

QUARTERLY REPORT 31 MARCH 2024

KEY POINTS

- **Proposed sale of Lake Johnston Project**

- During the quarter Poseidon entered into a Binding Heads of Agreement to divest Lake Johnston to Mineral Resources Limited (ASX: MIN, "MRL"), subject to certain conditions precedent and other terms – see full announcement 18 March 2024
- The parties are to use reasonable endeavours to negotiate and finalise a formal sale and purchase agreement by 30 April 2024. The formal agreement is yet to be signed and MRL has since indicated on 30 April 2024 that it does not wish to proceed with the transaction as agreed, and has requested Poseidon to consider a renegotiation – see full announcement 30 April 2024
- Poseidon is considering its legal position and options and will make appropriate announcements to the market in due course. Poseidon remains ready, willing and able to complete the transaction on the terms as agreed in the Binding Heads of Agreement
- The Board remains open to negotiations with MRL continuing, provided that the terms of any renegotiated transaction are closer to and aligned with the present agreed transaction

- **New Exciting Windarra Exploration Targets**

- A geological review for the northern 10km strike of the Windarra basal contact has interpreted six embayed basal contact channel structures, a key setting for nickel sulphide accumulation, with two newly identified priority channel targets interpreted
- These newly identified channel structures named NW04 and NW05, are only sparsely drill tested and prospective to host shallow high grade nickel sulphide mineralisation
- Exploration programs will be undertaken to test the NW04 and NW05 channel structures including additional soils geochemistry and shallow reconnaissance drill lines
- Geological review of the southern half of the Windarra belt will also be undertaken to complete the assessment of the underexplored basal contact

- **Corporate**

- Resizing of the business saw CEO Craig Jones depart and Brendan Shalders transition from CFO to CEO
- Cost cutting initiatives now total annualised cost outs of \$4.8 million
- Company held cash and investments of \$2.9 million at 31 March 2024

Poseidon Nickel (ASX: POS, “the Company”) is pleased to provide a report on its activities and progress achieved for the March quarter 2024.

CEO, Brendan Shalders, commented: *“During the March 2024 quarter, the Company implemented and continued to drive several important initiatives across the business to reset the company’s cost base, ensuring the future use of funds for the business are optimised.*

A Binding Heads of Agreement for the proposed sale of Lake Johnston to Mineral Resources Limited for \$15 million cash consideration was signed during the quarter. The company has received the \$1 million upfront consideration (non-refundable) and had expected to sign the Sale & Purchase Agreement by 30 April 2024, following which Poseidon was to be paid a further \$6.5 million payment, with the remaining \$7.5 million to be paid in 12 months time.

As set out in Poseidon’s announcement on 30 April 2024, MRL has since indicated that it wishes to renegotiate the agreed transaction, and Poseidon is considering its legal position and options in respect of that request. Poseidon remains ready, willing and able to complete the transaction on the terms as agreed in the Binding Heads of Agreement. However, the Board remains open to negotiations with MRL continuing, provided that the terms of any renegotiated transaction are closer to and aligned with the present agreed transaction.

In respect of the Company’s other assets, the focus is on targeted exploration at Windarra and Black Swan, while assessing various business development opportunities.

The process to identify prospective exploration targets at Windarra commenced during the December 2023 quarter with the review of the northern section of our tenements. The first phase geological assessment focussed on modelling the basal contact and characterising the overlying ultramafic rocks, with results announced during February 2024.

The assessment identified new targets along the northern 10km section of the extensive 21km of preserved basal contact strike at Windarra, identifying two new prospective target positions called NW04 and NW05. A review of the southern section of the tenements will commence shortly, after which detailed planning will commence on drill programs to test the most prospective targets.

Ongoing cost reduction initiatives have significantly reduced the recurring cost base of the business as demonstrated by the decrease in operating costs for the period. Combined underlying operating and investing net cash outflows reduced to \$2.0 million for the March 2024 quarter, which is more than half the average outflows for the previous five quarterly periods, with additional savings to come.

In addition to the above, during the quarter I transitioned from the role of CFO to CEO, following Craig Jone’s departure, driving further cost reductions for the business. I would like to thank Craig for his significant contribution to Poseidon.

Having been with the Company for over 4.5 years I have built up an intimate knowledge of all our projects and the Company, and I’m very excited to take on the role of CEO and look forward to driving the business strategy with a goal of building shareholder value.”

LAKE JOHNSTON

During the period the Company entered into a Binding Heads of Agreement (**HoA**) for the proposed sale of the Lake Johnston project to Mineral Resources Limited (**ASX:MIN, “MRL”**). Both parties have been progressing with the drafting of the Sale & Purchase Agreement (**SPA**) concurrently with MRL undertaking legal due diligence. Material terms for the HoA are included in ASX announcement *“Binding Heads of Agreement for the Proposed Sale of Lake Johnston”* dated 18 March 2024.

In accordance with the terms of the binding HOA: following the signing of the HoA, Poseidon received the \$1 million signing consideration (non-refundable); and Poseidon would receive a further \$14 million cash consideration - \$6.5 million on completion of the transaction and \$7.5 million deferred consideration 12 months post completion.

The proposed sale would remove approximately \$1.4 million of annual recurring costs and remove the rehabilitation provision for Lake Johnston from the Company's balance sheet.

The Company and MRL agreed to extend the period for drafting the full form agreement (the **SPA**) from 30 days to 45 days expiring on 30 April 2024. As set out above and in full in the Company's announcement dated 30 April 2024, MRL has indicated to Poseidon that it wishes to renegotiate the agreed transaction, and Poseidon is considering its legal position and options in respect of that request. The Company is not aware of the reasons for MRL's decision. At the time of issuing this quarterly report, Poseidon remains ready, willing and able to complete the transaction on the terms as agreed in the binding HoA. However, the Board remains open to negotiations with MRL continuing, provided that the terms of any renegotiated transaction are closer to and aligned with the present agreed transaction.

WINDARRA

Exploration review

An exploration review for Windarra was undertaken by Mark Muller from MGSC in conjunction with Poseidon's geologists, with results released during the quarter (refer to ASX announcement "*Exciting New Exploration Targets at Windarra*" dated 14 February 2024).

The objective of the review was to undertake a belt scale assessment across the tenements to identify prospective exploration targets and recommend follow up work programs. Stage 1 has been completed and focussed on the basal contact between the Mt Windarra mine and the Cerberus prospect, representing 10km of the total 21km of the belt (refer Figure 1).

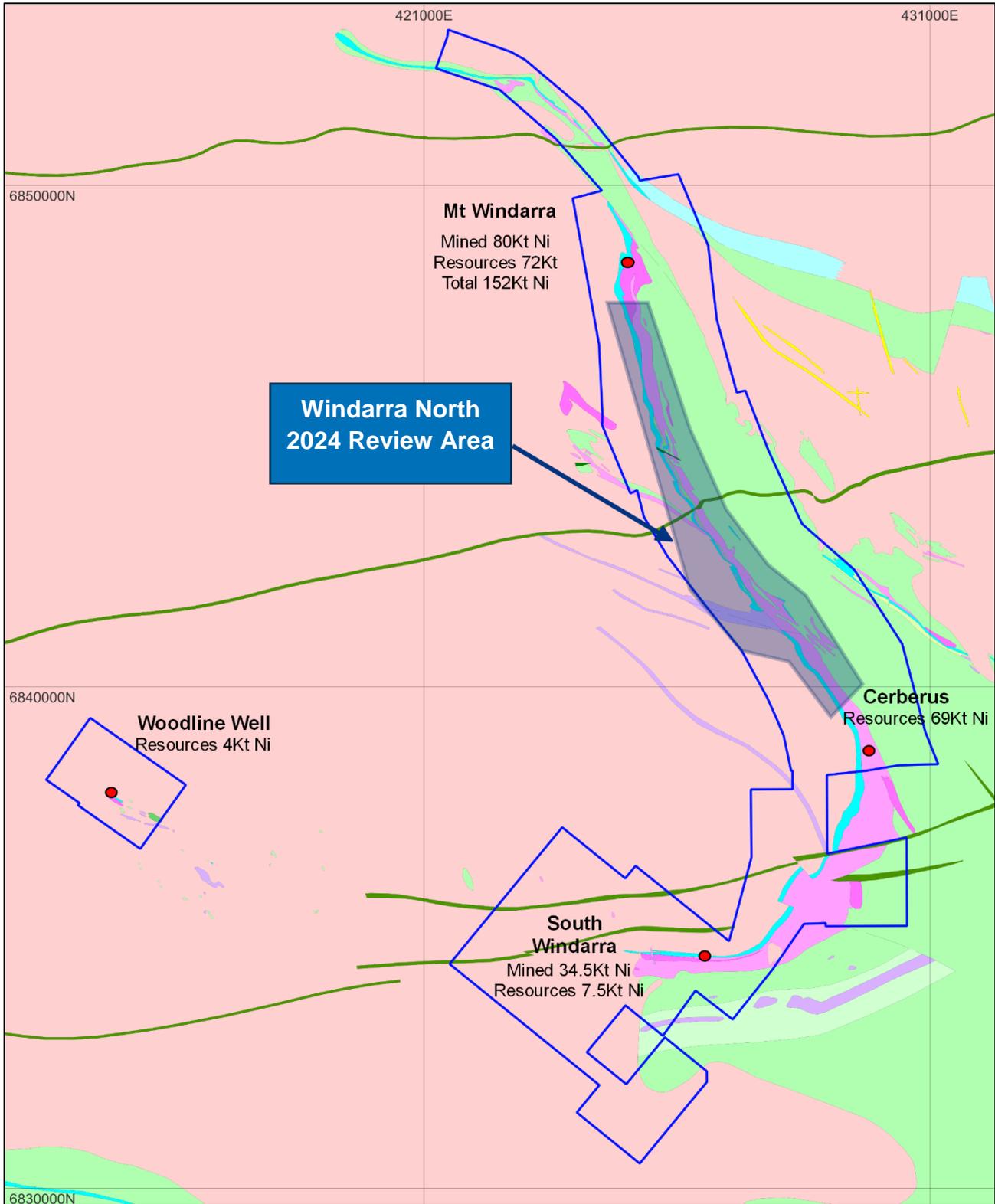


FIGURE 1: LOCATION PLAN OF THE WINDARRA PROJECT SHOWING THE EXISTING MINE PRODUCTION AND CURRENT RESOURCES.

The greenfields assessment incorporated information gained from relogged drillholes, lithochemical verification, geophysical reviews, field checks and resampling programs.

Data validation and verification of existing datasets including relogging of 10.5km of diamond drill core resulted in changes to 673 geological intervals. The corrected logging and other datasets were then used

to create a detailed basal contact model that was generated on 50m sections covering the area between Mt Windarra and Cerberus to a depth of 1.2km.

The key outcome of this re-logging was the identification of numerous thin mafic and intermediate volcanic units, once thought to be part of cyclical ultramafic flows, were in fact late stage mafic and intermediate intrusive dykes. The geological recognition has related the prospectivity of several targets from non-prospective ultramafic flanking units, to prospective thickened high magnesium basal flows that are intruded by late stage dykes. These same intrusive dykes were extensively mapped at both Mt Windarra and South Windarra mines and were identified in a field mapping trip.

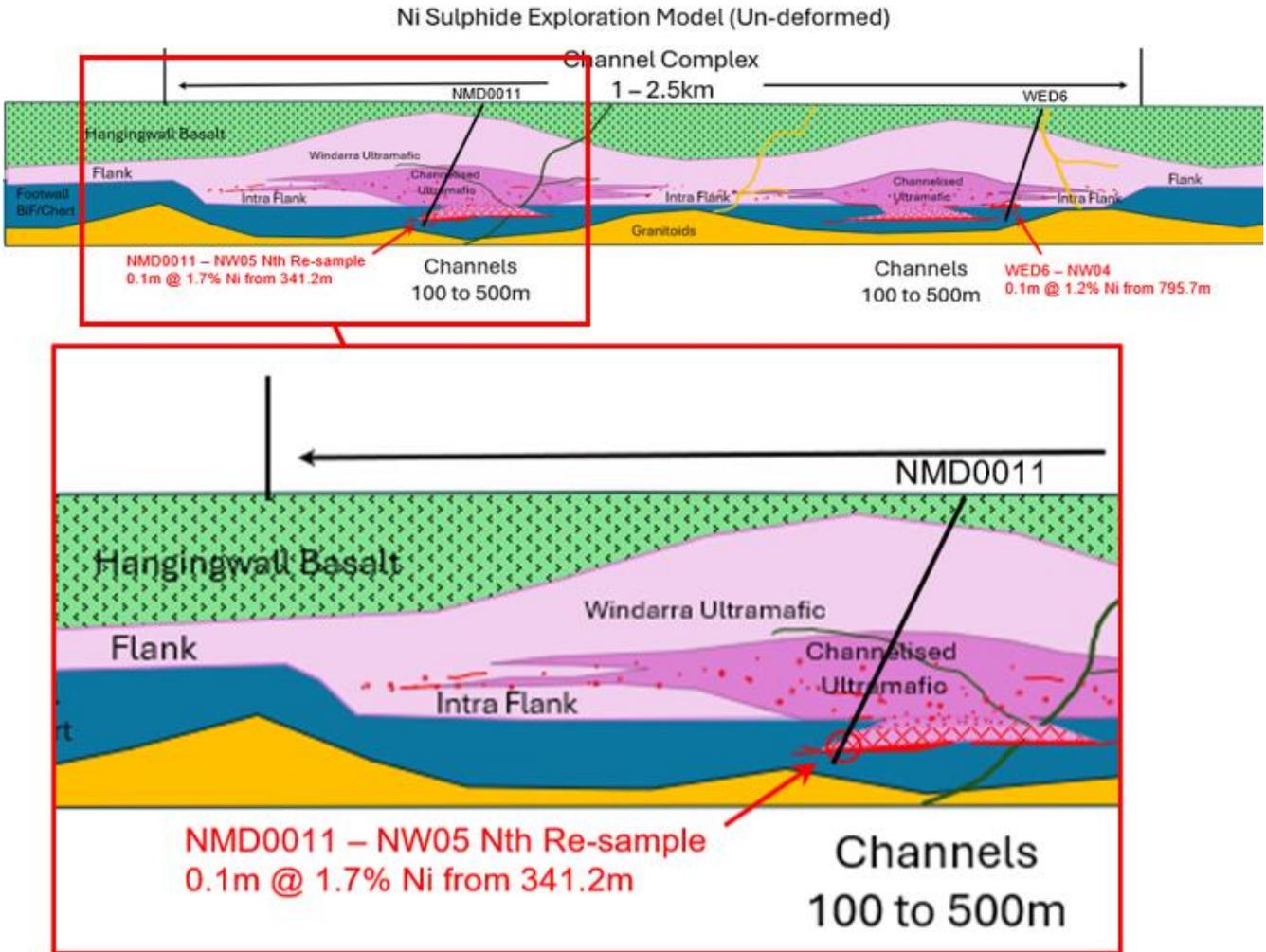


FIGURE 2: SIMPLIFIED KOMATIITE NICKEL TARGETING MODEL SHOWING THE RELATIONSHIP BETWEEN CHANNEL COMPLEX AND INDIVIDUAL CHANNELS. NW05 IS INTERPRETED TO BE A CHANNEL COMPLEX THAT MAY HOST ONE OR MORE CHANNELS. NOTE THE LOCATION OF DRILL INTERCEPT NMD0011 IN THE INTERPRETED FLANKING POSITION OF THE CHANNEL AND RETURNING INTO THE ULTRAMAFIC BENEATH. MINERALISATION OCCURS AT LOWER BASAL CONTACT.

The updated basal model identified six discrete embayed channel structure targets based on drillhole coding and geological interpretations. These channel surfaces were named in order from south (Cerberus) to the north (Mt Windarra) as NW01 to NW06 (refer Figure 3).

Cerberus – Mt Windarra Basal Contact (Oblique View)

Total Strike of Basal Contact – 17km

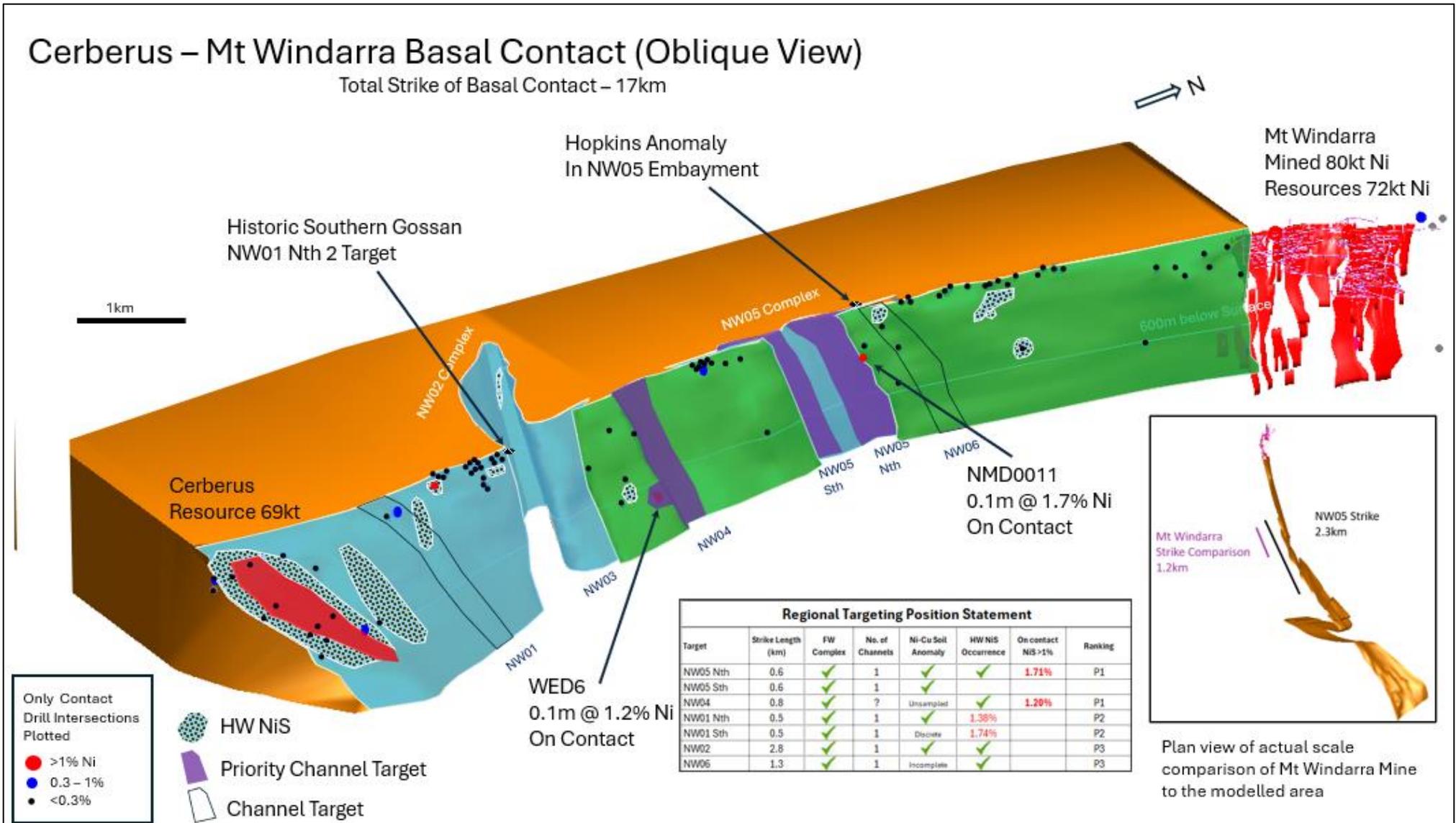


FIGURE 3: OBLIQUE VIEW (LOOKING NNW) SHOWING THE MODELLED BASAL CONTACT AND ONLY ON-CONTACT DRILLHOLE INTERSECTIONS PLOTTED. INSERT IMAGE HIGHLIGHTS SCALE OF PROSPECTIVE CHANNEL COMPARED WITH HISTORICAL STRIKE LENGTH OF MT WINDARRA.

NW05 Channel Structure

The NW05 channel structure is interpreted to be part of a complex which is an approximately 2.3km wide embayed position bounded by basal pinch-outs to the north and south. The setting is indicative of large mineralised systems (refer Figures 2 and 3).

Diamond hole NMD0011 lithochemical validation against historic logging showed:

1. a highly prospective thick high magnesium basal flow unit intruded by a series of thin dolerite dykes; and
2. the basal contact was mineralised with a thin zone of massive sulphide, noted from core photos.

The reported interval in NMD011 returned 1.0m @ 0.47% Ni from 341.2m, showing that the source of the Ni anomalism was likely to be from an estimated 3cm wide massive sulphide vein on the basal contact (refer Figure 4). Re-sampling of the now heavily oxidised material returned 0.1m @ 1.7% Ni from 341.2m as a smaller interval sample was not possible. Despite the narrow intercept, the result confirms the presence of nickel bearing massive sulphide along the critical basal contact within the NW05 channel complex and underscores the vital process that nickel sulphides are accumulating at the base of the fertile channel.

Within the 2.3km long NW05 channel complex, only four holes have successfully intersected and tested the basal contact, three holes, whilst containing no significant Ni occurrences, had returned thick high MgO and positive Ni/Cr ratios that indicate prospective ultramafic host rocks. The remaining hole NMD0011 returned the re-sampled 0.1m @ 1.7% Ni as described above.

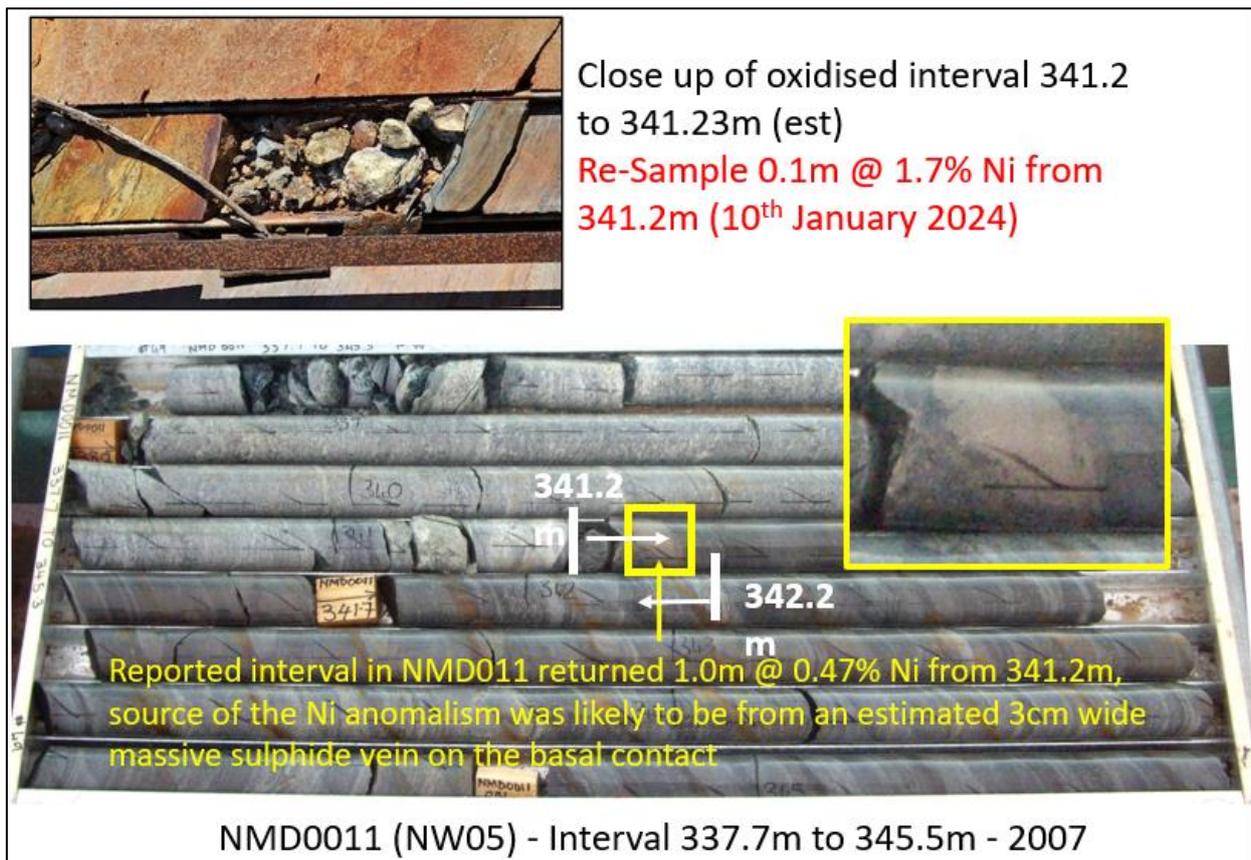


FIGURE 4: HOLE NMD0011 DRILLED IN 2007 ON THE NW05 SURFACE SHOWING MASSIVE SULPHIDE DEVELOPMENT AT THE BASE OF THE CHANNEL. INSERT IS THE SAME MASSIVE SULPHIDE THAT WAS HEAVILY OXIDISED AND RECENTLY SAMPLED.

Promising historic surface geochemistry showing elevated Ni:Cu, including WMC surface shallow reconnaissance air core (AC) and auger drill programs in 1969 – 1972 identifying “potential gossans” at

the surface projections of interpreted channel structure. These holes were only assayed for nickel and copper in the End of Hole (EOH) interval and not the full pathfinder suite used in modern exploration. The NW05 includes the historic “Hopkins Anomaly”. The anomaly is based on EOH assay samples that included:

- EXG3235: 1,400 ppm Ni and 1,000 ppm Cu; and
- EXG3236: 3,350 ppm Ni and 1,200 ppm Cu (refer Figure 5).

These gossan type signatures were at the time interpreted to be in an embayed feature related to a drag fold of the basal contact and thus ranked as low prospectivity. It is now interpreted that the embayed position is part of a larger channel complex, not drag folding.

Further to the review, field validation has confirmed the updated basal architectural interpretation (channel complexes and embayed channels) to within +/- 60m.

The NW05 and NW04 field checks confirmed that the regional soil sampling and shallow AC/Auger drilling completed in 1969-1972 **did not extend over the footwall contact as the target at the time was on magnetic highs not on the footwall contact (refer Figure 5)**. Minor variations to the contact position were observed, but overall channel complex architecture has been confirmed.

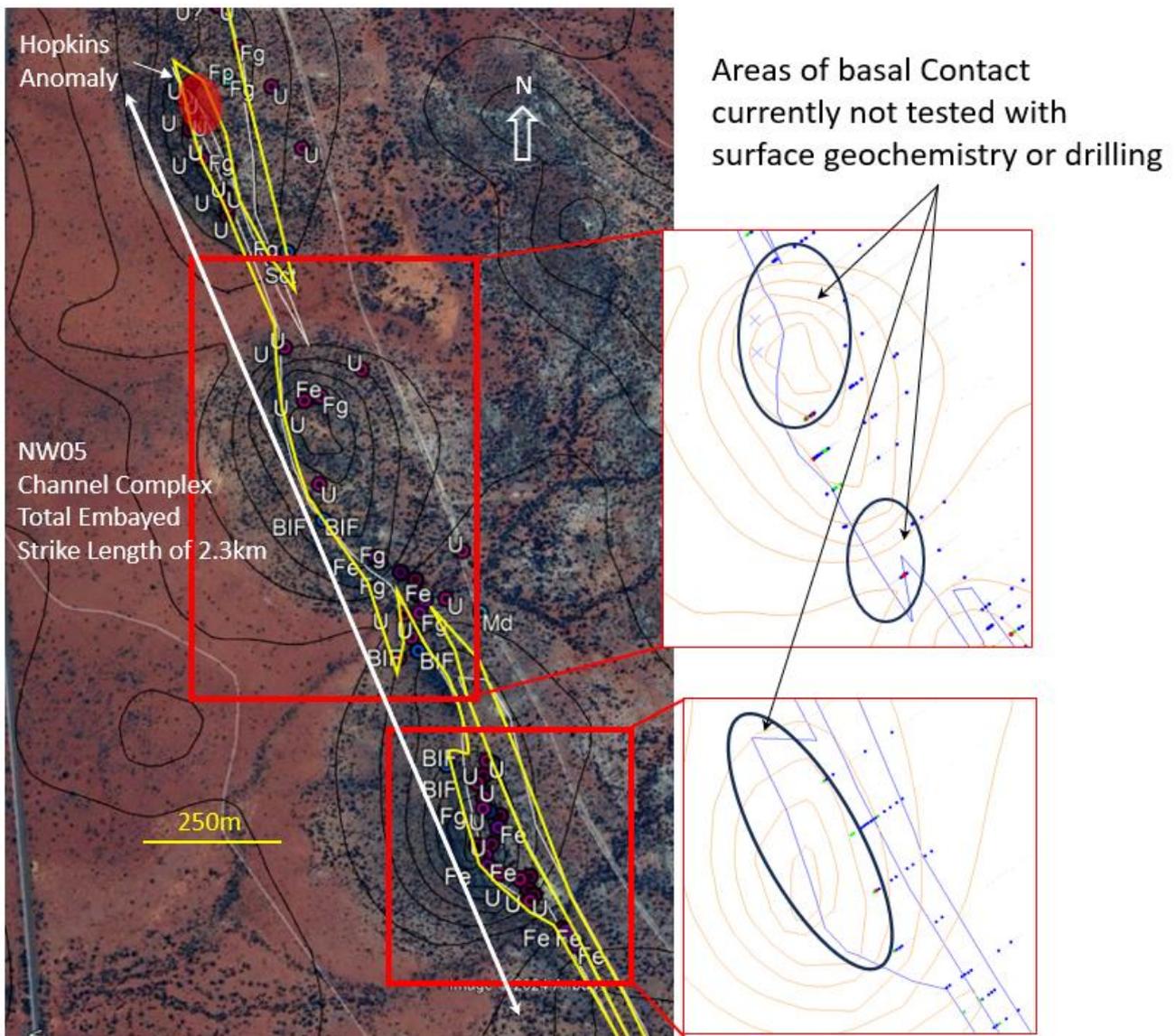


FIGURE 5: VIEW OF THE NW05 EMBAYMENT WITH DETAILED FIELD MAPPING SUMMARY IN YELLOW COMPARED WITH BASAL INTERPRETATION IN WHITE (POINT DATA REPRESENT GPS POINTS OF CONTACT OR SUB-CROPPING PICK-UPS).

Next Steps

The North Windarra area from Cerberus to Mt Windarra Mine review is complete and initial early-stage exploration activities (geological mapping, soil sampling and shallow AC/RC drilling) will be planned and implemented.

In parallel with the North Windarra preliminary exploration activities, the remaining Windarra project area from Cerberus to South Windarra mine (approx. 7.0km) and north from Mt Windarra to the northern end of the Windarra belt (approx. 3.5km) will be reviewed. Both areas will be subject to the same exploration review carried out by MGSC (data validation and verification, basal footwall modelling and target generation). Any opportunities identified will be ranked and added to the current Windarra targeting matrix.

Lancefield Gold Tailings Trial and Windarra Water Access Agreement

During the December 2023 quarter 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 Laverton processing facility and to have access to 2.5GL per annum of water from the South Windarra pit.

A summary of the key terms of the term sheet are included in ASX announcement “*Lancefield Gold Tailings Trial and Windarra Water Access Agreement*”, dated 21 December 2023.

Per the agreement, the initial \$500,000 cash consideration payment was conditional upon the following:

1. obtain the approval of the Minister for the extraction of water; and
2. obtain the written consent of Svenson Nominees Pty Ltd to conduct the Lancefield tailings processing trial

Immediately subsequent to the end of the March 2024 quarter, the Company received the necessary approvals for extraction of water as per the agreement. The Company is in discussions with Svenson Nominees Pty Ltd regarding consent for the Lancefield tailings processing trial.

Gold Tailings Project

Following inbound interest received for the Windarra Gold Tailings Project during late 2023, the Company progressed discussions with a number of parties to consider potential arrangements to fund, develop and operate the project. This process has shortlisted a party with which the Company continues to hold discussions and assist the party with completing due diligence on the project.

The agreement with Mt Morgans does not impact Poseidon’s rights to the remainder of the Lancefield gold tailings or the Windarra gold and nickel tailings.

BLACK SWAN

Black Swan Restart Project

The Black Swan restart project is on hold pending an improvement in the nickel price outlook. The Company provides the following updates on workstreams that were being progressed:

- Grid power supply – Western Power has provided a scoping study level report on the engineering requirements to supply grid power to Black Swan. The Western Power studies were prepaid, ceasing these works has resulted in a \$83,000 refund which was yet to be received at period end. The Company and Western Power can recommence these studies at a future date.
- Accommodation – the Company entered into an option agreement for the provision of accommodation rooms in Kalgoorlie with an established provider during October 2023. 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 through to the end of October 2024. The Company will consider the merits of extending this option closer to this time.

- Offtake and debt funding – discussions with the shortlisted parties are on hold, however the Company can re-engage with prospective offtake and debt funding providers at a future date.
- Metallurgical recovery assumptions – detailed confirmatory testwork has confirmed that the Non-Sulphide Nickel content and recoveries are in line with the November 2022 Bankable Feasibility study as outlined further below. The remaining testwork program for the Black Swan has been put on hold pending more buoyant markets.

The business strategy moving forward of focusing on targeted exploration and business development will include seeking opportunities which may increase the potential ore feed to Black Swan with a view to lowering unit costs and improving project economics. By diverting funds away from project restart workstreams to exploration and assessing business development opportunities the Company may improve the pathway to production and increase the likelihood of restarting Black Swan in the future.

Metallurgical Testwork

As reported in the December 2023 quarterly report, detailed confirmatory metallurgical testwork confirmed the reported underlying Non-sulphide Nickel (NSNi) content is in line with metallurgical samples utilised in the November 2022 Bankable Feasibility Study (BFS).

Beyond confirmation of NSNi content, the testwork program progressed to confirmatory tests on the nickel recovery and product specifications for all three mineralised zones, compared to the BFS. The testwork confirmed variability in nickel recoveries across the three mineralised zones as expected, and the average nickel recovery curve across the life of mine sits reasonably well against the master composite used for the BFS.

The metallurgical testwork program for the smelter grade concentrate project was ceased during the quarter in line with our decision to cease restart works due to the prevailing nickel price environment. Further testwork may be completed in the future when the Company starts to consider a restart of Black Swan to validate nickel recoveries for blended composites (including addition of underground ores and Silver Swan tailings) and the concentrate product specifications for varying stages of the Black Swan mine plans (which include mining varying proportions of the three mineralised zones).

2.2Mtpa Expansion Project Study

Following receipt of all required input assumptions to the Pre-Feasibility Study (PFS), with the exception of nickel payability assumptions for the rougher concentrate, the Company is close to finalising the PFS for internal purposes. As previously announced, the Company will not be releasing the study results until potential customers are in a position to provide nickel payability inputs. The Company will use the PFS to assess other opportunities to improve the expansion project, such as processing other ore feeds, if available.

Similarly to the Black Swan project restart, workstreams for the 2.2Mtpa expansion project are on hold pending an improvement in the nickel market outlook.

OPERATIONS

Operating Update

There were no significant safety issues or incidents reported across the operations.

Black Swan

Black Swan remained on care and maintenance during the quarter.

Lake Johnston

Lake Johnston remained on care and maintenance during the quarter.

During the quarter the Company provided accommodation services to several parties undertaking exploration activities in the Lake Johnston area.

Following an environmental compliance inspection by DMIRS during the June 2023 quarter, a number of items were identified that required action. 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 December 2023 quarter safely and under budget.

During the March 2024 quarter DMIRS inspected the works undertaken by the Company and are satisfied with the dust control procedures put in place including ongoing monitoring.

Windarra

Windarra remained on care and maintenance during the quarter.

CORPORATE

Leadership Transition

During the quarter Craig Jones left the business to seek other COO opportunities with Brendan Shalders transitioning from CFO to CEO. Brendan has been with Poseidon since September 2019 and has in depth knowledge of the business and the Company's projects.

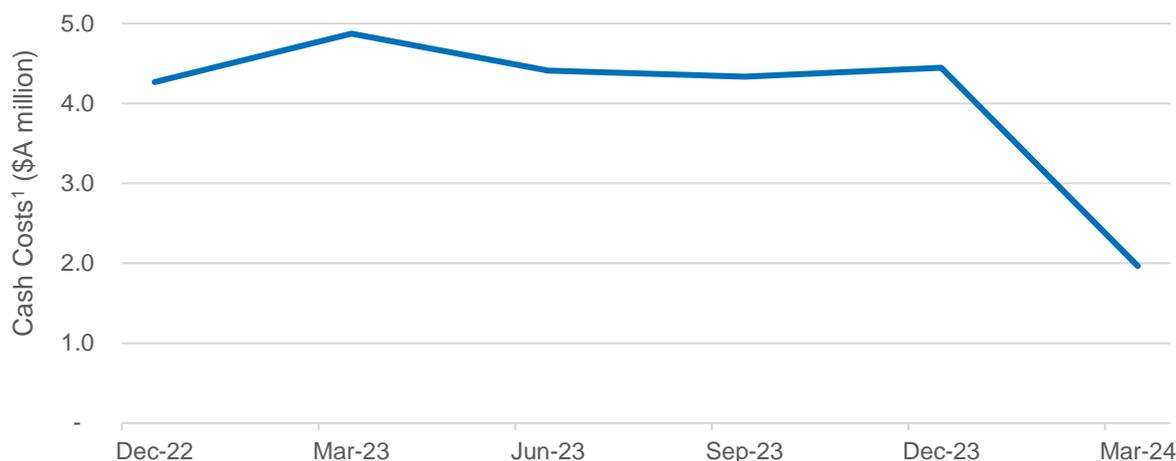
Following the leadership change, the strategy going forward remains as reported in September 2023 (refer ASX release "*Leadership and Operations Transition*" dated 22 September 2023) with a focus on targeted exploration and business development opportunities. The Company continues to utilise highly experienced geological consultants to assist with exploration programs at Windarra and Black Swan.

Financial

As at 31 March 2024, the Company held cash and current investments totalling \$2.9 million.

Over the quarter, Poseidon's net cash outflow from operating and investing activities totalled \$0.1 million.

The underlying operating and investing cash outflows for the March 2024 quarter totalled \$2.0 million, this compares to an average \$4.5 million over the past five quarter periods (see Figure 6 below).



¹ Cash costs include operating and investing cash outflows, net of interest income

FIGURE 6: AVERAGE CASH COSTS BY QUARTER PERIOD (DECEMBER 2022 QUARTER TO MARCH 2024 QUARTER).

During 2023 cash costs reflected the business ramping up capabilities and investing in the potential restart of Black Swan. Following the deferral in restarting the project during the September 2023 quarter, the Company implemented cost reduction initiatives which are reflected in the reduction in the March 2024 quarter cash costs. Further cost reductions were made during the March 2024 quarter and the Company continues to seek additional opportunities to reduce its cost base.

Offsetting cash costs for the period the Company received the following payments:

- \$1.1 million (incl. GST) signing consideration from MRL for proposed sale of Lake Johnston;
- \$0.5 million R&D refund;
- \$0.2 million accommodation services revenue received; and
- \$0.2 million sundry income.

There were no production or development activities conducted over the period and so no production or development expenditures were incurred.

Related party expenses over the quarter totalled \$38,804, all of which were fees paid to Directors.

This Quarterly Activities Report was authorised for lodgement by the Board of Poseidon Nickel Limited.



Brendan Shalders
 CEO

30 April 2024

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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 over 420,000 tonnes of nickel and 180,000 ounces of gold¹.

Poseidon's strategy is focused on the exploration and eventual restart of its established nickel operation in Western Australia with the aim of being a profitable and sustainable nickel producer. A critical element of this strategy has been owning 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 Black Swan, Windarra Nickel and Lake Johnston Projects (Lake Johnston in the process of being divested). In addition to the mines and infrastructure including the concentrator at Black Swan, these projects have significant exploration opportunities demonstrated by the discovery of the Golden Swan Resource at Black Swan, and more recently the NW05 and NW04 targets at Windarra.

The Company completed a Bankable Feasibility Study on Black Swan in November 2022 which is planned to be the first project to restart, subject to appropriate project financing structures being achieved, the outlook for the nickel price improving and all necessary approvals being obtained.

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. In December 2023 Mt Morgans entered into a trial processing agreement with Poseidon on the Lancefield gold tailings and accessing the water in the South Windarra pit.

¹ Refer to the Company website, www.poseidon-nickel.com.au, for Resource and Reserves tables

COMPETENT PERSON STATEMENTS:

The information contained within this announcement is extracted from the reports titled:

- "Exciting New Exploration Targets at Windarra" dated 14 February 2024
- "Updated Resource provides more Nickel at Black Swan" released 7 June 2023
- "Positive Black Swan Feasibility Study" released 21 November 2022
- "Black Swan Restart Update" released 12 July 2022
- "More Nickel in Updated Black Swan Mineral Resource" released 4 July 2022
- "Non-Executive Director Warren Hallam Appointment" released 1 June 2022
- "Silver Swan Resource Update" released 27 April 2022
- "Golden Swan Maiden Resource" released 27 October 2021
- "Silver Swan Tailings – Maiden Resource Estimate" released 15 September 2021
- "Windarra Gold Tailings DFS Highlights Robust Project" 23 July 2021
- "Gold Tailings Resource at Windarra updated to JORC 2012 Indicated" 22 Jun 2020.

which are available to view on www.poseidon-nickel.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and, in the case of Minerals Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement."

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

FORWARD LOOKING STATEMENTS:

This release contains certain forward looking statements including nickel production targets matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (Forward Statements). Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as "may", "will", "except", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward-looking statements. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, their related bodies corporate and their respective officers, directors, employees, or advisers represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this release. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. Recipients should form their own views as to these matters and any assumptions on which any of the Forward Statements are based and not place reliance on such statements.

APPENDIX 1 - Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY															
			MEASURED			INDICATED			INFERRED			TOTAL						
			Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
BLACK SWAN PROJECT																		
Black Swan	2012	0.4%	800	0.78	7,000	15,100	0.73	111,000	10,400	0.69	71,000	26,300	0.72	189,000	0.02	4,000	0.03	7,900
Silver Swan	2012	1.0%	-	-	-	138	9.00	12,450	8	6.00	490	146	8.80	12,940	0.16	240	0.36	530
Golden Swan	2012	1.0%	-	-	-	112	4.70	5,200	48	2.20	1,050	160	3.90	6,250	0.08	120	0.30	480
Silver Swan Tailings	2012	NA	675	0.92	6,200	-	-	-	-	-	-	675	0.92	6,200	0.07	460	0.04	270
Stockpiles	2012	0.4%	-	-	-	1,200	0.49	5,900	400	0.53	1,900	1,600	0.50	7,800	NA	NA	NA	NA
LAKE JOHNSTON PROJECT																		
Maggie Hays	2012	0.8%	-	-	-	2,600	1.60	41,900	900	1.17	10,100	3,500	1.49	52,000	0.05	1,800	0.10	3,400
WINDARRA PROJECT																		
Mt Windarra	2012	0.9%	-	-	-	922	1.56	14,000	3,436	1.66	57,500	4,358	1.64	71,500	0.03	1,200	0.13	5,700
South Windarra	2004	0.8%	-	-	-	772	0.98	8,000	-	-	-	772	0.98	8,000	NA	-	NA	-
Cerberus	2004	0.75%	-	-	-	2,773	1.25	35,000	1,778	1.91	34,000	4,551	1.51	69,000	NA	-	NA	-
TOTAL																		
Total Ni, Co, Cu Resources	2004 & 2012		1,475	0.84	13,200	23,600	0.98	233,500	17,000	1.03	176,000	42,100	1.00	422,700	0.02	7,800	0.05	18,300

Note: totals may not sum exactly due to rounding. NA = Information Not Available from reported resource model.

- **Black Swan Resource** as at 7 June 2023 (see ASX announcement "Updated Resource provides more Nickel at Black Swan" released 7 June 2023)
- **Silver Swan Resource** as at 27 April 2022 (see ASX announcement "Updated Silver Swan Resource underpins significant increase in high-grade Indicated resource base" released 27 April 2022)
- **Golden Swan Resource** as at 27 October 2021 (see ASX announcement "Golden Swan Maiden Resource" released 27 October 2021).
- **Silver Swan Tailings Resource** as at 15 September 2021 (see ASX announcement "Silver Swan Tailings – Maiden Resource Estimate" released 15 September 2021)
- **Stockpile Resource** as at 22 July 2014 (see ASX announcement "Poseidon Announces Black Swan Mineral Resource" released 4 August 2014)
- **Maggie Hays Resource** as at 17 March 2015 (see ASC announcement "50% Increase in Indicated Resources at Lake Johnston" released 17 March 2015)
- **Mt Windarra Resource** as at 7 November 2014 (see ASX announcement "Poseidon Announces Revised Mt Windarra Resource" released 7 November 2014)
- **South Windarra and Cerberus Resource** as at 30 April 2013 (see ASX announcement "Resource Increase of 25% at Windarra Nickel Project" released 1 December 2011)

Appendix 2 – Nickel Reserves Statement

Nickel Sulphide Reserves	JORC Compliance	BLACK SWAN PROJECT							
		Proved/Probable	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co % Grade	Co Metal (t)	Cu % Grade	Cu Metal (t)
Black Swan	2012	Proved	579	0.7	4.2	NA	NA	NA	NA
		Probable	2,608	0.7	17.7	NA	NA	NA	NA
Silver Swan	2012	Proved	-	-	-	NA	NA	NA	NA
		Probable	179	5.0	9.0	NA	NA	NA	NA
Golden Swan	2012	Proved	-	-	-	NA	NA	NA	NA
		Probable	100	4.0	4.0	NA	NA	NA	NA
Total Ni Reserves	2012	Proved	579	0.7	4.2	NA	NA	NA	NA
		Probable	2,887	1.1	30.7	NA	NA	NA	NA
		Total	3,466	1.0	34.9	NA	NA	NA	NA

Note: totals may not sum exactly due to rounding. NA = Information Not Available from reported resource model.

- Black Swan Reserve, Silver Swan Reserve and Golden Swan Reserve as at 21 November 2022 (see ASX announcement “Positive Black Swan Feasibility Study” released 21 November 2022)

The Company is not aware of any new information or data that materially affects the information in the relevant market announcements. All material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

APPENDIX 3 – Gold Projects Ore Resource Statement

Windarra Gold Tailings Project North and South Dams Mineral Resource – JORC 2012 Tabulation

INDICATED							
	Tonnes (t)	AU (g/t)	Au (oz)	Ag (g/t)	As (ppm)	CU (ppm)	Ni (ppm)
North Dam	3,902,000	0.78	98,000	1.9	1,805	365	975
South Dam	850,000	0.50	14,000	0.6	645	355	2,533
Total	4,752,000	0.73	112,000	1.7	1,600	363	1,250

Windarra Gold Tailings Project Central Dam Mineral Resource – JORC 2012 Tabulation

INDICATED							
	Tonnes (t)	AU (g/t)	Au (oz)	As (ppm)	CU (ppm)	Ni (%)	
Central	6,198,000	0.37	74,000	435.0	270	0.3	

Lancefield Gold Tailings Mineral Resource – JORC 2012 Tabulation

INDICATED AND INFERRED							
	Tonnes (t)	AU (g/t)	Au (oz)	Ag (g/t)	As (ppm)	Cu (ppm)	Ni (ppm)
Indicated	1,210,084	1.27	49,278	3.61	2,789	314	70
Inferred	337,964	1.20	13,063	3.48	2,951	269	57
Total	1,548,048	1.23	62,341	3.58	2,824	304	67

Windarra Gold Tailings North and South Dams Resource: no cut-off grade has been used to report the resource, as potential mining method dictates removal of the entire dams. a dry bulk in situ density of 1.6 t/m³ has been used to derive tonnages. resource numbers in the above table may not sum exactly due to rounding.

Windarra Gold Tailings central Dam Resource: No cut-off grade has been used to report the resource, as the potential mining method dictates removal of the entire dam down to a specified elevation. The mineralisation has been reported above a flat elevation of 446 mRL; there are tailings below this level but these have been shown by drilling to contain no gold, and it is anticipated that the proposed mining method will not treat material below this elevation. A dry bulk in situ density of 1.6 t/m³ has been used to derive tonnages. Resource totals may not sum exactly due to rounding.

Windarra Gold Tailings Resource as at 22 June 2020 (see ASX announcement "Gold Tailings Resource at Windarra updated to JORC 2012 Indicated" 22 Jun 2020).

Lancefield Gold Tailings Resources as at 23 July 2021 (see ASX Announcement "Windarra Gold Tailings DFS Highlights Robust Project" 23 July 2021).

TENEMENTS HELD

Tenements Held as at 31 March 2024

AREAS OF INTEREST	TENEMENTS	ECONOMIC ENTITY'S INTEREST
Western Australia		
Windarra Nickel Assets	M2615A, G38/21, L38/121, L39/184, L38/199, L38/218, L39/221	100%
Windarra South	L38/119, L38/122, L38/220	100%
Woodline Well	M39/1075, L39/224	100%
Pool Well	M38/1244, M38/1245, L38/118	100%
Lake Johnston Nickel Assets	G63/8, G63/5, L63/51, L63/52, L63/55, L63/57, M63/163, M63/282, M63/283, M63/284, M63/292, M63/293, M63/294, M63/522, M63/523, M63/524, E63/1784 (80% interest), E63/2244 (farm-in), E63/2256 (farm-in)	100% (except for E63/1784, E63/2244, E63/2256)
Black Swan Nickel Assets	M27/39, M27/200, M27/214, M27/216, L27/57, L27/58, L27/59, L27/74, L27/75, L27/77, L27/78, L24/219, L24/222, L27/95, L27/96, G27/2	100%

E = Exploration Licence M = Mining Lease MSA = Mining Tenement State Act PL = Prospecting Licence L = Miscellaneous Licence

Mining Tenements Acquired or Disposed during the March 2024 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the March 2024 Quarter

Farm-out Agreement

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the March 2024

Nil

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Poseidon Nickel Limited

ABN

60 060 525 206

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	818	1,127
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(641)	(3,484)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(518)	(2,355)
	(e) administration and corporate costs	(218)	(1,285)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	68	270
1.5	Interest and other costs of finance paid	(137)	(248)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – sundry income	-	-
1.9	Net cash from / (used in) operating activities	(628)	(5,975)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(80)
	(d) exploration & evaluation (if capitalised)	(518)	(3,863)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	2	302
	(d) investments	-	-
	(e) other non-current assets (Non-refundable deposit received on the sale of the Lake Johnston asset)	1,000	1,000
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	484	(2,641)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,098
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(324)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	5,774
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,003	5,701
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(628)	(5,975)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	484	(2,641)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,774
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,859	2,859

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,859	3,003
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,859	3,003

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

39

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(628)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(518)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,146)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,859
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,859
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.5

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: During the past three quarter periods the Company has implemented cost saving initiatives delivering over \$4.8 million of annualised savings. The Company has reduced operating costs to ensure net operating cash flows reflect a reduced level of spending going forward.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is running a number of concurrent processes on various assets to raise funds. If these initiatives are not successful the Company may consider seeking new equity via a capital raising. If the Company decides to raise funds or proceed with an asset sale, it believes it would be successful in raising sufficient funds to continue with the planned level of operations.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to continue its operations and meet business objectives in the future with funding from existing cash reserves and a potential capital raise and/or asset sale if required, at the appropriate time.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: The Board of Poseidon Nickel Ltd.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.