

ASX Announcement

30 August 2021

POSEIDON NICKEL SHARE PURCHASE PLAN CLOSES HEAVILY OVERSUBSCRIBED

Poseidon Nickel (ASX: POS) ("Poseidon", "the Company") is pleased to announce the results of its Share Purchase Plan (**SPP**) which closed at 5.00pm (Perth time) on Wednesday, 25 August 2021. The SPP provided Eligible Shareholders with the opportunity to apply for up to \$30,000 worth of new fully paid ordinary shares (**New Shares**) in the Company at the same price (\$0.11 per share) as the recently completed \$22 million Placement. The SPP targeted raising \$3 million.

The Company received overwhelming support and the SPP was heavily oversubscribed. The Company received valid applications totalling approximately \$13.5 million, well in excess of the targeted \$3 million.

As a result of the oversubscription, Poseidon's Board of Directors has exercised its discretion under the terms of the SPP to accept a total of \$6 million in applications for the issue of approximately 54.5 million New Shares under the SPP. It is expected that the new shares will be issued and allotted on Wednesday, 1 September 2021. The Company will conduct a scale-back of applications, on a prorata basis, based on amounts applied for under the SPP, rounded up to reflect a whole number of New Shares to \$6 million. Excess funds as a result of the scale-back, overpayments and any application funds received after the closing (5.00pm, Perth time, Wednesday 25 August 2021) will be returned to applicants without interest in accordance with the SPP booklet and will be processed by the Company's registry as soon as possible.

Poseidon's Managing Director, Peter Harold commented "We would like to thank those shareholders who participated in the Share Purchase Plan for their continued and strong support. We acknowledge that shareholders who subscribed may be disappointed by the scale back. Ultimately, balancing the strong SPP applications with the foreseeable capital needs of the business is in the best interests of all shareholders. The funds raised will support the Company on our strategy to build high-grade nickel inventory at our Black Swan project and progress the Black Swan project toward a potential recommencement of operations in 2022. The funds raised will be used to continue exploration activities at Golden Swan and across the Southern Terrace, undertake drilling to convert additional Silver Swan mineral resources to ore reserves, further test for extensions to the known Silver Swan mineralisation and complete mining and production studies at Black Swan. Funds will also be allocated to reviewing the exploration potential of our Lake Johnston and Windarra nickel projects."

Peter Harold Managing Director & CEO 30 August 2021

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