

ASX Announcement

\$10M PLACEMENT TO ACCELERATE HIGH GRADE EXPLORATION OPPORTUNITIES AT BLACK SWAN

14 December 2020

KEY POINTS

- Commitments received to place 166.67million new shares at 6 cents per share to raise \$10 million
- Placement managed by Morgans with strong demand shown by existing and new institutional investors and retail investors
- Funds will be used to accelerate exploration activities at Black Swan to drill out the Golden Swan discovery and explore for more high-grade massive sulphide nickel in the Southern Terrace
- Golden Swan drill drive commenced to provide a platform for Resource definition
- Post raising Poseidon will have approximately \$22 million in cash to aggressively explore and potentially develop the new high grade nickel sulphide discovery

Poseidon Nickel (ASX: POS “the Company”) is pleased to advise that it has received commitments to raise \$10 million (before costs) through a private placement of ordinary shares in Poseidon (“**Placement**”) to clients of Morgans Corporate Limited (“**Morgans**”), who acted as sole lead manager of the Placement.

Managing Director and CEO, Peter Harold, commented *“this placement will provide us with funds to accelerate our exploration activities at Black Swan and aggressively explore the Southern Terrace where we have recently discovered the high-grade Golden Swan massive sulphide nickel mineralisation. Funds will be allocated to completing the Golden Swan drill drive, the Golden Swan resource drilling program, further exploratory drilling and EM surveys within the Southern Terrace and Resource to Reserve conversion drilling of the Silver Swan Resource. All these activities are aimed at building a sufficient high-grade inventory at Black Swan to allow mining to recommence after a 10-year hiatus. We are very excited about the potential of the Southern Terrace and thank Morgans for their assistance with this placement.”*

Placement Details

Morgans has received binding commitments from new and existing institutional and sophisticated investors to raise \$10 million (before costs) through the issue of 166.67 million fully paid ordinary shares at an issue price of 6 cents per share, representing a 10.4% discount to last closing price before the Trading halt and an 11.9% discount to the volume weighted average share price (“**VWAP**”) over the past five trading days.

Poseidon’s two major shareholders did not participate in the Placement.

The indicative Placement timetable is as follows:

Event	Date
Trading Halt	Thursday 10 December
Confirmation of Allocations	Friday 11 December
Recommencement of Trading	Monday 14 December
Settlement	Monday 21 December
Issue and quotation of Shares	Tuesday 22 December

Use of Funds/Accelerating Exploration at Black Swan

The Company intend to use the funds raised for the following purposes:

- Complete the Golden Swan Drill Drive;
- Undertake up to 15,000 metres of diamond core Resource drilling on the Golden Swan mineralisation;
- Undertake diamond drilling from surface and/or underground to further test the potential of the Southern Terrace to host additional high-grade nickel mineralised zones;
- Additional down hole electromagnetic surveys;
- Resource to Reserve drilling of the Silver Swan orebody to increase the Reserve base; and
- General working capital purposes



Peter Harold
Managing Director & CEO
14 December 2020

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The announcement was authorised for lodgement by the Board of Directors of Poseidon Nickel Limited.

About Poseidon Nickel Limited

Poseidon Nickel Limited (**ASX Code: POS**) is a nickel sulphide exploration and development company with three projects located within a 300km radius of Kalgoorlie in the Goldfields region of Western Australia and a resource base of around 400,000 tonnes of nickel and 180,000 ounces of gold.

Poseidon's strategy is focused on the exploration and eventual restart of its established nickel operations in Western Australia where project risk capital and operating costs are low. A critical element of this strategy has been to acquire projects and operations with high levels of geological prospectivity likely to lead to potential substantial extension of the operation's life through the application of modern exploration techniques.

Poseidon owns the Windarra, Black Swan and the Lake Johnston Nickel Projects. In addition to the mines and infrastructure including concentrators at Black Swan and Lake Johnston, these projects have significant exploration opportunities demonstrated by the discovery of the Abi Rose deposit at Lake Johnston and the recent discovery of the Golden Swan mineralisation at Black Swan. The Company is also undertaking a Definitive Feasibility Study on retreating the gold tailings at Windarra given the strength of the A\$ gold price.