

NELSON RESOURCES LIMITED

ACN 127 620 482

Notice of Annual General Meeting

**The Annual General Meeting will be held at
Minerva Corporate, Level 8, 99 St Georges Terrace, Perth Western Australia 6000 on
30 November 2023 commencing at 9.00am (AWST).**

Important Notice

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) will be held at Minerva Corporate, Level 8, 216 St Georges Terrace, Perth Western Australia 6000 on 30 November 2023, commencing at 9.00am (AWST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended on 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following Resolution as a **non-binding advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended on 30 June 2023 be adopted by the Shareholders on terms and conditions in the Explanatory Statements."

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

A voting prohibition statement is set out below.

Resolution 2: Re-election of Director – Peter Bird

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 14.4 and clause 13.4 of the Constitution and, for all other purposes, Peter Bird, a Director who was appointed to fill a casual vacancy on 20 November 2023, retires, and being eligible for election, is re-elected as a Director".

Resolution 3: Re-election of Director – Nicholas Ong

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 14.4 and clause 13.4 of the Constitution and, for all other purposes, Nicholas Ong, a Director who was appointed to fill a casual vacancy on 20 November 2023, retires, and being eligible for election, is re-elected as a Director".

Resolution 4: Ratification of Prior Issue of Shares - 7.1 Capacity

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement".

A voting exclusion statement is set out below.

Resolution 5: Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement".

RESOLUTION 6 – CONDITIONAL BOARD SPILL MEETING RESOLUTION

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That subject to and conditional on at least 25 per cent of the votes validly cast on Resolution 1 being cast against the adoption of the Company's Remuneration Report for the year ended 30 June 2023:

- (a) An extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this resolution;*
- (b) All of the Directors who were Directors of the Company when the resolution to make the Director's Report for the year ended 30 June 2023 was passed being Mr Peter Bird, Mr Nicholas Ong, and Mr Daniel Smith, and who remain in office at the time of the Spill Meeting cease to hold office immediately before the Spill Meeting; and*
- (c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of the Shareholders at the Spill Meeting."*

Note: Resolution 6 is subject to the result of Resolution 1 and will only be put to the AGM if at least 25 per cent of the votes validly cast on Resolution 1 are against Resolution 1. If you do not want a Spill Meeting to take place, you should vote 'Against' Resolution 6. If you want a Spill meeting to take place, you should vote 'For' Resolution 6.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Voting Prohibitions

Resolution	Persons Prohibited from Voting
Resolution 1: Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons: (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair of the Meeting and the appointment of the chair as proxy: • does not specify the way the proxy is to vote on this Resolution; and • expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting Exclusions

ASX Listing Rules

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 4: Ratification of prior issue of Shares - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board

Nicholas Ong

Non-Executive Director and Company Secretary
Nelson Resources Limited

30 October 2023

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Minerva Corporate, Level 8, 216 St Georges Terrace, Perth Western Australia 6000 on 30 November 2023, commencing at 9.00 (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which the Directors deem as material to the shareholders to make a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed in the Voting Prohibition and Exclusion Statements section.

Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as they are directed to; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
 - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolutions 1 and 6 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution; or
- (c) the person is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolutions 1 and 6; and

- (ii) expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the proxy form enclosed and either:

- send the Proxy Form by post to Automic, GPO Box 5193, SYDNEY NSW 2001;
- send the Proxy Form in person to Automic, Level 5, 126 Phillip Street, SYDNEY NSW 2000; or
- vote online at: <https://investor.automic.com.au/#/loginsah>,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Voting in person

All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form.

Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (AWST) on 28 November 2023. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

Poll

All Resolutions will be determined by a poll at the Meeting.

REGULATORY INFORMATION

1. Annual Report

The Annual Report of the Company for the financial year ended on 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, Criterion Audit Pty Ltd, will be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

Resolution 1: Remuneration Report

- 1.1** Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks the adoption of the Remuneration Report.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended on 30 June 2023, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

The Company's Remuneration Report received a Strike at the 2022 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that this may result in the re-election of the Board.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

Resolution 2: Re-election of Director – Peter Bird

2.1 General

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity, but does not apply to the managing director.

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director to fill a casual vacancy provided the total number of Directors at any time does not exceed the maximum number of nine Directors as specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting of the Company and is then eligible for re-election, and is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

Pursuant to Resolution 3, Peter Bird, having been appointed to fill a casual vacancy on 20 November 2022, retires in accordance with clause 13.4 of the Constitution and being eligible for election, offers himself for election at the Meeting.

2.2 Directors' recommendations

The Directors (excluding Mr Bird) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3: Re-election of Director – Nicholas Ong

3.1 General

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity, but does not apply to the managing director.

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director to fill a casual vacancy provided the total number of Directors at any time does not exceed the maximum number of nine Directors as specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting of the Company and is then eligible for re-election, and is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

Pursuant to Resolution 3, Nicholas Ong, having been appointed to fill a casual vacancy on 20 November 2022, retires in accordance with clause 13.4 of the Constitution and being eligible for election, offers himself for election at the Meeting.

3.2 Directors' recommendations

The Directors (excluding Mr Ong) recommend that Shareholders vote in favour of Resolution 3.

Resolution 4: Ratification of Prior Issue of Shares - 7.1 Capacity

4.1 Background

On 5 July 2023, the Company announced the issue of 25,000,000 shares to the vendors of Rock Mining Australia Pty Ltd, for the acquisition of 100% interest of six granted prospecting licenses and two mining license applications surrounding the Company's Yarri gold project.

The issue was made without Shareholder approval and using the Company's capacities under Listing Rule 7.1.

Resolution 5 seek Shareholder approval under Listing Rule 7.4 to ratify the following issue of 25,000,000 Shares.

4.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

If Resolution 4 is passed, the issues will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolution 4 is not passed, the issues will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue under Listing Rule 7.1 without Shareholder approval over the 12 months following the issues.

4.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Shares were issued to Rock Mining Australis Pty Ltd.
- (b) 25,000,000 shares.
- (c) The securities issued are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (d) The issues were made on 5 July 2023.
- (e) The Shares were issued for nil cash consideration, but for the acquisition of six granted prospecting licenses and two mining license applications.
- (f) There are no other material terms in relation to the issue.
- (g) A voting exclusion statement is included in the Notice.

4.4 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. These will restore the Company's 15% annual limits permitted by Listing Rules 7.1 and allow the Company to issue further securities as permitted by Listing Rules 7.1 without Shareholder approval.

Resolution 5: Approval of 10% Placement Facility

5.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval (**10% Placement Facility**).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.3(a) below).

Any funds raised will be used for continued exploration and expenditure on the Company's current assets, due diligence on new project opportunities and/or general working capital.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.2 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

5.3 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue quoted Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval by way of a special resolution. The 10% Placement Facility is subject to conditions and is addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$

"A" the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or

Listing Rule 7.4;

- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) plus the number of partly paid shares that became fully paid in the Relevant Period;
- (F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” is 10%.

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company:

- (i) has 613,594,328 Shares (quoted) and 2,152,539 options (unquoted) on issue;
- (ii) has the capacity to issue:
 - (A) 92,039,149 Equity Securities under Listing Rule 7.1; and
 - (B) 61,359,432 Equity Securities under Listing Rule 7.1A.

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

5.4 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (c) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.
- (d) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (e) The issue under Listing Rule 7.1A can only be made for cash consideration. The Company intends to use any funds raised towards continued exploration and expenditure on the Company's current assets, due diligence on new project opportunities and/or general working capital.
- (f) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

		Issue price		
Variable 'A' (Shares on issue)		\$0.0025 (50% decrease)	\$ 0.005 (Current) ²	\$0.01 (100% increase)
613,594,328 (Current) ¹	Shares issued	61,359,432	61,359,432	61,359,432
	Funds raised	\$153,399	\$306,797	\$613,594
920,391,492 (50% increase)	Shares issued	92,039,149	92,039,149	92,039,149
	Funds raised	\$230,098	\$460,196	\$920,391
1,227,188,656 (100% increase)	Shares issued	122,718,865	122,718,865	122,718,865
	Funds raised	\$306,797	\$613,594	\$1,227,189

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options have been exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (v) The issue price is \$0.005 being the closing price of the Shares on ASX on 19 October 2023.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

- (g) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:

- (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
- (ii) The effect of the issue of the Equity Securities on the control of the Company.
- (iii) The financial situation and solvency of the Company.
- (iv) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (h) No Shares have been issued during the year under LR7.1A.
- (i) As at the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, as such no voting exclusion statement is required for the Notice.

Resolution 6: Conditional Board Spill Meeting Resolution

6.1 General

At last year's Annual General Meeting, more than 25 per cent of the votes cast on the resolution to adopt the Remuneration Report were cast against adoption the report and the Company Received a 'first strike'.

6.2 Voting on conditional board spill meeting resolution

Resolution 6 is a conditional resolution and will not be required to be put to the meeting if more than 75 per cent of votes cast on Resolution 1 are cast in favour of the resolution to adopt the Remuneration Report – that is if the Company avoids a 'second strike'.

However, if at least 25 per cent of the votes validly cast on Resolution 1 are cast against the adoption of the 2023 Remuneration Report, then the Company will be required to put Resolution 6 to a vote at the 2023 Annual General Meeting.

If the Company is required to put the conditional spill resolution to the meeting, it will only be passed if an ordinary majority (more than 50 per cent) of the votes validly cast on it are in favour of it.

If the conditional spill meeting resolution is required to be put to the meeting and is passed, an extraordinary meeting of shareholders to consider the composition of the Board (the Spill Meeting) must be held within 90 days of the date of the Annual General Meeting is passed. If a Spill Meeting is required, the date of the meeting will be notified to shareholders in due course.

If the Spill Meeting is held, the following directors will automatically vacate office immediately before the end of the Spill Meeting unless they are to stand for re-election and are re-elected at the Spill Meeting.

- Peter Bird
- Nicholas Ong
- Daniel Smith

Even if these Directors are re-elected at the 2023 Annual General Meeting, they will still need to stand for re-election at the Spill Meeting.

The Directors listed above are those who held office on 28 September 2023 when the 2023 Directors' Report was approved.

Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the Spill Meeting would be put to the vote at the Spill Meeting.

Eligibility to stand for election or re-election at the Spill Meeting will be determined in accordance with the Constitution of the Company. Each of the Directors listed above is eligible to stand for re-election at the Spill Meeting, but there is no guarantee they will choose to stand for re-election.

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

Annual Report means the annual report of the Company for the financial year ended on 30 June 2023.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Auditor's Report means the auditor's report contained in the Annual Report.

AWST means Western Standard Time, being the time in Perth, Western

Australia. **Board** or **the Directors** means the board of Directors.

Chair means the chairperson of the Meeting.

Company means Nelson Resources Limited ACN 127 620 482.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the directors' report contained in the Annual Report.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Financial Report means the financial report contained in the Annual Report.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX, as amended from time to time.

Meeting, General Meeting or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held at Minerva Corporate, Level 8, 99 St Georges Terrace, Perth Western Australia 6000 on 30 November 2023, commencing at 9:00am (AWST).

Notice or **Notice of Meeting** means this notice of annual general meeting incorporating this Explanatory Statement.

Proxy Form means the proxy form attached to this Notice.

Relevant Period has the meaning given in Listing Rule 7.1; being

- (a) if the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or
- (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Share means an ordinary fully paid share in the Company.

Shareholder means a holder of a Share.

Strike has the meaning set out in Section 6 of the Explanatory Statement.

VWAP has the meaning given in the Listing Rules.



Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

NELSON RESOURCES LIMITED | ABN 83 127 620 482

Your proxy voting instruction must be received by **09.00am (AWST) on Tuesday, 28 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

BY EMAIL:

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BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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