drilled a further 10 holes.

Mullock samples returned assays between 0.07 and 13.5 g/t Au, with a peak value of 42 g/t Au.

Other operators (Tribune Resources and Quarry Park Pty Ltd) completed small drilling programs. Data analysis supports the occurrence of three significant gold zones that are yet to be adequately tested.

Multiple drill hole intersections are restricted to the area adjacent to the Tributer's Shaft, and although the drill hole density is high, several holes were either partly

assayed or not assayed at all. Further afield, the mineralised zone is intersected by single drill holes with limited assay information or supporting drill holes.

Drill hole RAB2 intersected 9m @18.26 g/t Au (from 12 m; Figure 15; Table 6). The hole is supported by the partially assayed WPC 19, which returned 1m @ 17.6 g/t Au from 15 metres vertical depth, and WHRR15 with 4m @ 4.07 g/t from 4 m vertically. Other drill holes have returned values of 10.7 g/t Au (adjacent to a stope).

TABLE 6: WILGA GOLD PROJECT SIGNIFICANT DRILL INTERCEPTS

Hole	Easting	Northing	From	To	Interval	Au g/t
RAB002	452,460	6,782,270	13	22	9	18.26
RAB010	452,402	6,782,284	28	29	1	10.7
WHRR15	452,458	6,782,280	4	8	4	4.07
WPC16	452,454	6,782,231	24	25	1	4.84
WPC19	452,441	6,782,275	16	17	1	17.6

An exploration shaft was sunk to a depth of 15 metres with a view towards bulk sampling the anomalous gold encountered in drill hole RAB2, which was intersected on the western side of the shaft, 12 m down hole. A 40-tonne block of ore was removed from the base of shaft and driving east for 5m, with a cut measuring 2 m wide x 4 m high. The massive quartz reef was located but the best gold grades came from the sheared margins adjacent to gabbroic country rock. The ore mainly came from the hanging wall contact, as the footwall was backfilled from earlier diggings.

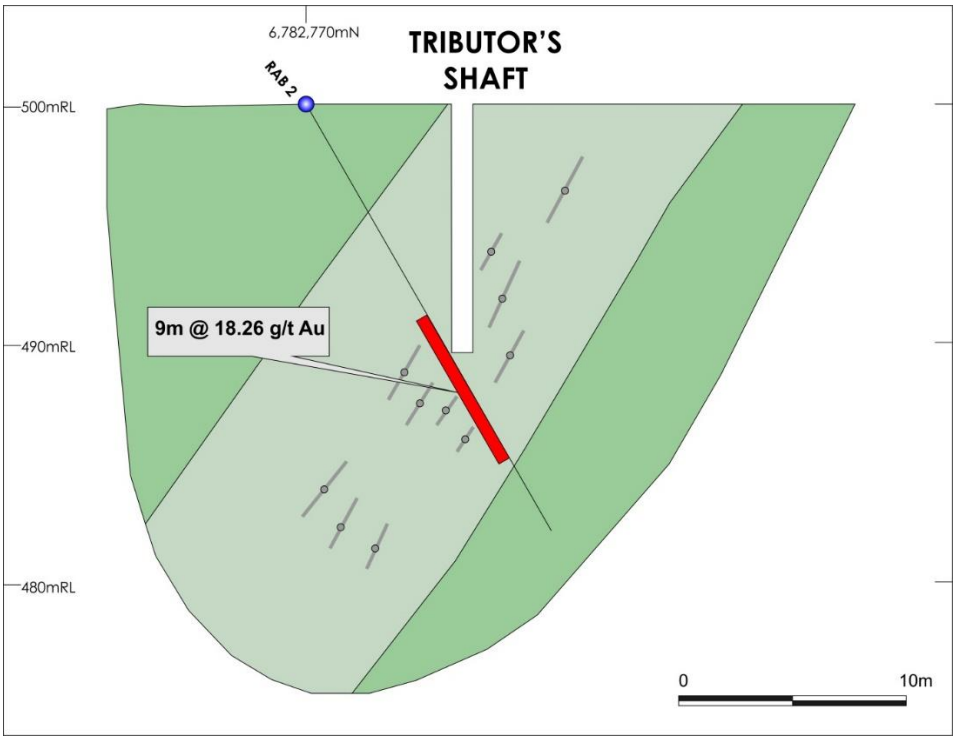

FIGURE 15: WILGA DRILL SECTION- RAB2

WAMEX Open File Data – A70537, A72419, A75558, A78306

2004 - 08: Regal Resources Limited

Regal Resources acquired an option over the Wilga Gold Mine from prospector Warren Slater, as part of group of mineral exploration assets it hoped to float on the ASX. During the option period Regal completed work including resampling two costeans and 2 unidentified drillholes producing no significant results.

The property was subsequently returned to the owner.

5.2.5. Exploration Program and Budget

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

Multiple high grade mineralised zones exist within the main shear; however, the information density is not sufficient to determine the key controls on mineralisation. Comprehensive structural analysis of the main shear is warranted.

Infrastructure and metallurgical studies will be conducted in the case of a mineral resource being defined to support a comprehensive economic analysis towards the development potential of the Wilga Gold Project.

TABLE 7: WILGA GOLD PROJECT EXPLORATION PROGRAM & BUDGET

Activity	Budget	
	Year 1	Year 2
Detailed Geological Mapping	-	-
Drilling reinterpretation	-	-
Regolith Re-evaluation	$5,000	-
Heritage Surveys	$50,000	-
Flora/Fauna Surveys	-	-
Scout Drilling Program	$100,000	-
Resource Definition Drilling	-	$100,000
Mineral Resource Estimation	-	
Diamond Drilling	-	$100,000
Metallurgical Test Work	-	$50,000
Engineering & Infrastructure Study		$50,000
Mining Lease Application & Permitting	-	-
Total	$155,000	$300,000

5.3. YARRIE GOLD PROJECT

The Yarrie Gold Project lies in the Edjudina Domain within the larger Kurnalpi Terrane of the Eastern Goldfields Superterrane (Figure 2). The Edjudina Domain has a linear character and is comprised of greenschist facies mafics, ultramafics, intermediate volcanics, banded iron formation and sediments predominantly derived from felsic volcanic.

Gold was discovered in the region in the late 1890s and early 1900s. About 145t of gold has been produced intermittently from about 220 deposits, until the discovery of major deposits, such as Kanowna Belle and Carosue Dam, in the mid-1980s to late 1990s.

The Yarrie Gold Project comprises three granted Prospecting Licenses, 31/2085-2087 for a combined area of 35.17ha (Figure 16). Each tenement covers a significant historical gold working, namely Wallaby (P31/2085), Gibberts (P31/2086), and Great Banjo (P31/2087). The prospects lie on the same structural and mineralisation corridor.

The licenses are located approximately 150 kilometres' northeast of Kalgoorlie and approximately 30 kilometres north of Saracen's 4.34 Moz's Carosue Dam Operations (Saracen Minerals, 2016). Access to the project is from Kalgoorlie via the gazetted Yarrie Road to the Yarrie Battery (located adjacent to the Yarrie Road and to Nelson's Wallaby tenement) and thence via station and exploration tracks to each respective license. The project is situated on Edjudina Station.

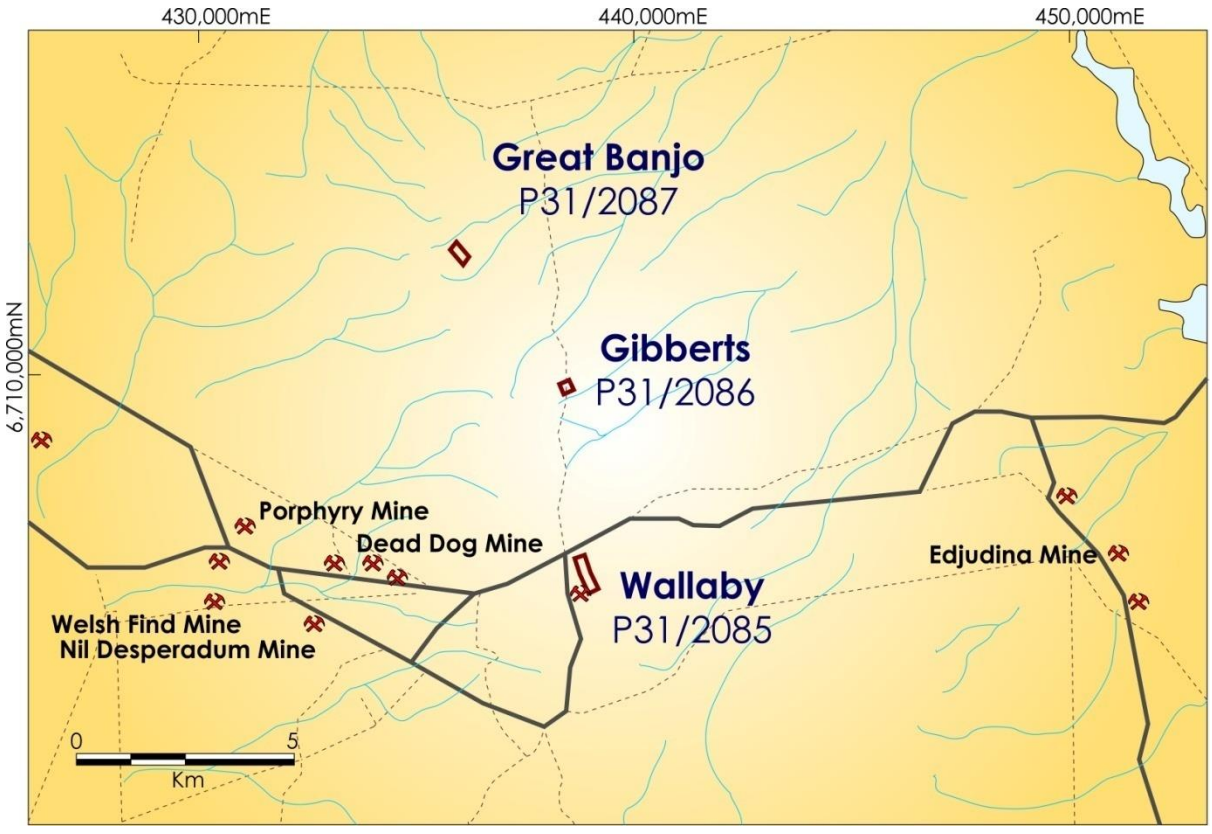

FIGURE 16: YARRIE GOLD PROJECT LOCATION MAP

The tenements lie within the Yerilla District of the North Coolgardie Mineral Field and wholly within the Edjudina (SH51-6) 1:250,000 scale and the Edjudina (3338) 1:100,000 scale GSWA geological map sheets.

No native title claims cover, or known heritage sites exist within or affect the tenements.

5.3.1. PHYSIOGRAPHY

Nelson's tenements lie on the north eastern flank of the NNW-trending Yarrie Range: a belt of very low relief hills developed mainly in the Yarrie Monzogranite. The gently undulating range acts as the local divide between drainage associated with Lake Rebecca from that associated with Lake Raeside in the north. Drainage is either to the southwest or northeast depending on the sump into which it empties. The ranges are mantled by shallow, often stony colluviums that grade into broader sheetwash plains that generally separate the drainage sumps from relief areas. The variable thickness sedimentary covers mantle deeply weathered profiles preserved over most rock types. The weathering profiles are mostly truncated in the leached upper saprolite, which is locally mottled (ferruginous).

Secondary carbonate has developed in the surface materials across most rock types. It is most strongly developed above mafic rocks. Lateritic detritus and/or pea gravel form divide younger from older colluviums towards the base of most relief areas.

5.3.2. GEOLOGY

The tenements lie within the Edjudina Domain, which is bounded to the west by the Keith-Kilkenny Tectonic Zone (made up of the Yilgangi Fault and the faults bounding the Pig Well Graben) and by the Celia Tectonic Zone (more specifically, the Claypan Fault), which forms the eastern boundary. The domain hosts multiple west-dipping, west-facing homoclinal sequences of mafic to felsic volcanic layers showing lateral facies variation and is cut by low angle faults (Figure 17). Komatiite flows are more common in the south of the domain where they form thin units within a highly variable sequence of basaltic and intermediate volcaniclastic units. Also present are calc alkaline andesites and minor supracrustal metasedimentary schistose units. The greenstone sequence is intruded by numerous monzonite, syenite and felsic porphyries. Substantial andesite and intermediate schist packages are present throughout the terrane. The layered succession has been metamorphosed to lower greenschist facies.

The coarse-grained, locally porphyritic biotite monzogranite (Yarrie Monzogranite) is a pervasively foliated, elongate pluton (about 20 km long and 0.75 – 2.5 km wide). The shape is atypical of intrusions in the Eastern Goldfields Superterrane, but lies within a north-northwesterly trending zone of elongate, pervasively deformed plutons, which includes the Outcamp Bore Tonalite, 20 km north of Yarrie.

Rocks of the Edjudina Domain are interpreted as representing an arc basin.

The project area lies on the north-eastern limb of a refolded fold structure incorporating altered mafic volcanic rocks and volcaniclastic sediments, which dip shallowly (~50°) to the east and varying shallow, generally south plunges.

Gold mineralisation within the project area is directly related to granite emplacement in the west of the area. The intrusion and associated porphyry dykes caused extensive faulting and shearing within the greenstone sequence.

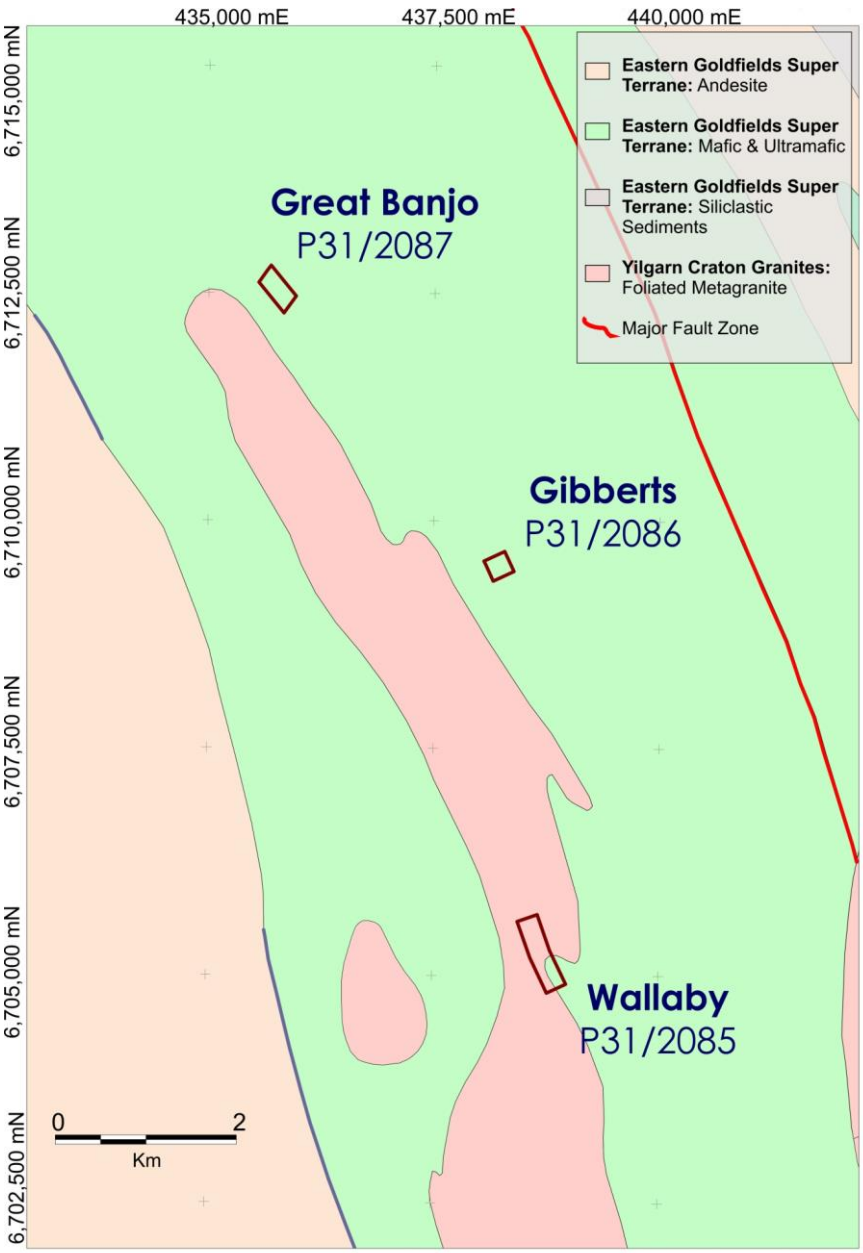

FIGURE 17: YARRIE GOLD PROJECT GEOLOGY

5.3.3. GOLD MINERALISATION

Independent studies of the regional prospectivity of the EGST support the Yarrie Range area has high prospectivity for discovery of significant mesothermal gold mineralisation (Bierlein et al., 2006; Czamota et al., 2010).

The Yarrie deposits lie within biotite monzogranite and mafic country rocks (amphibolite and metabasalt). The Yarrie Monzogranite has produced about 460 kg of gold, mainly from the Wallaby Central and Yarrie Proprietary mines, with the former held by Nelson Resources. Smaller amounts of gold have come from mafic-hosted deposits in the country rocks. The Nelson Resource's held, Great Banjo working, for example, recorded production of 129.0 t of ore for 2.62 kg Au (20.3 g/t Au) between 1903 and 1905. Many gold deposits in the Kurnalpi Terrane have a marked spatial or direct association with the ovoid granitoid intrusions (Roberts et. al., 2004).

Gold mineralization at Yarrie is within a zone of sinistral shear that appears to have caused several kilometres of lateral displacement on intrusive contacts of the Yarrie Monzogranite. Gold lodes, with historic Au mining, commonly occur at the contact between granite and basalt, particularly where northwest-trending, cross cutting structures intersect the Yarrie line of mineralisation. Mineralisation in many historic workings plunges south at a shallow angle, which may also reflect interaction between a northwest and north-northwest trending structure.

The main line of workings, almost 1500 m long, encompasses the contiguous workings at Wallaby North, Wallaby Central, and Yarrie Proprietary. The main area of mineralization, around the Wallaby workings, also coincides with the intersection of a mineralized shear with a late, north-trending fault, and is at the narrowest (and therefore weakest) section of the Yarrie pluton. The workings have exposed a 330–340°-trending, sub vertical- to steeply west-dipping shear zone that is conformable within the regional foliation. The mineralised shears are commonly located at the margins of prominent quartz veins and are up to several metres wide.

Gold mineralisation at the Great Banjo working is associated with north-northwesterly sub-vertical quartz-tourmaline veins hosted in strongly foliated and faulted sericite-chlorite-carbonate schists. The schists are interpreted as being metasediments that are intercalated with basalt. The gold mineralisation occurs in shallow south plunging shoots, parallel to a pronounced mineral lineation (rodding) structure. The mineralisation is exposed over a 200-metre strike length up to 12 metres true width.

Gibberts Well, the smallest of Nelson's three properties at Yarrie, hosts gold in vein quartz associated with narrow, east-west-striking shears developed in quartz-sericite-chlorite schists intercalated with basalt. The gold mineralisation is mostly interpreted as being supergene, and the mineralisation is exposed over a 70-metre strike length.

The pervasive foliation of the Yarrie Monzogranite has been accompanied by quartz veining, carbonation, and sericitization. Disseminated pyrite is also widespread (Swager, 1995).

The saprolite is strongly depleted in gold to 30 m below surface, approximating to the base of the strongly oxidised zone.

5.3.4. PREVIOUS EXPLORATION

To date exploration has been hampered by its sporadic nature, the lack of an exploration model, and the non-existence of a cohesive historical database. Thus, the controls on gold mineralisation in this highly prospective area remain poorly understood. Work reported was incorporated within a large combined group of historical tenements held by numerous operators, including PacMin Mining Corporation whom acquired the project through its acquisition of Mt Edon Gold Mines, who in turn acquired the project through purchase of Consolidated Resources NL. Other workers in the area include, Renaissance Minerals Limited, BHP Minerals, Saracen Mineral Holdings Limited, Sons of Gwalia Limited, Pancontinental Mining Limited, Aztec Exploration Limited, amongst others. Much of this work falls outside the respective tenement areas.

Surface exploration involved a significant amount work including stream and soil geochemistry, shallow drilling and ground-based geophysics has been undertaken on areas encapsulating these tenements. However, no significant mining operations are known to have occurred since the 1980s, although several exploration programs did cover part of the leases.

Great Banjo (P31/2087) and Gibberts (P31/2086)

The historic Great Banjo Gold Mine and Gibberts Gold Mine are linked by a quartz-tourmaline stock works system that can be traced discontinuously for 6 km along a northwest-southeast trending shear zone. Their exploration histories are also linked and therefore discussed together.

Gold was first mined at Great Banjo between 1903 and 1905 when several hundred tonnes of ore at between 15 to 30g/t gold was mined and treated at the Yarrie battery located 6 km south of the lease. Between 1988 and 1990, W.R. Moriarty, ran a small trial heap leach of Great Banjo mined ore. The initial parcel amounted to approximately 1000t with two smaller, subsequent parcels of 90t and 546t. The latter was treated at the Yarrie battery and reported an average grade of 2.12g/t (A44549). The smallest parcel returned 3.39ozs.

Historical gold production at Gibberts was limited to 64.5t at 18.1 g/t gold between 1903 and 1905 (A44549).

Several early explorers, including Pennzoil, and New Holland Mining NL completed quite substantial exploration. New Holland drilled 33 RC holes for 1,555m and recommended the further investigation of the sulphide zone at Great Banjo, where one hole, BRC9, intersected 3 metres at 2.14g/t gold in mineralised pyrite (A44549). Unfortunately records for much of the early drilling could not be sourced and is referred to in reporting by other companies. Other work reportedly included geological mapping, costeans, other undescribed sampling and resource estimation.

WAMEX Open File Data – A18181

1985: Moriarty Leases

Haoma Northwest N.L. completed several work programs as part of a conditional sales/purchase agreement, including geological mapping, costeaning and sampling, and RC drilling. Fifteen (15) RC holes for 543m between Great Banjo and Gibberts, with 5 holes drilled at Great Banjo and Gibberts (Table 8).

TABLE 8: HAOMA DRILL RESULTS >2G/T AU: GREAT BANJO

Project	Drill hole	From (m)	To (m)	Width (m)	Grade (g/t)
Great Banjo	GWP10	11	14	3	1.6
		47	49	2	1.08
	GWP11	14	16	2	2.14
	GWP12	8	18	10	5.86
	GWP14	13	16	3	2.19
Gibberts	GWP2	11	13	2	1.22
	GWP4	3	7	4	1.23

Earlier several rock chip samples and 3-4 kg samples were taken from mullock dumps at Great Banjo and Gibberts. Four costeans were developed and 6 rock chip/mullock samples were taken at Great Banjo. Peak value of 3.42 g/t gold returned in channel sampling came from Costean14 located immediately south of the Great Banjo workings. Many channel samples report in the parts per billion range. The peak gold value returned in mullock samples was 8g/t gold.

Five costeans were developed and sampled at Gibberts. Costean samples returned only sub-gram gold, whereas all 6 rock and mullock samples reported above 1 g/t.

WAMEX Open File Data – A39306

1992: Sandalwood Investments

Sandalwood Investments drilled 9 RC holes for 204 m around a sampled shallow pit that produced several +2g/t gold results. Low grade mineralisation was reportedly associated with an 8-10 m wide sericite altered shear zone that hosts vein quartz, including laminated veins. Table 9 lists the reported drilling results exceeding 2 g/t gold.

TABLE 9: SANDALWOOD INVESTMENTS DRILL RESULTS >2G/T AU: GREAT BANJO

Drill hole	From (m)	To (m)	Width (m)	Grade (g/t)
RCB 1	4	7	3	2.79
RCB 2	6	10	4	4.25
	13	14	1	18.8
RCB 3	8	17	9	2.93
RCB 5	5	6	1	5.38
	10	14	4	9.22
RCB 6	11	14	3	2.44
RCB 7	27	30	3	2.21

WAMEX Open File Data – A44549
1995: Gindalbie Gold NL

Gindalbie Gold through Joint Venture partner, PosGold, completed 2 kg BLEG soils for 82 samples on two grids: 500 x 500m and 250 x 250m. The work outlined 3 anomalous areas, each coincident with a known historical mine, and returned a peak value of 19.1 ppb and a background of about 2 ppb. Conventional -80 mesh soils on a 100 x 50 m grid for 227 samples followed, with a peak value of 90 ppb returned from the Great Banjo area (with a threshold of around 6 ppb). This same work also outlined a gold anomaly at another historical working held by Nelson Resources in Gibberts.

Gindalbie imply that much the past drilling at Great Banjo was poorly targeted as it failed to consider the plunge and shoot nature of the mineralisation. They also assume similar controls on mineralisation are present at Gibberts.

Gindalbie, PosGold, along with other parties, recognised the potential for delineation of resources at greater depth. The then existing market conditions focused very much around exploiting shallow oxide resources, which further constrained development by limiting deeper drilling.

WAMEX Open File Data – A51645
1997: Mt Edon Gold Mines (Aust) Ltd

Mt Edon completed geological mapping supported by 200m line spaced multiclient aeromagnetic imagery. This was followed by a 19 hole RC program (YGBRC001-019) for 1,132m. Drilling infilled prior drilling with several holes designed to test dip extensions to known mineralisation. The drilling intercepted highly weathered basalt and a felsic intrusive dyke, and only minor quartz veins and associated sulphide mineralisation. The mineralisation is associated with vein quartz in strongly sericite-altered and sheared basalt.

Table 10 lists the reported drilling results exceeding 1 g/t gold.

TABLE 10: MT EDON GOLD MINES DRILL RESULTS >1G/T AU: GREAT BANJO

Hole No	Northing	Easting	From	To	Interval (m)	Gold (g/t)
YGBRC001	4960	5065	25	30	5	1.45
YGBRC003	5000	5070	23	27	4	1.58
YGBRC008	5073	5085	22	24	2	2.14
YGBRC009	5073	5110	16	26	10	1.23
YGBRC010	5073	5045	22	26	4	1.38

Wallaby (P31/2085)

Nelson Resource's Wallaby tenement captures the historical Wallaby group or "line" of workings, which has delivered intermittent production commencing in 1902 and ceased in 1983 (Table 11). Total recorded production from the Wallaby group of

mines in 36,000 tonnes for 14,000 ounces of gold has been produced intermittently from about 220 deposits. The prospect is located immediately east of the old Yarrie State Battery.

TABLE 11: HISTORICAL PRODUCTION FROM WALLABY LEASES (RUDD, 1998)

Year	Company/Vendor	Tonnage	Grade (g/t)	Details
1902 -1914		18732	14.7	Lakeview South No 4 shaft and Northern workings
1934 -1941		2664	7.24	Wallaby Central
1954 -1960	Mr King	302	6.6	Wallaby Central
1980	Lamerton Pty Ltd	810	4.95	Wallaby Central
1983	New Holland Mining	426	4.35 *	Wallaby Central

* Company cites excessive dilution occurred during mining

WAMEX Open File Data – A13861, A19188, A24028

1983 - 88: New Holland Mining NL

New Holland Mining NL (Griffiths, 1988) conducted a programme of reverse circulation drilling, including drill holes WRC1 to WRC32 for a total length of 1285m at Wallaby (Table 12). New Holland Mining NL delineated a higher-grade pod of ore near the north boundary of M31/20 (same area as P31/2085). Four hundred and twenty-six (426) tonnes of ore from this zone was mined and treated at the Kalgoorlie State Battery at an average grade of 4.35g/t Au.

TABLE 12: WALLABY RC DRILLING- RESULTS FOR INTERSECTIONS >1G/T AU

Hole	From	To	Width	Grade
WRC-3	16	18	2	6.94
WRC-7	10	13	3	1.26
WRC-10	12	14	2	1.92
WRC-18	35	39	4	1.29
WRC-19	12	15	3	8.79
WRC-22	14	17	3	3.78
WRC-23	20	26	6	3.58
WRC-24	15	20	5	1.47
	22	24	2	2.34
	26	28	2	1.21
WRC-25	13	16	3	2.47
	20	22	2	4.99
WRC-32	29	31	2	2.80

New Holland submitted samples from Wallaby for preliminary metallurgical analysis. The analysis performed by Micron Research (W.A.) and Kalgoorlie Metallurgical Laboratory concluded gold recoveries of 96% were feasible even through low cyanide consumption on material ground to 0.35mm.

New Holland discuss work completed by Penzoil-Picon in 1980 -1981 at Hidden Treasure, immediately south of Wallaby, which included small block of ~9,000oz's

contained gold. Rudd (1998) states that New Holland Mining extended the Penzoil block north by a further 200m.

Picon Explorations Pty Ltd and Porphyry Gold Mine NL (Burrows 1985, 1986 and 1987, and Rudd, 1998) conducted an extensive drilling and sampling programme. Sixty-six (66) Reverse Circulation (RC) drill holes (WP1 to WP66) were developed, spanning from Yarrie South to Wallaby North prospects, including the Wallaby area. Information pertaining to these holes are yet to be located.

WAMEX Open File Data – A53490
1997: Heron Resources

Heron Resources (Rudd, 1998) conducted a soil sampling to establish a large soil anomaly around the historic workings, both in adjoining areas and along strike. A reverse circulation drilling programme for 14 holes (YRC1 to YRC14) covered the entire length of the "Wallaby Line" of workings. The west-dipping, angled holes (-60°) attained depths of up to 130m. The best intersection was 4m at 4.39g/t at 34m depth in YRC5 (Table 13).

TABLE 13: HERON RESOURCES: WALLABY RC DRILLING- RESULTS FOR INTERSECTIONS >1G/T AU

Hole No	Northing	Easting	From	To	Interval (m)	Gold (g/t)
YRC01	6100	1120	24	25	1	8.9
YRC02	6100	1160	64	65	1	1.23
YRC03	5900	1120	49	51	2	3.37
YRC04	5900	1160	31	32	1	1.62
YRC04	5900	1160	90	91	1	1.85
YRC05	5700	1120	34	38	4	4.62
YRC06	5700	1160	76	77	1	1.25
YRC07	5500	1120	36	37	1	2.5
YRC08	5500	1160	71	72	1	1.99
YRC14	4900	1160	49	50	1	1.26

It is apparent that potential for gold mineralisation within the tenements has not been fully tested, as most of the drilling that has been carried out was shallow and targeted the supergene enriched zone around known mineralisation.

Although sporadic shallow drilling has been carried out along the length of system, the potential at depth remains untested.

5.3.5. Exploration Program and Budget

The review of available reports supports Nelson Resource's tenements as containing potential for significant mineralisation, particularly at depth. Small pockets of mineralisation are known to still exist at Wallaby, and possibly at Gibbert's and Great Banjo. Significant areas within the existing tenure remain untested. Unexplored or under explored areas, particularly at depth beneath the existing workings, can be

targeted by geophysical methods, where appropriate, and diamond core drilling and in-fill Reverse Circulation (RC).

Nelson's geologists have compiled the historical drill data for the Wallaby Prospect (Figure 18 and 19). The review shows the main lode (in brown), which is coincident with the line of the workings (in green), extending for over 300m (to the extent of drilling). The mineralisation is open in all directions. The interpretation supports the presence of at least 3 poorly drill-tested, sub-parallel lodes that also hang together across several sections.

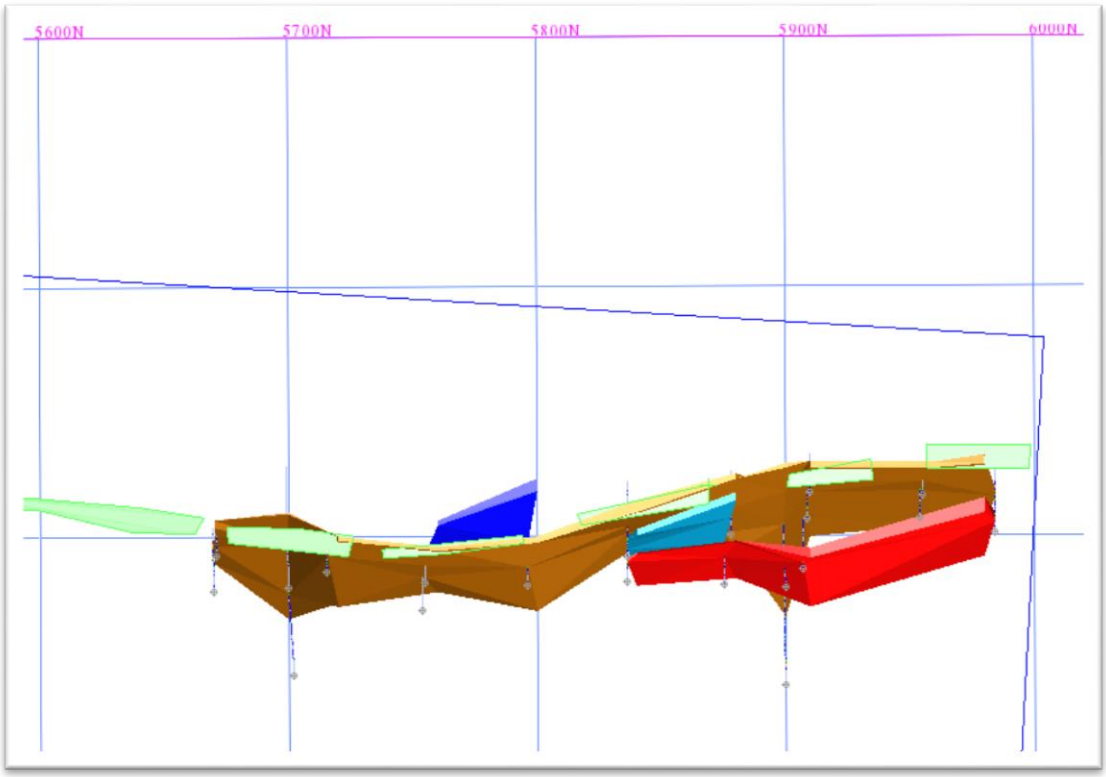

FIGURE 18: PLAN VIEW OF WALLABY NORTH LODE WIREFRAMES ON LOCAL GRID CO-ORDS WITH TENEMENT BOUNDARY AND SURFACE WORKINGS POLYGONS IN GREEN.

Nelson's geologists associate the localised wider zones of higher grade mineralisation to plunging ore shoots developed at the intersections between a series of NW-striking, NE-dipping, crosscutting structures with the north-trending Wallaby Shear. These trends are visible in aerial photography and surface mapping is necessary to determine the plunge direction on the high-grade lodes. Drilling will target the intersections for wider zones of mineralisation. Discovery of viable economic mineralisation is through understanding the orientation and geometry of the high-grade shoots, like that intersected in YRC05 (4m@4.62g/t) and WRC22 (4m@3.74g/t).

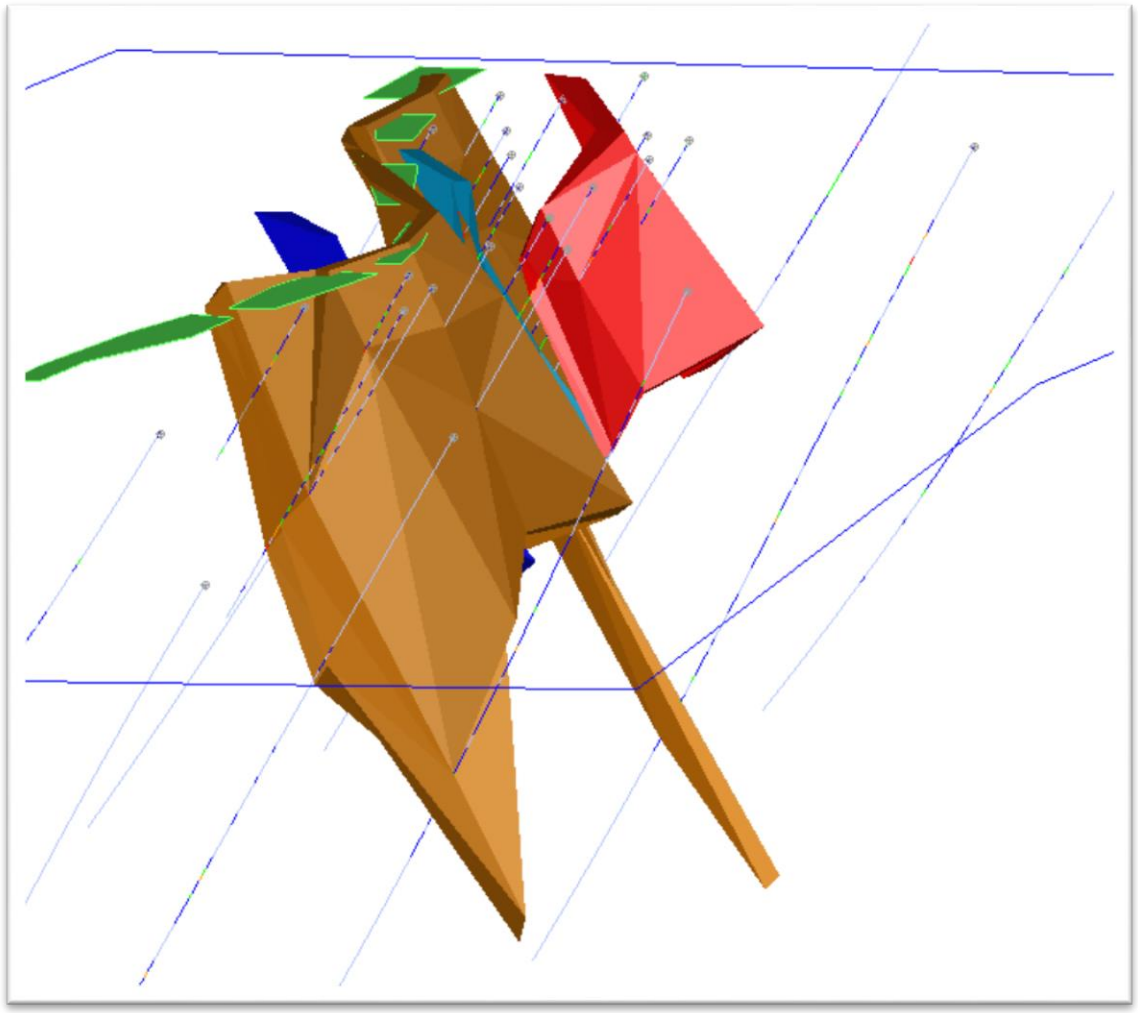

FIGURE 19: OBLIQUE SECTIONAL VIEW OF WALLABY NORTH LODE WIREFRAMES SHOWING LOCATION OF SURFACE WORKINGS (GREEN).

Nelson has proposed further geological mapping and rock chip sampling to refine the understanding of the controls on, and extents of, mineralisation, and geological targets. A scout drilling program will test the depth potential of any identified mineralisation particularly down-plunge, as this appears to be the major shortcoming on existing drilling. Further drilling aims to deliver a mineral resource estimate in accordance with the JORC (2012 Edition) Guidelines. Supporting environmental and heritage surveys will be conducted prior to the commencement of any ground disturbing activities.

Infrastructure and metallurgical studies will be conducted in the case of a mineral resource being defined to support a comprehensive economic analysis towards the development potential of the Yarrie Project.

TABLE 14: YARRIE GOLD PROJECT EXPLORATION PROGRAM & BUDGET

Activity	Budget	
	Year 1	Year 2
Detailed Geological Mapping	-	-
Drilling reinterpretation	-	-
Regolith Re-evaluation	$10,000	-
Heritage Surveys	$40,000	-
Flora/Fauna Surveys	-	-
Scout Drilling Program	$80,000	-
Resource Definition Drilling	$180,000	$200,000
Mineral Resource Estimation	-	$25,000
Diamond Drilling	-	$100,000
Metallurgical Test Work	-	$75,000
Engineering & Infrastructure Study		$50,000
Mining Lease Application & Permitting	-	$75,000
Total	$310,000	$525,000

5.4. WOOLSHED WELL GOLD PROJECT

The Woolshed Well Gold Project is situated within the Murrin Domain of the Kurnalpi Terrane of the Archean Yilgarn Craton of Western Australia (Figure 2). The Murrin greenstones are located between the Yilgangi Fault (Keith-Kilkenny Lineament) and the Celia Lineament, and host the Cardinia - Mertondale project areas of Kin Mining to the west, and Glencore's Murrin Murrin Nickel Cobalt deposits to the east. Kin Mining report (11/5/2015: ASX) an Indicated and Inferred Gold Resource of 11.825Mt @ 1.9g/t Au for 722,300oz (JORC 2012) for the Cardinia – Mertondale area. The geology is typified by basalt, sandstone, siltstone, felsic volcanic rocks, dolerite, peridotite and volcaniclastic rocks that have been deformed by large scale D1 and D2 folds and D3 faults and intruded by several small to large, ovoid to elongate granitic plutons.

The Woolshed Gold Project is located 20km east of Leonora along the Leonora-Laverton Road. Access within the project group is via station and exploration tracks. The Woolshed Well Project comprises 4 Prospecting licenses, 37/8597 – 8600, covering an area of approximately 795 ha (Figure 20).

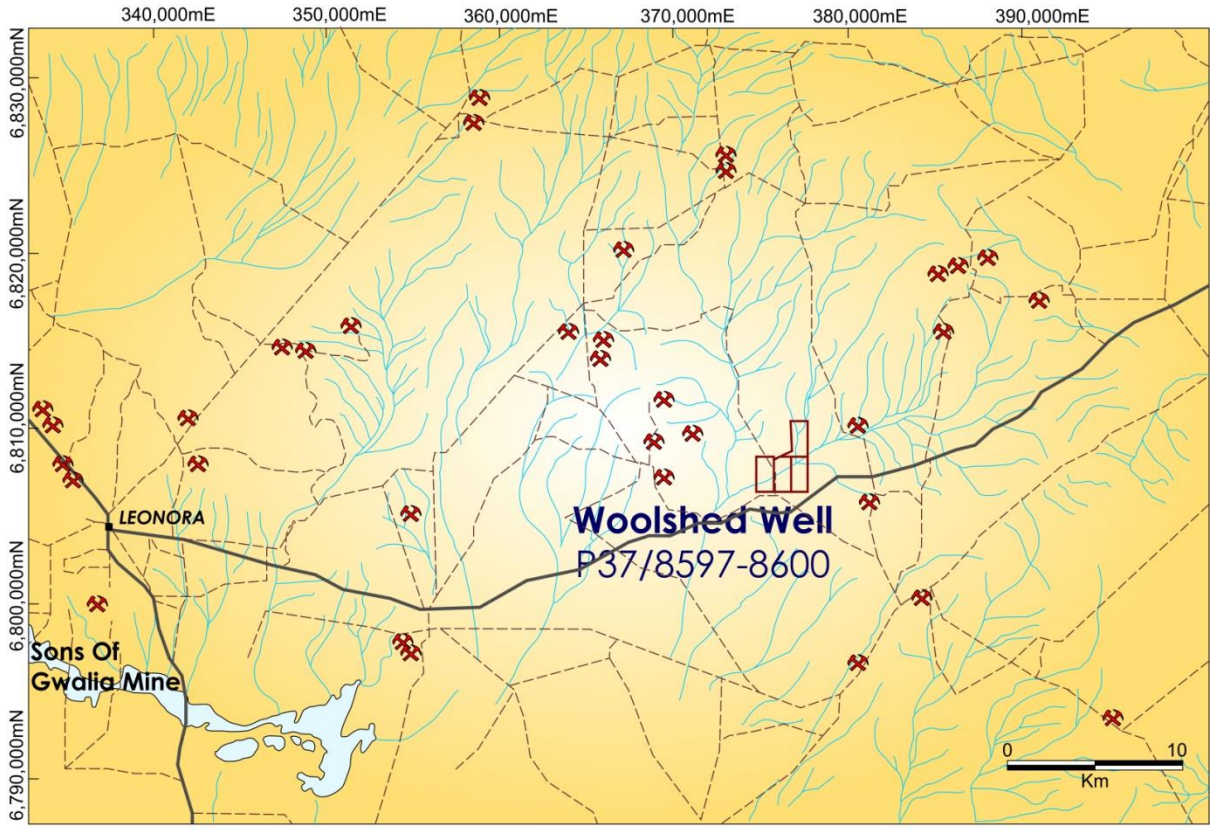

FIGURE 20: WOOLSHED WELL GOLD PROJECT LOCATION MAP

5.4.1. PHYSIOGRAPHY

The Woolshed Well Project is located immediately below the confluence of the Maleta, Stigo, and Katata Creeks which form as tributaries of the larger Cardinia Creek. The drainage network empties to the southwest into Lake Raeside. The creeks

have their headwaters in low to moderate relief areas separated by areas of sheetwash located near the Murrin Murrin Operations.

5.4.2. GEOLOGY

The Murrin greenstone belt, lying between the Keith-Kilkenny Tectonic Zone and the Celia Tectonic Zone to the east, comprises predominantly of andesitic, mafic and ultramafic volcanic and intrusive rocks, with lesser proportions of felsic volcaniclastic and volcanic rocks, siltstone, and sandstone. In the western part of the Murrin greenstone belt, the Benalla Anticline, a large south plunging fold, has the andesitic volcanic and associated epiclastic rocks of the Welcome Well Complex in the core, is overlain by thick sequences of basalt with minor felsic volcanogenic interlayers, and an uppermost sandstone unit. The Woolshed Well tenements lie on the western limb of the Benalla anticline and cover a sequence of intermediate to mafic and felsic volcanic lithologies and locally derived epiclastic sediments that are exposed in a parasitic synformal structure (Figure 21).

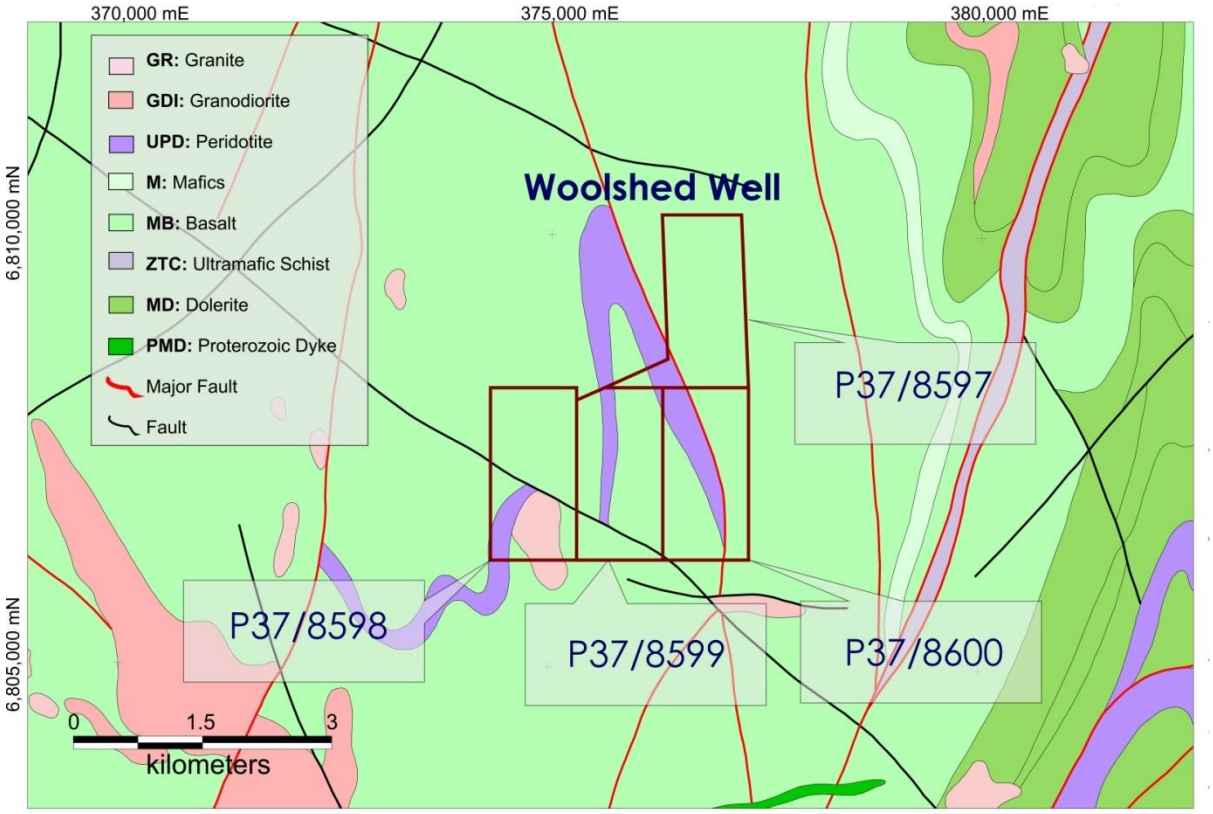

FIGURE 21: WOOLSHED WELL PROJECT GEOLOGY

The Welcome Well Complex is interpreted as the eroded remnant of an Archaean stratovolcano (Giles and Halberg, 1982). Extensive felsic volcanics that form large volcanic edifices, crop out just north of the Woolshed Well Project in the Manger Bore and Kauri Well areas.

The major north-northwest faults in the project area are the Keith-Kilkenny Tectonic Zone (made up of the Yilgangi Fault and the faults bounding the Pig Well Graben) located between the Malcolm and Murrin terranes. The north-striking, mineralised

Mertondale Shear Zone represents a secondary splay off the Yilgangi Fault. The metamorphic facies is mainly prehnite-pumpellyite.

5.4.3. GOLD MINERALISATION

No known gold mineralisation exists within the project area. Gold mineralisation in the nearby Cardinia and Mertondale areas is controlled by north-trending shear zones which form second order splays off the Keith-Kilkenny Tectonic Zone.

Primary gold mineralisation is associated with zones of increased shearing along lithological contacts mainly between the mafic and felsic rocks. Disseminated carbonate-sericite-quartz-pyrite alteration zones are present adjacent to the gold mineralisation characterised by increased quartz veining, silicification and shearing.

The deeply weathered nature of the sub-cropping zones of mineralisation has resulted in variable zones of depletion, ranging from 0 m to 20 m deep, with subsequent supergene enrichment occurring beneath the depleted zone and extending in places to at least 50 m deep. Surface silicification is apparent in the top 4m.

5.4.4. PREVIOUS EXPLORATION

Woolshed Well represents a grassroots gold exploration opportunity for the company. The project area has the potential to host numerous styles of mineralization including VMS base metals, lode gold, and nickel sulphide. Small scale historical gold workings including the Webster's Find workings to the west are extensive within the region surrounding the project area. Gold mineralization is associated with narrow quartz veins and stockworks in numerous lithologies. Minor gossanous outcrops with assays values up to 2% Copper and 3% Zinc have been reported proximal to the project area.

Assessment of WAMEX open file historical reports failed to identify any exploration of significance within the project area. Most of the reported work was related to field reconnaissance, including rock chip sampling, and geological and regolith mapping.

Previous exploration over the Woolshed Well prospecting licenses has been limited. Work reported was incorporated within a large combined group of historical tenements held by numerous operators including Johnsons Well Mining NL and more recently Regis Resources. Other operators in the area have included Amax Exploration, Kia Ora Gold, Getty Oil Development, Julia Mines Ltd, Minplex Resources, Laverton Gold and Newcrest.

WAMEX Open File Data – A42450, A45817, A45821, A52543

1993 – 2003: Johnsons Well Mining NL

Exploration completed by Johnsons Well included regolith mapping at 1:25,000, geological mapping and interpretation of geophysical data. Some drilling and numerous surface geochemistry campaigns were undertaken by the Company, however all fall outside the Woolshed Well project area.

WAMEX Open File Data – A91982

2011: Alamar Resources Limited

Alamar Resources Limited reprocessed geophysical data confirmed the presence of a large magnetic high in the central northern half of the project that appears to be coincident with an ultramafic intrusive. In addition, two discrete magnetic highs in the southern parts of the project area remain of interest.

5.4.5. EXPLORATION PROGRAM AND BUDGET

Nelson has proposed detailed geological mapping and further rock chip sampling to refine: understanding of the controls on, and extents of, mineralisation, and geological targets. A scout drilling program will test the depth potential of any identified mineralisation. Based on positive results being returned from the initial scout phase of drilling, a systematic pattern drilling program will be conducted, aiming to estimate a mineral resource in accordance with the JORC (2012 Edition) Guidelines. Supporting environmental and heritage surveys will be conducted prior to the commencement of ground disturbing activities.

TABLE 15: WOOLSHED WELL EXPLORATION PROGRAM & BUDGET

Activity	Budget	
	Year 1	Year 2
Detailed Geological Mapping	-	-
Drilling reinterpretation	-	-
Regolith Re-evaluation	$15,000	-
Heritage Surveys	$40,000	-
Flora/Fauna Surveys	-	-
Scout Drilling Program	$80,000	$40,000
Resource Definition Drilling	-	$100,000
Mineral Resource Estimation	-	-
Diamond Drilling	-	-
Metallurgical Test Work	-	-
Engineering & Infrastructure Study		-
Mining Lease Application & Permitting	-	-
Total	$135,000	$140,000

5.5. HAPPY JACK GOLD PROJECT

The Happy Jack Gold Project is situated within the Ora Banda Domain of the Kalgoorlie Terrane of the Archean Yilgarn Craton (Figure 2). Happy Jack forms as part of the historic Comet Vale Goldfield, which is associated with the Bardoc Tectonic Zone (BTZ). The mine itself is considered the most significant site for Crocoite, a lead chromate ($PbCrO_4$), on mainland Australia. The Happy Jack Mine (Figure 22) was a small gold producer between 1904 and 1920, after which it was abandoned. The gold mineralisation is hosted entirely in weathered serpentine and talc altered ultramafics.

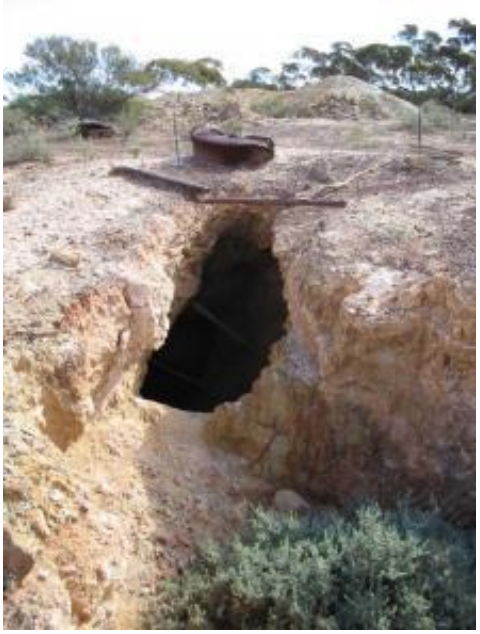

FIGURE 22: OPEN STOPE AT HAPPY JACK WORKINGS

The mine is situated 100 kilometres north of Kalgoorlie, and about 500 metres northeast of the Sand Queen Gold Mine, on the Goldfields Highway (Figure 23). The nearby Sand Queen mine is a typical Archaean narrow, high-grade gold quartz lode deposit within a shear hosted system. Initial mining during 1904 - 1948 produced 181,659 ounces of gold from 248,564 tonnes of ore milled at an average production grade of 22.7 g/t Au (Potter et al., 2008). Reed Resources (2010) report a total Indicated and Inferred Mineral Resource (JORC, 2004) comprising 534,000 tonnes at an average grade of 10.8 g/t Au for 186,000 ounces of gold.

5.5.1. PHYSIOGRAPHY

The Happy Jack Gold Project is located on the shoulder to a low rise formed above ultramafic rocks located on the western margins of Lake Goongarrie. Lake Goongarrie, a salt playa, forms as part of the regional Rebecca palaeodrainage, which flows southeast into the Eucla Basin. Cenozoic transported and residual regolith deposits cover most of the area. Shallow drapes of residual and aeolian sands lie over much of the landscape. Relict ferruginous duricrust and alluvial deposits are minor.

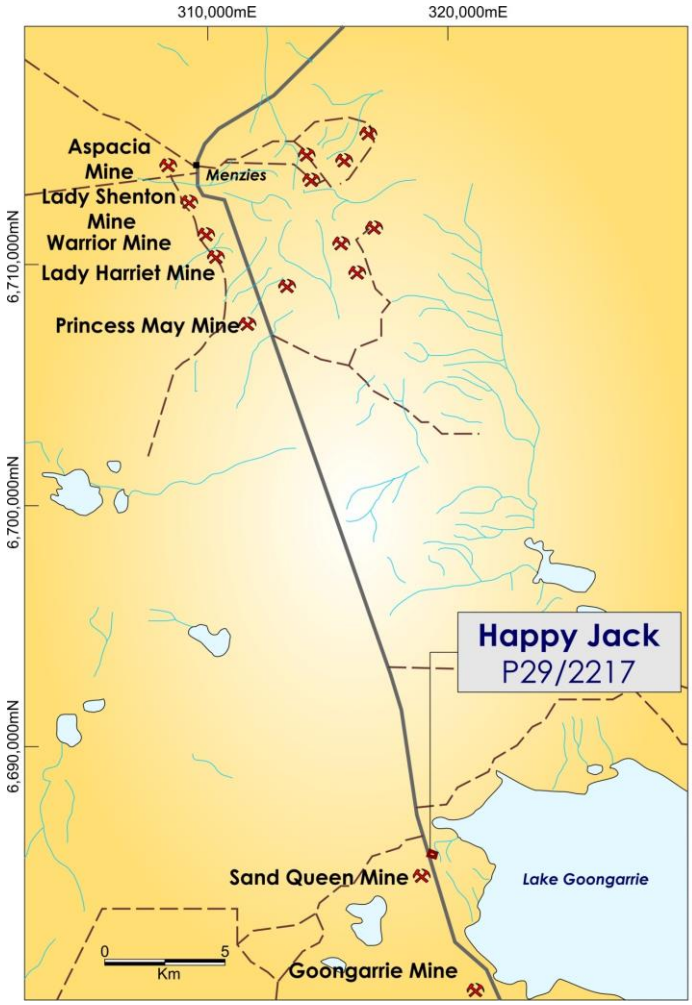

FIGURE 23: HAPPY JACK GOLD PROJECT LOCATION MAP

5.5.2. GEOLOGY

The project is located at the northern end of the Bardoc Tectonic Zone (BTZ), a strong north-north west structural trend defined by major faults and shear zones, developed in the Bardoc greenstone belt that lies within the Kalgoorlie Terrane between Kalgoorlie and Menzies. The BTZ is physically linked along strike to the Boulder-Lefroy Shear Zone (BLSZ), one of the richest orogenic gold shear systems in the world (Morey et al., 2007).

The main rock types on and around the tenement are granitic rock and greenstones comprising metamorphosed mafic, ultra-mafic, felsic volcaniclastic and sedimentary rocks (Figure 24). The highly deformed greenstone rocks are associated with the ~100km long BTZ that partly envelops the eastern margin of the Comet Vale Granitoid, which lies within and truncates the BTZ. The tenement lies over exposed ultramafic rocks on the southern side of the granitic body in a pocket of greenstone rocks that experienced NW trending layer parallel shearing of varying intensity over widths of 20-200m.

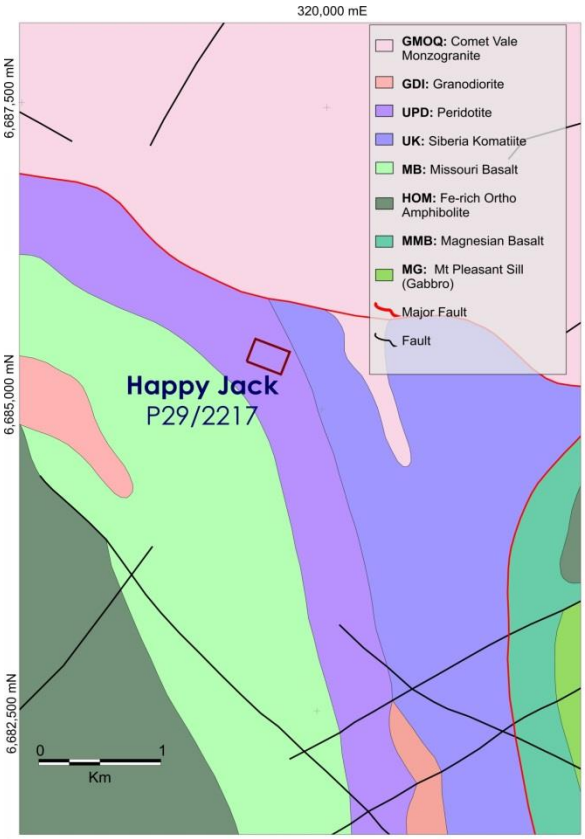

FIGURE 24: HAPPY JACK PROJECT GEOLOGY

5.5.3. GOLD MINERALISATION

Gold mineralisation on the lease area and at the nearby Sand Queen gold mine is typical of Archaean narrow, high-grade gold quartz lode deposits within shear hosted systems. Accommodation structures, including layer parallel shearing, have developed in the pressure shadow to the Comet Vale Granite, which has locally influenced the site of mineralisation.

Gold mineralization at Sand Queen is associated with mafic-hosted, epigenetic quartz-carbonate veins of various styles, which formed during major ENE-WSW shortening and associated dip-slip deformation. The alteration assemblages include carbonate + quartz + muscovite + chlorite ± biotite +sulphide + oxide + gold. Similar styles of mineralisation are expected at Happy Jack, even though the host rock is more likely to be ultramafic rather than mafic.

5.5.4. Previous Exploration

No significant reportable mineral exploration is known to have occurred in times since the commencement of mandatory reporting, though activity peripheral to the project has been ongoing, nothing has taken place within the permit area.

No information on drilling or geochemical sampling of any kind was identified in the WAMEX files.

FIGURE 24: HISTORICAL HEADFRAME AT HAPPY JACK

5.5.5. Exploration Program and Budget

Nelson has proposed assess the viability of reprocessing the tailings dump available at Happy Jack.

TABLE 16: HAPPY JACK EXPLORATION PROGRAM & BUDGET

Activity	Budget	
	Year 1	Year 2
Resource Definition Drilling	$35,000	
Mineral Resource Estimation	$15,000	-
Metallurgical Test Work	$20,000	-
Engineering & Infrastructure Study	-	$25,000
Total	$70,000	$25,000

6. CONCLUSIONS & RECOMMENDATIONS

The mineral asset portfolio held by Nelson presents several assets with varying degrees of advancement and previous exploration activities.

The exploration philosophy and programs proposed by Nelson are technically sound, and based on the information provided to date, the project development milestones are achievable.

Nelson planned exploration is appropriate as exploration targets are mostly already identified. The Company proposes to narrow the target areas with follow-up detailed mapping, and with soil geochemistry and/or geophysics, where appropriate. CPPL believes that these primary objectives are reasonable and achievable.

CPPL believe Nelson's persistence, soundly based geochemical, geological and structural targeting, use of geophysics where appropriate and commitment to drill under cover and at depth has the potential to delineate mineral resources.

CPPL considers the proposed budgets reasonable for the exploration work planned and sufficient to achieve the objectives within the specified time frame.

7. SOURCES OF INFORMATION

The IGR has been based upon the following information supplied by Nelson and its subsidiaries to CPPL:

- Exploration results from activities undertaken on the Project;
- Technical reviews undertaken by Nelson and/or its subsidiaries;
- Technical reviews on the Project by independent experts;
- Technical reports on regional geology and metallogenesis by government technical bodies;
- Exploration databases;
- Geological models;
- Exploration reports from previous workers;
- Copies of material agreements; &
- CPPL has inspected the licences for the Project but has not independently verified the legal status of the licences nor is qualified to do so.

All additional information sources are reflected in *References* below.

8. RELIANCE ON OTHER EXPERTS

A list of public and internal documents related to the Project has been referenced in the compilation of this document, as detailed in *References* below.

9. QUALIFICATIONS OF CONSULTANT

This report has been prepared by Collective Prosperity Pty Ltd, a specialist geological consulting firm whose expertise include the provision of independent technical reports and expert reports for the exploration and mining sectors worldwide.

The assessment of the mineral assets and the preparation of the IGR was conducted by Jonathan King BSc Geology (Hons.), a member of the Australian Institute of Geoscientists. Mr King has more than 25 years of experience from greenfields to near mine exploration and development activities across a wide range of commodities and jurisdictions. Throughout Mr King's career, he has been actively involved in exploration programs in the regions in which Nelson has mineral assets.

10. COMPETENT PERSONS DECLARATION

CPPL is an independent geological consulting firm. Its consultants have extensive experience in the preparation of Qualified Persons, Technical Advisors and Valuation reports for mining and exploration companies. The CPPL team have extensive experience in the early stage exploration to development of exploration and mining properties across a diverse range of commodities and jurisdictions.

Neither CPPL nor its staff have or have had any interest in Nelson, or their subsidiaries, capable of affecting their ability to provide an unbiased opinion, and have not and will not, receive any pecuniary or other benefits in connection with the preparation of the report, other than commercial consulting fees from Nelson. Neither CPPL, nor the author of the IGR, hold any share capital in Nelson or their subsidiaries.

This report was prepared by Mr Jonathan King has relevant and appropriate experience and independence to apprise the Project.

The author of the report has extensive experience operating in the regions in which Nelson has mineral assets.

This document has been complied to incorporate all currently available material information that will enable potential investors to make a reasoned and balanced judgement regarding the economic merits of the projects.

This work has been based upon commercial, mining, environmental and financial information, which has been independently verified by the due diligence conducted by the Competent Person.

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GLOSSARY

Term	Definition
Actinolite	A bright green or greyish-green monoclinic mineral of the amphibole group. It occurs in slender needle like crystals and in fibrous form in metamorphic rocks.
Adcumulate	Adcumulate is a textural description term for an essentially monomineralic rock mass formed by the accumulation of early formed minerals by the action of gravity. Adcumulate textures form when the intercumulus liquid is similar in composition to cumulate crystals and results in additional growth of cumulus grains of similar composition.
Agglomerate	A volcanic breccia formed by disruptions of a solidified crust or hardened plug of lava. Blocks may fit together as a loose mosaic or be completely disordered.
Aircore Drilling	Aircore drilling (AC) involves the use of hardened steel or tungsten blades to bore a hole into unconsolidated or relatively weathered (soft) ground. This method of drilling is used to drill the weathered regolith, as the drill rig and steel or tungsten blades cannot penetrate fresh rock. As the cuttings are removed inside the rods are less prone to contamination compared with conventional rotary air blast drilling where the cuttings pass to the surface via outside return between the outside of the drill rod and the walls of the hole.
Albite	A white or colourless triclinic mineral of the feldspar group. It is a variety of plagioclase that occurs commonly in igneous and metamorphic rock.
Alluvial	Pertaining to or composited of alluvium or material deposited by a hydrological means i.e. stream
Alumino-silicate	Alumino silicate minerals are comprised of aluminium, silicon and oxygen plus counter cations. They are the mainly the feldspar group of minerals and are relatively easily decomposed by weathering.
Amphibole	Amphiboles are common rock forming minerals characterised by good prismatic cleavage in two directions intersecting at angles of 56 and 124 degrees. The most common amphibole group minerals are hornblende, tremolite-actinolite and cummingtonite-grunerite
Amphibolite Facies	The set of metamorphic mineral assemblages in which basic rocks are represented by hornblende and plagioclase, the latter being oligoclase-andesine or more calcic variety. The facies is typical of regional metamorphism under moderate to high pressure and temperatures
Amygdaloidal	A general name for a volcanic rock (ordinarily basalt or andesite) that contains numerous amygdales- a gas cavity or vesicle in an igneous rock which is filled with such secondary minerals as zeolites, calcite, quartz or chalcedony.
Andalusite	A mineral comprised of aluminium, silica and oxygen. The mineral is trimorphous with kyanite and sillimanite. Its structure is orthorhombic, it commonly occurs in thick, nearly square prisms in schists and gneisses
Anomalies	A geological feature distinguished by geological, geophysical or geochemical means to be distinctly different from the general surroundings and can potentially have economic value.
Anticline	A fold, generally convex upward, whose core contains the stratigraphically older rocks
Antiform	A fold, convex upward, in strata for which the stratigraphic sequence is not known
Apatite	A group of hexagonal minerals, consisting of calcium phosphate together with fluorine, chlorite, hydroxyl or carbonate in varying amounts. The apatite minerals occur as accessory minerals in igneous rocks, metamorphic rocks and ore deposits; most commonly as fine grained and often impure masses as the chief constituent of phosphate rock.
Archaean	A geological period 2.5 to 4 Billion years ago
Argentiferous	Containing silver
Arsenopyrite	A tin white or steel grey orthorhombic mineral, FeAsS. It occurs in crystalline rocks and esp. in lead and silver veins; it is the principal ore of arsenic.
Axial planar	The plane that bisects the angle between the two limbs of a fold.
Back-arcs	A back arc is a basin formed through the associated tensional forces caused by asymmetric seafloor spreading and oceanic plate subduction at some convergent plate boundaries.

Term	Definition
Banded iron formation	A rock that consists of alternating bands of iron-rich minerals, generally hematite, and chert or fine grained quartz.
Basalt	A dark coloured igneous rock, commonly extrusive, composed primarily of calcic plagioclase and pyroxene; the fine-grained equivalent of gabbro. The plagioclase is normally zoned and usually ranges in composition from bytownite to labradorite; augite, pigeonite and hypersthene are the common pyroxenes. Apatite and magnetite are almost always present, and olivine is common.
Base metals	Any of the more common and more chemically active minerals, e.g. lead, copper.
Basin	A low area in the earth's crust, of tectonic origin, in which sediments have accumulated, e.g. the Michigan Basin, the Bighorn Basin of Wyoming or the Appalachian Basin. Such features were drainage basins at the time of sedimentation but are not necessarily so today.
Batholith	A large, generally discordant plutonic mass that has more than 100km^2 of surface exposure and no known floor. Its formation is believed by most investigators to involve magmatic processes.
Biotite	A common rock forming mineral of Mica group: $K(Mg,Fe^{2+})_3(Al,Fe^{3+})Si_3O_{10}(OH)_2$. It is black in hand specimen, brown or green in thin section, and has perfect basal (001) cleavage.
Bornite	A mineral Cu_5FeS_4, isometric; reddish-brown, readily tarnishing to iridescent blue or purple "peacock ore". An ore of copper.
Breccia	A coarse-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or a fine-grained matrix e.g. a collapse breccia, fault breccia, or volcanic breccia.
Calcite	A common rock forming mineral, $CaCO_3$. Commonly white or grey, it has perfect rhombohedral cleavage and reacts readily with cold dilute hydrochloric acid. Calcite is the chief constituent of limestone and most marble.
Cambrian	The earliest period of the Paleozoic era, thought to have covered the span of time between 570 and 500 million years ago; also, the corresponding system of rocks. It is named after Cambria, the Roman names for Wales, where rocks of this age were first studied.
Carbonate	1. A mineral compound characterised by a fundamental anionic structure of CO_3^{-2}. Calcite and aragonite, $CaCO_3$, are examples of carbonates.
Chalcocite	A black or dark grey mineral: Cu_2S. It has metallic lustre, occurs in orthrhombic crystals or massive, and is an important ore of copper.
Chalcopyrite	A bright brass-yellow tetragonal mineral; $CuFeS_2$. Constitutes the most important ore of copper.
Channel sample	A composite rock sample, generally taken across the face of a formation or vein to give an average value.
Chert	A hard, dense, microcrystalline or cryptocrystalline sedimentary rock, consisting chiefly of interlocking crystals of quartz less than 30$_{um}$ in diameter; it may contain amorphous silica (opal). It has conchoidal fracture, and may be white or variously coloured. Chert occurs principally as nodular or concretionary segregations, or nodules, in limestone or dolomite, and less commonly as layered deposits, or bedded chert; it may be an organic or inorganic precipitate or a replacement product. The term flint is essentially synonymous.
Chlorite	A group of platey, monoclinic, usually greenish minerals of the general formula: $(Mg,Fe^{+2},Fe^{+3})_6AlSi_3O_{10}(OH)_8$. Chlorites are associated with and resemble the micas; they may also be considered as clay minerals. They are widely distributed, esp. in low grade metamorphic rocks, or as alteration products of ferromagnesian minerals.
Clastic	Pertaining to a rock or sediment composed principally of fragments derived from pre-existing rocks or minerals and transported some distance from their places of origin; also said of the texture of such a rock.
Cleavage	The breaking of a mineral along its crystallographic planes, thus reflecting crystal structure, e.g. cubic cleavage.
Conductors	
Conglomerate	A coarse-grained clastic sedimentary rock, composed of rounded to sub-angular fragments larger than 2mm in diameter (granules, pebbles, cobbles, boulders) set in a fine grained matrix of sand or silt, and commonly cemented by calcium carbonate, iron oxide, silica, or hardened clay; the consolidated equivalent of

Term	Definition
	gravel.
Contact	The surface between two types or ages of rock.
Continental rift	A fissure in the earth marking a zone of the lithosphere that has became thinner due to extensional forces associated with plate tectonics. They are commonly associated with normal faults and grabens.
Copper	A reddish or salmon pink isometric mineral, the native metallic element Cu. It is ductile and malleable, a good conductor of heat and electricity, usually dull and tarnished, and formerly an important ore.
Cordierite	A blue orthorhombic mineral $(Mg, Fe)_2Al_4Si_5O_{18}$. It is a common mineral of metamorphic rocks.
Covellite	An indigo blue hexagonal mineral: CuS. It is a common secondary mineral and represents an ore of copper.
Craton	A part of the earth's crust that has attained stability and has been little deformed for a long time. The term is restricted to continents, and includes both shield and platform.
Cummingtonite	A monoclinic Mg-rich member $(Mg,Fe)_2(Mg,Fe)_5\{Si_4O_{11}\}_2(OH,F)_2$ of calcium poor amphibolites along with grunerite (Mg < Fe) with which it forms a series similar to anthophyllite - gedrite; s.p gr. 3.1-3.6; hardness 5.5; dark green; occurs in amphibolites and some intermediate igneous rocks.
Devonian	A period of Paleozoic era (after the Silurian and before the Mississippian), thought to have covered the span of time between 400 and 345 million years ago; the corresponding system of rocks. It is named after Devonshire, England, where rocks of this age were first studied.
Diagenetic	All processes by which changes in a sediment are brought about after its deposition but before its final lithification.
Digenite	A copper sulphide Cu_9S_5, closely related to chalcocite Cu_2S; sp. Gr. 5.7; hardness 3; greyish blue; sub metallic lustre; occurs as irregular aggregates in association with other copper sulphides, e.g. chalcopyrite and bornite, in mineral deposits.
Disseminated	A scattered distribution of generally fine grained metal bearing minerals throughout a lithology.
Dolerites	A dolerite is the medium grained equivalent of abasalt, dominated by plagioclase and pyroxene. Dolerite is typically found as a hypabyssal igneous type rock, typically occurring within dykes, also may occur in sills, lopoliths and laccoliths.
Dyke	Discordant cross cutting tabular intrusion. Most dykes are vertical or near vertical having pushed their way through the overlying country rock.
Electromagnetic Geophysics	Electromagnetic geophysical methods rely on the process of inducing a magnetic field by a current flowing in a conductor.
Enargite	A greyish black or iron black orthorhombic mineral: Cu_3AsS_4. It is an important ore of copper.
En-echelon	Said of geologic features that are in an overlapping or staggered arrangement, e.g. faults. Each is relatively short but collectively they forma linear zone, in which the strike of the individual features is oblique to that of the zone as a whole.
Epidote	A green monoclinic mineral, $Ca_2(Al, Fe)_3Si_3O_{12}(OH)$. It is common in low grade metamorphic rocks derived from limestone.
Ethnographic Survey	A survey orientated towards the identification of cultural history and cultural artefacts of significance.
Fault	A fracture or fracture zone along which there has been displacement of the sides relative to the one another parallel to the fracture.
Feeder system	A fluid flow conduit for hydrothermal fluids, these may potentially provide a pathway for migration of mineralising fluids.
Feldspar	A group of abundant rock forming minerals $MAL(Al, Si)_3)_8$, where M can be K, Na, Ca, Ba, Rb, Sr, or Fe. Feldspars are the most widespread of any mineral group and constitute 60% of the earths crust; the occur in all types of rock. Feldspars are white and grey to pink, have a hardness of 6, are commonly twinned, have monoclinic or triclinic symmetry, and show good cleavage in two directions.
Felsic	A mnemonic adjective derived from feldspar + lenad (feldspathoid) +silica +c, and applied to an igneous rock having abundant light coloured minerals; also applied to those minerals (quartz, feldspars, felspathoids, muscovite) as a group. It is the

Term	Definition
	complement of mafic.
Flora	The entire plant population of a given area, environment, formation or time span.
Fold	A bed or plication in bedding, foliation, cleavage, or other planar features in rocks. A fold is usually a product of deformation, but the definition does not specify manner of origin.
Fossiliferous	Containing fossils
Gabbro	A group of dark coloured basic intrusive igneous rocks composed principally of labrodorite or bytownite and augite, with or without olivine and orthopyroxene; also any member of that group. It is the approximate intrusive equivalent of basalt. Apatite and magnetite or ilmente are common accessory minerals. Gabbro grades to monzonite with increasing Alkali-feldspar content.
Galena	A gray metallic mineral PbS. It is perfect cubic cleavage, is soft and very heavy, and is the principal ore of lead.
Garnet	A group of minerals of formula: $A_3B_2(Si\text{-}O_4)_3$, where A = Ca, Mg, Fe^{+2}, and Mb+2 and B = Al, Fe^{+3}, Mn $^{+3}$, V^{+3} and Cr. These include the minerals of the garnet group, such as the end members almandine (Fe-Al), andradite (Ca-Fe), grossular (Ca-Al), pyrope (Mg-Al), spessartine (Mn-Al), uvarovite (Ca-Cr), and goldmanite (Ca-V). Garnet has a vitreous lustre, no cleavage, and a variety of colours, dark red being characteristic. It is most commonly found as euhedral isometric crystals in metamorphic rocks. Garnet is used as semiprecious stone (the birthstone for January) and as an abrasive.
Geochemical	Pertaining to the study of the major, minor and trace element composition of matter.
Geological mapping	The spatial location and differentiation between different lithological units and structural, mineralogical and metamorphic characteristics.
Geomorphology	The scientific study of landforms and the processes that shape them.
Geophysics	The study of the physical properties of lithologies including electric, gravity, magnetic, seismic or thermal parameters to infer the underlying geology, structure and/or mineralisation potential.
Glomeroporphyrytic	Applied to those phenocrysts which have attached together to form clusters set within a finer grained groundmass. The phenocryst clusters can form by the aggregation of separate crystals suspended in the melt or by partial disaggregation of crystal accumulations on the walls of the magma chamber.
Gold	A soft yellow mineral, the native metallic element Au. Specific gravity of pure gold is 19.3. It is often naturally alloyed with silver, copper, or other metals and is found as nuggets and grains in gravels, and in veins associated with quartz.
Gondwana	The late Paleozoic supercontinent of the Southern Hemisphere, named by Suess for the Gondwana system of India. The present day southern continents are believed to be fragments that have separated from each other by continental displacement.
Graben	An elongate, relatively depressed crustal unit or block that is bounded by faults on its long sides. It is structural form which may or may not be geomorphologically expressed as a rift valley.
Granite	A plutonic rock in which quartz makes up to 10 to 50% of the felsic components and the alkali feldspar/total feldspar ratio is 65 to 90
Greenschist	A schistose metamorphic rock whose green colour is due to the presence of chlorite, epidote, or actinolite.
Greenstone	A field term for any compact dark green altered or metamorphosed basic igneous rock that owes its colour to chlorite, actinolite or epidote.
Gypsum	A widely distributed mineral consisting of hydrous calcium sulfate: $CaSO_4.2H_2O$. It is the commonest sulfate mineral and is frequently associated with halite and anhydrite in evaporites, forming thick, extensive beds, esp. in rocks of Permian and Triassic age. Gypsum is used mainly as a retarder in portland cement, and in making plaster of Paris.
Hardpan	A hard, impervious, often clayey layer of soil at or just below the surface, produced by cementation of soil particles by relatively insoluble materials such as silica, iron oxide, and organic matter
Hematite	A common iron mineral a-Fe_2O_3. It occurs in rhombohedral crystals, in reniform masses or fibrous aggregates, or in deep red earthy forms. Hematite is found in igneous, sedimentary, and metamorphic rocks, both as a primary constituent and as an alteration product. It is the principal ore of iron.

Term	Definition
Hydrothermal	Of or pertaining to hot water, to the action of hot water, or to the products of this action, such as mineral deposit precipitated from a hot aqueous solution; also said of the solution itself. "hydrothermal" is generally used for any hot water, but has been restricted by some to water of magmatic origin.
Hypogene	Said of geologic process, and of its resultant features, occurring within and below the crust of the earth.
Intracratonic	Situated within a stable continental region.
Intrusion	The process of emplacement of the magma in pre-existing rock; magmatic activity. Also the igneous rock mass so formed.
Ion	Atom that has acquired an electric charge by the loss (cation, positive charge) or the gain (anion, negative charge) of one or more electrons.
Iron ore	Ferruginous rock containing one or more minerals from which metallic iron may be profitably extracted. The chief ores of iron consist mainly of the oxides: hematite (Fe_2O_3); goethite (a-FeO(OH)); magnetite (Fe_3O_4); and the carbonate, siderite ($FeCO_3$).
Isoclinal	A fold whose limbs are parallel.
Jasperlite	A rock consisting of essentially red jasper and iron oxides in alternating bands.
Komatiite	An igneous suite of basaltic and ultramafic lavas and associated rocks. They commonly exhibit spinifex texture. The name is from the Komati River, South Africa.
Lava	Fluid rock that issues from a volcano or fissure; also, the same material solidified by cooling.
Lead	A soft heavy malleable isometric mineral the native metallic element Pb. Lead rarely occurs in the native form, being found mostly in combinations, esp. galena.
Limestone	A sedimentary rock consisting chiefly of mineral calcite (calcium carbonate, $CaCO_3$), with or without magnesium carbonate. Common impurities include chert and clay. Limestone is the most important and widely distributed of the carbonate rocks and is the consolidated equivalent of limey mud, calcareous sand, and/or shell fragments. It yields lime on calcination.
Lineation	A general, non-generic term for any linear structure in a rock, e.g. flow lines, stretched clasts, slickensides, preferred alignment of fossils, or axes of folds.
Loam	A rich permeable soil composed of a mixture of clay, silt, sand and organic matter.
Lode	A mineral deposit consisting of a zone of veins, veinlets, or disseminations; also, a mineral deposit in solid rock as opposed to a placer deposit.
Mafic	Said of an igneous rock composed chiefly of dark, ferromagnesian minerals; also said of those minerals. It is complement of felsic.
Magma	Naturally occurring molten rock material generated within the earth and capable of intrusion and extrusion from which igneous rocks have been derived through solidification and related processes. It may or may not contain suspended solids (such as crystals and rock fragments and/or gas phases.
Magnetic surveys	A survey along a profile or grid using a magnetometer to determine the strength of the geomagnetic field at particular points.
Magnetite	A black, isometric, strongly magnetic, opaque mineral of the spinel group (Fe, Mg)Fe_2O_4. It often contains titanium oxide, and it constitutes and important ore of iron. Magnetite is very common and widely distributed accessory mineral in rocks of all kinds. It also occurs as a heavy mineral in sands.
Malachite	A bright green mineral, $Cu_2CO_3(OH)_2$. It is minor ore of copper and a common secondary mineral, associated with azurite, in the oxide zone of copper-sulfide deposits. It is used to make ornamental objects.
Marcasite	A common pal yellow or grey orthrhombic mineral FeS_2, dimorphous with pyrite. It is common as nodules and concretions in sedimentary rocks.
Marine	Of, or belonging to, or caused by the sea.
Martite	Hematite occurring in iron-black octahedral crusts pseudomorphous after magnetite.
Massive Sulphide	Any mass of unusually abundant metallic sulfide minerals e.g. kuroko deposit.
Metallic	Pertaining to a metal, said of a type of luster that is characteristic of metals.
Metallurgical	The science and art of separating metals from their ores and preparing them for use, as by smelting and refining.

Term	Definition
Meteoric	Pertaining to or derived from the earths atmosphere, e.g. meteoric water.
Micritic	A descriptive term for the semi-opaque crystalline matrix of limestones, consisting of chemically precipitated carbonate mud with crystals less than 4 microns in diameter, and interpreted as lithified ooze. The term is now commonly used in a descriptive sense without genetic implication. Micrite is finer-textured than sparite.
Mineralisation	The process by which valuable mineral or minerals are introduced into a rock, resulting in a potential or actual ore deposit. It is a general term and including various types, e.g. fissure filling, impregnation, replacement.
Mobile zone	A crustal region of tectonic activity
Mudstone	A general term that includes clay, silt, claystone, siltstone, shale and argillite and that should be used only when the amounts of clay and silt are not known or specified or cannot be precisely identified, or when it is desirable to characterise the whole family of fine grained sedimentary rocks (as distinguished from sandstones and limestones). Technically it is a mud supported carbonate sedimentary rock containing less than 10% grains (particles with diameters greater than 20 microns); e.g. a calcilutite.
Muscovite	A mineral of the mica group; $KAl_2(ALSi_3)O_{10}(OH)_2$. It is colourless to pale brown, and is a common mineral in gneisses and schists, in granites and pegmatities, and in many sedimentary rocks esp. sandstones.
Olivine	A green or brown orthrhombic mineral, $(Mg, Fe)_2SiO_4$. It consists of the isomorphous solid solution series forsterite-fayalite. Olivine is a common rock forming mineral of basic, ultrabasic, and low silica igneous rock (gabbro, basalt, peridotite, dunite); it crystallises early from the magma, weathers readily at the earths surface, and metamorphoses to serpentine.
Orogeny	Mountain building especially when a belt of the Earths crust is compressed by lateral forces to form a chain of mountains. There have been many orogenic episodes in evolution of the crust, each extending over many millions of years.
Outcrop	The part of a geological formation or structure that appears at the surface of the earth; also, bedrock that is covered by surficial deposits such as alluvium. To appear exposed and visible at the earths surface; crop out.
Oxide	A group of minerals which oxygen is combined with one or more metals to give simple and multiple oxides respectively. Simple oxides include hematite (Fe_2O_3) and rutile (TiO_2). Multiple oxides include spinels ($MgAl_2O_3$). Oxides are economically important and are the principal sources for tin ($SnO2$) and iron (Fe_2O_3, Fe_3O_4) chromium and aluminium ($Al_2O_3.2H_2O$). Oxides are relatively high temperature minerals occurring in association with a variety of igneous rocks. They may also forma as chemical precipitates in oxidised environments.
Oxidised	An area of mineral deposits modified by surface water, e.g. sulfides altered to oxides and carbonates.
Passive margin	A continental margin which is not also a plate margin. Such margins are also known as 'aseismic margins' or 'Atlantic type margins' and are contrasted with active margins. Passive margins are characterised by rifted and rotated blocks of usually thick sedimentary sequences.
Pelitic	Pertaining to or derived from pelite; esp. said of a sedimentary rock composed of clay such as a "pelitic tuff" or a metamorphic rock derived from a pelite e.g. a "pelitic schist:.
Permeability	The capacity of a porous rock, sediment or soil for transmitting a fluid; it is a measure of the relative ease of fluid flow under unequal pressure. The customary unit of measurement is the millidarcy.
Petrographic	The branch of geology dealing with the description and systematic classification of rocks esp. igneous and metamorphic rocks and esp. by means of microscopic examination of thin sections. Petrography is more restricted in scope than petrology.
Petrology	That branch of geology dealing with the origin, occurrence, structure, and history of rocks, esp. igneous and metamorphic rocks. Petrology is broader in scope than petrography.
PGE	Platinum group elements are a group of six elements including Platinum, Palladium, Rhodium, Iridium, Osmium and Ruthenium that each are among the rarest and most precious of metals.
Phanerozoic	That part of geologic time represented by rocks in which the evidence of life is abundant, i.e. Cambrian and later time.

Term	Definition
Phreatically	A term that originally was applied only to water that occurs in the upper part of the zone of saturation under water table conditions (syn. Of unconfined ground water,) but has come to be applied to all water in the zone of saturation, thus making it an exact synonym of ground water.
Physiographic division	Originally a description of the physical nature of objects, esp. of natural features; later it became synonymous with physical geography.
Plagioclase	A group of triclinic feldspars of general formula (Na, Ca)Al(Si, Al)Si_2O_8. At high temperatures it forms a complete solid solution series from Ab ($NaAlSi_3O_8$) to An($CaAl_2Si_2O_8$). The series is subdivided and named according to increasing mole fraction of the An component: albite (An 0-10), oligoclase (An 10-30), labrodorite (An 50-70), bytownite (An 70-90) and anorthite (An 90-100).
Plunge	The inclination of a fold axis or other linear feature, measured in the vertical plane. It is mainly used in the geometry of folds.
Porphyritic	A term used to describe a rock with a distinct difference in the size of crystals with at least one group of crystals obviously larger than another group.
Porphyry	An igneous rock of any composition that contains conspicuous phenocrysts in a fine grained groundmass; a porphyritic igneous rock.
Ppm	parts per million
Prehnite	A hydrated silicate and member of the phyllocilicates (sheet silicate) with composition $Ca_2Al(Si_3AlO_{10})OH_2$; sp. Gr. 2.9; hardness 6.0; colourless, white, or green, tabular or in granular aggregates; has a layered structure similar to the micas; occurs in association with the zeolites infilling cavities in basic igneous rocks and in contact metamorphosed limestones.
Proterozoic	The more recent of two great divisions of the Precambrian.
Pyrite	A common yellow isometric mineral, FeS_2. It is dimorphous with marcasite, and often contains small amounts of other minerals. Pyrite has a brilliant metallic lustre and an absence of cleavage, and has been mistaken for gold (which is softer and heavier). It is commonly crystallises in cubes, octahedrons, or pyritohedrons. pyrite is the most widespread and abundant of the sulfide minerals and occurs in all kinds of rocks. it is an important ore of sulfur, less so of iron, and is burned in making sulfur diocide and sulfuric acid; it is sometimes mined for the associated fold and copper.
Pyrrhotite	A common red brown to bronze pseudo hexagonal mineral, Fe(1-x)S. It has a defect structure which in some of the ferrous ions are lacking. Some pyrrhotite is magnetic. The mineral is darker and softer than pyrite; it is usually found massive and commonly associated with pentlandite often containing as much as 5% Ni, in which case it is mined as an ore of nickel.
Quartz	Crystalline silica, an important rock forming mineral, SiO2. It is next to feldspar, the commonest mineral, occurring either in transparent hexagonal crystals or cryptocrystalline masses. Quartz is the commonest gangue mineral of ore deposits, forms the major proportions of most sands, and has a widespread distribution in igneous metamorphic and sedimentary rocks. It has vitreous to greasy lustre, a conchoidal fracture, and absence of cleavage and a hardness of 7 on the Mohs scale.
Recumbent fold	An overturned fold in which the axial surface is more or less horizontal.
Recystallised	The formation, essentially in the solid state, of new crystalline mineral grains in a rock. It is the way in which a deformed crystal aggregate releases stored strain energy due to deformation. The new grains are generally larger than the original grains, and may have the same or a different mineralogical composition.
Red beds	Sedimentary strata composed largely of sandstone, siltstone, and shale, that are predominantly red due to the presence of ferric oxide (hematite) coating individual grains; e.g. the Permian and Triassic sedimentary rocks of western U.S. and the Old Red Sandstone facies of the European Devonian.
Reduced	The removal of oxygen from a compound, e.g. from hematite to produce metallic iron.
Reverse Circulation Drilling	RC drilling utilises rods with inner and outer tubes, the drill cuttings are returned to the surface inside the rods. The drilling mechanism is a pneumatic reciprocating piston known as a hammer driving a tungsten steel drill bit.
Rift	A long narrow continental trough bounded by normal faults; a graben of regional

Term	Definition
	extent often associated with volcanism. 2
Rotary Air Blast Drilling	Rotary air blast drilling involves a spinning tungsten drill bit forcing its way through a lithology blowing fragments back up to the surface for examination.
Sand volcano	A conical body of sand resembling the form of a small volcano, rarely more than a few metres wide and less than 50cm high. Internally the sand volcano consists of a massive central plug, surrounded by laminated sand paralleling the external form. Sand volcanoes are formed by the extrusion of liquified sand through a local vent at the surface. The extrusion usually results from a highly liquefied sand below a confining surface layer.
Sandstone	A clastic sedimentary rock composed of grains of sand size set in a matrix of silt or clay and more or less firmly united by a cementing material (commonly silica, iron oxide, or calcium carbonate); the consolidated equivalent of sand. The sand particles usually consist of quartz, and the term "sandstone" when used without qualification indicates a rock containing about 85-90% quartz.
Schistosity	The planar alignment of platy micas and elongate amphibolites in a regional metamorphic rock. The alignment of these minerals into a planar fabric is caused by (a) the physical rotation of the mineral grains under the influence of a shear stress or (b) the syntectonic metamorphic growth of a new minerals with their long axes perpendicular to the principal compressive stress direction.
Sediment	More generally, solid fragmental material transported and deposited by wind, water, or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form, e.g. sand, mud, till. In this sense the term is often used in the plural.
Sericitic	A white fine grained potassium mica occurring in small scales and flakes as an alteration product of various aluminosilicate minerals, having a silky luster, and found in various metamorphic rocks (esp. schists and phyllites) or in the wall rocks, fault gouge, and vein fillings of ore deposits. It is usually muscovite or very close to muscovite in composition and may also include much illite.
Shale	A fine grained detrital sedimentary rock formed by the compaction of clay, silt, or mud. It has finely laminated structure, which gives it a fissility along which the rock splits readily, especially on weathered surfaces. Shale is well indurated, but not as hard as argillite or slate. it may be red, brown, black or grey.
Shear	A deformation resulting from stresses that cause contiguous parts of a body to slide relatively to each other in a direction parallel to their plane of a contact. It is the mode of failure in which the portion of a mass on one side of a plane or surface slides past the portion on the opposite side. In geological literature the term refers almost invariably to strain rather than to stress. It is also used to refer to surfaces and zones of failure by shear and to surfaces along which differential movement has taken place.
Silica	Silicon dioxide, SiO_2. It occurs as crystalline quartz, cryptocrystalline chalcedony, and amorphous opal; dominantly in sand, diatomite, and chert, and combined in silicates as an essential constituent of many minerals.
Siliceous	Said of a rock or other substance containing abundant silica, esp. as free silica rather than silicates.
Sill	A tabular igneous intrusion that parallels the planar structure of the surrounding rock.
Siltstone	An indurated silt having the texture and composition of shale but lacking its fine lamination or fissility; a massive mudstone in which silt predominates over clay. It tends to be flaggy, containing hard thin layers, and often showing primary current structures.
Sphalerite	A yellow, brown, or black isometric mineral (Zn, Fe)S, with a highly perfect dodecahedral cleavage and a resinous to adamantine luster. It is widely distributed ore of zinc, commonly associated with galena in veins and other deposits.
Stockwork	A mineral deposit consisting of a three dimensional network of planar to irregular veinlets closely enough spaced that the whole mass can be mined.
Stratabound	Said of a mineral deposit confined to a single stratigraphic unit. The term can refer to a stratiform deposit, to a variously oriented orebodies contained within the unit, or to a deposit containing veinlets and alteration zones that may or may not be strictly conformable with bedding.
Stratigraphy	The science of rock strata. It is concerned with all characters and attributes of rocks as strata; and their interpretation in terms of mode of origin and geological history. All

Term	Definition
	classes of rocks consolidated or unconsolidated fall within the general scope of stratigraphy.
Strike	The direction taken by a structural surface, e.g. a bedding or fault plane as it intersects the horizontal.
Stromatolite	A laminated mounded structure built up over long periods of time by successive layers or mats of cyanobacteria that trapped sedimentary material. Stromatolites are found in shallow marine waters in warmer regions. Some are still in the process of being formed e.g. those in Shark Bay, Western Australia; fossil stromatolites dating from the Early Precambrian are also known although, it is not certain that these were formed by cyanobacteria.
Sulphides	A group of minerals which the element sulfur (s) is in combination with one or more metallic elements. Simple sulphides include the common ore mineral galena (PbS), and pyrite (FeS_2). Two metallic cations may also be present as in chalcopyrite ($CuFeS_2$). More complex combinations may also occur to give 'double sulphides' or 'sulpho-salts' in which metallic and metalloid or non metallic elements are present in combination with sulphur.
Sulphur	Non metallic element S; sp. Gr. 2.0; hardness 2.0; yellow, massive or tabular when crystalline; produced by femarole volcanic activity and by hot springs, and recovered commercially from beeded sedimentary deposits associated with gypsum and salt domes. Most sulphur is now obtained by a by-product of oil refining, since it is a common contaminant of natural oil.
Supergene	Said of a mineral deposit or enrichment formed near the surface, commonly by descending solutions; also said of those solutions and of that environment.
Syncline	A fold of which the core contains the stratigraphically younger rocks; it is generally concave upward.
Synform	A fold whose limbs close downward in strata for which the stratigraphic sequence is unknown
Syntectonic	Said of geologic process or event occurring during any kind of tectonic activity; or of a rock or feature so formed.
Talc	An extremely soft, light green or gray monoclinic mineral, $Mg_3Si_4O_{10}(OH)_2$. It has characteristic soapy feel and a hardness of 1 on the Mohs scale, and it is easily cut with a knife. Talc is common secondary mineral derived by hydration of magnesium silicates (such as olivine, enstatite and tremolite) in basic igneous rocks or by metamorphism of dolomite rocks and it usually occurs in foliated granular or fibrous masses.
Tholeiite	A basalt characterised by the presence of orthopyroxene and/or pigeonite in addition to clinopyroxene and calcic plagioclase. Olivine may be present.
Transported	Said of material that has been carried by natural agents from its former site to another place on or near the earth surface.
Tremolite	A white to dark gray monoclinic mineral the amphibolite group: $Ca_2Mg_5Si_8O_{22}(OH)_2$. it occurs in long blade shaped or short stout prismatic crystals and also in columnar or fibrous masses, esp. in metamorphic rocks such as crystalline dolomitic limestone and talc schist.
Tuff	A general term for all consolidated pyroclastic rocks.
Ultramafic	Said of an igneous rock composed chiefly of mafic minerals e.g. monomineralic rocks composed of hypersthene, augite, or olivine.
Vein	A tabular deposit of minerals occupying a fracture, in which particles may grow away from the walls toward the middle.
Vesicular	A bubble shaped cavity in lava formed by the expansion of entrapped gases. Such cavities may later become filled with material deposited from solution. Vesicular basalt (bubbly basalt lava) is basaltic lava containing numerous opening, generally ellipsoidal or cylindrical in shape formed by the expansion of dissolved gases in the molten rock.
Volcanic	Pertaining to the activities, structures or rock types of a volcano.
Volcanoclastic	A clastic lithology chiefly composed of volcanic materials.

APPENDIX 1: COMPETENT PERSON'S CONSENT FORM

Competent Person's Consent Form

Pursuant to the requirements of, Clause 8 of the 2012 JORC Code (Written Consent Statement)

Competent Persons Report

Independent Geologist's Report On the Mineral Assets of Nelson Resources Limited

Released by Collective Prosperity Pty Ltd

I, Jonathan King, BSc (Hons.), MAig, confirm that I am the Competent Person for the Report and;

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a member in good standing of the Australian Institute of Geoscientists (AIG).
- I have reviewed the Report to which this Consent Statement applies.

I am a consultant working for:

Collective Prosperity Pty Ltd

and have been engaged by:

Nelson Resources Limited

to prepare the documentation for:

The Western Australian Based Mineral Assets of Nelson Resources Limited

on which the Report is based, for the period ended May 9th, 2017.

I have disclosed to the reporting company the full nature between myself and the company, including any issue that could be perceived by investors as a conflict of interest

I verify that the report is based on fairly and accurately reflects the form and context in which it appears, the information in my supporting documentation relating to exploration results.

APPENDIX 2: JORC CODE, 2012 EDITION- SECTION 1- SOCRATES GOLD PROJECT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Comments
Sampling techniques	*Nature and quality of sampling (eg 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.*	**Newmont Exploration Australia Pty Ltd:** The mineralisation is sampled by initial RAB and Aircore drilling on initial 320m line spacing with lines orientated NW – SE, 40m spaced holes angled at 60° towards SE. A total of 77 RAB holes and 2 Aircore holes were drilled. Followup infill RAB (62 holes) and Aircore (4 holes) drilling on 320m spaced SW – NE trending lines at 50 to 100m hole spacing angled at 60° SE was conducted. A total of 2 RC holes have been drilled to a maximum depth of 200m. Holes were drilled angled at 60° towards SE. **Sipa Exploration NL:** 403 infill RAB holes (WDR184 - 586), 14 Aircore holes (WDR587 - 600) on same orientation as Newmont RAB and Aircore holes. 19 RC holes (SOC001 - 019). SOC001 drilled at 190m angled at 60° NE, the remaining holes are vertical, 40m spaced holes along 40m spaced NW – SE trending lines. 2 RC holes (SOC020 & 021) drilled at 60° to SW on NW – SE trending lines.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Check analysis by the laboratory was done at a frequency of approximately 1 in 20.
	Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	**Newmont Exploration Australia Pty Ltd:** Drilling was used to obtain one metre samples which were geologically logged to determine mineralised intervals. Samples of RAB and Aircore holes were initially collected as 4m composites, followed up by 1m splits over anomalous Au zones. The samples were sent to Ultratrace Laboratory in Perth for analysis. Samples were crushed, dried, and pulverised to produce a representative sub-sample for analysis by aqua regia digest and ICP-MS finish. The following elements were included in the analysis: Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Ni, Pb, Pd, P, Pt, Sb, Sc, Si, Sn, Te, Th, Ti, Tl, U, V, W, Yb, Y, Zn, Zr. Samples of RC holes were initially collected as 4m composites, followed up by 1m splits over anomalous Au zones. The samples were sent to Ultratrace Laboratory in Perth for analysis. Samples were crushed, dried, and pulverised to produce a representative sub-sample for analysis by aqua regia and ICP-MS finish for Au only. **Sipa Exploration NL:** Drilling was used to obtain one metre samples which were geologically logged to determine mineralised intervals. Samples of RAB and Aircore holes were initially collected as either 10m, 5m or 4m composites, followed up by 1m splits over anomalous Au zones. The samples were sent to Ultratrace Laboratory in Perth for analysis. Samples were crushed, dried, and pulverised to produce a representative sub-sample for analysis by aqua regia digest and ICP-MS finish. The following elements were included in the analysis: Au, Ag, As,

Criteria	JORC Code explanation	Comments
		Bi, Co, Cu, Fe, Hg, Mo, Ni, Sb, Te, Zn. Samples of RC holes were initially collected as 5m composites, followed up by 1m splits over anomalous Au zones. The samples were sent to Ultratrace Laboratory in Perth for analysis. Samples were crushed, dried, and pulverised to produce a representative sub-sample for analysis by aqua regia and ICP-MS finish for Ag, As, Bi, B, Cu, Fe, Mo, Ni, Pd, Pt, S, Sb, Te.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	Aircore and RAB drilling by Challenge Drilling Reverse Circulation drilling using a 5.5inch face sampling hammer bit and operated by Challenge Drilling and Raglan Drilling
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Sample recovery was assessed visually and recorded onto a logging sheet.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Samples passed through a cyclone and rotary splitter to ensure a representative sample was taken.
	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.	No relationship between sample recovery and grade has been established.
Logging	*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.*	All chip samples were geologically logged to the level of detail required to support a Mineral Resource Estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	The logging conducted in qualitative.
	The total length and percentage of the relevant intersections logged.	All drill holes have been logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No diamond drilling was conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Each one metre sample was passed through a cyclone and rotary splitter dry to ensure representivity.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of drill chip samples and rock chip samples follows industry best practice in sample preparation involving oven drying, crush to 2mm, splitting off 3kg sample and pulverising to 85% passing 75 microns.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No quality control measures have been documented. Furthermore no QAQC information has been provided with the exception of laboratory check samples which were conducted at a frequency of approximately 1 in 20 samples.
	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.	No duplicates were reported within the data provided.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style.

Criteria	JORC Code explanation	Comments
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The analytical technique of aqua regia digest and ICP-MS is considered appropriate for the mineralisation style.
	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.	No tools of this nature were utilised.
	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.	Quality control procedures are unknown with the exception of laboratory check samples which were conducted at a frequency of approximately 1 in 20 samples..
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No verification of significant intercepts has been conducted.
	The use of twinned holes.	No twinning of drill holes have been conducted.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	It is unknown how the primary data was initially captured. Historical reports with detailed geological logging and sampling have been captured by Nelson's.
	Discuss any adjustment to assay data.	No adjustments were made to assay data presented in this report.
Location of data points	*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.*	Drill hole collar locations were recorded using a handheld GPS. Down hole surveys were conducted using an Eastman Single Shot Camera.
	Specification of the grid system used.	MGA94- Zone 51 coordinates are utilised.
	Quality and adequacy of topographic control.	Elevation information utilised for the drilling was from the GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The completed drill holes have been drilled in a grid pattern and thus have regular drill spacing.
	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.	The data spacing and distribution of the combined historical and recent drilling programs are insufficient to establish a degree of geological and grade continuity appropriate for the estimation of a Mineral Resource.
	Whether sample compositing has been applied.	No sample compositing has been applied to drill samples.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the drill holes to date is not appropriate in regards to the orientation of the 3D modelled mineralisation. Further drilling is required to understand the geometry of mineralisation.
	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.	Further drilling is required to understand the geometry of mineralisation. It is probable that reported widths are generally thicker than the true width of mineralisation. There are no known biases caused by the orientation of the drill holes.
Sample security	*The measures taken to ensure sample security.*	Security measures are unknown.

Criteria	JORC Code explanation	Comments
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted to date.

APPENDIX 2: JORC CODE, 2012 EDITION- SECTION 2- SOCRATES GOLD PROJECT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.*	The Project is located 155km southeast of Kalgoorlie and 110km northeast of Norseman, in the Eastern Goldfields region of Western Australia. Socrates Project consists of one licence total covering an area of approximately 12km^2: E28/2633. The tenement holder is Peter Romeo Gianni. Peter Romeo Gianni executed a tenement sale agreement with 79 Exploration Pty Ltd under which E28/2633 was transferred to 79 Exploration Pty Ltd. Nelson Resources has subsequently entered into a share purchase agreement to acquire 100% of the issued capital in 79 Exploration Pty Ltd and therefore will acquire 100% interest in the tenement. The tenement is unencumbered by vendor royalties, free carried interests or claw back provisions. The Ngadju People are the traditional owners of the land.
	· *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.*	The licence is in application
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Numerous previous operators, only Newmont and Sipa with respect to drilling at the Socrates Project.
Geology	· *Deposit type, geological setting and style of mineralisation.*	The Project is located approximately 11km northwest of the southeastern margin of the Yilgarn Craton, in the Kurnalpi Terrane of the Eastern Goldfields Superterrane. The area is dominated by northwest-trending belts of Archean metasedimentary rocks, mafic volcanic and intrusive rocks and large granitic intrusions. The Socrates project is prospective vein gold mineralisation styles.
Drill hole Information	· *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:*	The drill holes reported in this report have been reported using a 1 g/t Au minimum reporting grade.
	o *easting and northing of the drill hole collar*	Coordinates are reported in MGA94-Zone 51.
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	RL is WGS84
	o *dip and azimuth of the hole*	Dip is the inclination of the hole from horizontal (i.e. a hole drilled vertically down from the surface is -90^0). Azimuth is reported in degrees as the direction towards which the hole is drilled. The dip and azimuths have only been recorded at the collar.

Criteria	JORC Code explanation	Commentary
	o *down hole length and interception depth*	Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of an intersection as measured along the drill trace.
	o *hole length.*	Hole length is the distance from the surface to the end of the hole, as measured along the drill trace.
	· *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.*	All results relating to the drill sections provided have been stated including "No significant intercepts".
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	All reported assays have been length weighted.
	· *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.*	Sample lengths from RC drilling are all 1m lengths.
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No Metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	The mineralisation is interpreted to be steeply dipping and drill holes have been angled (either vertical or at 60 degrees) It is probable that mineralisation widths have been reported as thicker than the actual width of mineralisation given the modelled lode is steeply dipping, and the majority of the drill holes are vertical.
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	The geometry of the mineralisation is inferred from limited drilling intercepts and 3D modelling, which suggests a NNW striking, steep WSW dipping lode. The majority of the drill holes intersecting the modelled lode are vertical
	· *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').*	All drill results within this report are downhole intervals only. True width is not known and will be calculated from further drilling.
Diagrams	· *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.*	A plan view and drill sections where relevant have been provided in this report.
Balanced reporting	· *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.*	All results of the RC holes including those with no significant intersections have been reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	· *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.*	The other material exploration data inclusive of geophysical survey information has not been documented in this report as there are considered not to be material.
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	A detailed exploration budget is included in this report which focuses towards the defined mineralised targets, further exploration drilling, resource estimation and metallurgical studies.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Exploration targeting based on the current drilling results has been conducted and a suitable phase 2 drilling program in in the process of being devised.

APPENDIX 3: JORC CODE, 2012 EDITION- SECTION 1- WILGA GOLD PROJECT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg 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.*	Large, systematic exploration campaigns have been a feature outside of the tenure, which is otherwise limited by private ownership or operations under tribute arrangements. Hillman Gold Mines Pty Ltd completed geological mapping, collected rock and mullock samples, completed 40 m of costeans (under tribute), sunk 32m of shaft and 15m of drive development (under tribute), drilled 24 holes for 698m (10 holes drilled under tribute).
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Not reported
	Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	Drilling sampled as either 4 (Hillman) or 5 metre (Lamont) composite, 1m samples taken concurrently and collected and assayed where the composite Au value exceeded 0.25g/t Cu, Pb and Zn analysed on EOH for RAB1 -14 (Hillman drilling). Gold assays collected through length of hole. 151 samples taken. As added to Lamont drilling – only 13 samples taken.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	24 RAB holes for 662.25m 1 vertical RC hole – no details available
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Logs captured on paper. Sampling method not reported.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable
	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.	Not reported
Logging	*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.*	Geologically logged, but insufficient information exists to support any resource work.

Criteria	JORC Code explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Not applicable.
	The total length and percentage of the relevant intersections logged.	Holes logged through their development length, but not necessarily sampled.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not reported
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not reported
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not reported
	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.	Not reported
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Not reported
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Gold by Kalgoorlie Assay Labs for Au by LLFA As by SAD
	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.	Not applicable
	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.	Not reported
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Peer review by subsequent explorers – satisified
	The use of twinned holes.	Not applicable

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Paper logs for all details
	Discuss any adjustment to assay data.	Not applicable
Location of data points	*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.*	Established local grids used to control exploration, including drilling
	Specification of the grid system used.	Not reported
	Quality and adequacy of topographic control.	Not reported
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	25 m centres on 50 m spaced lines for drilling
	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.	Exploration stage drilling and lack of sampling in some drilling negate any resource work.
	Whether sample compositing has been applied.	Hillman: Holes RAB1-14 sampled concurrently as 4m composites and individual metres. Composites submitted first followed by splits where the composite exceeded 0.25g/t. Lamont: Holes 15-24 reportedly sampled as 5 m composites – inconsistent with the number of samples reported which suggests BOH analyses for Au only
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Hole orientations correct for the interpreted geology, though not necessarily correct for mineralisation controls and this warrants investigation.
	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.	Not reported
Sample security	*The measures taken to ensure sample security.*	Not reported
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits identified

APPENDIX 3: JORC CODE, 2012 EDITION- SECTION 2- WILGA GOLD PROJECT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.*	The Wilga Project comprises a granted, single 43ha Prospecting License, 39/5586, located approximately 52 km south-southeast of Laverton and 9 km east of AngloGold-Ashanti's Cleo gold mine. The tenement holder is Peter Romeo Gianni. Peter Romeo Gianni executed a tenement sale agreement with 79 Exploration Pty Ltd under which P39/5586 was transferred to 79 Exploration Pty Ltd. Nelson Resources has subsequently entered into a share purchase agreement to acquire 100% of the issued capital in 79 Exploration Pty Ltd and therefore will acquire 100% interest in the tenement. The tenement is unencumbered by vendor royalties, free carried interests or claw back provisions..
	· *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.*	No issues or impediments
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Property mostly operated under various tribute arrangements. Several companies have reviewed the asset with Regal Resources intending to use the asset in an intended float.
Geology	· *Deposit type, geological setting and style of mineralisation.*	The mineralisation is contained within a stockwork of quartz carbonate veins in altered and sheared metagabbro. The west-northwest trending mineralised shear zone is exposed over 150 metres. The main reef varies in thickness from less than 0.5 metres to 3.5 metres, and dips steeply southwest at between 70^0 to 85^0 . Alteration associated with the mineralisation includes carbonate, chlorite and sericite with variable amounts of fuchsite and pyrite. The mineralisation occupies the axial plane of a second generation shallow (at 15°), east-plunging fold. The area has been extensively fragmented by faulting and thrusting.
Drill hole Information	· *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:*	Limited drilling identified with 24 holes including 1 RC hole and the remainder being RAB drilling. Assaying was inconsistent or incomplete between drilling campaigns, with Au + As or Au+ Cu, Pb, Zn on end of hole sample adopted. The first 14 RAB holes (RAB 1-14) were sampled throughout their development.

Criteria	JORC Code explanation	Commentary
	o *easting and northing of the drill hole collar*	Local grid employed to control exploration, especially drilling.
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	No RL specific information was sourced. Assumed datum used.
	o *dip and azimuth of the hole*	Most holes oriented -60 towards the north-northeast
	o *down hole length and interception depth*	Holes logged and sampled in 1 m increments, or just logged in 1 m intervals.
	o *hole length.*	
	· *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.*	Careful compilation of the data is warranted, as progressive summaries of work completed has seen a blurring of the completed information and by whom. This needs to be rectified before commencing exploration.
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable
	· *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.*	Not applicable
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	4 m composites assaying greater than 0.25g/t Au were resampled and 1 m splits for the contained interval and submitted for Au only.
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Drill orientation appropriate for target, though may be refined upon further study

Criteria	JORC Code explanation	Commentary
	· *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').*	Drill orientation is appropriate.
Diagrams	· *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.*	Cross sections and logs are available in the historical files.
Balanced reporting	· *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.*	Indicated intercept width and grade is representative of opportunity
Other substantive exploration data	· *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.*	Not applicable
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Compilation of a cohesive digital database including all historical drilling, surface sampling, mapping, and geophysical information. Detailed geological mapping. Review in particular the structural setting for gold mineralisation warranted prior to drilling. Establish drilling on soil responsive areas (3 already known – 2 largely untested) in preparation for drilling via RAB/Aircore and subsequently RC/diamond drilling. Report exploration target and Resources.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	

APPENDIX 4: JORC CODE, 2012 EDITION- SECTION 1- YARRIE GOLD PROJECT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg 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.*	Early exploration by the likes of Pennzoil, Haoma NW and New Holland is poorly captured in the public domain. Geological mapping and selective sampling is a feature most early programs. Mullock or rock chip sampling is a feature of most work. Gindalbie Gold/PosGold completed widespread soil (-80mesh) and BLEG sampling Bleg 500x500m grid collecting 82 x 2kg samples using Normandy's in-house lab Soils 250x250m grid or on 100x50 grid for infill - 80mesh 227 samples submitted for Fire Assay Au only
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Not reported
	Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	Where reported standard practices were adopted.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	Air track, RAB, and Reverse Circulation drilling performed by various companies, including Haoma NW (15 RC holes for 543m), New Holland (32 RC holes for 1285m), Sandlewood Investments (9 RC holes (RCB001-009) for 264m), Mt Edon Mines (19 RC holes (YGBRC001-019) for 1132m, and PosGold (37 RAB holes for 317m on 5 line traverses). Pennzoil reportedly drilled 1419m of RAB and analysed for Au, Ag, Cu, Pb, Zn,Mo, and As: drilling not sourced.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Paper logs, no chip trays, No diamond drilling identified
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Nothing reported
	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.	Nothing reported. Drilling depths generally shallow, as explorers seeking shallow oxide feed.
Logging	*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.*	Not applicable

Criteria	JORC Code explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Haoma developed 16 costeans across the combined project: 4 at Great Banjo, and 5 at Gibberts Well.
	The total length and percentage of the relevant intersections logged.	Holes were logged through their development length.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not reported
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not reported
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not reported
	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.	Not reported
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Indicated sample sizes for Soils, Bleg and Mullock and Rock chips appropriate.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Au assayed mainly by fire assay for soils and in drilling. BLEG (partial Cyanide leach) used on BLEG soil samples.
	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.	Not applicable
	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.	None identified in the review process
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Most drilling and drill intersections have been peer reviewed by subsequent explorers.
	The use of twinned holes.	Not applicable

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Hand drawn sections and hand written logs
	Discuss any adjustment to assay data.	Not applicable
Location of data points	*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.*	Locational information mostly inaccurate until the more recent work when GPS location data controlled the limited drilling.
	Specification of the grid system used.	Local grids used to control almost all drilling
	Quality and adequacy of topographic control.	Coarse aeromagnetic used to provide topographic control.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Regular spaced samples used in soil and bleg sampling. Drilling and mullock and rock sampling mostly subjective. RC drilling in general more ordered but usually targeted in small areas (around the historical workings).
	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.	No drilling is at a sufficient level of confidence to report resource estimations in accordance with JORC 2012.
	Whether sample compositing has been applied.	Samples mostly taken at 1m intervals, however, some programs used 2m composites, which were subsequently resampled on 1m splits.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Not reported
	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.	Not reported
Sample security	*The measures taken to ensure sample security.*	Not reported
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Not reported

APPENDIX 4: JORC CODE, 2012 EDITION- SECTION 2- YARRIE GOLD PROJECT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.*	The Yarrie Gold Project comprises three granted Prospecting Licenses, 31/2085-2087 for a combined area of 35.17ha. Each tenement covers a significant historical gold working, namely Wallaby (P31/2085), Gibberts (P31/2086), and Great Banjo (P31/2087). The tenement holder is Peter Romeo Gianni Peter Romeo Gianni executed a tenement sale agreement with 79 Exploration Pty Ltd under which P31/2085-2087 were transferred to 79 Exploration Pty Ltd. Nelson Resources has subsequently entered into a share purchase agreement to acquire 100% of the issued capital in 79 Exploration Pty Ltd and therefore will acquire 100% interest in the tenements. The tenements are unencumbered by vendor royalties, free carried interests or claw back provisions.
	· *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.*	Not applicable
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Earlier phases of exploration were peer reviewed by the incoming exploration company. Work within the projects has in general been sporadic, and dominated by prospector activity. More systematic activities generally occurred outside of the lease areas.
Geology	· *Deposit type, geological setting and style of mineralisation.*	Gold mineralisation is associated with north-northwesterly sub-vertical quartz-tourmaline veins hosted in strongly foliated and faulted sericite-chlorite-carbonate schists. The schists are interpreted as being metasediments that are intercalated with basalt. The gold mineralisation occurs in shallow south plunging shoots, parallel to a pronounced mineral lineation (rodding) structure.
Drill hole Information	· *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:*	Almost all holes whether RAB, RC, or airtrack were drilled on a local grid which subsequently switched to GPS in the more recent phases of drilling. All holes were dip at ~60° with grid west azimuth (approximately southwest)
	o *easting and northing of the drill hole collar*	Local grids used for the most part, and switching to GPS control after its development and incorporation into routine exploration approaches/work (around the mid-90's).

Criteria	JORC Code explanation	Commentary
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Coarse aeromagnetic survey control.
	o *dip and azimuth of the hole*	Most holes drilled at -60° towards the south-southwest (east-dipping stratigraphy).
	o *down hole length and interception depth*	Holes generally sampled and logged throughout their development length.
	o *hole length.*	Variable with very few holes extending beyond the oxide zone as most companies sought shallow oxide gold deposits.
	· *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.*	Not applicable
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Significant intercepts either reported as single metre intercepts or combined on a 2m or sometime more interval. Internal dilution zones exceeding 1m width where treated as separate intersections.
	· *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.*	Grades exceeding 1 g/t Au reported or occasionally where 2m contiguous intercept exceeding 0.5g/t Au (controls documented in table headers).
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	Not applicable
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Drilling is perpendicular to strike of geology and to the controls on mineralisation.

Criteria	JORC Code explanation	Commentary
	· *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').*	Not report or reviewed adequately though appear to approximate true width.
Diagrams	· *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.*	Not applicable
Balanced reporting	· *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.*	The chosen inputs are deemed representative of the grade and intersection widths found in the oxide at Yarrie
Other substantive exploration data	· *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.*	Not applicable
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Compilation of a cohesive digital database including all historical drilling, surface sampling, mapping, and geophysical information. Detailed geological mapping. Review in particular structural controls on gold mineralisation and geophysical methods for targeting deeper gold positions beneath the existing workings. Establish drilling on soil responsive areas in preparation for drilling via RAB/Aircore and subsequently RC/diamond drilling. Report exploration target and Resources.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	

APPENDIX 5: JORC CODE, 2012 EDITION- SECTION 1- WOOLSHED WELL GOLD PROJECT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Comment
Sampling techniques	*Nature and quality of sampling (eg 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.*	All sampling occurred outline the area of interest
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No sampling within the project group identified
	Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	No sampling within the project group identified
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	No drilling identified
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling identified
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No sampling identified
	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.	To date no mineralisation identified
Logging	*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.*	No drilling identified
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No drilling identified

Criteria	JORC Code explanation	Comment
	The total length and percentage of the relevant intersections logged.	No drilling identified
NSub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drilling identified
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling identified
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No drilling identified
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No procedures necessary
	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.	No drilling identified
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No sampling identified
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	No sampling identified
	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.	No such use
	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.	No sampling identified
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No drilling identified
	The use of twinned holes.	No drilling identified
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	No sampling identified
	Discuss any adjustment to assay data.	No sampling identified

Criteria	JORC Code explanation	Comment
Location of data points	*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.*	No sampling identified
	Specification of the grid system used.	No sampling identified
	Quality and adequacy of topographic control.	No sampling identified
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	No sampling identified
	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.	No sampling identified
	Whether sample compositing has been applied.	No sampling identified
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	No sampling identified
	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.	No sampling identified
Sample security	*The measures taken to ensure sample security.*	No sampling identified
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits as no sampling identified

APPENDIX 5: JORC CODE, 2012 EDITION- SECTION 2- WOOLSHED WELL GOLD PROJECT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.*	Woolshed Well includes 4 prospecting licenses: P37/8597-8600 located 20km east of Leonora along the Leonora-Laverton Road. The tenements are held by Nelson Resources Limited (previously named Mongolian Resources). No overriding royalties, claw backs, Native title issues, or national park or forestry reserves exist.
	· *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.*	A miscellaneous license associated with Glencore's Murrin Murrin Borefield (L37/?) lies over parts of all tenements. No exploration limitations are expected.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Previous exploration over the Woolshed Well prospecting licenses has been limited. Work reported was generally incorporated within a large combined group of historical tenements held by numerous operators: no activity specifically occurred on property.
Geology	· *Deposit type, geological setting and style of mineralisation.*	Lode gold mineralisation associated with zones of increased shearing along lithological contacts mainly between the mafic and felsic rocks. Disseminated carbonate-sericite-quartz-pyrite alteration zones are present adjacent to the gold mineralisation characterised by increased quartz veining, silicification and shearing.
Drill hole Information	· *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:*	Not applicable
	o *easting and northing of the drill hole collar*	Not applicable

Criteria	JORC Code explanation	Commentary
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Not applicable
	o *dip and azimuth of the hole*	Not applicable
	o *down hole length and interception depth*	Not applicable
	o *hole length.*	Not applicable
	· *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.*	Not applicable
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable
	· *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.*	Not applicable
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	Not applicable
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Not applicable

Criteria	JORC Code explanation	Commentary
	· *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').*	Not applicable
Diagrams	· *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.*	Not applicable
Balanced reporting	· *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.*	Not applicable
Other substantive exploration data	· *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.*	Not applicable
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Compilation of a cohesive digital database including all historical drilling, surface sampling, mapping, and geophysical information. Detailed geological mapping. Review in particular the ultramafic body located centrally within the tenement block. Establish drilling on soil responsive areas in preparation for drilling via RAB/Aircore and subsequently RC/diamond drilling. Report exploration target and Resources.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	As required

APPENDIX 6: JORC CODE, 2012 EDITION- SECTION 1- HAPPY JACK GOLD PROJECT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Comments
Sampling techniques	*Nature and quality of sampling (eg 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.*	No formal historical sampling was located during the preparation of this report
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No sampling identified or sourced.
	Aspects of the determination of mineralisation that are Material to the Public Report.In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	No sampling identified or sourced.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	No drilling conducted.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No Drilling conducted.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No Drilling conducted.
	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.	No Drilling conducted.
Logging	*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.*	No drilling conducted
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No drilling conducted

Criteria	JORC Code explanation	Comments
	The total length and percentage of the relevant intersections logged.	No drilling conducted
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No diamond drilling has been conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling conducted
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No sampling identified
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No sampling identified
	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.	No sampling identified
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No sampling identified
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	No sampling identified
	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.	No such use
	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.	No sampling identified
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No drilling identified
	The use of twinned holes.	No drilling identified
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	No drilling identified
	Discuss any adjustment to assay data.	No assays to report

Criteria	JORC Code explanation	Comments
Location of data points	*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.*	No drilling identified
	Specification of the grid system used.	No drilling identified
	Quality and adequacy of topographic control.	No drilling identified
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	No drilling or sampling identified
	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.	No drilling or resources identified or known
	Whether sample compositing has been applied.	No sampling identified
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	No such sampling identified
	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.	No drilling identified
Sample security	*The measures taken to ensure sample security.*	No sampling identified
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No such audits identified.

APPENDIX 6: JORC CODE, 2012 EDITION- SECTION 2- HAPPY JACK GOLD PROJECT

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.*	Happy Jack includes a single small prospecting licenses: P29/2217 located 30km south of Menzies along the Goldfields Highway. The tenement holder is Peter Romeo Gianni. Peter Romeo Gianni executed a tenement sale agreement with 79 Exploration Pty Ltd under which P29/2217 was transferred to 79 Exploration Pty Ltd. Nelson Resources has subsequently entered into a share purchase agreement to acquire 100% of the issued capital in 79 Exploration Pty Ltd and therefore will acquire 100% interest in the tenement. The tenement is unencumbered by vendor royalties, free carried interests or claw back provisions.
	· *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.*	Not applicable
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Previous exploration over the Happy Jack prospecting license is limited. Work reported was generally incorporated within a large combined group of historical tenements held by numerous operators: no activity specifically occurred on property.
Geology	· *Deposit type, geological setting and style of mineralisation.*	Gold mineralisation is typical of Archaean narrow, high-grade gold quartz lode deposits within shear hosted systems. Gold mineralization at the nearby Sand Queen is associated with mafic-hosted, epigenetic quartz-carbonate veins of various styles, which formed during major ENE-WSW shortening and associated dip-slip deformation. The alteration assemblages include carbonate + quartz + muscovite + chlorite ± biotite +sulphide + oxide + gold.
Drill hole Information	· *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:*	Not applicable
	o *easting and northing of the drill hole collar*	Not applicable
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Not applicable
	o *dip and azimuth of the hole*	Not applicable
	o *down hole length and interception depth*	Not applicable
	o *hole length.*	Not applicable

Criteria	JORC Code explanation	Commentary
	· *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.*	Not applicable
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable
	· *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.*	Not applicable
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	Not applicable
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Not applicable
	· *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').*	Not applicable
Diagrams	· *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.*	Not applicable
Balanced reporting	· *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.*	Not applicable
Other substantive exploration data	· *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.*	Not applicable
Further work	· *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Compilation of a cohesive digital database including all historical drilling, surface sampling, mapping, and geophysical information. Detailed geological mapping. Establish drilling on soil responsive areas in preparation for drilling via RAB/Aircore and subsequently RC/diamond drilling.

Criteria	JORC Code explanation	Commentary
		Report exploration target and Resources.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	As required

8. INVESTIGATING ACCOUNTANT'S REPORT

MOORE STEPHENS

20 September 2017

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WA 6831

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The Directors
Nelson Resources Limited
PO Box 8296
SUBIACO EAST WA 6008

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared at the request of the Directors of Nelson Resources Limited for inclusion in a prospectus to be dated on or about 7 September 2017 ("Prospectus").

Pursuant to the Prospectus, the Company is offering for subscription a total of up to 25,000,000 ordinary shares at an issue price of $0.20 (20 cents per share), together with 1 free attaching option for every 2 shares subscribed for and issued, payable in full on application to raise up to $5,000,000 before costs, with a minimum subscription requirement of 25,000,000 ordinary shares ($5,000,000) ("Capital Raising" or the "Offer").

There is no allowance for oversubscriptions. The offer is not underwritten.

Upon completion of the Capital Raising, the Company will apply for admission of the Company's shares to the official list of the Australian Securities Exchange Limited ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

2. BASIS OF PREPARATION

This report has been prepared to provide investors with information in relation to historical and pro-forma financial information of Nelson Resources Limited as at 30 June 2017, and for the years ended 30 June 2015, 2016 and 2017.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Nelson Resources nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

3. BACKGROUND

Nelson Resources is an Australian public company which until 4 January 2017 traded as Mongolian Resource Corporation Limited and was listed on ASX until delisted on 16 May 2016. The Company previously had interests in a number of mineral exploration projects in Mongolia via Mongolian entities that it controlled. Based on legal advice received, the Board determined that the investments in the Mongolian entities were deemed lost and operations in the Mongolian projects were discontinued. The Board did not consider at that time that any future action would result in the recovery of the assets or any financial compensation from the Mongolian parties, and it was evident that the Company had no ability to ascertain any further information at that time. In view of these circumstances the Company impaired its investments in the Mongolian entities and deconsolidated the related assets, liabilities and non-controlling interests attributable to the Mongolian entities during the year ended 30 June 2016.

Pursuant to an agreement dated 9 June 2017 the Company agreed to sell its Mongolian assets to a citizen of Mongolia for US$500,000, of which part payment of US$20,000 has been received. It remains unclear as to when and if the conditions in the agreement will be met and consequently, whether the balance of the consideration will be received. The receivable has been fully impaired in the financial statements for the year ended 30 June 2017.

On 28 August 2017, the Company entered into a purchase agreement to acquire 79 Exploration Pty Ltd, which owns four gold projects based in Western Australia. Purchase consideration for the acquisition is 5,500,000 ordinary shares of $0.20 per ordinary share, payable upon the Company receiving valid applications for at least $3,000,000 of fully paid ordinary shares during its capital raising exercise and successful listing of the Company on the Australian Securities Exchange.

Nelson Resource's proposed capital structure following completion of the Capital Raising (assuming the minimum Capital Raising of $5,000,000) is as follows;

Fully paid ordinary shares on issue at 30 June 2017	15,092,846
Shares to be issued pursuant to the Prospectus (assuming $5,000,000 is raised)	25,000,000
Shares to be issued to settle acquisition of 79 Exploration Pty Ltd	5,500,000
Total shares on issue at completion	45,592,846

Further information about the Company and its future plans can be found in other sections of the Prospectus.

4. SCOPE OF REPORT

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report on:

a) The Statement of Profit or Loss and Other Comprehensive Income of Nelson Resources for the years ended 30 June 2015, 2016 and 2017;

b) The Statement of Cash flows of Nelson Resources Limited for the years ended 30 June 2015, 2016 and 2017;

c) The Statement of Financial Position of Nelson Resources as at 30 June 2017; and

d) The pro-forma Statement of Financial Position of Nelson Resources as at 30 June 2017 adjusted to include funds to be raised pursuant to the Prospectus (assuming the minimum capital raising of $5,000,000) and the completion of certain other transactions, as disclosed in this report.

We have not separately disclosed all related party transactions, as these are disclosed elsewhere in the Prospectus.

5. SCOPE OF REVIEW

Sources of information

The historical financial information has been extracted from the audited financial statements of the Company for the years ended 30 June 2015, 2016 and 2017.

The financial statements of the Company for the years ended 30 June 2015, 2016 and 2017 were audited by Regency Audit Pty Ltd.

The Auditor's opinion for the year ended 30 June 2017 contained the following qualifications:

Basis for Qualified Opinion - Consolidation of Subsidiaries

"The Company's assets in Mongolia have been deemed lost following the resignation of all Mongolian domiciled parties and are no longer under the control of the Australian entity. Based on current legal advice the Board has taken the decision to deconsolidate the assets, liabilities and non-controlling interests of the Mongolian entities. This has been disclosed in Note 2 and Note 16 of the annual report. Whilst the Mongolian entities have been deconsolidated, it has not been sold and hence the Company still retains an equity interest in the Mongolian entities at balance date. We are unable to obtain sufficient appropriate audit evidence about the Mongolian entities and consequently unable to determine its impact on the financial statements."

Basis for Qualified Opinion – Recoverability of Receivables from Former Officer and Promotor

"Receivables from a former secretary and an alleged contractor of the Company totalling $407,084 represent the former secretary and alleged contractor's claims for provision of consultancy services and associated expenses incurred by them in relation to maintenance of corporate secretarial records and accounting books and carrying out activities for the planned listing of the Company on the Australian Securities Exchange. The Company is pursuing the recovery of funds from the former secretary and alleged contractor to recover this amount relating to the alleged unauthorised and improper reimbursement of expenses and manipulation of the Company's funds and financial accounts. As at the date of this report, there is material uncertainty in relation to the outcome of collection of this receivable and hence we are unable to determine the impact, if any, of non-recoverability of the amount on the financial statements."

The Auditor's opinion for the years ended 30 June 2016 and 30 June 2015 contained the following qualification:

Basis for Qualified Opinion - Consolidation of Subsidiaries

"The Company's assets in Mongolia have been deemed lost following the resignation of all Mongolian domiciled parties and are no longer under the control of the Australian entity. Based on current legal advice the Board has taken the decision to deconsolidate the assets, liabilities and non-controlling interests of the Mongolian entities. This has been disclosed in Note 2 and Note 16 of the annual report. Whilst the Mongolian entities have been deconsolidated, it has not been sold and hence the Company still retains an equity interest in the Mongolian entities at balance date. We are unable to obtain sufficient appropriate audit evidence about the Mongolian entities and consequently unable to determine its impact on the financial statements."

Management's Responsibilities

The Directors of Nelson Resources are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our Responsibilities

We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 Review of Historical Financial Information Other than a Financial Report. We have also considered the requirements of ASAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document.

5. SCOPE OF REVIEW (continued)

Our Responsibilities (continued)

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the proposed Capital Raising and related transactions on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

a) a review of contractual arrangements;

b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;

c) a review of the audited financial statements of Nelson Resources, including making enquiries of the auditor, to the extent considered necessary.

d) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;

e) a review of the assumptions used to compile the pro-forma Statement of Financial Position; and

f) enquiry of directors, management and advisors of Nelson Resources.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a conclusion as to whether we have become aware, in all material respects, that the financial information set out in Appendix 1 to 4 does not present fairly, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company, a view which is consistent with our understanding of the financial position of the Company as at 30 June 2017, pro-forma financial position as at 30 June 2017, and of its financial results and cash flows for the years ended 30 June 2015, 2016 and 2017.

Historical and Pro-Forma Financial Information

The Statement of Profit or Loss and Other Comprehensive Income of Nelson Resources for the years ended 30 June 2015, 2016 and 2017 is included at Appendix 1. The Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2015, 2016 and 2017 is presented without adjustment.

The Statement of Cash flows of Nelson Resources for the years ended 30 June 2015, 2016 and 2017 is included at Appendix 2.

The Statement of Financial Position as at 30 June 2017 of the Company is included in Appendix 3. Also included in Appendix 3 is the pro-forma Statement of Financial Position of the Company which incorporates the Statement of Financial Position as at 30 June 2017, adjusted on the basis of the completion of the proposed Capital Raising of $5,000,000 and the completion of certain other transactions as disclosed in this report. Details of these transactions are set out in Note 4 of Appendix 4.

6. VALUATION OF INTERESTS IN EXPLORATION AND MINING TENEMENTS

The principal assets of Nelson Resources, post ASX listing and subject to meeting minimum expenditure requirements, in addition to cash and cash equivalents, will be its interests in exploration and mining tenements, comprising tenement acquisition and exploration costs.

The interests in exploration and mining tenements have been included at nil carrying value in the audited actual Statement of Financial Position and $1,100,000 in the Pro- Forma Statement of Financial Position as at 30 June 2017, which is in accordance with the accounting policy adopted for such assets by the Company. We have not performed our own valuations of the tenements and do not express a view on whether the carrying values of the tenements are fairly stated. The value of the tenements may rise or fall depending on future exploration results and world prices for minerals being sought.

7. OPINION

Based on our review, which is not an audit:

- Except for the possible financial impact, if any, of the matters described in the qualified opinion paragraphs of the auditor's reports for the years ended 30 June 2015, 2016 and 2017 nothing has come to our attention which causes us to believe that the Statements of Profit or Loss and Other Comprehensive Income of the Company, as set out in Appendix 1, do not present fairly the results of the Company for the years then ended in accordance with the accounting methodologies required by Australian Accounting Standards.
- Except for the possible financial impact, if any, of the matters described in the qualified opinion paragraphs of the auditor's reports for the years ended 30 June 2015, 2016 and 2017 nothing has come to our attention which causes us to believe that the Statements of Cash Flows of the Company, as set out in Appendix 2, do not present fairly the cash flows of the Company for the years then ended in accordance with the accounting methodologies required by Australian Accounting Standards.
- Except for the possible financial impact, if any, of the matters described in the qualified opinion paragraph of the auditor's report for the year ended 30 June 2017 nothing has come to our attention which causes us to believe that the Statement of Financial Position of the Company, as set out in Appendix 3, does not present fairly the assets and liabilities of the Company as at 30 June 2017 in accordance with the accounting methodologies required by Australian Accounting Standards.
- Except for the possible financial impact, if any, of the matters described in the qualified opinion paragraph of the auditor's report for the year ended 30 June 2017, nothing has come to our attention which causes us to believe that the pro-forma Statement of Financial Position of the Company, as set out in Appendix 3, does not present fairly the assets and liabilities of the Company, as at 30 June 2017 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 4 of Appendix 4.

In particular, we draw attention to the receivable from a former company secretary and alleged contractor of $407,084 as set out in Note 6 to both the Statement of Financial Position and the proforma Statement of Financial Position. Given the current status of the claim and the high level of uncertainty surrounding its recoverability the receivable should more properly be viewed as a contingent asset and not brought to account as an asset since it may never be realised. If the asset had not been recognised then the impact would be to increase the loss for the year ended 30 June 2017 from $675,639 (as disclosed in Appendix 1) to $1,082,723, actual net assets as at 30 June 2017 would reduce from $433,300 (as disclosed in Appendix 1) to $26,216 and the pro-forma net assets as at 30 June 2017 would reduce from $6,038,300 (as disclosed in Appendix 1) to $5,631,216.

8. SUBSEQUENT EVENTS

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2017 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

9. OTHER MATTERS

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Stephens Perth Corporate Services Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Neil Pace
Director
Moore Stephens Perth Corporate Services Pty Ltd

APPENDIX 1

NELSON RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015 TO 2017

	Actual 30 June 2017 $	Actual 30 June 2016 $	Actual 30 June 2015 $
Revenue			
Sales	-	-	-
Interest income	81	31	17
Other income	649,341	-	-
	349,422	**31**	**17**
Expenses			
Administration expenses	(83,890)	(35,052)	(26,054)
Accounting and audit fees	(110,090)	(5,000)	(54,567)
Consulting fees	(118,923)	-	-
Directors' fees	(154,513)	-	-
Legal fees	(112,931)	-	-
Marketing expenses	(52,266)	-	-
Occupancy expenses	(25,743)	(54,000)	-
Travel and accommodation expenses	(31,770)	-	-
Tenement expenses	(10,910)	-	-
Impairment of receivables	(624,025)	-	-
Finance costs	-	(166,729)	(109,874)
Loss before income tax	**(675,639)**	**(260,750)**	**(190,478)**
Income tax	-	-	-
Net loss for the period attributable to owners of the Company	**(675,639)**	**(260,750)**	**(190,478)**
Other comprehensive loss for the year, net of income tax	**-**	**-**	**-**
Total comprehensive loss for the year attributable to owners of the Company	**(675,639)**	**(260,750)**	**(190,478)**

We note that for the years ended 30 June 2015 and 30 June 2016, the auditor issued a qualified opinion in the audit report. The auditor modified their opinion in both years due to their inability to obtain sufficient appropriate evidence about the Mongolian entities, and consequently was unable to determine its impact on the financial statements.

We note that for the year ended 30 June 2017, the auditor issued a qualified opinion in the audit report. In addition to the basis for qualification noted above for the years ended 30 June 2015 and 30 June 2016, the auditor also modified their opinion due to their inability to obtain sufficient appropriate evidence about the Company's ability to recover the receivable due from the former secretary and alleged contractor, and consequently was unable to determine its impact on the financial statements.

APPENDIX 2

NELSON RESOURCES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 30 JUNE 2015 TO 2017

	Actual 30 June 2017 $	Actual 30 June 2016 $	Actual 30 June 2015 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)	-	-	-
Payments to suppliers and employees	(963,426)	(142,912)	(119,887)
Interest received	81	31	17
Net cash used in operating activities	(963,345)	(142,881)	(119,870)
Cash flows from financing activities			
Proceeds from borrowings	-	126,947	169,706
Repayment of borrowings	-	(35,462)	-
Proceeds from issue of shares, net of share issue costs	1,159,700	-	-
Net cash provided by financing activities	1,159,700	91,485	169,706
Net increase/(decrease) in cash held	196,355	(51,396)	49,836
Cash and cash equivalents at the beginning of the year	16,370	67,766	17,930
Cash and cash equivalents at the end of the year	**212,725**	**16,370**	**67,766**

We note that for the years ended 30 June 2015 and 30 June 2016, the auditor issued a qualified opinion in the audit report. The auditor modified their opinion in both years due to their inability to obtain sufficient appropriate evidence about the Mongolian entities, and consequently was unable to determine its impact on the financial statements.

We note that for the year ended 30 June 2017, the auditor issued a qualified opinion in the audit report. In addition to the basis for qualification noted above for the years ended 30 June 2015 and 30 June 2016, the auditor also modified their opinion due to their inability to obtain sufficient appropriate evidence about the Company's ability to recover the receivable due from the former secretary and alleged contractor, and consequently was unable to determine its impact on the financial statements.

APPENDIX 3

NELSON RESOURCES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Audited Actual as at 30 June 2017 $	Reviewed Pro-forma as at 30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	212,725	4,717,726
Trade and other receivables	6	440,777	440,777
Total current assets		**653,502**	**5,158,502**
Non-current Assets			
Exploration and evaluation costs	7	-	1,100,000
Total non-current assets		**-**	**1,100,000**
TOTAL ASSETS		**653,502**	**6,258,502**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	220,202	220,202
Total current liabilities		**220,202**	**220,202**
TOTAL LIABILITIES		**220,202**	**220,202**
NET ASSETS		**433,300**	**6,038,300**
EQUITY			
Issued capital	9	30,683,493	36,202,493
Options Reserve	9	-	499,000
Accumulated losses		(30,250,193)	(30,663,193)
TOTAL EQUITY		**433,300**	**6,038,300**

We note that for the years ended 30 June 2015 and 30 June 2016, the auditor issued a qualified opinion in the audit report. The auditor modified their opinion in both years due to their inability to obtain sufficient appropriate evidence about the Mongolian entities, and consequently was unable to determine its impact on the financial statements.

We note that for the year ended 30 June 2017, the auditor issued a qualified opinion in the audit report. In addition to the basis for qualification noted above for the years ended 30 June 2015 and 30 June 2016, the auditor also modified their opinion due to their inability to obtain sufficient appropriate evidence about the Company's ability to recover the receivable due from the former secretary and alleged contractor, and consequently was unable to determine its impact on the financial statements.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

1. Basis of Preparation

The condensed financial information of Nelson Resources for the period ended 30 June 2017 has been prepared on a condensed basis in accordance with the Australian Accounting Standard 134 Interim Financial Reporting.

The condensed financial information does not include all the information and disclosures required in annual financial statements.

The financial information has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of this financial information are presented below and have been consistently applied in respect of each year unless stated otherwise.

The financial information has been prepared on an accrual basis and is based on historical costs.

2. Summary of Significant Accounting Policies

a) Going Concern

The financial information of the Company has been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 30 June 2017, the Company incurred a net loss of $675,639 and as of that date the Company had net operating cash outflows of $963,345. The financial information has been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on:

- The Company being successful in raising additional equity to cover funding for its working capital requirements. Post 30 June 2017 the Company has commenced additional private placement as part of the Company's plan to seek relisting on the Australian Securities Exchange. At the date of this report, 2,500,000 shares were applied for at $0.10 and 500,000 shares were applied for at $0.15, raising a total of $325,000.
- Following the completion of the above-mentioned private placement, the Directors anticipate that a further equity raising exercise will be carried out and will be expected to complete in the 2017 September quarter. Total equity expected to be raised is $5,000,000. At the date of this report, the preparation and acceptance by the Australian Securities and Investments Commission of the Company's prospectus is under way.

  The Company's forecasts and projections show that the Company is able to operate within its available financial resources (on the basis of inflows of up to $325,000 raised from the private placement and $5,000,000 from the further equity raising) and settles its liabilities and commitments in the normal course of business.

The Directors acknowledge there is a risk associated with developing new assets and that they may require either additional expenditure to achieve outcomes or take longer than planned. Additional funding would be required to address these issues should they arise. In this situation, the Company would be required to raise further capital or debt raisings in order to continue as a going concern.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

a) Going Concern (continued)

Should the Company be unable to obtain sufficient funding as outlined above, there is significant uncertainty whether or not the Company will be able to continue as a going concern and therefore, whether it will realise its assets (specifically the exploration and evaluation assets) and extinguish its liabilities and commitments in the normal course of business and at the amounts stated in the statement of financial position. The statement of financial position as at 30 June 2017 does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

b) New and amended accounting policies adopted by the company

During the year ended 30 June 2017, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for current annual reporting.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company's accounting policies.

c) Principle of consolidation

The financial information incorporates the assets and liabilities of all subsidiaries of Nelson Resources Ltd and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Company.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany transactions, balances and unrealised gains on transactions between Company companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, balance sheet and statement of changes in equity respectively.

When the Company ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

d) Revenue recognition

Revenue is recognised when significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest revenue is recognised using the effective interest rate method.

e) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised in the profit or loss using the effective interest rate.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO").

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of amount of GST recoverable from, or payable to, the ATO.

g) Exploration and evaluation costs

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i. the rights to tenure of the area of interest are current; and

ii. at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Indirect costs that are included in the cost of an exploration and evaluation asset include, among other things, charges for depreciation of equipment used in exploration and evaluation activities.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

g) Exploration and evaluation costs (continued)

If an area of interest is abandoned or is considered to be of no further commercial interest, the accumulated exploration costs relating to the area are written off against income in the year of abandonment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

k) Financial assets – receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. This category generally applies to trade and other receivables.

Trade and other receivables are generally due for settlement within no more than 30 days from the date of recognition. Due to their current nature, the carrying amount of trade and other receivables approximates fair value.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period that are unpaid. They are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments other than loans receivables and financial liabilities, the entity does not currently hold any other classification of financial assets.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

2. Summary of Significant Accounting Policies (continued)

n) Financial Instruments (continued)

Classification and subsequent measurement (continued)

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) Employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The key estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Loss of control

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The Company's assets in Mongolian operations have been deemed lost following the resignation of all Mongolian domiciled parties and are no longer under the control of the Australian entity. There have been numerous attempts by the previous management to resolve the dispute. Based on current legal advice, the Board determined that the investments are deemed lost and operations in Mongolian projects were discontinued. It is unlikely that any future action would result in the recovery of the assets or financial compensation from the Mongolian parties and the Company has no capacity to ascertain any further information at this time. In view of the above circumstances, the Board has determined that the investments in Mongolian entities be written off and accordingly the Company deconsolidated related assets, liabilities and non-controlling interest of Mongolian entities.

Exploration and evaluation expenditure

Determining the recoverability of exploration and evaluation expenditure capitalised, in accordance with the Company's accounting policy (where a potential impairment is indicated), requires estimates and assumptions as to whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This assessment requires estimates and assumptions about the resources, the timing of expected cash flows and future capital requirements. If, after having capitalised the expenditure, a judgement is made that recovery of expenditure is unlikely, an impairment loss is recognised in the profit or loss.

Recoverability of receivables

Included in the outstanding receivables at the end of the reporting period is an amount receivable from a former company secretary and an alleged contractor of the Company of $407,084. This amount represents the former company secretary and alleged contractor's claims for provision of consultancy services and associated expenses incurred by them in relation to maintenance of corporate secretarial records and accounting books and carrying out activities for the planned listing of the Company on the Australian Securities Exchange. The Company is pursuing the recovery of funds from the former company secretary and alleged contractor relating to alleged unauthorised and improper reimbursement of expenses and manipulation of the Company's funds and financial accounts. While there is inherent uncertainty in relation to the outcome of the legal claims, the Directors are of the view that the full amount of the debt is likely to be recoverable and, therefore, no provision for impairment has been made.

Included in other receivables is an amount receivable of $624,025 from an independent third party buyer in relation to the sale of the Company's interest in assets and projects in Mongolia. Although an initial sum of $25,316 was received, the Directors are of the view that the full amount of the receivable is likely to be not recoverable and, therefore, a full provision for impairment has been made.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

4. The Preparation of the Pro-Forma Statement of Financial Position

The 30 June2017 Statement of Financial Position of Nelson Resources has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2017:

- The issue pursuant to the Prospectus of 25,000,000 ordinary shares at $0.20 per share, together with 1 free attaching option for every 2 shares subscribed for and issued, raising $5,000,000 before costs.
- The payment of an estimated $495,000 in costs incurred by the Company in relation to the costs of the transaction, and the subsequent allocation of these costs between the profit or loss account and issued capital.
- The acquisition of 79 Exploration Pty Ltd, upon listing on ASX, for consideration of $1,100,000, comprising 5,500,000 ordinary shares at $0.20 per share. The acquisition is accounted for as an asset acquisition with the consideration capitalised as exploration and evaluation costs in the statement of financial position.
- The issue of 3,000,000 broker options (valued at $249,000) as part consideration for corporate advisory services, and the write off of those costs against issued capital.
- The issue of 2,500,000 Employee Incentive Options valued at $250,000 expensed to the profit or loss account.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

	Actual as at 30 June 2017 $	Pro-forma as at 30 June 2017 $
5. Cash and Cash Equivalents		
CURRENT		
Cash at bank and on hand	212,725	4,717,725
The movements in cash at bank are as follows:		
Actual – 30 June 2017		212,725
Issue of shares pursuant to Prospectus (before costs)		5,000,000
Estimated transaction costs		(495,000)
		4,717,725

Note: The proforma cash balance has been prepared on the basis that the proposed capital of $5,000,000 shall be raised. There is no allowance for oversubscriptions.

6. Trade and other receivables

Receivable from former company secretary and alleged contractor[1]	368,306	368,306
Recovery of GST from former company secretary and alleged contractor[1]	38,778	38,778
Other receivable – Mongolian project[2]	624,025	624,025
Impairment of other receivable – Mongolian project[2]	(624,025)	(624,025)
Other receivables	33,693	33,693
	440,777	**440,777**

[1] Receivables from a former company secretary and an alleged contractor of the Company represent the former company secretary and alleged contractor's claims for provision of consultancy services and associated expenses incurred by them in relation to maintenance of corporate secretarial records and accounting books and carrying out activities for the planned listing of the Company on the Australian Securities Exchange. The receivable of $407,084 will only be recovered if the Company is successful in its demands against the former company secretary and alleged contractor.

[2] This relates to an amount receivable of from an independent third party buyer in relation to the sale of the Company's interest in assets and projects in Mongolia. Although an initial sum of $25,316 was received, the full amount of the receivable is unlikely to be not recovered and, therefore, a full provision for impairment has been made.

7. Exploration and Evaluation Costs

Exploration and evaluation costs	-	1,100,000
Accumulated amortisation	-	-
	-	**1,100,000**

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

	Actual as at 30 June 2017 $	Pro-forma as at 30 June 2017 $
8. Trade and Other Payables		
Trade and other payables	43,877	43,877
Accruals	176,325	176,325
	220,202	**220,202**

9. Issued Capital and Options

Issued Capital

Issued and fully paid	**No. of shares**	**$**
Ordinary shares fully paid	45,592,846	36,202,493

Movements during the period		
Ordinary issued and paid up share capital		
Shares on issue at 30 June 2017	15,092,846	30,683,493
Shares issued to settle the acquisition	5,500,000	1,100,000
Shares issued pursuant to current prospectus (assume 25,000,000 shares issued at $0.20 each)	25,000,000	5,000,000
Estimated transaction costs	-	(332,000)
Value attributed to broker options (3,000,000)	-	(250,000)
	45,592,846	**36,202,493**

Options

Issued and fully paid	**No. of options**	**$**
Options on issue	18,000,000	499,000

Movements during the period		
Options issued		
Options on issue at 30 June 2017	-	-
Free attaching options issued pursuant to current prospectus on a basis of 2:1 (assume 25,000,000 shares issued at $0.20 each)	12,500,000	-
Employee Incentive Options	2,500,000	250,000
Broker options	3,000,000	249,000
	18,000,000	**499,000**

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

10. Financial Risk Management Objectives and Policies

The Company has exposure to the following risks from their use of financial instruments:

i. credit risk,
ii. liquidity risk, and
iii. market risk (including gold price risk, interest rate and currency risk).

This note presents information about the Company' exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's principal financial instruments comprise cash. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as receivables and payables which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments.

Financial instruments

	Actual 30 June 2017 $	Proforma 30 June 2017 $
Financial assets		
Cash and cash equivalents	212,725	4,717,725
Trade and other receivables	440,777	440,777
	653,502	**5,158,502**
Financial liabilities		
At amortised cost:		
Trade and other payables	220,202	220,202
	220,202	**220,202**

i. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Company does not have any significant credit risk exposure to the National Australia Bank. The credit risk on liquid funds is reduced because the counterparty is a bank with high credit rating assigned by international credit rating agencies.

Included in financial assets under 'Trade and other receivables' is an amount due from a former company secretary and an alleged contractor of the Company and an amount receivable from an independent third party buyer in relation to the sale of the Company's interest in assets and projects in Mongolia which are considered to be the significant sources of credit risk related to the Company.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

10. Financial Risk Management Objectives and Policies (continued)

Financial instruments (continued)

ii. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at reporting date.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$	$
30 June 2017 Actual						
Trade and other payables	43,877	-	-	-	43,877	43,877
Accruals	176,325	-	-	-	176,325	176,325
	220,202	**-**	**-**	**-**	**220,202**	**220,202**
30 June 2017 Pro-forma						
Trade and other payables	43,877	-	-	-	43,877	43,877
Accruals	176,325	-	-	-	176,325	176,325
	220,202	**-**	**-**	**-**	**220,202**	**220,202**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have short or long-term debt and therefore the risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

iv. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. The Company's cash and cash equivalents at 30 June 2017 are fixed interest rate financial instruments. Therefore, they are not subject to interest rate risk.

v. Fair value measurements

The fair values of cash, receivables, trade and other payables approximate their carrying amounts as a result of their short maturity.

The company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

11. Subsidiaries

Name	Country of incorporation	% Equity interest Actual 30 June 2017	% Equity interest Pro-forma 30 June 2017
MRCMGL LLC	Mongolia	100%	100%
Subsidiaries of MRCMGL LLC:			
Gunbileg Gold LLC	Mongolia	85%	85%
Gunbileg Trade LLC	Mongolia	90%	90%
White Elbow LLC	Mongolia	100%	100%
79 Exploration Pty Ltd	Australia	-	100%

During the 2013 financial year, operations in Mongolia were discontinued due to deemed loss of control over assets and operations in Mongolia. Accordingly, the Company derecognised related assets, liabilities and non-controlling interests of Mongolian entities.

12. Commitments

Exploration Expenditure Commitments

The Company has certain statutory requirements to undertake a minimum level of exploration activity in order to maintain rights of tenure to its various exploration tenements. These requirements may vary from time to time, subject to approval of the relevant government departments and are expected to be fulfilled in the normal course of operations of the Company to avoid forfeiture of any tenement. The Company has a 100% share of tenements rental and expenditure commitments.

	Actual as at 30 June 2017 $	Pro-forma as at 30 June 2017 $
These exploration commitments are not provided for in the financial statements and are payable		
Within one year	35,241	35,241
Later than one year but not later than five years	54,745	54,745
More than five years	-	-
	89,986	89,986

Capital Commitments

The Company had no capital expenditure contracted at the reporting date. The Directors are not aware of any capital commitments associated with the operations and entities in Mongolia and Western Australia.

APPENDIX 4
NELSON RESOURCES LIMITED
NOTES TO THE FINANCIAL INFORMATION

13. Contingent Liabilities

As per Note 6 'Trade and Other Receivables', the Company is pursuing the recovery of funds from the former company secretary and alleged contractor to recover $407,084. At the date of this report, this is still ongoing and the Company may incur future legal costs. However, this amount could not be reasonably quantified at 30 June 2017.

At 30 June 2017, the Company's contingent liabilities were $546,816 in relation to counter demands by the former company secretary and alleged contractor of the Company against the Company relating to termination of certain agreements. The Directors and company's lawyers consider no funds are payable in a settlement.

The Directors are not aware of any significant breaches of environmental legislation and requirements during the year.

9. SOLICITOR'S REPORT ON TENEMENTS

PRICE SIERAKOWSKI
CORPORATE

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POSTAL ADDRESS PO Box Z5433, St Georges Tce Perth WA 6831
ADDRESS Level 24 St Martins Tower 44 St Georges Tce Perth WA 6000

20 September 2017

The Directors
Nelson Resources Limited
Level 3, 18-32 Parliament Place
West Perth WA 6005

Dear Sirs

Nelson Resources Limited ACN 127 620 482
Legal Report on Mining Tenements

This report has been prepared for inclusion in the prospectus (**Prospectus**) to be issued by Nelson Resources Limited ACN 127 620 482 (**Company**) on or about 7 September 2016 for the offer of up to 25,000,000 fully paid ordinary shares in the Company (**Shares**) at $0.20 each to raise up to $5,000,000 before costs (**Offer**).

1. Introduction and scope

1.1. We have been instructed by the Company to prepare this report in respect of mining tenements (including applications) in which the Company will have an interest in at the time of listing on the ASX (**Tenements**).

1.2. Details of the Tenements are listed in the attached Schedule of Tenements (**Schedule**) which, together with the notes to the Schedule (**Notes**), forms part of this report.

1.3. All of the Tenements are located in Western Australia and are identified in the Schedule.

2. Searches

2.1. We have conducted the following searches of information available on public registers in respect of the Tenements (**Searches**):

(a) searches of the Tenements in the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**) on 22 May 2017 (**Tenement Searches**);

(b) quick appraisal searches of DMP's electronic register on 22 May 2017 (**DMP Appraisals**);

(c) native title searches of the registers maintained by the National Native Title Tribunal (**NNTT**) on 22 May 2017 (**Native Title Searches**); and

(d) Aboriginal heritage site searches on the Register of Aboriginal Sites maintained by the Western Australian Department of Aboriginal Affairs (**DAA**) on 23 May 2017 (**WA Heritage Searches**).

2.2. In addition, we have cross checked the DMP Appraisals against the Native Title Searches.

2.3. We have assumed that the information in the registers maintained by the DMP, DAA and NNTT is accurate. The references in the Schedule to the areas of the Tenements are taken from details shown on the electronic registers of DMP, DAA and NNTT. No survey was conducted to verify the accuracy of the Tenement areas.

2.4. We have further assumed that the various parties' signatures on all material agreements relating to the Tenements provided to us are authentic and that the agreements are and were within the capacity and powers of those who executed them. We assume that all of the agreements were validly authorised, executed and delivered by and are binding on the parties to them and comprise the entire agreements of the parties to each of them concerning their respective subject matters.

3. Opinion

3.1. As a result of the Searches, but subject to the assumptions and qualifications set out in this report, we are of the view that, as at the date of the relevant Searches, this report provides an accurate statement as to:

(a) (**Tenements**) the Company's interests in the Tenements;

(b) (**Good standing**) the validity and good standing of the Tenements;

(c) (**Conditions**) the conditions which apply to the Tenements; and

(d) (**Third party interests**) third party interests, including encumbrances, in relation to the Tenements.

4. Executive Summary

The Company is the registered holder of the following Tenements:

(a) P 37/8597;

(b) P 37/8598;

(c) P 37/8599; and

(d) P 37/8600.

The Company intends to acquire the following Tenements through a share purchase agreement with the shareholders of 79 Exploration Pty Ltd ACN 619 158 048 (**79 Exploration)**:

(a) E 28/2633;

(b) P 29/2217;

(c) P 31/2085;

(d) P 31/2086;

(e) P 31/2087; and

(f) P 39/5586.

Key terms of the share purchase agreement are summarised in section 9.5 of the Prospectus.

Socrates Project

4.4 The Socrates Project is comprised of exploration licence E 28/2633 (**Socrates Project**). The Tenement Searches indicate that Peter Gianni is the registered holder of E 28/2633, however 79 Exploration will acquire this exploration licence pursuant to a tenement sale agreement with Peter Gianni.

E 28/2633 was granted on 7 February 2017. Pursuant to section 64(1)(b) of the *Mining Act 1978* (WA) (**Mining Act**), a legal or equitable interest in or affecting a tenement shall not be transferred or otherwise dealt with, whether directly or indirectly, during the first year of the term for which the tenement is granted, without the prior written consent of the Minister.

Peter Gianni, 79 Exploration and the Company have entered into a subsequent agreement whereby, until such time that E 28/2633 may pass from Peter Gianni to 79 Exploration, Peter Gianni has granted 79 Exploration a licence to enter upon E 28/2633 and do anything that he may do in his capacity as the registered holder of E 28/2633.

Wilga Project

4.5 The Wilga Project is comprised of prospecting licence P 39/5586 (**Wilga Project**). The Tenement Searches indicate that Peter Gianni is the registered holder of P 39/5586, however 79 Exploration has acquired this prospecting licence by entering into a tenement sale agreement with Peter Gianni.

Yarrie Project

4.6 The Yarrie Project is comprised of prospecting licences P 31/2085, P 31/2086 and P 31/2087 (**Yarri Project**). The Tenement Searches indicate that Peter Gianni is the registered holder of P 31/2085, P 31/2086 and P 31/2087, however 79 Exploration has acquired these prospecting licences by entering into a tenement sale agreement with Peter Gianni .

Woolshed Well Project

4.7 The Woolshed Well Project is comprised of prospecting licences P 37/8597, P 37/8598, P 37/8599 and P 37/8600 (**Woolshed Well Project**). The Tenement

Searches indicate that the Company is the registered holder of P 37/8597, P 37/8598, P 37/8599 and P 37/8600. The Company was previously named Mongolian Resources Corporation Ltd.

Happy Jack Project

4.8 The Happy Jack Project is comprised of prospecting licence P 29/2217 (**Happy Jack Project**). The Tenement Searches indicate that Peter Gianni is the registered holder of P 29/2217, however 79 Exploration has acquired this prospecting licence by entering into a tenement sale agreement with Peter Gianni.

5. Mining tenements and applications in Western Australia

5.1. The Tenements include exploration licences and prospecting licences granted or applied for under the Mining Act. The following is an overview of the nature and key terms of these types of tenements as set out in the Mining Act.

5.2. **Exploration licence**

(a) (**Overview**) An exploration licence granted under the Mining Act empowers the holder to enter the land the subject of the exploration licence and undertake operations for the purposes of exploring for minerals including extracting up to 1,000 tonnes of material from the ground.

(b) (**Term**) An exploration licence remains in force for 5 years from the date of grant with the possibility of applying for an extension under the Mining Act.

(c) (**Area**) An exploration licence must not be granted in respect of an area which is greater than 70 blocks, unless otherwise designated by the Minister of Mines and Petroleum (WA) (**DMP Minister**).

(d) (**Expenditure**) The holder of an exploration licence is required to spend certain amounts upon exploration activities during the term. If these expenditure obligations are not met, the exploration licence may be forfeited.

(e) (**Transfer**) Once an exploration licence has been granted, it cannot be transferred during the first year of its term without the tenement holder obtaining the consent of the DMP Minister.

(f) (**Conversion**) The holder of an exploration licence has, subject to the Mining Act, the right to apply for and to have granted a mining lease over the land the subject of the exploration licence.

(g) (**Company's interests**) The Company will acquire a 100% interest in E 28/2633, which is more fully described in the Schedule and Section 4.4 of this Report.

5.3. **Exploration licence application**

(a) (**Overview**) An exploration licence application gives the applicant no title to land or any exclusive rights relating to the land the subject of the application. If an exploration licence is successful the DMP Minister will grant an exploration licence to the applicant.

(b) (**Grant**) For there to be a valid grant the procedures outlined in sections 10 and 11 of this report must have been followed. Once an exploration licence has been granted it cannot be transferred during the first year of the term of the licence without the tenement holder obtaining the consent of the DMP Minister.

(c) (**Company's interests**) The Company does not currently hold any exploration licence applications.

5.4. **Prospecting licence**

(a) (**Overview**) A prospecting licence granted under the Mining Act empowers the holder to enter the land the subject of the prospecting licence and undertake operations for the purposes of prospecting for minerals.

(b) (**Term**) A prospecting licence remains in force for 4 years from the date of grant with the possibility of applying for an extension under the Mining Act.

(c) (**Area**) A prospecting licence must not be granted in respect of an area which is greater than 200 hectares.

(d) (**Expenditure**) The holder of a prospecting licence is required to spend certain amounts upon prospecting activities during the term. If these expenditure obligations are not met, the prospecting licence may be forfeited.

(e) (**Conversion**) The holder of a prospecting licence has, subject to the Mining Act, the right to apply for and to have granted a mining lease over the land the subject of the prospecting licence.

(f) (**Company's interests**) The Company will acquire a 100% interest in the following prospecting licences, which are more fully described in the Schedule:

(i) P 29/2217

(ii) P 39/5586;

(iii) P 31/2085;

(iv) P 31/2086;

(v) P 31/2087;

(vi) P 37/8597;

(vii) P 37/8598;

(viii) P 37/8599;

(ix) P 37/8600; and

(x) P 29/2217.

5.5. **Prospecting licence application**

(a) (**Overview**) A prospecting licence application gives the applicant no title to land or any exclusive rights relating to the land the subject of the application. If a prospecting licence application is successful the DMP Minister will grant a prospecting licence to the applicant.

(b) (**Grant**) For there to be a valid grant the procedures outlined in section 10 and 11 below must have been followed. Once a prospecting licence has been granted it cannot be transferred during the first year of the term of the license without the tenement holder obtaining ministerial consent.

(c) (**Company's interests**) The Company does not currently hold any prospecting licence applications.

6. Tenement conditions and forfeiture

6.1. Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act and the *Mining Regulations 1981* (WA) including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions. Further, conditions may be imposed by the DMP Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).

6.2. The endorsements and conditions for each Tenement are set out in Part 2 of the Notes.

6.3. If a tenement holder fails to comply with the terms and conditions of a tenement, the warden of mines (WA) (**Warden**) or the DMP Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.

6.4. In the case of a failure to comply with the annual minimum expenditure requirements, the tenement holder can apply to the DMP for an exemption. In addition, a third party can object to an application for exemption from expenditure. If an exemption application is refused then it is open to the

Warden or DMP Minister (as applicable) to impose a fine or make an order for forfeiture.

6.5. The DMP Searches do not show any forfeiture notices in respect of any of the Tenements.

7. Objections

7.1 All mining tenement applications are subject to a 35 day objection period. If there is no objection to a tenement application during the 35 day period the mining registrar makes a recommendation to the DMP Minister, who makes the final decision whether or not to grant the application. In most cases, applications are also subject to the "future act" procedures under the *Native Title Act 1993* (Cth) (**NTA**) (see section 11.2 of this Report).

7.2 If an objection to a tenement application is lodged, the matter will be referred to the Warden for a hearing. At the conclusion of the hearing, the Warden makes a recommendation to the DMP Minister for grant or refusal of the tenement.

7.3 Alternatively, the tenement applicant may seek to settle the conflict underlying the objection directly with the person lodging the objection, such that the objector agrees to withdraw their objection.

7.4 The timeframe for resolving objections varies on a case by case basis and will depend on a range of factors including the complexity of the hearing and whether the parties are able to settle the conflict by mutual consent prior to the conclusion of the hearing.

7.5 The DMP Minister will then determine the application after all other matters have been finalised, including any of the native title procedures outlined in sections 10 and 11 of this report. The DMP Minister may grant or refuse the application irrespective of the Warden's recommendation.

7.6 As the Company has no current mining tenement applications, there are no current objections in relation to the Company's Tenements. Details of past objections are set out in Part 1 of the Notes.

8. Aboriginal sites

8.1. Commonwealth legislation

(a) The Tenements are subject to the provisions of the *Aboriginal and Torres Strait Islander Heritage Protection Act (1984)* (Cth) (**Commonwealth Heritage Act**).

(b) The Commonwealth Heritage Act contains provisions designed to preserve and protect from injury or desecration, areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

(c) The Commonwealth Minister for Indigenous Affairs may make a declaration to preserve an Aboriginal area or site of significance. Such declarations may be permanent or interim and have the potential to interfere with mining or exploration activities. Failure to comply with a declaration is an offence under the Commonwealth Heritage Act.

8.2. **Western Australian legislation**

(a) The *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**) applies to the Tenements as they are located in Western Australia. This Act makes it an offence, among other things, to alter or damage an Aboriginal site or object on or under an Aboriginal site.

(b) An Aboriginal site is defined under the WA Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.

(c) An Aboriginal site may be registered under the WA Heritage Act, but registration is not required. In fact there is no requirement or need for an Aboriginal site to be registered in any public manner or, indeed, to be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site under the WA Heritage Act. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any Aboriginal sites exist and to avoid inadvertent disruption of these sites.

(d) The WA Heritage Searches indicate that P 39/5586 is subject to a registered Aboriginal heritage site. The details of this site are set out in Part 3 of the Notes. There may also be other unregistered Aboriginal heritage sites on the Tenements.

(e) In order to engage in any activity that may interfere with an Aboriginal site, the tenement holder must obtain the consent of the Minister for Aboriginal Affairs (WA) (**DAA Minister**) pursuant to section 18 of the WA Heritage Act. This requires submissions from the tenement holder to the DAA on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.

(f) The DAA Minister will seek a recommendation from the Aboriginal Cultural Material Committee prior to making any determination under section 18 of the WA Heritage Act.

(g) The tenement holder must ensure that any interference with any Aboriginal sites that affect the Tenements strictly conforms to the provisions of the WA Heritage Act, including any conditions set down by the DAA Minister, as it is otherwise an offence to interfere with such sites.

9. Native title legislation

9.1. The existence of native title at common law was first recognised in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 (**Mabo Case**), a decision of the High Court of Australia made on 3 June 1992. In general, native title rights to land will be recognised where:

(a) the claimants can establish that they have maintained a continuous connection with the land in accordance with their traditional laws and customs since British settlement in 1788; and

(b) the native title rights have not been lawfully extinguished.

9.2. The High Court held in the Mabo Case that native title rights can be lawfully extinguished by certain government legislation and executive actions which are not inconsistent with native title. In order for extinguishment to be lawful the extinguishment must comply with the obligations imposed by the *Racial Discrimination Act 1975* (Cth).

9.3. After the Mabo Case, considerable uncertainties existed about the validity of proprietary rights in Australia, including mining tenements. To address those uncertainties the Commonwealth Parliament responded by passing the NTA.

9.4. The NTA came into effect in January 1994 and was substantially amended in 1998 in response to the decision of the High Court in *The Wik Peoples v State of Queensland* (1996) 197 CLR 1 (**Wik Case**). The Wik Case recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.

9.5. In summary, the NTA:

(a) provides for recognition and protection of native title;

(b) sets up mechanisms for determining claims for native title such as the "right to negotiate" which allows native title claimants to be consulted in relation to certain mining and other developments;

(c) makes valid certain "past acts" which would otherwise be invalidated because of native title;

(d) establishes ways in which "future acts" affecting native title (e.g. the granting of mining tenement applications and converting exploration licences and prospecting licences to mining leases) may proceed and how native title rights are protected, including rights to compensation; and

(e) provides a process by which claims for native title and compensation can be determined.

9.6. The Western Australian Parliament passed its own legislation, the *Land (Title and Traditional Usage) Act 1993* (WA) (**WA Act**) prior to the NTA. On 16 March 1995 the High Court found that the WA Act was invalid, and accordingly that Western Australia must comply with the NTA.

9.7. The High Court decision in *The State of Western Australia v Ward* (2002) HCA 28 (8 August 2002) established that where tenure such as a pastoral lease is granted, native title is extinguished to the extent that it is inconsistent with the rights conferred by the pastoral lease.

10. Native title claims

10.1. Procedure

(a) Persons claiming to hold native title land may lodge an application for determination of native title with the Federal Court of Australia. Once a native title claim has been lodged, the Court will refer the application to the Native Title Registrar. The Native Title Registrar must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA.

(b) If the Native Title Registrar is satisfied the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims (**Register**) maintained by the NNTT. Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

(c) Claims which fail to meet the Registration Test are recorded on the NNTT's Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test.

(d) Existing pastoral leases on land the subject of the Tenements extinguish the right of native title claimants to control the land, restrict access to the land and require permission for acts to be done.

(e) Where the Tenements relate to land which is currently the subject of a determined native title claim, the determination may provide that, in respect of the determination area, there is no native title right or interest in minerals as defined by the Mining Act.

(f) We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that the native title determination may be challenged, or the possibility of any further claims being made in the future.

10.2. Registered claims and determinations

(a) The Tenement Searches indicate that E 28/2637 is subject to a registered native title determination.

(b) The details of the determination are set out in Part 3 of the Notes.

11. Validity of the Tenements

11.1. Tenements granted since 23 December 1996

(a) Mining tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the "future act" procedures set out in section 11.2 below were followed by the relevant parties.

(b) As the Company has not been party to native title proceedings or negotiations, we have assumed that the relevant NTA procedures were followed in relation to each Tenement for the purposes of this Report. We further note that we are not aware of any reason why the Tenements would be regarded as having not been validly granted.

11.2. Future tenement grants

(a) Right to negotiate

(i) The valid grant of any mining tenement which may affect native title requires full compliance with the provisions of the NTA in addition to compliance with the usual procedures under the relevant State or Territory mining legislation. The primary procedure prescribed under the NTA is the "right to negotiate" process.

(ii) The right to negotiate process involves publishing or advertising a notice of the proposed grant of a tenement followed by a 6 month period of negotiation between the State or Territory Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Commonwealth Minister.

(b) Indigenous land use agreements

(i) The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (**ILUA**) is negotiated with the relevant native title claimants and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the relevant mining tenement. These procedures will vary depending on the terms of the ILUA.

(ii) An ILUA will generally contain provisions in respect of what activities may be conducted on the land the subject of the ILUA, and the compensation to be paid to the native title claimants for use of the land.

(iii) Our Searches indicate that none of the Tenements are subject to ILUAs.

(c) Expedited procedure

(i) The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the "expedited procedure" under the NTA applies.

(ii) The expedited procedure applies to a future act under the NTA if:

(A) the act is not to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(B) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and

(C) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

(iii) When the proposed future act is considered to be one that attracts the expedited procedure, persons have until 3 months after the notification date to take steps to become a native title party in relation to the relevant act (e.g. the proposed granting of an exploration licence).

(iv) The future act may be done unless, within 4 months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.

(v) If an objection to the relevant future act is not lodged within the 4 month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is an act attracting the expedited procedure, the State or Territory may do the future act (i.e. grant a mining tenement).

12. Renewals and extensions

12.1. Renewals of mining tenements granted after 23 December 1996 are subject to the same right to negotiate process as is described in section 11.2(a) above.

12.2. However, an exception exists for renewals of mining tenements made after 23 December 1996 when the mining tenement was validly granted before that

date. Such a renewal will not be subject to the right to negotiate process under the NTA provided that:

(a) the area to which the earlier right is made is not extended;

(b) the term of the new right is not longer than the term of the earlier right; and

(c) the rights to be created are not greater than the rights conferred by the earlier grant.

12.3. There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the Courts.

12.4. The DMP Searches indicate that none of the Tenements are renewals of mining tenements granted prior to 23 December 1996.

13. Crown land

13.1 The land the subject of the Tenements overlaps Crown land as set out in the table below.

Tenement	Crown land	Overlap
E 28/2633	Vacant Crown Land	100%

13.2 The Mining Act:

(a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:

(i) for the time being under crop (or within 100 metres of that crop);

(ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;

(iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;

(iv) the site of or situated within 100 metres of any cemetery or burial ground; or

(v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,

without the written consent of the occupier, unless the warden by order otherwise directs.

(b) imposes restrictions on a tenement holder passing over Crown land referred to in section 13(a), including:

(i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;

(ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 13(a) to carry out prospecting, exploration or mining activities;

(iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and

(iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.

(c) requires a tenement holder to compensate the occupier of Crown land:

(i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 13(a) or otherwise compensate the occupier for any such damage not made good; and

(ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 13(a).

13.3 The Warden may not give the order referred to in section 13(a) that dispenses with the occupier's consent in respect of Crown land covered by section 13(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 13(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

13.4 The Company may need to enter into access and compensation agreements with the occupiers of the Crown land upon commencement of exploration or prospecting activities.

14. Pastoral, historical and general leases

14.1 As set out in Part 3 of the Notes certain Tenements overlap with pastoral, historical and general leases.

14.2 The Mining Act:

(a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes pastoral, historical and general leases) without the consent of the lessee;

(b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

14.3 We have been advised by the Company and the Company has confirmed that to the best of its knowledge it is not aware of any improvements and other features on the land the subject of the pastoral, historical or general leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed mining activities on the Tenements.

14.4 Upon commencing mining operations on any of the Tenements, the Company may need to consider entering into a compensation and access agreement with the lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

14.5 The DMP imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

15. Encroachments

15.1 Where an application is encroached upon by a live tenement, the application as granted will be for a tenement reduced by that amount of land which falls under the live tenement licence. The following Tenements are encroached by other tenements:

Tenement	Encroaching tenement	Overlap
P 37/8597	L 37/195	31.4%
P 37/8598	L 37/195	79.9%
P 37/8599	L 37/195	78.3%

P 37/8600	L 37/195	53.5%

Notes:

1. L 37/195 is a live miscellaneous licence expiring on 18 June 2030.

16. Compliance

16.1 The Company's interests in or rights in relation to the granted Tenements are subject to the holder continuing to comply with the respective terms and conditions of the granted Tenements under the provisions of the Mining Act, together with the conditions specifically applicable to any granted mining tenement.

16.2 The Searches that we have carried out in relation to the Tenements do not reveal any outstanding failures to comply with the conditions in respect of each of the Tenements.

17. Qualifications and assumptions

17.1 We note the following qualifications and assumptions in relation to this Report:

(a) the information in the Schedule is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of a Search and the date of this Report;

(b) we have assumed that the registered holder of a Tenement has valid legal title to the Tenements, save to the extent that the DMP register is to be updated to reflect the Company's interests;

(c) we have assumed that all Searches conducted are true, accurate and complete as at the time the Searches were conducted;

(d) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;

(e) we have assumed that all instructions and information (including contracts), whether oral or written, provided to us by the Company, its officers, employees, agents or representatives is true, accurate and complete;

(f) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(g) with respect to an application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(h) where any dealing in a Tenement has been lodged for registration but is not yet registered, we do not express any opinion as to whether that registration will be effected, or the consequences of non-registration;

(i) with respect to the granting of the Tenements, we have assumed that the State, the claimant group and the applicant(s) for the Tenements have complied with, or will comply with, the applicable future act provisions in the NTA;

(j) we have not researched the Tenements to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Tenements; and

(k) in relation to the native title determinations and claims outlined in this Report, we do not express an opinion on the merits of such determinations and claims.

18. Consent

18.1 This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

PRICE SIERAKOWSKI

Schedule of Mining Tenements

To be read in conjunction with the abbreviations and notes at the end of the Schedule.

Tenement No.	Registered Holder or Applicant	Share Held	State	Application Date	Grant Date	Expiry Date	Area (hectares (ha) or blocks (bl))	Expenditure Commitments per Annum	Next Annual Rent	Encumbrances (Notes Part 1)	Endorsements and Conditions (Notes Part 2)	Native Title, Aboriginal Heritage Sites and Encroachments (Notes Part 3)
Socrates Project												
E 28/2633	Peter Gianni	100%	WA	06/07/2016	07/02/2017	06/02/2022	4 bl	$15,000	$518	-	1 – 9, 19 – 22	NT 2
Wilga Project												
P 39/5586	Peter Gianni	100%	WA	01/12/2015	05/07/2016	04/07/2020	43.73 ha	$2,000	$110	-	1 – 13	AHS 1 ELR 1
Yarrie Project												
P 31/2085	Peter Gianni	100%	WA	17/10/2015	31/05/2016	30/05/2020	19.4 ha	$2,000	-	-	1 – 13	ELR 2
P 31/2086	Peter Gianni	100%	WA	17/10/2015	31/05/2016	30/05/2020	6.06 ha	$2,000	-	-	1 – 13	ELR 3
P 31/2087	Peter Gianni	100%	WA	17/10/2015	31/05/2016	30/05/2020	9.71 ha	$2,000	-	-	1 – 13	ELR 4

Tenement No.	Registered Holder or Applicant	Share Held	State	Application Date	Grant Date	Expiry Date	Area (hectares (ha) or blocks (bl))	Expenditure Commitments per Annum	Next Annual Rent	Encumbrances (Notes Part 1)	Endorsements and Conditions (Notes Part 2)	Native Title, Aboriginal Heritage Sites and Encroachments (Notes Part 3)
Woolshed Well Project												
P 37/8597	Mongolian Resources Corporation Ltd[1]	100%	WA	31/07/2015	19/01/2016	18/01/2020	197 ha	$7,880	$492.50	-	1 – 6, 9 – 13, 17 – 19, 22	ELR 5-6
P 37/8598	Mongolian Resources Corporation Ltd	100%	WA	31/07/2015	19/01/2016	18/01/2020	200 ha	$8,000	$500	-	1 – 6, 9 – 13, 17 – 19, 22	ELR 7
P 37/8599	Mongolian Resources Corporation Ltd	100%	WA	31/07/2015	19/01/2016	18/01/2020	198 ha	$7,920	$495	-	1 – 6, 9 – 13, 17 – 19, 22	ELR 8-9
P 37/8600	Mongolian Resources Corporation Ltd	100%	WA	31/07/2015	19/01/2016	18/01/2020	200 ha	$8,000	$500	-	1 – 6, 9 – 13, 17 – 19, 22	ELR 10-11
Happy Jack Project												
P 29/2217	Peter Gianni	100%	WA	06/05/2011	19/07/2012	18/07/2020	6 ha	$2,000	$25	1	1 – 6, 9 – 14, 17 – 21	NT 1

[1] Nelson Resources Limited was previously named Mongolian Resources Corporation Ltd.

Notes

Part 1: Encumbrances

2. An objection was lodged by Central East Goldfields People on 15 February 2012 and was subsequently withdrawn on 17 July 2012.

Part 2: Endorsements and Conditions

1. The Licencee's attention is drawn to the provisions of the Aboriginal Heritage Act, 1972 and any Regulations thereunder.

2. The Licencee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.

3. The Licensee attention is drawn to the provisions of the:
   - Waterways Conservation Act, 1976
   - Rights in Water and Irrigation Act, 1914
   - Metropolitan Water Supply, Sewerage and Drainage Act, 1909
   - Country Areas Water Supply Act, 1947
   - Water Agencies (Powers) Act 1984

4. The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water (**DoW**) for inspection and investigation purposes.

5. The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the DoWs relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.

6. The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by DoW.

7. Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.

8. All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.

9. The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies.

10. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.

11. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.

12. The Licencee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.

13. The Licencee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
    - the grant of the licence; or
    - registration of a transfer introducing a new Licencee;

    advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

14. The Licensee's attention is drawn to the provisions of:
    - the Conservation and Land Management Act 1984 and any regulations thereunder;
    - the Bushfires Act 1954 and any regulations thereunder; and
    - the Wildlife Conservation Act 1950 and any regulations thereunder.

15. Prior to lodgement of a Programme of Work (**PoW**), the Licensee preparing a Conservation Management Plan (**CMP**) to address the conservation impacts of the proposed activities and submitting the CMP to the relevant Regional Manager of the Department of Environment and Conservation (**DEC**). This CMP shall be prepared pursuant to DEC-prepared "Guidelines for Conservation Management Plans Relating to Mineral Exploration on Lands Managed by the Department of Environment and Conservation" to meet the requirements of the Minister for Environment for acceptable impacts to conservation estate. A copy of the CMP and of DEC's

decision on its acceptability under the guidelines is to accompany the lodgement of the PoW application with the Department of Mines and Petroleum.

16. At least five working days prior to accessing the reserve or proposed reserve area, unless otherwise agreed with the relevant Regional Manager of the Department of the Environment and Conservation (DEC-R), the holder providing the DEC-R with an itinerary and programme of the locations of operations on the Licence area and informed at least five days in advance of any changes to that itinerary. All activities and movements shall comply with reasonable access and travel requirements of the DEC-R regarding seasonal/ground conditions.

17. Advice shall be sought from the DoW if proposing any prospecting within a defined waterway and within a lateral distance of:

- 50 metres from the outer-most water dependent vegetation of any perennial waterway, and
- 30 metres from the outer-most water dependent vegetation of any seasonal waterway.

18. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.

19. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.

20. The Licensee submitting to the Director of Environment, Department of Mines and Petroleum (**DMP**), and to the relevant Regional Manager, Department of the Environment and Conservation (**DEC-R**) a project completion report outlining the project operations and rehabilitation work undertaken in the programme. This report is to be submitted within six months of completion of the exploration activities.

21. The grant of this Licence does not include the land the subject of Comet Vale townsite.

22. The rights of ingress to and egress from Miscellaneous Licence 37/195 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

Part 3: Aboriginal Heritage Sites, Encroaching Land Rights and Native Title

Aboriginal Heritage Sites						
Note	**Site Identification Number**	**Site Name**	**Site Type**	**Restriction**	**Status**	**Access**
1	23515	Wilga Hill Scatter 1	Artefacts / Scatter	-	Other Heritage Place	No gender restrictions

Encroaching Land Rights			
Note	**Encroachment**	**Tenement**	**% overlap**
1	Pastoral Lease N049826 (Mt Weld)	P 39/5586	100%
2	General Lease M310789	P 31/2085	97.6%
3	General Lease M310789	P 31/2086	100%
4	General Lease M310789	P 31/2087	100%
5	Pastoral Lease N049712 (Minara)	P 37/8597	100%
6	Historical Lease 395/489	P 37/8597	100%
7	Pastoral Lease N049712 (Minara)	P 37/8598	29.7%
8	Pastoral Lease N049712 (Minara)	P 37/8599	83.3%
9	Historical Lease 395/489	P 37/8599	75.8%
10	Historical Lease 395/489	P 37/8600	100%

11	Pastoral Lease N049712 (Minara)	P 37/8600	100%

Native Title Claims and Determinations					
Note	**Tribunal Number**	**Federal Court Number**	**Application Name**	**Registered**	**Status**
1	WC1999/030	WAD70/1998	Central East Goldfields People	Yes	Claim discontinued.
2	WC1999/002	WAD6020/1998	Ngadju	Yes	Determination exists. The native title rights and interests claimed are the rights to the possession, occupation, use and enjoyment as against the whole world (subject to any shared right of exclusivity).

10. ADDITIONAL INFORMATION

10.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on info@nelsonresources.com.au.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act 2001 and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act 2001 and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act 2001.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act 2001, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

10.2 Terms of Free Attaching Options

A summary of the terms and conditions of the Free Attaching Options to be issued under this Replacement Prospectus is as follows:

(a) Entitlement

Each Free Attaching Option entitles the holder to subscribe for 1 Share upon exercise of the Free Attaching Option.

(b) Expiry Date

Each Free Attaching Option will expire at 7:00pm EST on 30 September 2019 (**Expiry Date**).

(c) Exercise Price

Each Free Attaching Option will have an exercise price equal to $0.20 (**Exercise Price**).

(d) Exercise period and lapsing

Subject to clause (i), Free Attaching Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Free Attaching Options will automatically lapse.

(e) Exercise Notice and payment

Free Attaching Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Free Attaching Option being exercised. Any Exercise Notice for a Free Attaching Option received by the Company will be deemed to be a notice of the exercise of that Free Attaching Option as at the date of receipt. Cheques paid in connection with the exercise of Free Attaching Options must be in Australian currency, made payable to the Company and crossed “Not Negotiable”.

(f) Shares issued on exercise

Shares issued on exercise of Free Attaching Options will rank equally in all respects with existing Shares on issue.

(g) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Free Attaching Options.

(h) Timing of issue of Shares

Subject to clause (i), within 14 business days after the later of the following:

(i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Free Attaching Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Free Attaching Option being exercised by the Company,

the Company will:

(i) allot and issue the Shares pursuant to the exercise of the Free Attaching Options;

(ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

(iii) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Free Attaching Options.

(i) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Free Attaching Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Free Attaching Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Free Attaching Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Free Attaching Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Free Attaching Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Free Attaching Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Free Attaching Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This is intended to give the holders of Free Attaching Options the opportunity to exercise their Free Attaching Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Free Attaching Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Free Attaching Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation

It is the intent of the Company to apply for quotation of the Free Attaching Options on ASX.

(o) Transferability

The Free Attaching Options may be transferred subject to any restrictions on the transfer of a Free Attaching Option that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

10.3 Employee Performance Rights and Option Plan

As an incentive to employees of Nelson Resources, the Company has adopted an Employee Performance Rights and Option Plan (**Plan**). Following Quotation, the Company intends to issue, subject to Shareholder approval, 2,500,000 options (**Executive Options**) to its executive director, Adam Schofield.

The purpose of the Plan is to provide an incentive for full-time or part-time employees, or directors of the Company to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development, while at the same time ensuring that securities issued under the Plan are issued in accordance with the Corporations Act and Listing Rules. A summary of the Executive Options is set out below.

A summary of the terms and conditions of the Executive Options is set out below:

(a) Entitlement

Each Executive Option entitles the holder to subscribe for 1 Share upon exercise of the Executive Option.

(b) Expiry Date

Each Executive Option will expire at 7:00pm EST on the date that is 3 years after the date that the Executive Option is issued (**Expiry Date**).

(c) Exercise Price

Each Executive Option will have an exercise price equal to the greater of (**Exercise Price**):

(i) 125% of the market value of the Shares on the date on which the Executive Options are issued;

(ii) $0.20; or

(iii) the exercise price determined by the Board from time to time.

(d) Exercise period and lapsing

Subject to clause (i), Executive Options may be exercised at any time between 1 year after the date of issue and the Expiry Date. After this time, any unexercised Executive Options will automatically lapse.

If an Eligible Person is no longer employed by the Company:

(i) 1 year or more after the issue date of his or her Executive Options; or

(ii) because of retirement, disablement, retrenchment, death or any other circumstances approved by the Board,

the Executive Options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in this time, the Executive Options will automatically lapse.

Where an Eligible Person is no longer employed by the Company within 1 year of the issue of his or her Executive Options (other than because of retirement, disablement, retrenchment, death or any other circumstances approved by the Board), the Executive Options will automatically lapse.

If an Eligible Person acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, the Executive Options issued for that person will lapse.

(e) Exercise Notice and payment

Executive Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Executive Option being exercised. Any Exercise Notice for an Executive Option received by the Company will be deemed to be a notice of the exercise of that Executive Option as at the date of receipt. Cheques paid in connection with the exercise of Executive Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Shares issued on exercise

Shares issued on exercise of Executive Options will rank equally in all respects with existing Shares on issue.

(g) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Executive Options.

(h) Timing of issue of Shares

Subject to clause (i), within 14 business days after the later of the following:

(i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Executive Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Executive Option being exercised by the Company,

the Company will:

(i) allot and issue the Shares pursuant to the exercise of the Executive Options;

(ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

(iii) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Executive Options.

(i) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Executive Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Executive Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Executive Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Executive Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Executive Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Executive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Executive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This is intended to give the holders of Executive Options the opportunity to exercise their Executive Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Executive Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Executive Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders the Exercise Price may be adjusted in accordance with ASX Listing Rule 6.22.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation

The Company will not apply for quotation of the Executive Options on ASX.

(o) Transferability

Executive Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

10.4 Terms of Broker Options

A summary of the terms and conditions of the Broker Options to be issued under this Replacement Prospectus is as follows:

(a) Entitlement

Each Broker Option entitles the holder to subscribe for 1 Share upon exercise of the Broker Option.

(b) Expiry Date

Each Broker Option will expire at 7:00pm EST on 30 September 2019 (**Expiry Date**).

(c) Exercise Price

Each Broker Option will have an exercise price equal to $0.20 (**Exercise Price**).

(d) Exercise period and lapsing

Subject to clause (i), Broker Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Broker Options will automatically lapse.

(e) Exercise Notice and payment

Broker Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Broker Option being exercised. Any Exercise Notice for a Broker Option received by the Company will be deemed to be a notice of the exercise of that Broker Option as at the date of receipt. Cheques paid in connection with the exercise of Broker Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Shares issued on exercise

Shares issued on exercise of Broker Options will rank equally in all respects with existing Shares on issue.

(g) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Broker Options.

(h) Timing of issue of Shares

Subject to clause (i), within 14 business days after the later of the following:

(i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Broker Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(i) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Broker Option being exercised by the Company,

the Company will:

(iii) allot and issue the Shares pursuant to the exercise of the Broker Options;

(iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

(v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Broker Options.

(i) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Broker Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Broker Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Broker Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Broker Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Broker Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This is intended to give the holders of Broker Options the opportunity to exercise their Broker Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Broker Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Broker Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation

The Company will not apply for quotation of the Broker Options on ASX.

(o) Transferability

Broker Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

10.5 Summary of Material Contracts

Set out below is a summary of the contracts to which the Company is a party that may be material to the Offer or otherwise may be relevant to a potential investor in the Company. The whole of the provisions of the agreements are not repeated in this Replacement Prospectus.

(a) Share Purchase Agreement – 79 Exploration Pty Ltd

The Company has entered into a share purchase agreement (**Share Purchase Agreement**) to acquire 100% of the share capital in 79 Exploration Pty Ltd (**79 Exploration**) with Robert Jewson and Peter Gianni, the shareholders of 79 Exploration (**Vendors**).

79 Exploration has entered into a tenement sale agreement with Peter Gianni under which Peter Gianni is to transfer his interests in the following tenements to 79 Exploration:

(i) E 28/2633;

(ii) P 29/2217;

(iii) P 31/2085;

(iv) P 31/2086;

(v) P 31/2087; and

(vi) P 39/5586.

(together, the **79 Exploration Tenements**)

The key terms of the Share Purchase Agreement are set out below.

(i) The Vendors will transfer 2 ordinary shares in 79 Exploration, comprising 100% of the issued share capital in 79 Exploration, to the Company at completion.

(ii) Completion is subject to the following conditions:

A. the 79 Exploration Tenements being transferred to 79 Exploration;

B. the Company raising the Minimum Subscription; and

C. the Company being satisfied of its ability to list on the ASX.

(iii) The consideration payable to the Vendors (which will be paid in equal shares) is as follows:

A. 5,500,000 Shares (**Vendor Shares**); and

B. cash reimbursement of the amount of cash that the Company is permitted to pay to the Vendors under this agreement in reimbursement of the Vendors' expenditure on the 79 Exploration Tenements in accordance with Listing Rule 1.1 (Condition 1.1(a)).

(iv) The Vendors warrant that 79 Exploration will hold a 100% interest in the 79 Exploration Tenements at completion.

(v) If completion has not occurred by 1 January 2018 or any other date agreed by the parties, the agreement may be terminated by any party.

(vi) The Share Purchase Agreement contains additional warranties and indemnities given by the Vendors in favour of the Company considered standard for agreements of this nature.

E 28/2633 was granted on 7 February 2017. Pursuant to section 64(1)(b) of the Mining Act, a legal or equitable interest in or affecting a tenement shall not be transferred or otherwise dealt with, whether directly or indirectly, during the first year of the term for which the tenement is granted, without the prior written consent of the Minister.

Peter Gianni, 79 Exploration and the Company have entered into a subsequent agreement whereby, until such time that E 28/2633 may pass from Peter Gianni to 79 Exploration, Peter Gianni has granted 79 Exploration a licence to enter upon E 28/2633 and do anything that he may do in his capacity as the registered holder of E 28/2633.

The Share Purchase Agreement is otherwise on terms and conditions considered standard for agreements of this nature.

(b) Lead Manager Mandate

The Company has engaged Somers (**Lead Manager**) as lead manager to the Offer. Under the Lead Manager Mandate, the Lead Manager will, among other things:

- assist the Company in developing a general strategy for successfully completing the Offer;
- liaise with the appropriate regulatory authorities including ASIC and ASX;
- provide feedback on equity market perceptions of the Company; and
- continue to assess the capital requirements of the Company.

For its services, the Company will pay the Lead Manager a management fee of 1% of the total amount raised under the Offer and a capital raising fee of 4% of the total amount raised under the Offer. In addition, the Company will issue the Lead Manager with 3,000,000 Broker Options (see Section 10.4 for the terms of the Broker Options). The Company shall reimburse the Lead Manager for all out of pocket expenses reasonably incurred by the Lead Manager in carrying out the Offer.

The Lead Manager Mandate may be terminated with or without cause by the Company or the Lead Manager at any time. In the event that the Company terminates the Lead Manager Mandate for any reason other than negligence, wilful misconduct, breach of contract, recklessness or fraud on the part of the Lead Manager, the Company shall be liable to reimburse the Lead Manager for all out of pocket expenses reasonably incurred by the Lead Manager in carrying out the Offer.

The Company indemnifies the Lead Manager against, among other things, claims, liabilities and other expenses incurred by it and that are attributable to the services provided under the Lead Manager Mandate.

The Lead Manager Mandate is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

(c) Consultancy Agreement – Adam Schofield

Adam Schofield is engaged as an executive director pursuant to a consultancy agreement with the Company.

The consultancy agreement commenced on 1 April 2017 and will continue for a term of 2 years from the commencement date or until it is terminated in accordance with its terms.

For his role as an executive director, the Company will pay Adam Schofield a fee of $136,875 per annum. Adam Schofield will also receive 2,500,000 Executive Options upon the Company's admission to the Official List.

In his role as executive director, Adam Schofield will, among other things:

- act with professional skill with a view to promoting, advancing and improving the business of the Company;
- implement strategic and tactical plans of the Company;
- review and initiate continuous improvement in support and administrative functions;
- use best endeavours to achieve the corporate objectives of the Company;
- formulate strategies to promote and improve the financial performance of the Company; and
- advise the Board in relation to all relevant issues affecting the Company and its performance.

Either party may terminate the agreement without cause by providing the other party with no less than 3 months' written notice.

The Company may terminate the agreement by summary notice to Adam Schofield with cause in circumstances considered standard for agreements of this nature in Australia.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

(d) Escrow agreements

Please see section 3.19 for details of the escrow agreements to be entered into by the Company prior to admission to the official list of ASX. The escrow agreements will be on ASX's standard terms and conditions as set out in Appendix 9B of the Listing Rules.

(e) Deeds of access and Indemnity

The Company has entered into deeds of access, indemnity and insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

10.6 Interests of Persons Named

Other than as set out below or elsewhere in this Replacement Prospectus, no person named in this Replacement Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Replacement Prospectus has, or has had within the two years before lodgement of this Replacement Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of Shares under this Replacement Prospectus.

Jonathan King has acted as the Independent Geologist and has prepared an Independent Geologist's Report which has been included in Section 7 of this Replacement Prospectus. The Company has paid Mr King $18,435 plus GST for the provision of these services.

Regency Audit has acted as auditor for the company. The Company has paid Regency Audit approximately $50,000 plus GST for the provision of these services. Subsequent fees have been charged in accordance with normal charge out rates.

Price Sierakowski Corporate has acted as the Australian legal adviser to the Company in relation to the Offer and has prepared a Solicitor's Report on Tenements which has been included in Section 1 of this Replacement Prospectus. The Company estimates that it will pay Price Sierakowski approximately $40,000 plus GST for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Replacement Prospectus with the ASIC, Price Sierakowski has received approximately $47,500 plus GST from the Company.

Somers has acted as the Lead Manager to the Company in relation to the Offer. The Company estimates it will pay Somers $250,000 (excluding GST and disbursements) for these services.

The Company has paid Moore Stephens Perth Corporate Services Pty Ltd approximately $10,000 plus GST for services in relation to the Investigating Accountants Report.

Security Transfer Registrars have been appointed as the Company's share registry and will be paid for these services on normal commercial terms.

10.7 Consents

Each of the parties referred to below:

- does not make the Offer;
- does not make, or purport to make, any statement that is included in this Replacement Prospectus, or a statement on which a statement made in this Replacement Prospectus is based, other than as specified below or elsewhere in this Replacement Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Replacement Prospectus other than a reference to its name and a statement contained in this Replacement Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Replacement Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Replacement Prospectus that are specified below in the form and context in which the statements appear.

Somers has given and has not before lodgement of this Replacement Prospectus withdrawn its written consent to be named in this Replacement Prospectus as the lead broker to the Offer in the form and context in which it is named as the Lead Manager. Somers has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any part of this Replacement Prospectus other than references to its name.

Regency Audit has given and has not before lodgement of this Replacement Prospectus withdrawn its written consent to be named in this Replacement Prospectus as the auditor of the Company in the form and context in which it is named. Regency Audit has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any part of this Replacement Prospectus other than references to its name.

Moore Stephens Perth Corporate Services Pty Ltd has given and has not before lodgement of this Replacement Prospectus withdrawn its written consent to be named in this Replacement Prospectus as the investigating accountant to the Company in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report in Section 1 in the form and context in which it is included. Moore Stephens Perth Corporate Services Pty Ltd has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any part of this Replacement Prospectus other than references to its name and the Investigating Accountant's Report in Section 1.

Jonathan King has given and has not before lodgement of this Replacement Prospectus withdrawn his written consent to be named in this Replacement Prospectus as the independent geologist to the Company in the form and context in which he is named and to the inclusion of the Independent Geologist's Report in Section 7 in the form and context in which it is included. Jonathan King has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any

part of this Replacement Prospectus other than references to his name and the Independent Geologist's Report in Section 7.

Price Sierakowski has given and has not before lodgement of this Replacement Prospectus withdrawn its written consent to be named in this Replacement Prospectus as legal adviser to the Company in the form and context in which it is named and to the inclusion of the Legal Report on Tenements in Section 1 in the form and context in which it is included. Price Sierakowski Corporate has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any part of this Replacement Prospectus other than references to its name and the Legal Report on Tenements in Section 1.

Security Transfer Registrars has given and has not before lodgement of this Replacement Prospectus withdrawn its written consent to be named in this Replacement Prospectus as the Share Registry in the form and context in which it is named. Security Transfer Registrars has had no involvement in the preparation of any part of this Replacement Prospectus other than being named as the Share Registry. Security Transfer Registrars has not authorised or caused the issue of this Replacement Prospectus and takes no responsibility for any part of this Replacement Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Replacement Prospectus who have not made statements included in this Replacement Prospectus and there are no statements made in this Replacement Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Replacement Prospectus and did not authorise or cause the issue of this Replacement Prospectus.

10.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately $495,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount Full Subscription
ASIC & ASX Fees	$47,400
Lead Manager fee	$250,000
Corporate Advisory	$20,000
Audit Investigating Accountant Report	$24,000 $10,000
Legal	$40,000
Independent Geologist Report	$18,435
Printing / Typesetting	$15,000
Miscellaneous	$40,165
Contingency	$30,000
TOTAL	**$495,000**

10.9 Taxation

The acquisition and disposal of Shares in Nelson Resources will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Nelson Resources are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Company notes the Federal Government announcement dated 2 September 2017 that the Junior Minerals Exploration Tax Credit (JMETC) will be introduced in the 2017/2018 income year. As

at the date of this Replacement Prospectus, the Company does not have sufficient information to determine if the Company will be eligible to pass through a JMETC credit to investors in the Offer.

To the maximum extent permitted by law, Nelson Resources, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Replacement Prospectus.

10.10 Litigation

Other than as disclosed elsewhere in this Replacement Prospectus (see specifically Section 6.1(a)), the Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

10.11 Electronic Replacement Prospectus

ASIC allows the distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Replacement Prospectus as an electronic Replacement Prospectus, please ensure that you have received the entire Replacement Prospectus accompanied by the Application Form. If you have not, please email the Company at info@nelsonresources.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Replacement Prospectus or both. Alternatively, you may obtain a copy of the Replacement Prospectus from the Company's website at: www.nelsonresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Replacement Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.12 Continuous Disclosure

The Company will be a 'disclosing entity' for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.13 Substantial Holders

Assuming that no existing Shareholders apply for Shares under the Offer, the existing Shareholders who will have a relevant interest in 5% or more of the total Shares on issue upon completion of the Offer are RF Capital Pty Ltd, Robert Jewson (and/or his nominees), Peter Gianni (and/or his nominees), Metals X Limited and Merchant Opportunities Fund, whose voting power will be as follows:

Shareholder	Shares	Voting Power
RF Capital Pty Ltd	3,705,632	8.13%
Robert Jewson[1]	2,750,000	6.03%
Peter Gianni[1]	2,750,000	6.03%
Metals X Limited	2,632,389	5.77%
Merchant Opportunities Fund	2,500,000	5.48%
Total	**14,338,021**	**31.45%**

Notes:

1. Robert Jewson and Peter Gianni will acquire 2,750,000 Shares each upon completion of the Share Purchase Agreement (see section 10.5 for a summary of the Share Purchase Agreement).
2. The table assumes that no existing Shareholder applies for Shares under the Offer. The relevant interest of a Shareholder in Shares, Free Attaching Options and its voting power, will increase to the extent that the Shareholder applies for, and is issued, Shares and Free Attaching Options under the Offer.

11. GLOSSARY

79 Exploration means 79 Exploration Pty Ltd 619 158 048.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Shares.

Application Form means the application form attached to and forming part of this Replacement Prospectus.

Application Monies means monies received by Nelson Resources from Applicants.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Auditors means Regency Audit Pty Ltd.

Board means the board of Directors unless the context indicates otherwise.

Broker Option means an option to acquire 1 Share on the terms set out in Section 10.4.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means the date on which the Offer closes, being 16 October 2017.

Company or **Nelson Resources** means Nelson Resources Limited ACN 127 620 482.

Corporations Act 2001 means the Corporations Act 2001 (Cth).

Directors means the directors of the Company from time to time.

Dollars or $ means Australian dollars unless otherwise stated.

Executive Option means an option to acquire 1 Share on the terms set out in Section 10.3.

Free Attaching Option means an option to acquire 1 Share on the terms set out in Section 10.2.

Glossary means this glossary.

Happy Jack Project means the project described in Section 4.3(d).

HIN means Holder Identification Number.

Investigating Accountant means Moore Stephens Perth Corporate Services Pty Ltd.

Investigating Accountant's Report means the report contained in Section 1 of this Replacement Prospectus.

Independent Geologist means Jonathan King.

Independent Geologist's Report means the report contained in Section 7 of this Replacement Prospectus.

Lead Manager means Somers.

Lead Manager Mandate means the Lead Manager mandate on the terms set out in Section 10.5.

Listing Rules means the official Listing Rules of the ASX.

Minimum Subscription means $5,000,000.

Mining Act means the Mining Act 1978 (WA).

Offer means the offer of 25,000,000 Shares at an issue price of $0.20, together with 1 free attaching Free Attaching Option for every 2 Shares subscribed for and issued to raise up to $5,000,000 before costs.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of the ASX.

Opening Date means the date on which the Offer opens.

Option means an option to acquire 1 Share.

Plan means the Company's Employee Performance Rights and Option Plan.

Projects means the mineral exploration projects in which the Company has acquired or will acquire an interest, as detailed in this Replacement Prospectus including the Independent Geologist's Report and the Solicitor's Report on Tenements, and includes the Happy Jack Project, Socrates Project, Wilga Project, Woolshed Well Project and Yarrie Project.

Quotation means quotation of the Shares and Options on ASX.

Replacement Prospectus or **Prospectus** means this prospectus dated 22 September 2017 which replaces the prospectus dated 7 September 2107 issued by the Company.

Share means a fully paid ordinary share in the capital of Nelson Resources.

Shareholder means a holder of Shares.

Share Registrar means Security Transfer Registrars.

Share Purchase Agreement means the agreement set out in Section 10.5.

Socrates Project means the project described in Section 4.3(a).

Solicitor's Report on Tenements means the report contained in Section 1 of this Replacement Prospectus.

Somers means Somers and Partners Pty Ltd.

SRN means Security Holder Reference Number.

Superannuation Guarantee (SG) means the official compulsory superannuation contributions required to be made by employers on behalf of their employees.

Vendor Shares means the shares issued by the Company to 79 Exploration under the Share Purchase Agreement.

Wilga Project means the project described in Section 4.3(b).

Woolshed Well Project means the project described in Section 4.3(e).

WST means Western Standard Time, Perth, Western Australia.

Yarrie Project means the project described in Section 4.3(c).

12. CONSENT BY THE DIRECTORS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Replacement Prospectus are not misleading or deceptive and that in respect to any other statements made in this Replacement Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Replacement Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Replacement Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Replacement Prospectus.

Each of the Directors of Nelson Resources Limited has consented to the lodgement of this Replacement Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

Dated 22 September 2017

Signed for and on behalf of

NELSON RESOURCES LIMITED

By

Adam Schofield

Executive Director

APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

NELSON RESOURCES LIMITED

ACN 127 620 482

BROKER STAMP

All Correspondence to:
Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007
T: +1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM
This application relates to the offer of Fully Paid Ordinary Shares at the price of $0.20 per Share together with 1 free attaching Option for every2 shares issued.
No share will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.
Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print in BLOCK LETTERS.

I / We apply for:

, , **shares at AUD $0.20 per share (and free Attaching Options as set out in the Prospectus)**

or such lesser number of shares which may be allocated to me/us by the Directors.

I/We lodge full application of monies of:

A $, , .

BPAY

www.securitytransfer.com.au

BPAY® this payment via internet or phone banking.
Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form.

If electronic payment cannot be made then cheque(s) or bank draft(s) can be used.
See reverse for further payment instructions.

Full Name of Applicant / Company
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (for example: THE SMITH SUPERFUND A/C)
< >

Postal Address
Unit | Street Number | Street Name or PO BOX

Suburb / Town / City | State | Postcode

Country Name (if not Australia)

CHESS HIN (where applicable)
X

If an incorrect CHESS HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored sub-register.

Tax File Number / Australian Business Number

Tax File Number of Security Holder #2 (Joint Holdings Only)

Contact Name

Contact Number
( )

Email Address
@

Declaration and Statements:
(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
(6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 22 SEPTEMBER 2017 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

This Application Form relates to the Offer of Fully Paid Shares and Free Attaching Options in Nelson Resources Limited pursuant to the Prospectus dated 22 September 2017.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus together with 1 free attaching Option for every2 shares issued and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares and Attaching Options. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

www.securitytransfer.com.au

BPAY® your payment via internet or phone banking. Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY.
Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All cheques should be made payable to **NELSON RESOURCES LIMITED** and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:
Nelson Resources Limited
C/- Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

OR

Delivered to:
Nelson Resources Limited
C/- Security Transfer Australia Pty Ltd
Suite 913, 530 Little Collins Street
Melbourne, VIC, 3000

Applications must be received by no later than 5:00pm WST on the 16 October 2017 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS sub-register, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Nelson Resources Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT	INCORRECT
Individual *Use given names in full, not initials.*	Mr John Alfred Smith	J A Smith
Company *Use the company's full title, not ab breviations.*	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings *Use full and complete names.*	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts *Use trustee(s) personal name(s), Do not use the name of the trust.*	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates *Use the executor(s) personal name(s).*	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith or John Smith Deceased
Minor (a person under the age of 18) *Use the name of a responsible adult with an appropriate designation.*	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships *Use the partners' personal names. Do not use the name of the partnership.*	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Superannuation Funds *Use the name of the trustee(s) of the super fund.*	Jane Smith Pty Ltd <JSuper Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.