

SUCCESSFUL A\$6 MILLION PLACEMENT

KEY POINTS

- Successful A\$6 million placement to professional and sophisticated investors at A\$0.02 per share
- Company now well funded for:
 - Exploration drilling at Black Swan and Lake Johnston
 - Confirmatory metallurgical test work for the Black Swan restart
 - Black Swan prestart activities including offtake and project debt negotiations, securing Kalgoorlie accommodation, etc.
 - Completion of Black Swan Expansion prefeasibility study
 - Remediation works at Lake Johnston

Poseidon Nickel Limited (ASX: POS, “the Company”) is pleased to advise it has received firm commitments for a placement of A\$6 million at A\$0.02 per share (**Placement**) to sophisticated and professional investors.

Funds raised from the Placement will primarily be applied to exploration drilling at both Black Swan and Lake Johnston and further confirmatory metallurgical test work on the open pit disseminated ore for the Black Swan restart. The funds will also be used for various activities relating to the restart including offtake and debt financing negotiations, securing accommodation in Kalgoorlie, completion of the prefeasibility study on the Expansion project, remediation work on the Lake Johnston tailings facility (dust management) and care and maintenance costs as we progress towards the Black Swan restart.

Drill rigs have been secured for both the exploration program on Target 5 near the Silver Swan Decline and to obtain drill core for the metallurgical testwork program. Both rigs are scheduled to arrive on site during August 2023.

Petra Capital Pty Limited and Morgans Corporate Limited acted as Joint Lead Managers and Joint Bookrunners to the Placement.

Peter Harold, Managing Director and CEO commented;

“We are pleased with the support for the Placement and welcome a number of new institutional investors to the register.”

We look forward to drill testing the EM target near the Silver Swan decline and the Western Ultramafic at Lake Johnston and continuing the workstreams relating to the restart of Black Swan.”

Placement Details

Poseidon has received firm commitments A\$6 million under a placement to sophisticated and professional investors. The Placement price of A\$0.02 per share represents a 23.1% discount to the last closing price and a 23.2% discount to the 5-day volume weighted average trading price to 2 August 2023.

The Placement is expected to settle on 10 August 2023 with 297.5 million shares to be allotted on or around 11 August 2023 under the Company's placement capacity under ASX Listing Rule 7.1. In addition, Director participation of A\$50,000 (2.5 million shares) will be issued, subject to shareholder approval at the Company's annual general meeting in November 2023.

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

Peter Harold
Managing Director & CEO

7 August 2023

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About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX Code: POS) is a nickel sulphide exploration and development company with three projects located within a radius of 300km from 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 with the aim of being a +15,000tpa nickel producer. A critical element of this strategy has been to acquire projects and operations with significant existing infrastructure, large nickel resources and geological prospectivity likely to lead to resource growth 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 Golden Swan Resource at Black Swan, the Abi Rose and more recently the Maggies Hays West mineralisation at Lake Johnston.

The Company completed a Bankable Feasibility Study on Black Swan in November 2022 which will be the first project to restart. This could be followed by Lake Johnston and then Windarra, subject to favourable Feasibility Studies, appropriate project financing structures being achieved, the outlook for the nickel price remaining positive and all necessary approvals being obtained.

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. A potential partner for this project is currently conducting due diligence on the Lancefield gold tailings and accessing the water in the South Windarra pit.