

## Corporate Directory

ASX Code: POS  
 Shares on Issue: 2,638M  
 Market Cap: ≈\$130M  
 Cash and equivalents at 30 June 2019  
 \$60.1M

## Board of Directors

**Non-Executive Chairman**  
 Geoffrey Brayshaw

**Non-Executive Directors**  
 Felicity Gooding  
 Karl Paganin

**Interim CEO**  
 David Riekie

**Company Secretary**  
 Eryn Kestel

## Key Shareholders

Black Mountain Metals: 19.8%  
 Squadron Resources: 17.1%

## Key Operating Nickel Assets (100%)

Black Swan/Silver Swan  
 Lake Johnston  
 Windarra

## Principal & Registered Office

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## MARKET UPDATE

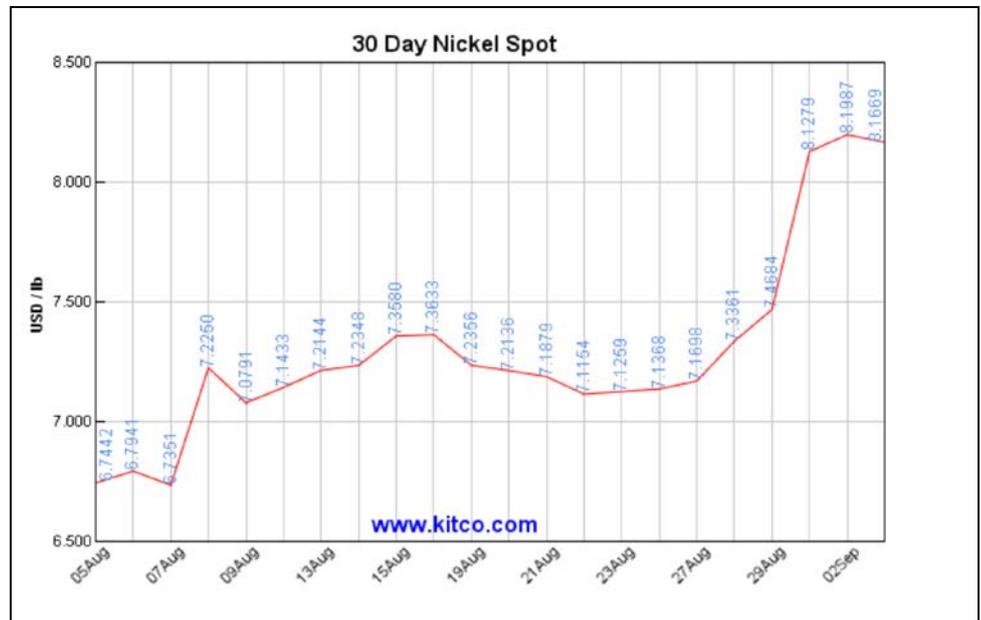
6 SEPTEMBER 2019

Poseidon Nickel Limited (ASX: POS or "Poseidon") is pleased to provide the following update on its recent and ongoing activities, relating to the restart of the company's Black Swan nickel operations.

### Nickel Market Dynamics

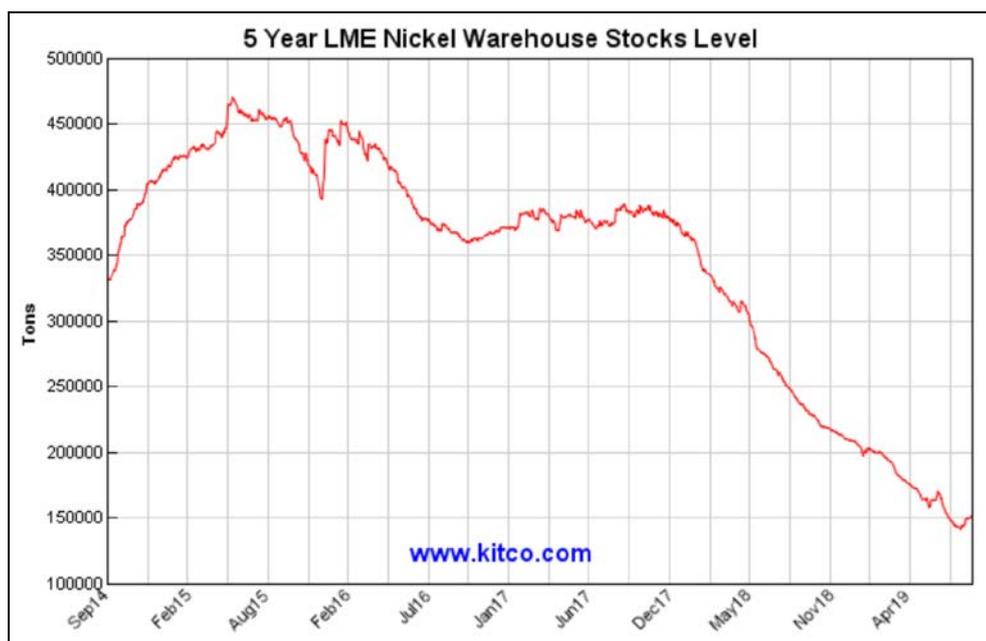
The nickel market has been the feature of a stronger and improving spot nickel price over the recent months.

The recent 30-day nickel price has remained above US\$6.50/lb and featured intraday highs of US\$8.40/lb on 2 September 2019.



These improved market dynamics provides the basis for a foundation for a sustained price level to support a restart of the Black Swan operations and previously foreshadowed.

The Board has also been closely monitoring LME nickel warehouse levels and longer-term trends.



### Preliminary and rehabilitation works

The Board has now considered and approved an accelerated program of works that comprises:

- rehabilitation of mine escape ladderways at Silver Swan mine (6-month program elapsed time)
- rehabilitation of all accessways and structures Black Swan plant (2-month program elapsed time)
- dewatering of the Black Swan open pit (4 to 6-month program elapsed time)

The estimated contracted cost for these works totals \$2.9m; they are considered time critical and necessary precursors to ensure the bulk of mine and plant rehabilitation work can proceed at an accelerated rate but in an orderly and safe environment. The dewatering of the pit is a necessary step to enable access from surface to the Black Swan ore body.

These works are estimated to be completed over the coming months to provide the basis for a rapid restart. The key capital expenditures and rehabilitation required at the processing plant, will run concurrent with metallurgical testing (based on the expected run of mine ores) and optimal processing improvements that are continuing.

### Restart Contracts and next steps

The rehabilitation, accessways and safety works programs, will allow site access inspections, necessary for the finalisation of the award and commencement of any major plant refurbishment contracts.

Interim CEO, Mr David Riekie said, “we are now entering an important and critical time for Poseidon aided with tailwinds from improving, sustained increased nickel prices.

Poseidon has over the past month been de-risking and improving the bases for a positive restart decision.

This has included the recent rounds of drilling at Silver Swan, released on ASX on 5 August 2019, which has enabled a significant upgrade in the inferred and indicated resource.

Combined with the earlier drilling at Black Swan and the current underground RC drilling, Poseidon is seeking to build on the projects underlying fundamentals.

Lower operating cost structure and ongoing cost savings together with optimisation processes have been our recent focus. These priorities have been designed to ensure that the largest portion of any benefit achieved with increasing nickel prices, translates to an improved overall stakeholder return.”

**David Riekie**  
Interim CEO

**For further information David Riekie (interim CEO) : + 61 (0)8 6167 6600**

### ***About Poseidon Nickel Limited***

*Poseidon Nickel Limited (ASX: POS, “Poseidon”), is an Australia focussed nickel company that owns three previously operating Nickel Sulphide mines: Windarra, Black Swan/Silver Swan and Lake Johnston. These 100% owned assets collectively had an operating capacity of 3.6mtpa (Lake Johnston 1.5mtpa; Black Swan 2.1mta). The processing facilities at Lake Johnston and Black Swan have been maintained through company managed, care and maintenance programs.*

*On 18 July 2018, POS released to ASX a definitive feasibility study regarding the restart of operations and potential outcomes for Black Swan/Silver Swan, located 50 kms from Kalgoorlie. Poseidon is currently undertaking a number of de-risking initiatives including additional underground diamond drilling at Black Swan.*

*Poseidon has continued to explore at Lake Johnston, with recent diamond drilling at the Abi Rose prospect. These exploration results were released to ASX on 22 October 2018 and 21 November 2018.*

*Windarra has a number of near mine exploration projects including the extension of the original Windarra deposit, Cerberus, South Windarra and Woodline Well.*