



POSEIDON
N I C K E L

POSEIDON NICKEL LIMITED

ABN 60 060 525 206

Interim Financial Report

For the six months ended 31 December 2023

Poseidon Nickel Limited Contents

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Poseidon Nickel Limited

Corporate directory

ABN: 60 060 525 206
Incorporated in Australia

Non-Executive Directors

Mr Peter Harold
Mr Peter Muccilli
Mr Warren Hallam

CEO

Mr Craig Jones

Joint Company Secretaries

Mr Brendan Shalders
Ms Andrea Betti

Registered Office

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3 Ord Street
West Perth WA 6005

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Postal Address

PO Box 190
West Perth WA 6872

Auditors to the Company

KPMG
235 St Georges Terrace
Perth WA 6000

Share Registry

Automic
Level 5, 191 St Georges Terrace
Perth WA 6000

ASX Code

Shares: POS

Country of Incorporation and Domicile

Australia

Poseidon Nickel Limited
Directors' report
For the six months ended 31 December 2023

The directors of Poseidon Nickel Limited ("Poseidon" or "the Company") present their report together with the condensed consolidated interim financial report for the six months ended 31 December 2023 and the auditor's review report thereon.

Contents of Directors' report

- 1. Directors**
- 2. Operating and Financial Review**
- 3. Dividends**
- 4. Events subsequent to reporting date**
- 5. Lead auditor's independence declaration**
- 6. Rounding off**

Poseidon Nickel Limited

Directors' report (continued)

For the six months ended 31 December 2023

1. Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
Mr Peter Harold <i>Non-Executive Chairman</i> <i>(Formerly Managing Director and CEO)</i>	Appointed Non-Executive Chairman 27 October 2023. Previously was Managing Director and CEO from 3 March 2020 until 2 October 2023.
Mr Peter Muccilli <i>Independent Non-Executive Director</i>	Appointed 3 August 2020
Mr Warren Hallam <i>Independent Non-Executive Director</i>	Appointed 1 June 2022
Mr Derek La Ferla <i>Independent Non-Executive Chairman</i>	Appointed 1 December 2019 and retired effective 27 October 2023
Mr Dean Hildebrand <i>Non-Executive Director</i>	Appointed 1 July 2020 and retired effective 27 October 2023

2. Operating and Financial Review

Overview

Poseidon Nickel Limited ("Poseidon" or "the Company") is an ASX listed company focussed on developing its nickel assets in Western Australia. The Company has combined nickel resources of approximately 420,000 tonnes of contained metal, two nickel sulphide concentrators and six historic mines across three sites, all located within a 300km radius from Kalgoorlie in the Goldfields region of Western Australia. All three sites remained on care and maintenance over the first half of FY2024.

Over the course of 2023 the US\$ nickel price continued its decline falling over 40% from circa \$13/lb at the commencement of the year to low \$7's/lb by year end leading to the Company to defer the restart of the Black Swan project during July 2023. The fall in the nickel price has been driven by a number of factors, however most of the impact has come from a significant increase in nickel production out of Indonesia which combined with reduced demand for nickel from lower than anticipated EV production has caused a surplus in the market.

Following the deferral of the Black Swan restart the Company restructured operations, which combined with reduced board size and headcount at head office has driven annualised cost savings of over \$3 million in the business.

The drilling program at Lake Johnston continued during the period returning positive results with elevated Ni and Cu levels, along with highly anomalous platinum group elements noted in assays, confirming strong prospectivity for nickel sulphides. Interpretation of results to date in conjunction with a detailed review of historical drilling, suggests the Maggie Hays West anomaly consists of a 1km long channel feature developed in the Western Ultramafic Unit (WUU) directly above the Central Ultramafic Unit (CUU). In addition to the anomaly, the channel is also partly defined by an appreciable thinning of the BIF unit that separates the two ultramafic units in this area. A potential connection with the possible complete absence of the separating BIF unit is now also recognised near to the surface further enhancing the prospectivity of the largely untested WUU and creating an exciting exploration target.

The Company also commenced a review of lithium potential at Lake Johnston with data from five regional soil sampling programs completed during 2023 being re-examined, noting lithium levels in soils being similar to those recently reported by other companies exploring for lithium bearing pegmatites in the region.

Poseidon Nickel Limited

Directors' report (continued)

For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Further to this the Company entered into a farm-in agreement with Mantis Resources to earn-in up to 100% interest in near-by exploration licences E63/2244 and E63/2256. Outcropping Lithium bearing pegmatites have been identified on these tenements previously with high grades of 2.80% up to 3.85% Li₂O.

An exploration review of Windarra was completed during the period which identified two new exciting high priority embayed basal contact channel structures, with further exploration to be carried out in 2024. The Company also entered into a Gold Tailings Processing Trial and Water Access Agreement with Mt Morgans WA Mining, a subsidiary of Genesis Minerals Limited.

During August 2023 the Company raised \$6 million (before costs of \$0.3 million) through a placement of ordinary shares to professional and sophisticated investors, with Directors participating in the raise.

Projects – Black Swan

The Black Swan Nickel Project is located 55km north-east of Kalgoorlie. Acquired from Norilsk in March 2015, the operations include the Silver Swan underground mine, Black Swan open pit, a 2.2Mtpa nickel sulphide concentrator and associated infrastructure. The operations at Black Swan remained on care and maintenance during the period.

1.1Mtpa Black Swan Bankable Feasibility Study

In November 2022 the Company reached a significant milestone with the completion and release of the 1.1Mtpa Black Swan Bankable Feasibility Study (BFS). This project assumes smelter grade concentrate production from ore mined from the Black Swan Disseminated open pit (serpentinite ore only), Silver Swan and Golden Swan high-grade underground mines, supplemented with Silver Swan Tailings and existing surface stockpiles (disseminated serpentinite material) and processed through the existing concentrator and associated infrastructure.

In July 2023 the decision was made to defer the Black Swan project restart due to the volatility in global commodity and equity markets, the need to complete additional confirmatory metallurgical testwork, the later availability of grid power and the continued tightness in the labour market and lack of accommodation in Kalgoorlie for FIFO workers.

During the period the following workstreams were progressed:

- **Additional Metallurgical Testwork:** Metallurgical diamond drilling assays confirmed that the non-sulphide nickel content of the disseminated serpentinite ore is consistent with the BFS assumptions;
- **Grid Power Supply:** Western Power commenced studies into the supply of grid power to Black Swan and have advised grid power could be available from late 2024. The Company has recently put a hold on these studies to preserve cash;
- **Accommodation:** The Company entered into an option agreement for the provision of accommodation rooms in Kalgoorlie with an established provider. The low-cost option provides Poseidon a minimum of 150 rooms for a minimum of four years. The option can be exercised at any time during the 12-month period through to the end of October 2024; and
- **Offtake and Financing:** Offtake and debt funding discussions are on hold pending an improvement in the nickel market which supports a restart of Black Swan.

In line with the Company's strategic plan of developing a pathway to production, restarting Black Swan as soon as it is feasible to do so remains a key goal.

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Black Swan 2.2Mtpa Expansion Project Feasibility Study

During the period progress was made with interested parties provided samples of the rougher concentrate product to confirm suitability as a feed source for their hydrometallurgical processes.

- One potential customer completed High Pressure Acid Leaching (HPAL) testwork and confirmed the nickel extraction for the rougher concentrate was circa 95% when the concentrate was blended at 2.5%, 5.0% and 7.5% (by weight) with their nickel laterite ore.
- Pressure Oxidation (POX) amenability testwork has also demonstrated high nickel extraction can be achieved with the rougher concentrate with relatively rapid leach kinetics. The testwork reported circa 96% nickel extraction within 30 minutes when applying standard POX operating conditions in a laboratory autoclave.

These tests confirm high nickel extraction rates for the rougher concentrate when processed through either a HPAL or POX facility.

The Company has received all the required input assumptions to the Prefeasibility Study (PFS) with the exception of nickel payability assumptions for the rougher concentrate. Rougher concentrate is not a widely traded product and therefore verifiable nickel payability assumptions are not readily available to confirm revenue assumptions in the PFS.

The Company has completed the PFS for internal purposes, however until potential customers are able to provide nickel payability inputs for the study, the Company will not be releasing the study results. Further to this, and similarly to the smelter concentrate project restart, the expansion project would benefit from a more favourable nickel price environment for project development.

Projects - Lake Johnston

The Lake Johnston mine and processing facilities are situated 117km west of Norseman, accessed via the Hyden-Norseman road. The Company acquired the asset from Norilsk in November 2014 and includes the Maggie Hays underground mine and a 1.5Mtpa nickel sulphide concentrator. The project has a resource of 52kt contained nickel in the Maggie Hays deposit. The operations at Lake Johnston remained on care and maintenance during the period.

Nickel Exploration

During October 2023 the Company commenced an aircore (AC) and reverse circulation (RC) drilling program to progress several highly promising greenfields targets along the Western Ultramafic Unit (WUU) and at Maggie Hays West. Following results from the previous drilling program completed during May 2023, multiple targets were successfully identified with coincident zones of elevated Ni and Cu, along with highly anomalous platinum group elements, confirming strong prospectivity for nickel sulphides. The October 2023 drilling program was designed to infill the widely spaced traverses at each target to further delineate the geochemical dispersion and the morphology of the Western Ultramafic basal contact.

The October 2023 drilling program comprised a total of 18 AC holes for 844m and seven RC holes for 835m. A total of 1,049 samples were collected and dispatched to SGS's Perth Laboratory for analysis. Significant results from these assay results are presented in Table 1 below:

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

TABLE 1: MAGGIE HAYS WEST ASSAY RESULTS USING 0.4% NI CUT OFF (PGE= PLATINUM + PALLADIUM)

Hole	From	To	Ni Intercept
PLJA175	3	18	15m @ 0.66% Ni, 191ppm Cu, 171ppb PGE
	21	23	2m @ 0.58% Ni 159ppm Cu, 64ppb PGE
PLJA176	3	39	36m @ 0.99% Ni 286ppm Cu, 141ppb PGE
including	7	13	6m @ 1.23% Ni, 334ppm Cu, 85 ppb PGE
and	21	34	13m @ 1.31% Ni, 332ppm Cu, 229ppb PGE
and	25	26	1m @ 2.06% Ni, 624ppm Cu, 353ppb PGE
and	28	29	1m @ 2.01% Ni, 349ppm Cu, 188ppb PGE
and	33	34	1m @ 2.37% Ni, 347ppm Cu, 249ppb PGE
PLJA177	15	16	1m @ 0.52% Ni, 100ppm Cu, 70ppb PGE
	18	39	21m @ 1.13% Ni, 374ppm Cu, 136ppb PGE
including	26	36	11m @ 1.41% Ni, 425ppm Cu, 162ppb PGE
and	28	29	1m @ 2.16% Ni, 355ppm Cu, 207ppb PGE
PLJA179	33	36	3m @ 0.83% Ni, 170ppm Cu
	43	51	8m @ 0.63% Ni, 124 ppm Cu
	56	59	3m @ 0.60% Ni, 249 ppm Cu
PLJA182	17	25	8m @ 0.55% Ni, 107ppm Cu
	27	28	1m @ 0.41% Ni 147 ppm Cu
	30	35	5m @ 0.44% Ni, 87 ppm Cu
	38	39	1m @ 0.41% Ni, 90 ppm Cu
PLJA183	13	14	1m @ 0.41% Ni, 154ppm Cu
	19	48	29m @ 0.52% Ni, 112ppm Cu
	55	56	1m @ 0.46% Ni, 26ppm Cu
	62	63	1m @ 0.43% Ni, 15ppm Cu
PLJA185	3	4	1m @ 0.48% Ni, 219ppm Cu
	6	8	2m @ 0.45% Ni, 472ppm Cu
	11	17	6m @ 0.44% Ni, 266ppm Cu
	29	32	3m @ 0.51% Ni, 43ppm Cu
	41	42	1m @ 0.51% Ni, 105ppm Cu
PLJA186	33	35	2m @ 0.48% Ni, 75ppm Cu
PLJA187	6	8	2m @ 0.55% Ni, 73 ppm Cu
	11	22	11m @ 0.49% Ni, 89 ppm Cu
	26	31	5m @ 0.55% Ni, 20ppm Cu
	38	39	1m @ 0.53% Ni, 118ppm Cu

Poseidon Nickel Limited
Directors' report (continued)
For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Maggie Hays West

The Maggie Hays West component of the recent drill program consisted of 17 AC holes for 807m drilled on 100m spaced lines with the aim to define the position of the basal (eastern) contact of the WUU against the Banded Iron Formation (BIF). Maggie Hays West is located 200m west of the existing Maggie Hays nickel ore body and associated underground workings (Maggie Hays is 250m from the surface within the Central Ultramafic Unit (CUU)). The program included important resampling of selected historic diamond drilling holes at Maggie Hays West to add more litho-geochemical information. Of the four holes sampled, two (LJD0003A and MHUD0551) intersected nickel sulphide mineralisation at the WUU contact.

Following the October 2023 drilling program, assay results for all AC holes at Maggie Hays West were received. The results included a best nickel intercept of 1.0m at 2.37% Ni, 347ppm Cu and 249ppb Pt+Pd in Hole PLJA176, within a 36m intercept of 0.99% Ni. This provides significant additional support for the existence of a strong coherent nickel anomaly associated with the interpreted komatiite channel and basal contact of the WUU. Interpretation of the results, in conjunction with a detailed review of the historical drilling suggests the Maggie Hays West anomaly consists of a 1km long channel feature developed in the WUU directly above the CUU. In addition to the anomaly, the channel is also partly defined by an appreciable thinning of the BIF unit that separates the two ultramafic units in this area. A potential connection between the two units associated with the possible complete absence of the separating BIF unit is now also recognised near to the surface further enhancing the prospectivity of the largely untested WUU and creating an exciting exploration target.

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

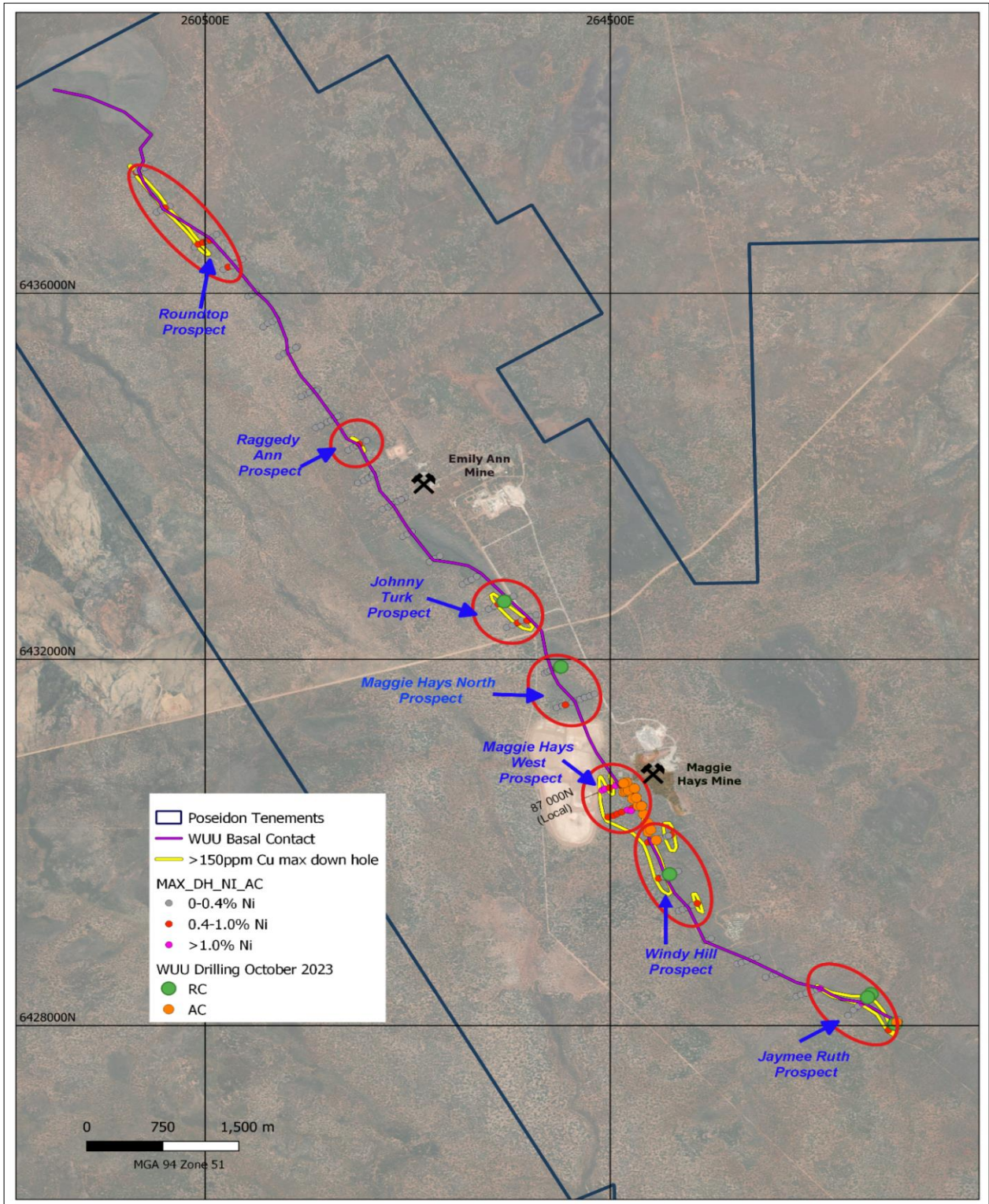


FIGURE 1: LOCATION PLAN SHOWING COMPLETED DRILLING IN OCTOBER 2023 AT LAKE JOHNSTON

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

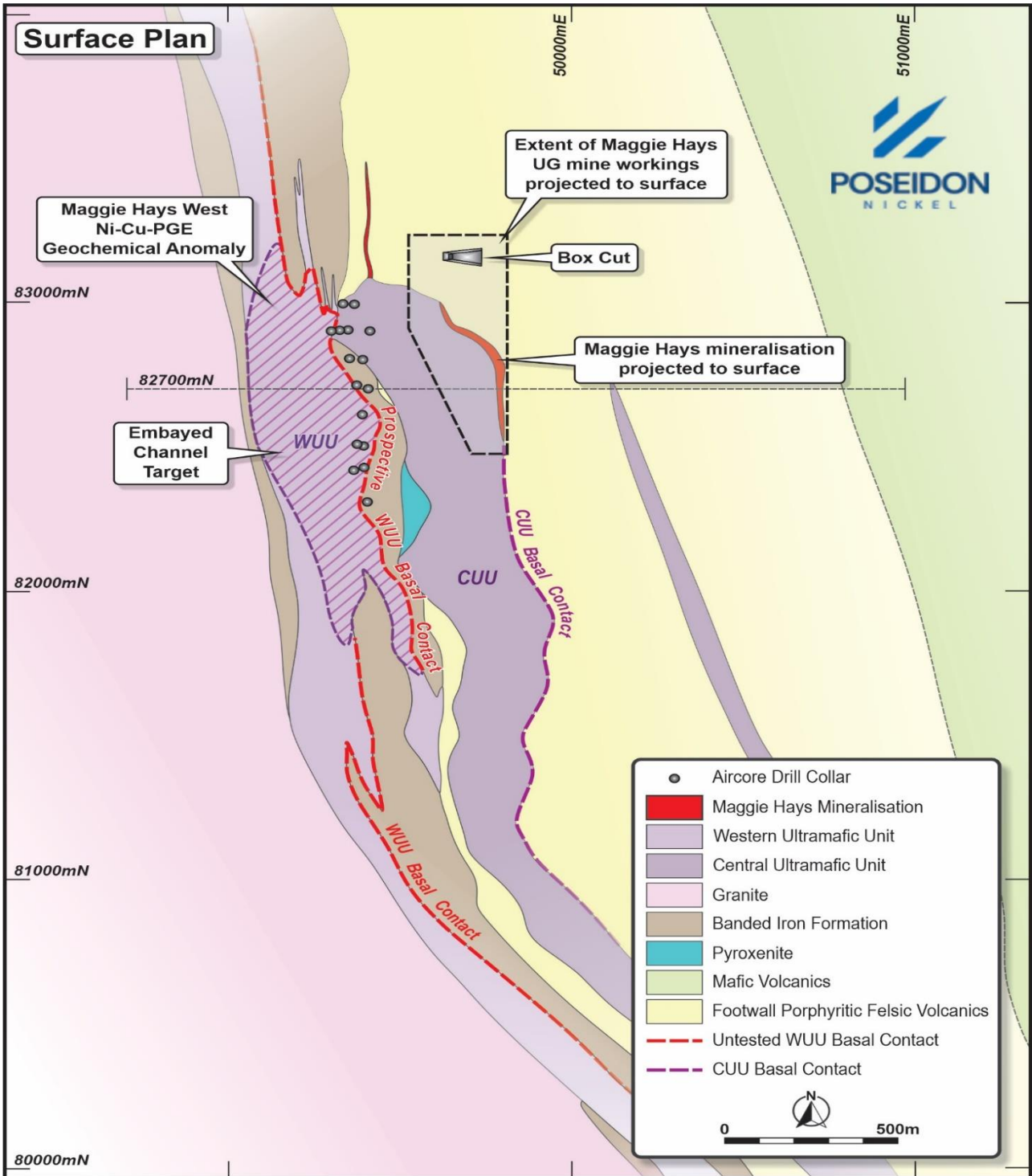


FIGURE 2: GEOLOGICAL INTERPRETATION SURFACE MAP (1350MRL) SHOWING THE RELATIONSHIP BETWEEN THE WUU AND CUU, THE GEOCHEMICAL (Ni:Cu:PGE) ANOMALISM AND THE LOCATION OF THE RECENT AIRCORE HOLES DRILLED IN OCTOBER, 2023

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

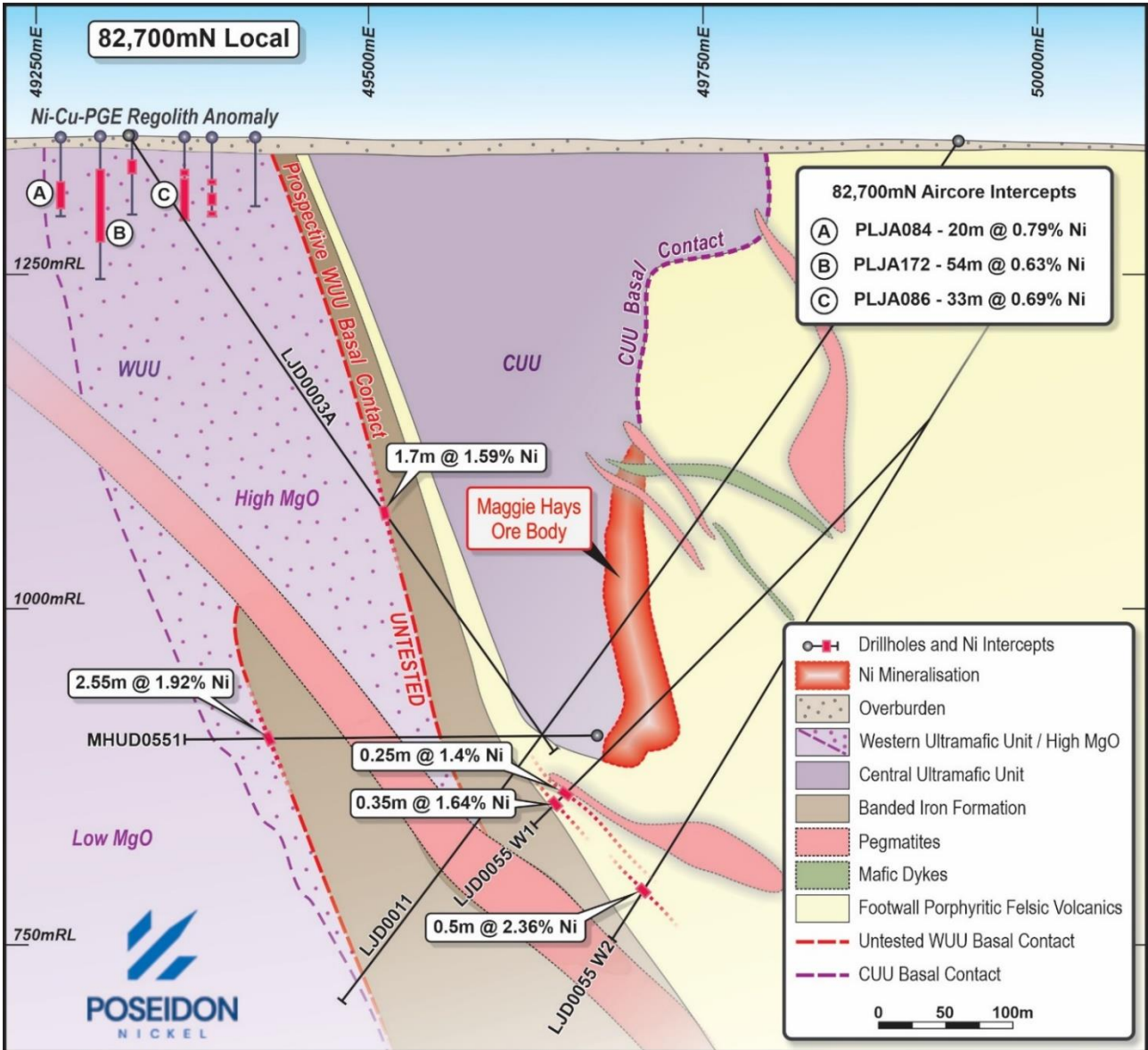


FIGURE 3: CROSS SECTION 82700N WITH HISTORICAL INTERCEPTS OF NICKEL SULPHIDES ALONG THE BASAL CONTACT OF THE WUU

Testing of the Maggie Hays West anomaly and associated WUU “channel-like” zone merits further exploration efforts and planning for efficient targeting with cost effective exploration techniques is being evaluated for the next stages of the work programs for 2024.

Poseidon Nickel Limited
Directors' report (continued)
For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Regional Targets

The October 2023 drilling on regional prospects involved one AC (37m) and seven RC (835m) holes being drilled at Jaymee Ruth, Windy Hill, Maggie Hays North and Johnny Turk. The recently returned assay results from this portion of the program have replicated nickel enrichment within the regolith at each of these prospects except Windy Hill. Intersections of fresh fine, trace disseminated sulphides internal to the WUU at Jaymee Ruth and two metres of massive pyrite located on the WUU basal contact at Windy Hill were both confirmed as iron rich, downgrading these prospects. Significant results are summarised in Table 2 below:

TABLE 2. SIGNIFICANT ASSAY RESULTS RETURNED IN THE REGIONAL RC PROGRAM WITH A 0.4% CUT-OFF.

Hole	From	To	Ni Intercept
PLJC001	32	37	5m @ 0.62% Ni, 100ppm Cu, 39ppb PGE
PLJC002	7	22	15m @ 0.48% Ni, 66ppm Cu, 18ppb PGE
PLJC005	57	61	4m @ 0.41% Ni, 13ppm Cu, 20ppb PGE
PLJC006	50	54	4m @ 51% Ni, 244ppm Cu, 50ppb PGE
PLJC007	18	26	8m @ 0.47% Ni, 38ppm Cu, 20ppb PGE

Further assessment of the nature of the regional WUU contact, particularly towards the northern half of the project, has highlighted additional priority shallow AC drilling is required at Johnny Turk, Raggedy Ann and Roundtop to test and further define the extent of high MgO lithologies identified near the basal contact. This additional shallow drilling is planned to be completed in 2024.

Lithium Review

During the period the Company commenced a review of the lithium potential at Lake Johnston where soil sampling targeting the southern area of the WUU identified several broad anomalous lithium values over a strike length of three kilometres with corresponding rubidium (Rb) and caesium (Cs) anomalism. This anomaly is open to the east and south-west where it continues underneath North Lake Hope. The lithium levels in the soils are similar to levels recently reported by other exploration companies exploring for lithium bearing pegmatites in the Lake Johnston region. The coincident Rb in-soil anomalism could indicate the presence of lithium bearing pegmatites as Rb is incompatible in early forming minerals and increases in the melt as they fractionate. It is interpreted that there is a potential granite source associated with the pegmatites that are present to the west of the anomaly.

Three orientation soil sampling programs completed at Roundtop, Johnny Turk and Maggie Hays West along the WUU have also returned similar lithium values but, in these areas, transported soil cover up to 30 metres thick is present. Thus, further work is required to confirm if these results are true bedrock anomalism and if a large system of lithium bearing pegmatites is concealed beneath the transported cover.

The initial results of the lithium review support further work, with the Company intending to ramp-up lithium search activities across 2024. The initial focus will involve field checks, resampling of existing cores and verification of existing soil anomalies, followed by mapping and rock chip sampling of known pegmatite outcrops and significantly extending soil sampling coverage over areas of in-situ residual soils.

In December 2023 the Company entered into a farm-in agreement with Mantis Resources to earn-in up to 100% interest in near-by exploration licences E63/2244 and E63/2256. An initial payment of \$48,000 was made, with a further \$500,000 to be spent on exploration over three years to earn up to 90%. Outcropping Lithium bearing pegmatites have been identified on these tenements previously with high grades of 2.80% up to 3.85% Li₂O.

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Remediation Works

Following an environmental compliance inspection by DMIRS in the prior year, a number of items were identified that needed addressing. These included dust control of the tailings facility requiring supplementary monitoring requirements as well as additional measures to cover the surface layer with a binding agent to reduce the amount of windblown dust being generated. These works were completed during the current period safely and under budget.

Projects – Windarra

Windarra Nickel

The Windarra Nickel Project is located in the Mt Margaret Goldfields of Western Australia and is situated about 25km west of Laverton. The site includes the previously mined underground Mt Windarra and open pit South Windarra mines. The project has combined resources of 148.5kt contained nickel primarily within the Mt Windarra (71.5kt) and Cerberus (69kt) deposits. The Windarra Nickel Project remains on care and maintenance.

During the period the Company engaged Mark Muller (Muller Geological Services Consultancy - MGSC) to undertake an exploration review of the project in conjunction with the Poseidon geology team. The assessment has identified two new exciting high priority embayed basal contact channel structures, which are included in a total of six prospective channel structure trends now identified along the basal contact of the area assessed (being 10km of a total 21km strike at Windarra).

The two newly identified channel structures, NW05 and NW04, are both considered highly prospective and are poorly drill tested. Both targets are considered to have strong potential for shallow mineralisation. Follow-up exploration programs are in the planning phase with an expectation for further works to be completed over 2024.

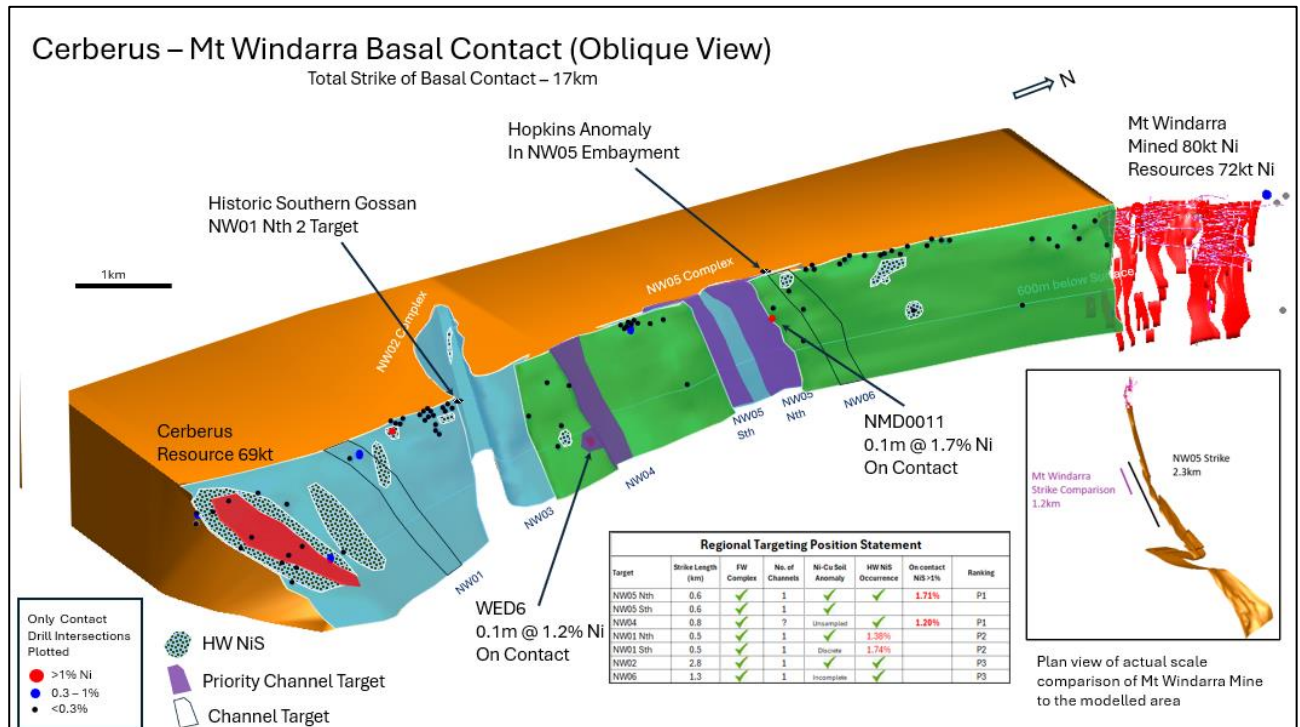


FIGURE 4: OBLIQUE VIEW (LOOKING NNW) SHOWING THE MODELLED BASAL CONTACT AND ONLY ON-CONTACT DRILLHOLE INTERSECTIONS PLOTTED. INSERT IMAGE HIGHLIGHTS SCALE OF PROSPECTIVE CHANNEL COMPARED WITH HISTORICAL STRIKE LENGTH OF MT WINDARRA

Poseidon Nickel Limited
 Directors' report (continued)
 For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Lancefield Gold Tailings Trial and Windarra Water Access Agreement

During the period the Company signed a term sheet with Mt Morgans WA Mining Pty Ltd (Mt Morgans), a wholly owned subsidiary of Genesis Minerals Limited (Genesis), for Mt Morgans to undertake trial processing of up to 100,000 tonnes of Lancefield gold tailings through their currently idled Laverton processing facility and to have access to 2.5GL of water per annum from the South Windarra open pit over a five year period. In exchange for access to the water from the South Windarra pit, the Company is to receive the following consideration:

- \$500,000 within ten days of the agreement being signed, subject to satisfaction of certain conditions;
- A further \$500,000 following Mt Morgans receiving all necessary regulatory and environmental approvals to access the water in the South Windarra open pit; and
- Preceding the second anniversary of drawing water by Mt Morgans, and for each subsequent year they draw water, the Company will receive \$400,000 per annum.

Prior to commencement of the Lancefield gold tailings trial, parties are to enter into a profit share agreement, with costs being borne solely by Mt Morgans if there is nil profit. The agreement with Mt Morgans does not impact the Company's rights to the remainder of the Lancefield gold tailings or the Windarra gold and nickel tailings for which the Company continues to receive inbound interest regarding partnership opportunities for the gold tailings project.

Windarra Gold Tailings Project (Project)

The Company recently completed metallurgical testwork to assess the potential of Draslovka's Glycine Leaching Technology (GlyCAT™), which may improve gold recoveries for the tailings retreatment project. Testing involved applying this technology to samples of the Lancefield gold tailings and two samples of nickel tailings from the Windarra Central Dam with positive results being reported. Key outcomes included a gold extraction improvement by approximately 10% from that reported in the 2021 Windarra Gold Tailings Definitive Feasibility Study (DFS) while it was noted that the nickel tailings could be a suitable feed into the production profile of the Project. Additional testwork would be required to assess if these metallurgical breakthroughs can deliver improved economics for the Project.

Leadership and Operations Transition

Following the decision to defer the restart of the Black Swan project the Company made the prudent decision to significantly reduce the operating costs of the business.

To achieve the cost reduction, personnel changes were made to reduce the corporate overhead while preserving the knowledge base of the Company. Peter Harold transitioned from Managing Director to Non-Executive Chair, Craig Jones was appointed CEO while Derek La Ferla and Dean Hildebrand retired from the board. Revisions have been made to the care and maintenance operating model at Black Swan which will result in a material reduction in annual operating costs without impacting the restart timetable. Combined cost reductions from these initiatives total over \$3 million on an annualised basis.

Poseidon Nickel Limited
Directors' report (continued)
For the six months ended 31 December 2023

2. Operating and Financial Review (continued)

Financial Position

For the six months ended 31 December 2023 the Group incurred a loss of \$47,176,000 (2022: loss \$5,827,000) that included an impairment charge of \$42,700,000, and a net working capital surplus of \$2,668,000 (30 June 2023: surplus \$3,328,000). The primary liability of the Group is the site rehabilitation provision of \$63,775,000 (June 2023: \$61,935,000). The Directors do not anticipate the Group being required to remediate its sites in the foreseeable future. The site rehabilitation provision is classified as non-current and included within total net assets of \$34,695,000 (June 2023: \$76,033,000)

The Group had a net cash outflow from operating activities of \$5,237,000 (2022: outflow \$5,173,000), a net cash outflow from investing activities of \$3,125,000 (2022: outflow \$2,651,000) and a net cash inflow from financing activities of \$5,664,000 (2022: inflow \$11,449,000). The Group held cash and cash equivalents of \$3,003,000 at 31 December 2023 (30 June 2023: \$5,701,000). During August 2023 the Company raised \$6 million (before costs of \$0.3 million) through a placement of ordinary shares to professional and sophisticated investors, with Directors participating in the raise.

The Directors have reviewed a management prepared cash flow forecast for the next 12 months from the date of signing the financial report which demonstrates successful fund-raising activities or asset sales are required to be completed during the quarter ending June 2024.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows for the next 12 months which incorporate an expectation of raising additional funding through equity, asset sales, debt or hybrid financing, or a combination of these options, to meet forecast minimum expenditure, maintain tenements and meet ongoing costs. Whilst the Group has been impacted by the current challenging market conditions for the nickel industry, the Directors have a reasonable expectation that a suitable funding solution can be secured within the necessary timeframe.

The ability of the Group to achieve its forecast cashflows, being reliant on raising additional funds in the current challenging market environment for the nickel industry, represents material uncertainty that may cast significant doubt about whether the Group can continue as a going concern in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

3. Dividends

No dividends were paid or proposed during the six months ended 31 December 2023.

4. Events subsequent to reporting date

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

5. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for the six months ended 31 December 2023.

Poseidon Nickel Limited
Directors' report (continued)
For the six months ended 31 December 2023

6. Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with this Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



Mr P Harold
Non-Executive Chairman

Perth
13 March 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Poseidon Nickel Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Poseidon Nickel Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Ryan Hastie', written over a faint, larger version of the signature.

Ryan Hastie
Partner

Perth

13 March 2024

Poseidon Nickel Limited
Condensed consolidated interim statement of financial position
As at 31 December 2023

In thousands of AUD

	<i>Note</i>	31 Dec 2023	30 Jun 2023
Assets			
Cash and cash equivalents		3,003	5,701
Trade and other receivables		1,326	785
Total current assets		4,329	6,486
Plant and equipment	3.1	24,570	24,775
Exploration and evaluation expenditure	3.1	67,604	106,242
Right-of-Use Assets		267	341
Other		3,500	3,500
Total non-current assets		95,941	134,858
Total assets		100,270	141,344
Liabilities			
Trade and other payables		1,006	1,591
Loans and Borrowings		283	-
Lease liabilities		157	154
Provisions		-	1,200
Employee benefits		215	213
Total current liabilities		1,661	3,158
Provisions		63,775	61,935
Lease liabilities		139	218
Total non-current liabilities		63,914	62,153
Total liabilities		65,575	65,311
Net Assets		34,695	76,033
Equity			
Share capital	4.1	282,494	276,573
Reserves		897	980
Accumulated losses		(248,696)	(201,520)
Total equity attributable to equity holders of the Company		34,695	76,033

The condensed notes on pages 23 to 30 are an integral part of these condensed consolidated interim financial statements.

Poseidon Nickel Limited
 Condensed consolidated interim statement of profit or loss and other
 comprehensive income
 For the six months ended 31 December 2023

In thousands of AUD

	Note	31 Dec 2023	31 Dec 2022
Other income		912	306
Depreciation expense		(212)	(221)
Impairment expense	3.1	(42,700)	-
Personnel expenses		(1,875)	(2,361)
Exploration and evaluation costs expensed	3.1	(2,341)	(2,274)
Consultancy and advisor fees		(599)	(560)
Share based payment expense	5.1	(63)	(221)
Other expenses		(496)	(591)
Results from operating activities		(47,374)	(5,922)
Finance income		202	100
Finance costs		(4)	(5)
Net finance income / (costs)	2.2	198	95
Loss before income tax		(47,176)	(5,827)
Income tax benefit		-	-
Total comprehensive loss for the period		(47,176)	(5,827)
Earnings per share			
Basic and diluted loss per share (cents/share)		(1.30)	(0.19)

The condensed notes on pages 23 to 30 are an integral part of these condensed consolidated interim financial statements.

Poseidon Nickel Limited
Condensed consolidated interim statement of changes in equity

For the six months ended 31 December 2022

In thousands of AUD

	Share Capital	Share based payment reserve	Accumulated losses	Total equity
Balance at 1 July 2022	265,071	641	(190,182)	75,530
Loss	-	-	(5,827)	(5,827)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(5,827)	(5,827)
Transactions with owners recorded directly in equity				
Contributions by and distributions to owners				
Issue of share capital (net of costs)	11,502	-	-	11,502
Issue of share options	-	46	-	46
Issue of performance rights	-	175	-	175
Total contributions by and distributions to owners	11,502	221	-	11,723
Balance at 31 December 2022	276,573	862	(196,009)	81,426

For the six months ended 31 December 2023

In thousands of AUD

	Share Capital	Share based payment reserve	Accumulated losses	Total equity
Balance at 1 July 2023	276,573	980	(201,520)	76,033
Loss	-	-	(47,176)	(47,176)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(47,176)	(47,176)
Transactions with owners recorded directly in equity				
Contributions by and distributions to owners				
Issue of share capital (net of costs)	5,775	-	-	5,775
Performance rights exercised	146	(146)	-	-
Issue of performance rights	-	63	-	63
Total contributions by and distributions to owners	5,921	(83)	-	5,838
Balance at 31 December 2023	282,494	897	(248,696)	34,695

The condensed notes on pages 23 to 30 are an integral part of these condensed consolidated interim financial statements.

Poseidon Nickel Limited
Condensed consolidated interim statement of cash flows
For the six months ended 31 December 2023

<i>In thousands of AUD</i>	<i>Note</i>	31 Dec 2023	31 Dec 2022
Cash flows from operating activities			
Sundry receipts		309	97
Payments to suppliers and employees		(5,748)	(5,370)
Cash used in operations		(5,439)	(5,273)
Interest received		202	100
Net cash used in operating activities		(5,237)	(5,173)
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		300	-
Payments for property, plant and equipment		(80)	(297)
Payments for exploration and evaluation expenditure		(3,345)	(2,354)
Net cash used in investing activities		(3,125)	(2,651)
Cash flows from financing activities			
Proceeds from the issue of shares (net of costs)		5,775	11,527
Repayment of borrowings		(32)	-
Repayment of lease liabilities		(79)	(78)
Net cash received from financing activities		5,664	11,449
Net increase in cash and cash equivalents		(2,698)	3,625
Cash and cash equivalents at 1 July		5,701	11,089
Cash and cash equivalents at 31 December		3,003	14,714

The condensed notes on pages 23 to 30 are an integral part of these condensed consolidated interim financial statements.

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

Section 1 – Basis of Preparation

Poseidon Nickel Limited (“Poseidon” or “the Company”) is a company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in exploration, mining and production of nickel and other minerals.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company’s registered office at Level 1, 3 Ord Street, West Perth WA 6005 or at www.poseidon-nickel.com.au.

1.1 Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and with IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2023.

This condensed consolidated interim financial report was approved by the Board of Directors on 13 March 2024.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with this Instrument, amounts in the financial report and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

1.2 Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the six months ended 31 December 2023 the Group incurred a loss of \$47,176,000 (2022: loss \$5,827,000) that included an impairment charge of \$42,700,000 (refer to note 3.1), and a net working capital surplus of \$2,668,000 (30 June 2023: surplus \$3,328,000). The primary liability of the Group is the site rehabilitation provision of \$63,775,000 (June 2023: \$61,935,000). The Directors do not anticipate the Group being required to remediate its sites in the foreseeable future. The site rehabilitation provision is classified as non-current and included within total net assets of \$34,695,000 (June 2023: \$76,033,000)

The Group had a net cash outflow from operating activities of \$5,237,000 (2022: outflow \$5,173,000), a net cash outflow from investing activities of \$3,125,000 (2022: outflow \$2,651,000) and a net cash inflow from financing activities of \$5,664,000 (2022: inflow \$11,449,000). The Group held cash and cash equivalents of \$3,003,000 at 31 December 2023 (30 June 2023: \$5,701,000). During August 2023 the Company raised \$6 million (before costs of \$0.3 million) through a placement of ordinary shares to professional and sophisticated investors, with Directors participating in the raise.

The Directors have reviewed a management prepared cash flow forecast for the next 12 months from the date of signing the financial report which demonstrates successful fund-raising activities or asset sales are required to be completed during the quarter ending June 2024.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows for the next 12 months which incorporate an expectation of raising additional funding through equity, asset sales, debt or hybrid financing, or a combination of these options, to meet forecast minimum expenditure, maintain tenements and meet ongoing costs. Whilst the Group has been impacted by the current challenging market conditions for the nickel industry, the Directors have a reasonable expectation that a suitable funding solution can be secured within the necessary timeframe.

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

1.2 Going concern (continued)

The ability of the Group to achieve its forecast cashflows, being reliant on raising additional funds in the current challenging market environment for the nickel industry, represents material uncertainty that may cast significant doubt about whether the Group can continue as a going concern in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

1.3 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated interim financial report are consistent with those adopted and disclosed in the Company's 2023 annual financial report for the financial year ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

1.4 Estimates

The preparation of condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying this Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial assets and liabilities and non-financial assets and liabilities. Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in note 3.1.

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

Section 2 – Results for the Half Year

2.1 Operating segments

For management purposes the Group has one operating segment, being nickel and other mineral exploration and evaluation in Australia.

Information about reportable segments

In thousands of AUD

For the six months ended 31 December

Reportable segment other income	
Reportable segment exploration costs and impairment expensed	
Reportable segment loss before income tax	
Reportable segment assets	
Reportable segment liabilities	
Capital expenditure	

Nickel exploration and evaluation

	2023	2022
Reportable segment other income	912	306
Reportable segment exploration costs and impairment expensed	(45,041)	(2,274)
Reportable segment loss before income tax	(44,129)	(1,968)
Reportable segment assets	95,737	129,807
Reportable segment liabilities	64,655	63,340
Capital expenditure	3,502	2,406
Reconciliations of reportable segment profit / (loss) and assets		
Loss		
Total loss for reportable segments	(44,129)	(1,968)
Unallocated amounts: other corporate expenses	(3,245)	(3,954)
Net finance costs	198	95
Loss before income tax	(47,176)	(5,827)
Assets		
Total assets for reportable segments	95,737	129,807
Other assets	4,533	16,439
	100,270	146,246
Liabilities		
Total liabilities for reportable segments	64,655	63,340
Other liabilities	920	1,480
	65,575	64,820

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2023.

2.2 Net financing costs

Net financing costs can be analysed as follows:

In thousands of AUD

Interest income on bank deposits	
Finance income	
Interest expense – lease liability	
Interest expense - borrowings	
Finance costs	
Net finance income / (costs)	

	31 Dec 2023	31 Dec 2022
Interest income on bank deposits	202	100
Finance income	202	100
Interest expense – lease liability	(3)	(5)
Interest expense - borrowings	(1)	-
Finance costs	(4)	(5)
Net finance income / (costs)	198	95

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

Section 3 – Assets and Liabilities Supporting Exploration and Evaluation

3.1 Exploration and evaluation expenditure

<i>In thousands of AUD</i>	31 Dec 2023	30 Jun 2023
Costs carried forward in respect of areas of interest in the following phase: Exploration and evaluation phase	67,604	106,242
Reconciliations: Exploration and evaluation phase		
Carrying amount at beginning of period	106,242	99,940
Additions	3,422	5,634
Movements in provisions	640	668
Impairment expense	(42,700)	-
	<u>67,604</u>	<u>106,242</u>

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Exploration expenditure of \$2,341,000 (2022: \$2,274,000) was expensed as incurred through the profit or loss for the period in accordance with the group's accounting policy.

Plant and Equipment

As the Lake Johnston and Black Swan nickel operations remain on care and maintenance, certain plant and equipment items associated with these projects that are not installed and ready for use are currently not being depreciated. As at 31 December 2023, the total carrying amount of these assets was \$22,983,000 (30 June 2023: \$22,983,000). This plant and equipment was allocated to the cash generating units tested for impairment – refer to below.

Impairment

During the period the nickel price suffered a sharp decline with an expected poor short-term outlook. The share price of the Company also declined resulting in its market capitalisation dropping well below the carrying value of the Company's net assets. This triggered an impairment indicator, and the Group conducted an assessment of the recoverable amount of each cash generating unit (CGU), based on its Fair Value less Costs of Disposal (FVLCOD).

The FVLCOD was estimated using a market approach. For each CGU, an estimate of the value per mineral resource was determined based on observable resource multiples of comparable ASX-listed nickel exploration and pre-development companies (a level 2 valuation technique). This technique was applied given current market conditions in the nickel industry and was determined to be the most reliable estimate of fair value for the group's exploration projects.

The valuation of Lake Johnston included a FVLCOD estimate on its lithium prospectivity based on comparable resource transactions during and subsequent to the period, which did not result in an impairment for this CGU.

A total impairment charge of \$42.7 million was recognised during the period on exploration and evaluation assets and no impairment was recognised on plant and equipment. \$30.3 million of impairment expense was recognised on the Black Swan CGU and \$12.4 million was recognised on the Windarra CGU. The key assumptions used in the valuation were as follows:

- Resource multiple of \$133 - \$168 per tonne
- Black Swan mineral resources (measured, inferred and indicated) of 222,190 tonnes
- Windarra mineral resources (measured, inferred and indicated) of 148,500 tonnes

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

3.1 Exploration and evaluation expenditure (continued)

The valuation includes a number of significant assumptions including confidence level of known mineralisation measured in accordance with the JORC code and expectations regarding exploration potential which can change significantly over time and which may have a significant impact on the valuation if there is a change in assumption or new information became available. As a result, any variation in key assumptions used in determining FVLCOD could result in a change of the assessed recoverable amount. If the variation in assumption has a negative impact on FVLCOD, it could, in the absence of other factors indicate a requirement for subsequent impairment of exploration and evaluation assets in future periods. A 10% reduction in the resource multiple applied in the current period would result in an increase in the impairment expense of \$5.6 million.

Poseidon Nickel Limited
Notes to the condensed consolidated interim financial statements

Section 4 – Equity and Funding

4.1 Share Capital

<i>In thousands of shares</i>	Ordinary shares	
	31 Dec 2023	30 Jun 2023
Ordinary shares		
Fully paid	3,713,535	3,404,031
Total share capital on issue	3,713,535	3,404,031
Movements in ordinary shares on issue:		
On issue at beginning of period	3,404,031	3,063,960
<i>Shares issued and expensed during the period:</i>		
Issued for cash ⁽ⁱ⁾	300,000	340,071
Issued for cash from previous share placement ⁽ⁱⁱ⁾	2,857	-
Issued for performance rights	6,647	-
On issue at end of period	3,713,535	3,404,031

- (i) During the reporting period the Company issued 300,000,000 ordinary shares at an average of \$0.02 per share to raise approximately \$6,000,000. The capital raising incurred transaction costs of \$325,000 (excluding GST).

During the prior reporting period the Company issued 340,071,358 ordinary shares at an average of \$0.035 per share to raise approximately \$11,903,000. The capital raising incurred transaction costs of \$401,000 (excluding GST).

- (ii) At the November 2023 AGM the shareholders approved the issue of 2,857,144 ordinary shares to the Directors of the Company to raise \$100,000 as part of the share placement undertaken in December 2022. These shares were issued at an average price of \$0.035 per share.

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

Section 5 – Other Disclosures

5.1 Share-based payments arrangements

The share-based payment expense included within the Income Statement can be broken down as follows:

<i>In thousands of AUD</i>	31 Dec 2023	31 Dec 2022
Performance rights expense	63	175
Options expense	-	46
Total expenses recognised as employee costs	63	221

Share Options

No options were granted to directors or executives during the reporting period.

During the reporting period 1,000,000 options with an exercise price of \$0.13 lapsed.

Share options outstanding at the end of the period have the following expiry dates and expiry prices:

Issue date	Vesting and exercise date	Expiry date	Exercise price \$	Value per option at issue date \$	Number of shares
3 Mar 2020	3 Mar 2023	3 Mar 2025	0.04	0.010	3,000,000
3 Mar 2020	3 Mar 2023	3 Mar 2025	0.05	0.009	3,000,000
					6,000,000

Performance Rights

In the current period there were 3,468,208 performance rights offered to one participant with the following vesting conditions:

- Upon two years of continuous employment;
- No significant safety issues during that two year period; and
- Satisfactory individual performance during that two year period.

The outstanding performance rights at the end of the period were:

Tranche	Invitation Date	Fair Value at Invitation Date \$	Estimated number of Performance Rights				
			Opening balance	Granted/ Offered	Satisfied by allotment of shares	Net change other ³	Closing balance
BS Management	12 Dec 23	0.017	-	3,468,208 ⁴	-	-	3,468,208
TSR - 2023	21 Dec 22	0.022	14,866,408	-	-	(1,243,011)	13,623,397 ¹
Resources - 2023	21 Dec 22	0.038	7,433,204	-	-	(621,505)	6,811,699 ¹
BSO - 2023	21 Dec 22	0.038	7,433,204	-	-	(621,505)	6,811,699 ¹
Resources – 2022	15 Dec 21	0.087	4,559,554	-	(2,078,164)	-	2,481,390 ²
Resources – 2022a	28 Feb 22	0.094	1,097,940	-	(1,097,940)	-	-
TSR - 2021	31 Mar 21	0.057	3,193,655	-	(3,193,655)	-	-
Cost savings - 2021	31 Mar 21	0.057	276,989	-	(276,989)	-	-
			38,860,954	3,468,208	(6,646,748)	(2,486,021)	33,196,393

Poseidon Nickel Limited

Notes to the condensed consolidated interim financial statements

5.1 Share-based payments arrangements (continued)

- ¹ These performance rights have not been granted and the amounts listed above are an approximation of the performance rights offered to participants under the Company's Long Term Incentive Plan. The estimated number of performance rights is based on the volume weighted average price (VWAP) of the Company's shares over a 20-day trading period immediately prior to the invitation date. The actual number of performance rights granted is based on the volume weighted average price (VWAP) of the Company's shares over a 20-day trading period up to the final day of the performance period.
- ² The vesting conditions attached to these performance rights have been met, approved by the Board and granted to the participant with a three-year exercise period.
- ³ Relates to performance rights that have been forfeited due to cessation of employment.
- ⁴ This is the actual number of performance rights that have been offered based on the volume weighted average price (VWAP) of the Company's shares over a 20-day trading period up to the invitation date.

Performance conditions associated with the performance rights granted during the prior years were consistent with those disclosed in the 30 June 2023 financial statements.

5.2 Subsequent events

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Poseidon Nickel Limited Directors' declaration

In the opinion of the directors of Poseidon Nickel Limited ("the Company"):

1. the condensed financial statements and notes set out on pages 19 to 30 are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Mr P Harold
Non-Executive Chairman

Perth
13 March 2024



Independent Auditor's Review Report

To the shareholders of Poseidon Nickel Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Poseidon Nickel Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Poseidon Nickel Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2023;
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed consolidated interim statement of cash flows for the half-year ended on that date;
- Notes comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Poseidon Nickel Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1.2 "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 1.2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Ryan Hastie
Partner

Perth

13 March 2024