

POSEIDON NICKEL

Primed for the Nickel Revival

David Riekie, Interim CEO

Paydirt Nickel Conference, Perth 15 October 2019



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Corporate profile



ASX listed, nickel focussed company represented in all three major nickel provinces in Western Australia



Owner of three previously operated mines: Black Swan, Lake Johnston and Windarra. Combined Resource portfolio 395,530 contained Ni* tonnes**, 180,000 oz Au (Windarra tailings)***



Near term value driver in restart of Black Swan nickel mining operations.

Currently undergoing pre-restart safety activities. Intended processing capability 1.1mtpa over 3-4 years; Expected restart 6-9 months from Final Investment Decision (“FID”)



Lake Johnston 1.5mtpa processing capability; underground JORC resource of 52Ni kt** and exploration potential

Capital Structure/Enterprise Value

ASX Code	POS
Shares on Issue	2.64bn
Share Price	~\$0.053
Market Cap	~\$140M
Cash (30 June 19)	~\$60.1M
Debt (convertible note)	\$US\$17.5 (~AU\$25M)

Significant Shareholders

Black Mountain Metals Ltd	~20%
Squadron Resources Ltd	~17%

Key Executive Appointments

David Riekie, Interim CEO

Brendan Shalders, CFO & Company Secretary

* Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

***Reference Mineral Resources Statement Table 2 attached

Near term value through Black Swan Restart



- Poseidon is working towards taking Final Investment Decision (“FID”) on a restart of nickel mining operations at Black Swan
- Range of activities underway to support FID in coming months, including updates to the July 2018 PFS
- **Company expects to be in a position to be able to consider restart FID final quarter of calendar 2019**
- FID will be contingent on other prevailing factors, including nickel price
- First nickel concentrate is produced 6 to 9 months after FID
- AU\$2.9M of time critical precursor works already underway to enter production already started pre FID
 - Mine escape ladderways rehab (6 months to complete)
 - Plant accessway rehab (2 months)
 - Pit dewatering (4-6 months)

Key Restart Metrics

- Circa 7,500t nickel p.a.
- 3 year mine life
- 1.1Mtpa processing capacity
- AISC – US\$5.10* per pound (current spot Ni price ~US\$8.00)
- Capital cost circa AU\$30m
- Working capital circa AU\$25m
- **PFS numbers currently being updated**

* All figures ASX Announcement 18 July 2018

Nickel treasury: 395kt contained nickel*

Black Swan Operations**

- Silver Swan underground Ni mine 16.0kt Ni Tonnes* (Grade - 9.5%)**
- Black Swan Ni open pit & stockpiles 179kt Ni Tonnes* (Grade - 0.7%)**
- 2.2mtpa process plant capacity (intended restart 1.1mtpa operation)
- Exploration upside potential

Lake Johnston Operations**

- Maggie Hays Ni Mine 52kt Ni Tonnes* (Grade - 1.5%)**
- Emily Ann Ni Mine – now closed
- Recent Abi Rose Ni discovery – New geological model
- 1.5mtpa process plant
- Exploration upside potential

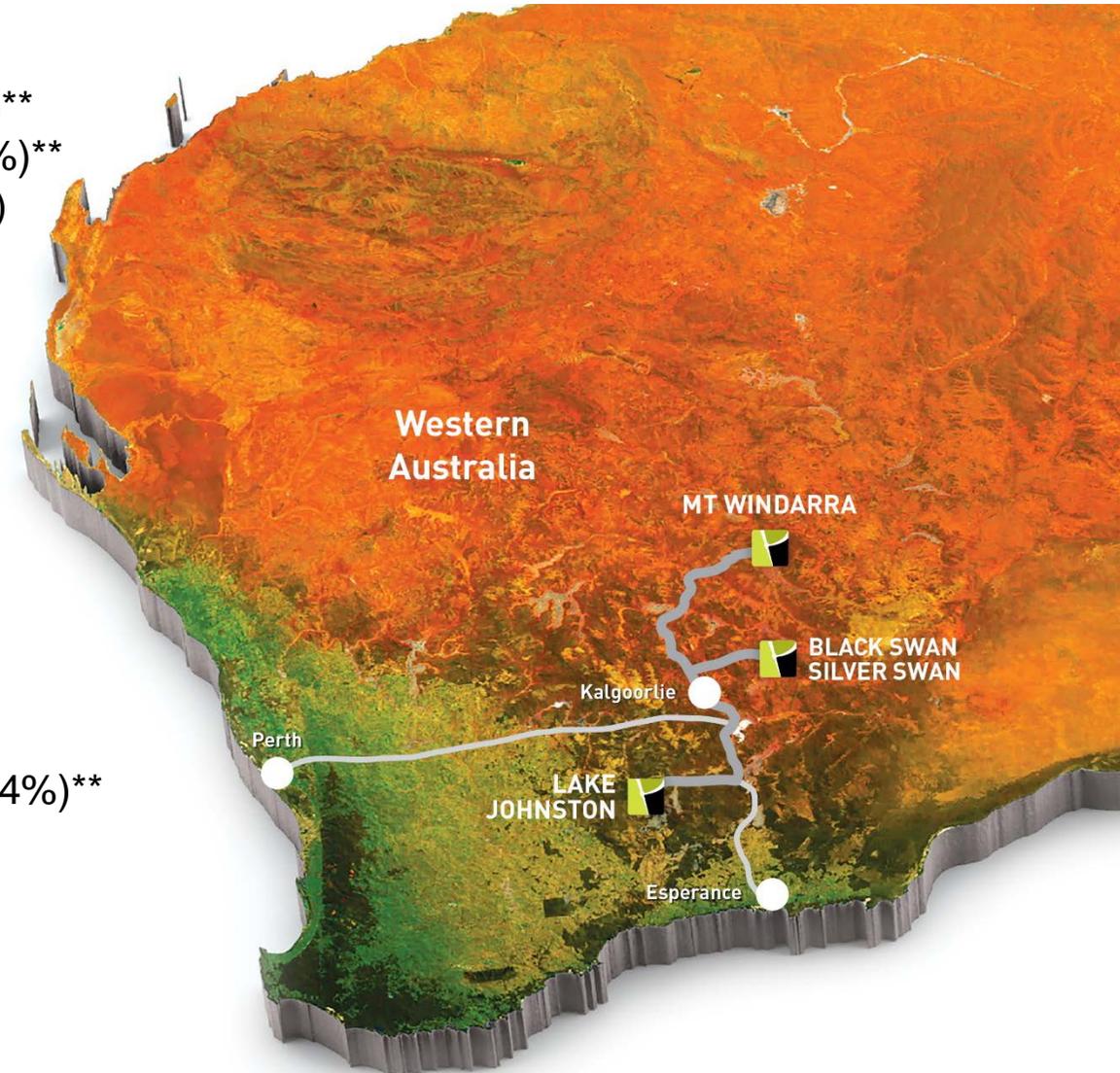
Windarra Nickel **

- Mt Windarra & underground Ni mine 71.5kt Ni Tonnes* (Grade - 1.64%)**
- Cerberus Nickel deposit 69kt Ni Tonnes* (Grade - 1.5%)**
- Potential to upgrade and process ore at Black Swan
- Gold Tailings - Au 183koz & Ag 670koz***

* Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

***Reference Mineral Resources Statement Table 2 attached



Potential for a longer term and integrated assets strategy

- Poseidon holds a highly desirable suite of nickel assets that encompass WA's sulphide nickel provinces
- All operating assets and underlying resources are 100% owned by Poseidon
- Black Swan's restart campaign will be a catalyst for cashflow and operating opportunities
- Lake Johnston has close proximity, compelling exploration targets and processing potential
- Windarra provides a significant underlying Ni resource base
- Combined these assets are the basis to build a sustained, longer term nickel strategy



Black Swan nickel operations

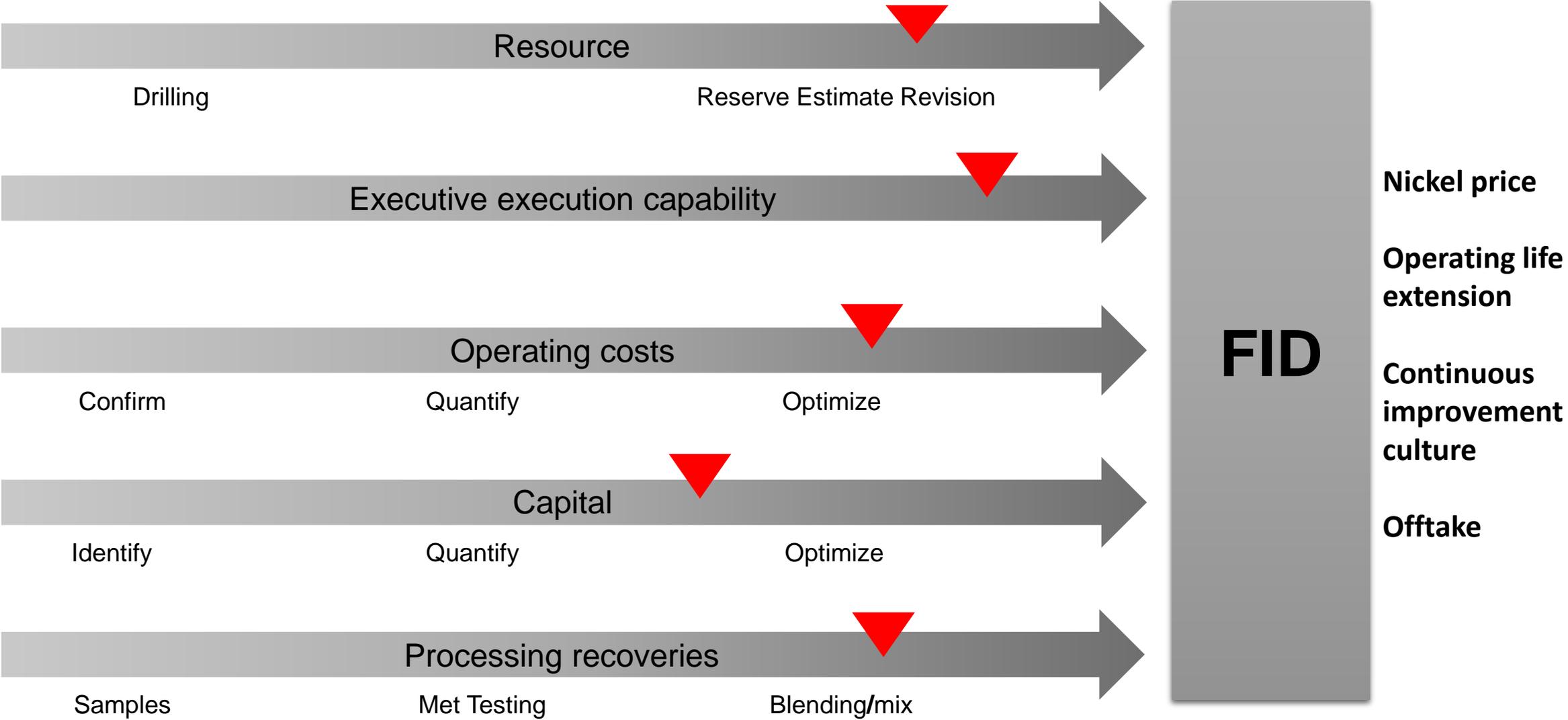


Black Swan restart – recent actions and outcomes

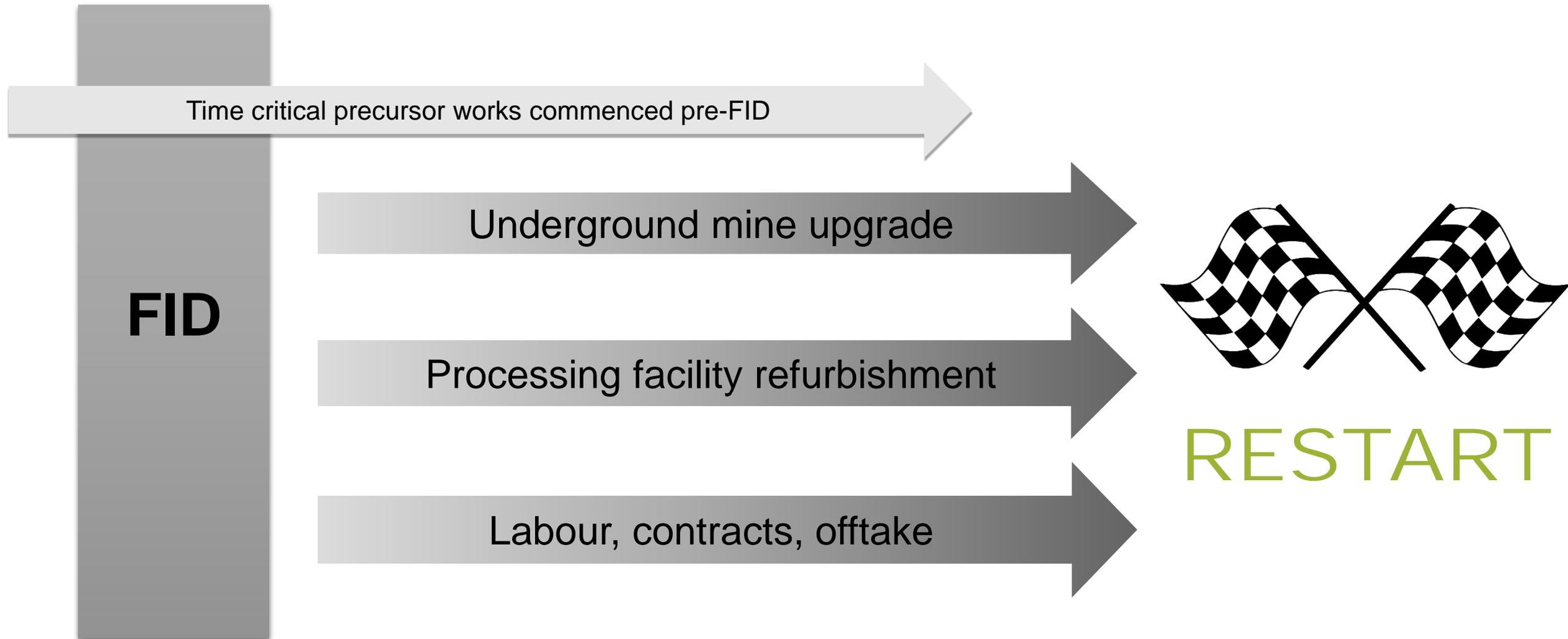


Actions	Timing / Status	Outcomes
Resource Drilling Silver Swan Deposit	Completed – feeds into FID improvements	33% Increase in high grade Ni resources Silver Swan deposit (12.4kt Ni to 16kt Ni + improved Ni Grade 9.2% to 9.5%)
Partial rehabilitation of underground decline/replacement of escapeways underway	Underway – Time critical precursor work started pre FID (6 months)	Safe working environment for resource and exploration underground drilling
Rehabilitation and testing of key ventilation equipment	Underway – Time critical precursor work started pre FID (2 months)	Utilisation of in-situ capital equipment (cost saving)
Underground RC drilling program beneath Black Swan Open Pit	Underway – feeds into FID Nov 2019	Capacity to improve resource & extend life of operations
De-risking fundamental, reduction critical mining/ processing costs	Underway – feeds into FID Q4 2019	Ongoing (re)assessment for LOM improvement, sampling, metallurgy & overall project metrics
Key safety works for processing facility	Underway – Time critical precursor work started pre FID Q1 2020	Improved access to initiate multiple restart and rehabilitation activities concurrently (to compress elapsed times for restart)

Pathway to FID

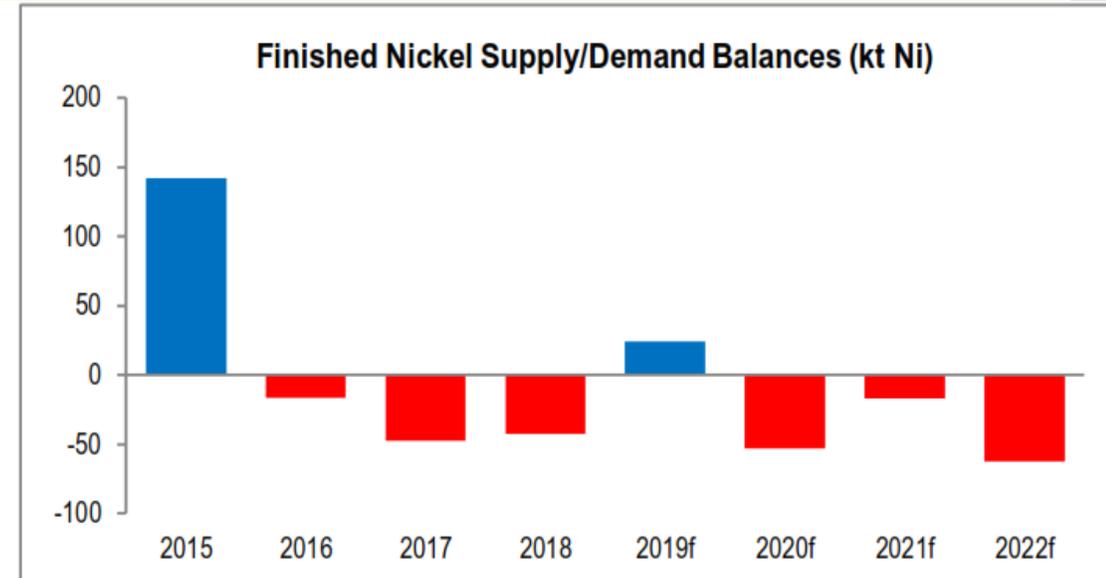
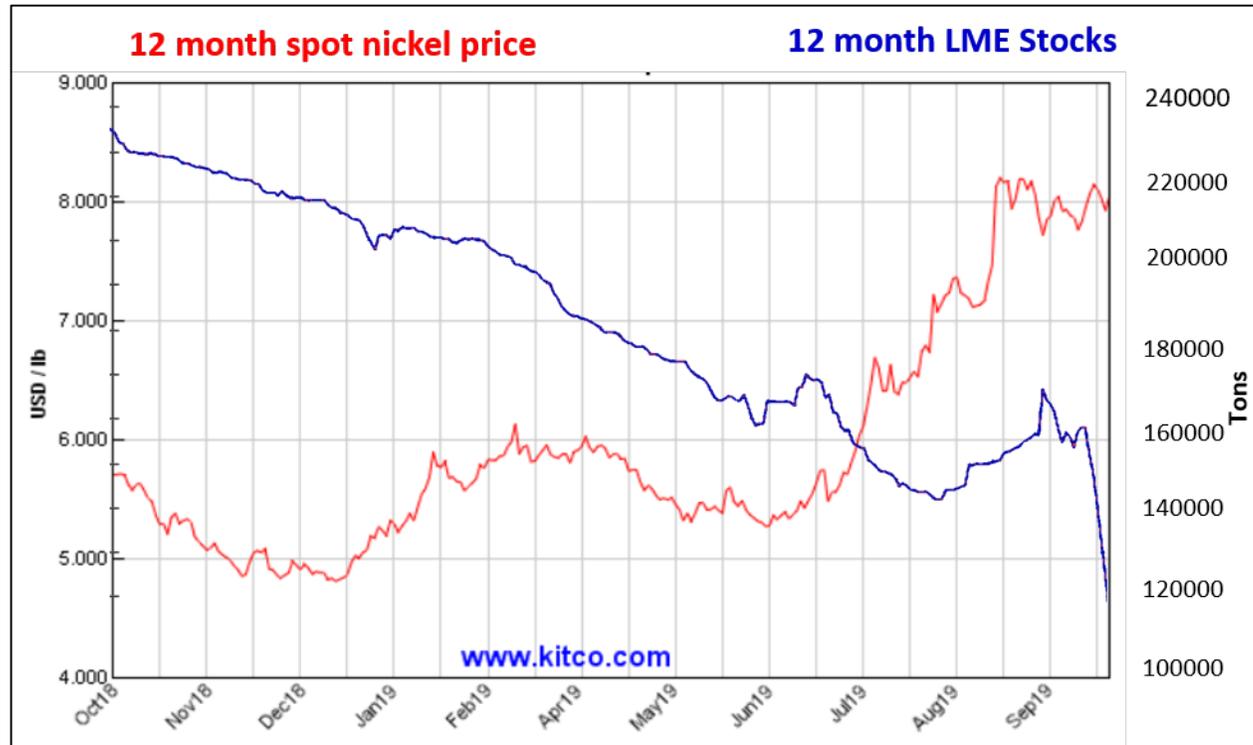


Post FID – First nickel production in 6 to 9 months



Nickel Supply contraction

- Declining and historically low LME stockpiles
- Limited large scale exploration outcomes
- Indonesia export bans accelerated
- Threat of existing mine closures
- Timeframes and pathway to production

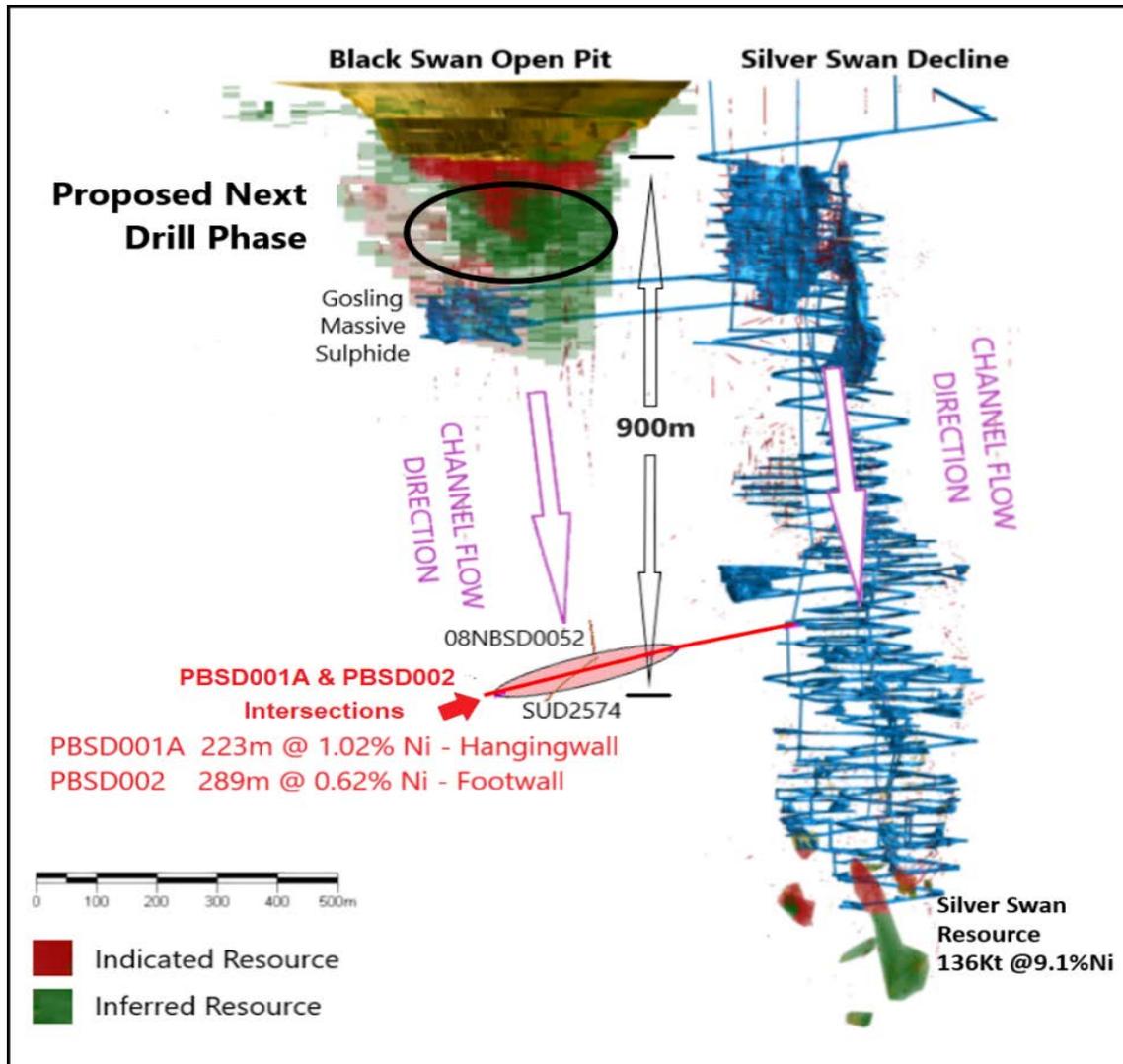


Demand momentum

- Sustained growth in stainless steel demand
- Accelerating demand from LiB technology, driven by electric vehicles



Black Swan – Disseminated resource potential



- Commenced next drilling phase to target ore between Gosling deposit and the open pit floor
- Current Resource (Indicated & Inferred)**
 - 30mt @ 0.6% for 179,000t Ni Tonnes*
- Open pit benches available to mine
- Current deep drilling confirms continuity of the Black Swan disseminated mineralisation at depth (both grade and scale)

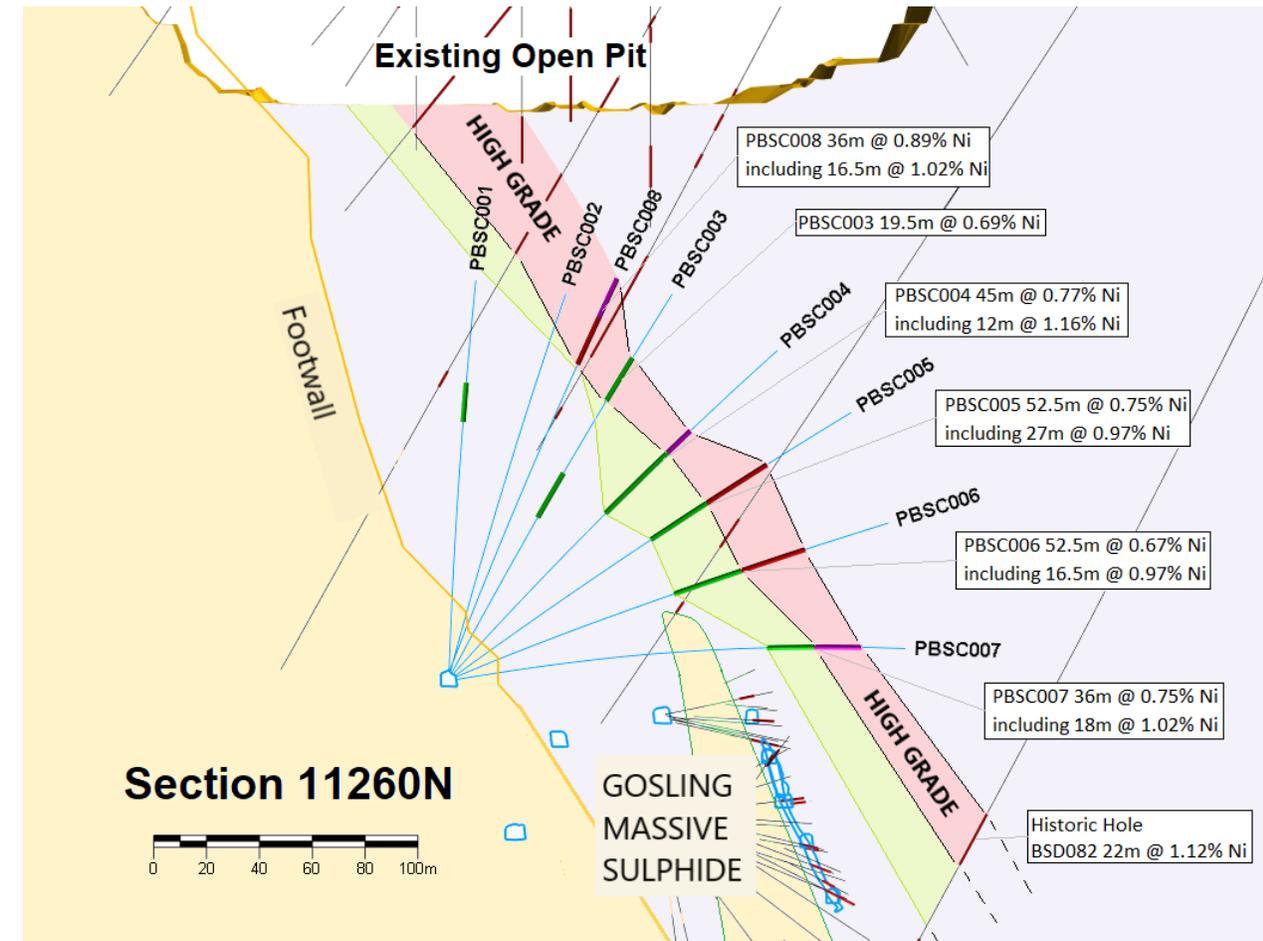
*Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

Black Swan – Ongoing RC underground drilling

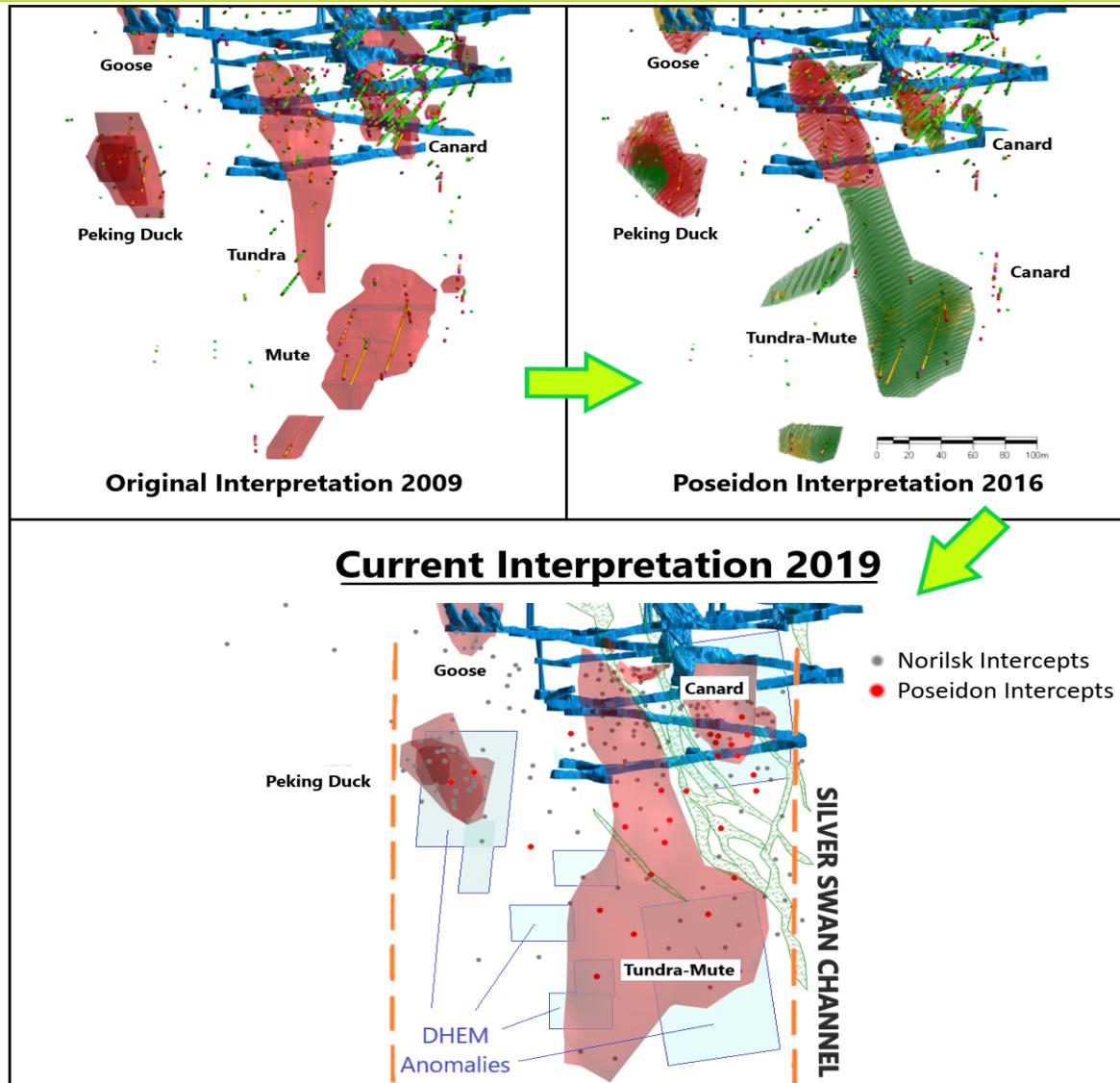


- Completion of 8-hole RC drilling program (1,326m)
- All holes intersecting Black Swan disseminated mineralisation
- Highlights*:
 - PBSC004 45m @ 0.77% Ni, True width = 37m including 12m @ 1.16% Ni
 - PBSC005 52.5m @ 0.75% Ni, True width = 52m including 27m @ 0.97% Ni
 - PBSC007 36m @ 0.75% Ni, True width = 36m including 18m @ 1.02% Ni
- Second round of drilling has commenced
- Drilling improves sampling and shows very positive result



*ASX release 14th October 2019 Black Swan Underground RC Drilling First Assay Results

Silver Swan - resource growth and potential



- One of the highest grade Nickel deposits globally
- 3,662m drilling program completed
- Drilling intersected high grade massive nickel sulphides – up to 19% nickel*

New Silver Swan Indicated Resource**

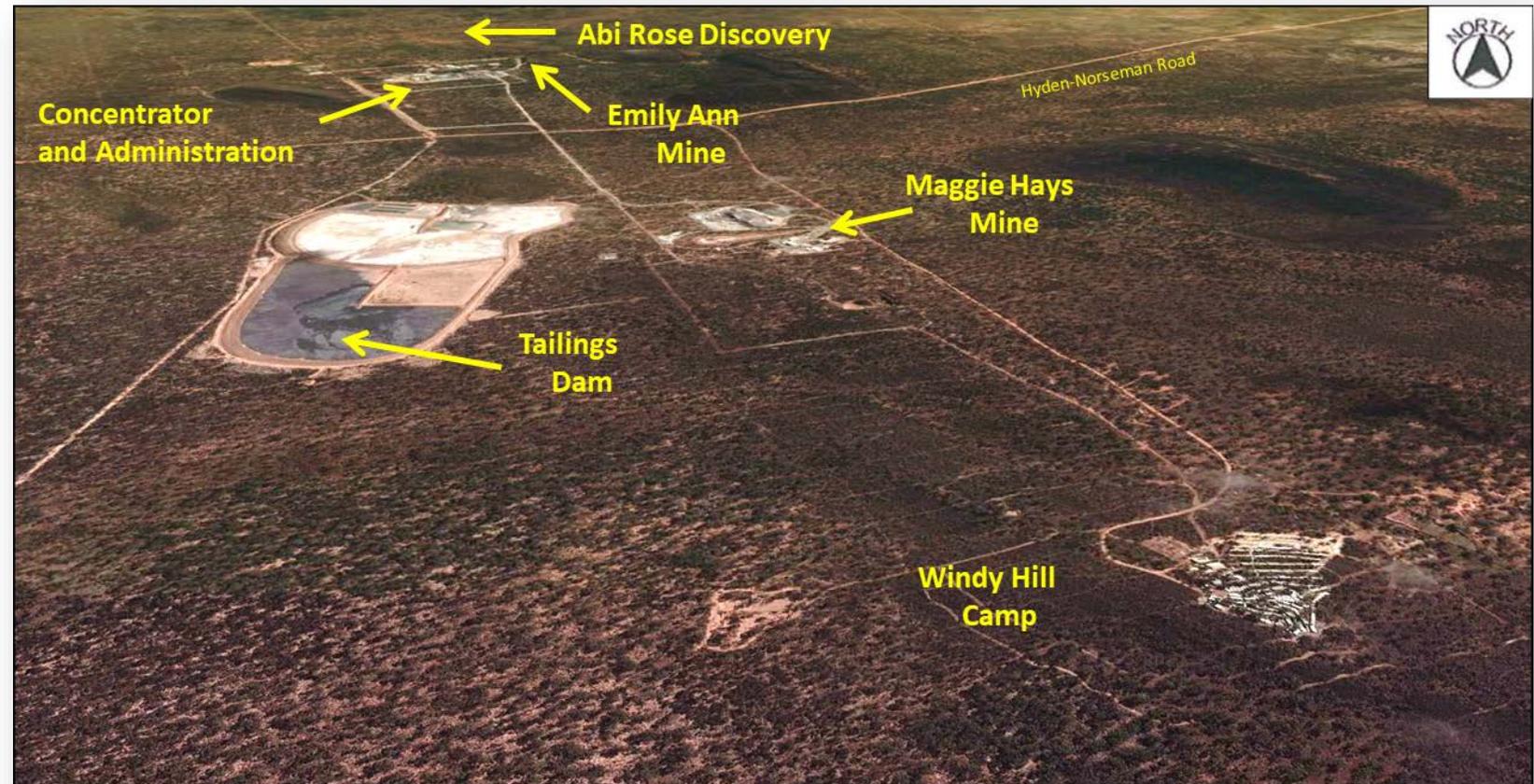
- 2019 drill expanded the Silver Swan resource by 30% (3,630 Ni tonnes) to 168,000t @ 9.5%, 16,030 Ni tonnes **
- DHEM plates indicates further opportunity for resource extension

* ASX release 27th May & 12 June 2019

** ASX release 5 August 2019 Reference Mineral Resources Statement Table 1 attached

Lake Johnston- overview

- Abi Rose new discovery provides significant exploration upside potential
- Two Historical Mines
 - Emily Ann Mine (mined 2001 – 2007)
 - Maggie Hays Mine
 - Remaining resource 3.5m @ 1.5% Ni Tonnes** for 52,000 Ni Tonnes*
- 1.5mtpa Concentrator
- Infrastructure/camp/airstrip

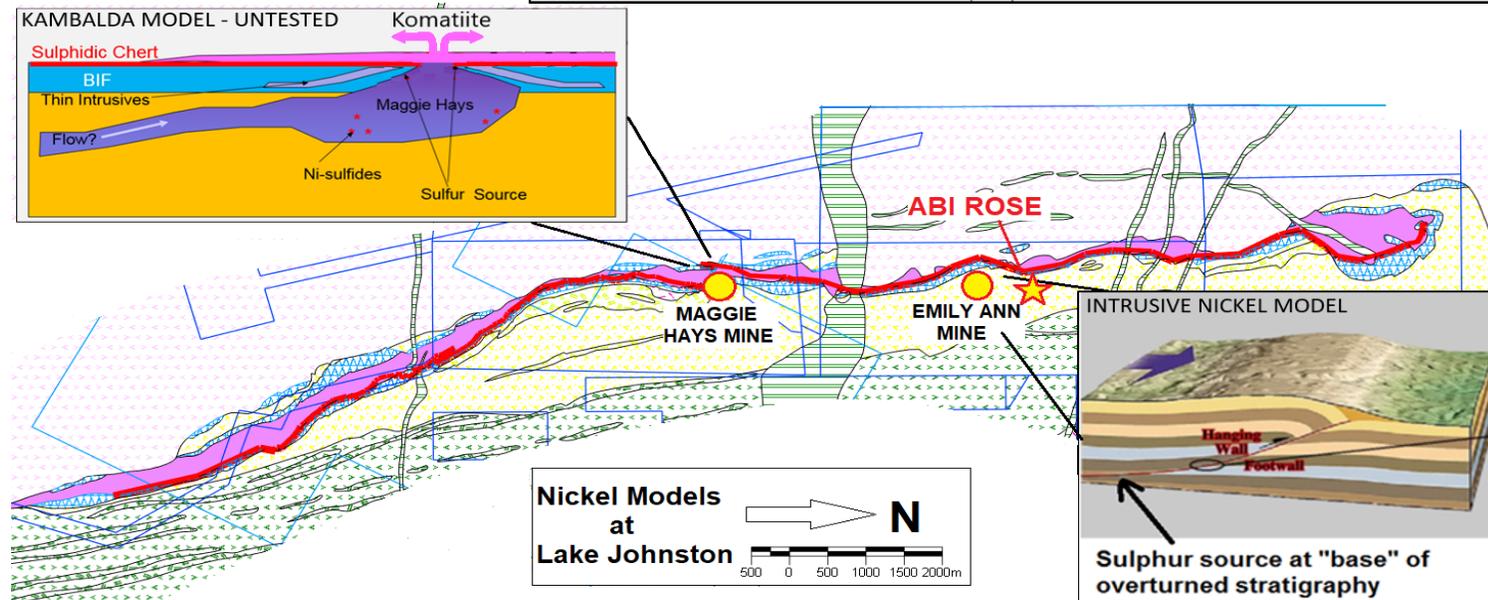
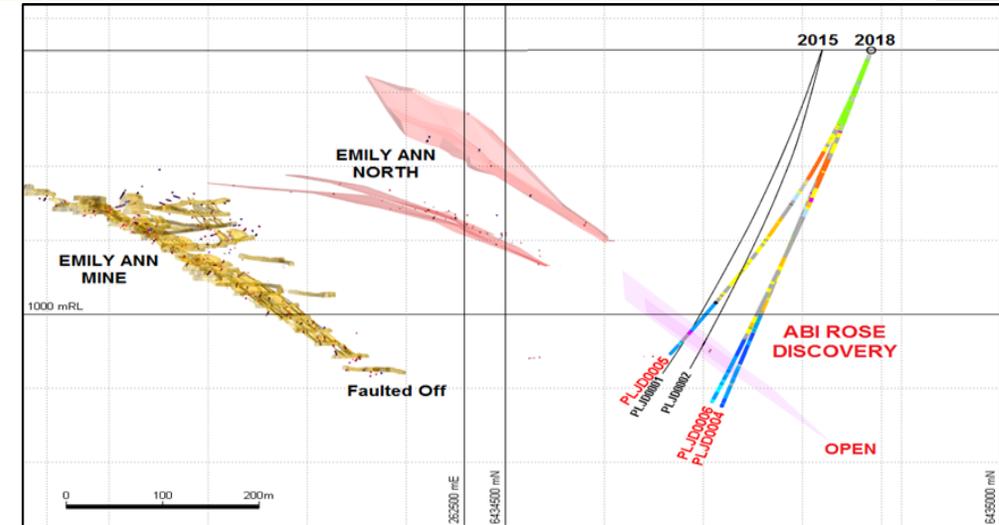


*Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

Lake Johnston – Abi Rose discovery & exploration

- Confirmation of intrusive nickel-copper style model NOT traditional komatiite hosted model leading to Abi Rose discovery
- Current geological review outcomes
 - Scope for continuity of mineralisation
 - a new intrusive nickel-copper model best intersection- 10.48m @ 3.2% Ni*
- Indicates scope for larger scale potential
- Geochemical/geophysical programs underway
- Existing POW's for exploration drilling



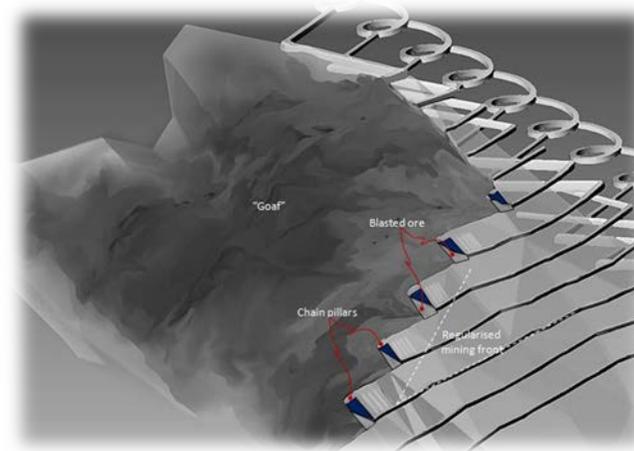
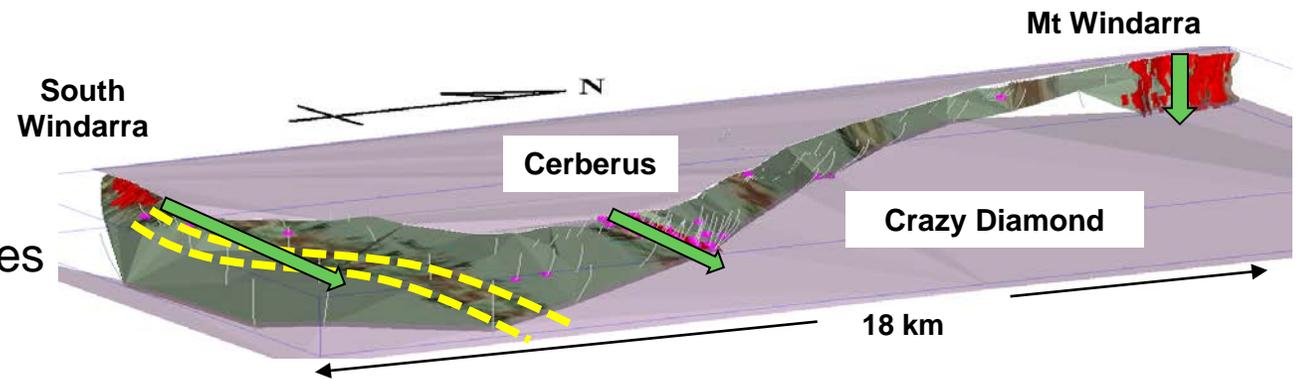
*ASX release 21st November 2018 Successful drilling program at Abi Rose intersection PLJD0002

Windarra

- Original discovery 1969
 - 8 mt mined and process to produce 84,000 Ni Tonnes* (1974 to 1993)
- Mt Windarra Underground mine remnant resources
 - 4.36 mt @1.64% 71,500t Ni Tonnes**
 - Mine decline partially refurbished in 2011
- Cerberus deposit 4.55 mt @1.51% 69,000 Ni Tonnes** has existing mine development plan
- Remaining/proximal exploration potential
- Drilling Crazy Diamond end October 2019
- Gold tailings 183,000 oz (monetise)

*Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

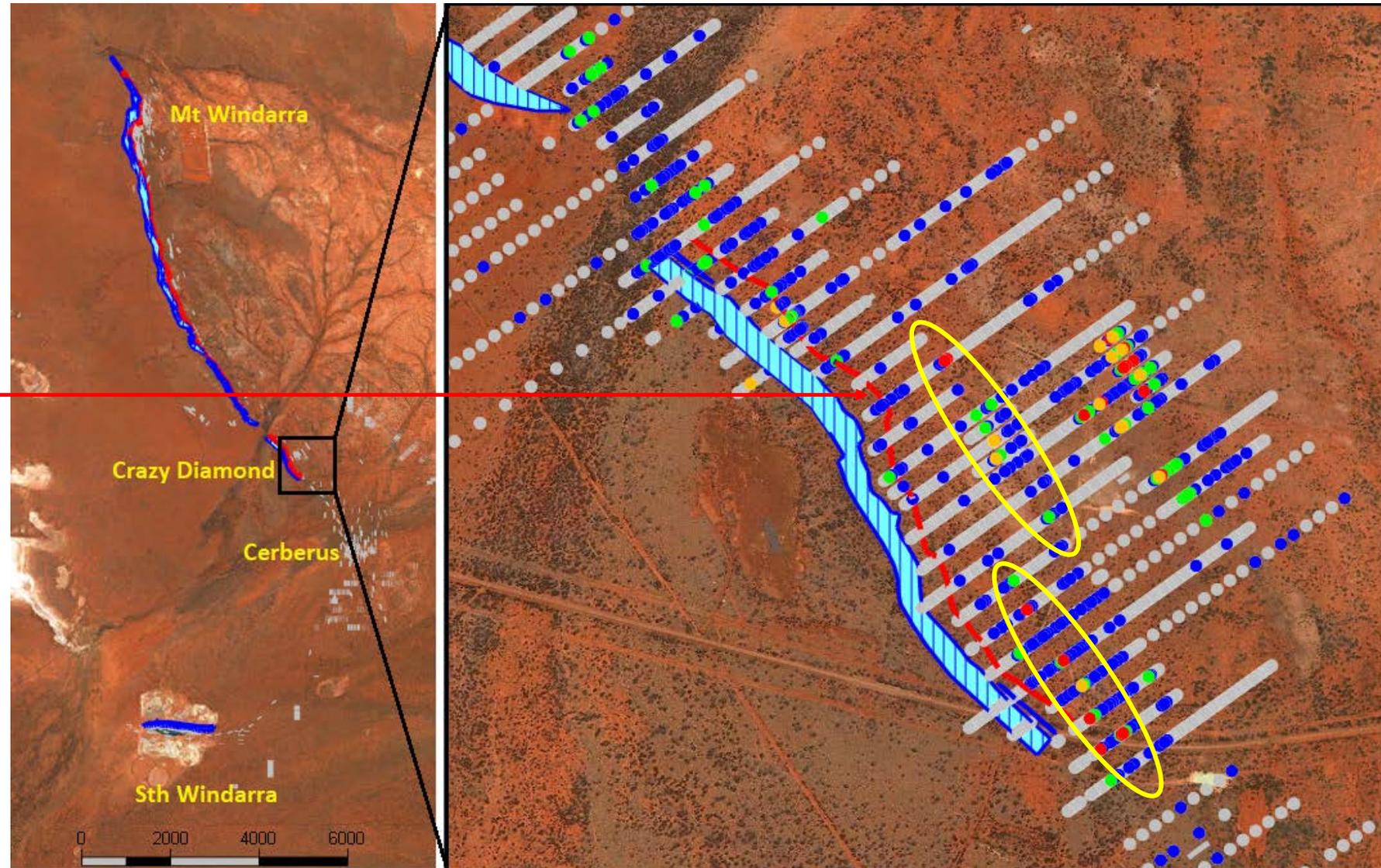


Cerberus Conceptual mine design

- First ore 80m from surface
- Mineralisation open down dip and plunge

Crazy Diamond Prospect – Windarra Nickel Project

- 3,500m RC program awarded to VM Drilling
- Drilling commences 18th October 2019
- Poseidon soils program and mapping revealed additional mineralised horizon above the prospective Windarra Ultramafic Base
- POS holes drilled in 2011
300m south of Crazy Diamond
 - PNRCD0192 – 0.2m @ 1.73%Ni
 - PNRCD0193 – 0.6m @ 0.92%Ni



*ASX release 14th October 2019 *ASX release 14th October 2019
Black Swan Underground RC Drilling First Assay Results

Summary

- Three strategic and integrated Nickel assets
- Rapid operational restart - Black Swan
- Positioned to leverage off a rising Ni Price
- Continuing strong fundamentals for Nickel
- Experienced Board and Management Team
- Strategic development and optimisation
- Geologically driven life extension
- Robust Balance Sheet
- Supportive cornerstone stakeholders





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Mineral Resource Statement

Table 1: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY												
			INDICATED			INFERRED			TOTAL						
			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	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000	0.01	4,200	NA	-
Silver Swan	2012	4.50%	108	9.4	10,130	61	9.7	5,900	168	9.5	16,030	0.19	316	0.4	679
LAKE JOHNSTON PROJECT															
Maggie Hays	2012	0.80%	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	0.90%	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	0.80%	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	-	0.08	3,600
TOTAL															
Total Ni, Co, Cu Resources	2004 & 2012		16,775	1.04	174,030	27,275	0.81	221,500	44,049	0.90	395,530	0.02	7,516	0.03	13,379

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

The Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Black Swan Resource as at 22 July 2014, Silver Swan Resource as at 5 August 2019, Maggie Hays Resource as at 17 March 2015, Mt Windarra, South Windarra and Cerberus Resource as at 30 April 2013

Mineral Resource statement

Table 2: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY				
			TOTAL INDICATED				
			Tonnes (Kt)	Au Grade (g/t)	Au (oz)	Ag Grade (g/t)	Ag (oz)
WINDARRA GOLD TAILINGS PROJECT							
Gold Tailings	2004	NA	11,000	0.52	183,000	1.9	670,000
TOTAL							
Total Au Resources	2004		11,000	0.52	183,000	1.9	670,000

Note: totals may not sum exactly due to rounding. Windarra Gold Tailings Resource as at 30 April 2013.

Table 3: Nickel Project Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	ORE RESERVE CATEGORY						
		PROBABLE						
		Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
SILVER SWAN PROJECT								
Silver Swan Underground	2012	57	5.79	3,300	0.11	60	0.26	150
TOTAL								
Total Ni Reserves	2012	57	5.79	3,300	0.11	60	0.26	150

Note: Calculations have been rounded to the nearest 10,000 t of ore, 0.01 % Ni grade 100 t Ni metal and 10t of cobalt metal.

Co & Cu grades and metal content for Black Swan require additional modelling prior to estimation.

Silver Swan Underground Reserve as at 26 May 2017, Black Swan Open Pit Reserve as at 5 November 2014.

The Company is not aware of any new information or data that materially affects the information in this report and the Resource/Reserve tables above. Such information is based on the information compiled by the Company's Geologists and the Competent Persons as listed below in the Competent Person Statements.

The Company is aware that the 2019 upgrade to the Silver Swan Indicated Resource will materially affect the Silver Swan Reserve above which was based upon the 2015 Silver Swan Resource Estimate. Such information is based on the information compiled by the Company's Geologists and the Competent Persons as listed below in the Competent Person Statements.

Competent persons statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled and reviewed by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Black Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd. The information in this report which relates to the Black Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and who is a Members of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Kahan Cervoj who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Silver Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full-time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Lake Johnston Ore Reserves Project is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project and Gold Tailings Project is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The Windarra Project contains Mineral Resources which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

Mr Warriner, Mr Cervoj, Mr Weeks, Mr Glacken and Mr Keenan all have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Mr Warriner, Mr Cervoj, Mr Weeks, Mr Glacken and Mr Keenan have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Forward looking statements

FORWARD LOOKING STATEMENT – INFERRED RESOURCE STATEMENTS:

The Company notes that an Inferred Resource has a lower level of confidence than an Indicated Resource and that the JORC Codes, 2012 advises that to be an Inferred Resource it is reasonable to expect that the majority of the Inferred Resource would be upgraded to an Indicated Resource with continued exploration. Based on advice from relevant competent Persons, the Company has a high degree of confidence that the Inferred Resource for the Silver Swan deposit will upgrade to an Indicated Resource with further exploration work.

The Company believes it has a reasonable basis for making the forward looking statement in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular, the JORC Code, 2012 Mineral Resource for Silver Swan as of May 2016, together with independent geotechnical studies, determination of production targets, mine design and scheduling, metallurgical testwork, external commodity price and exchange rate forecasts and worldwide operating cost data.

FORWARD LOOKING STATEMENTS:

This release contains certain forward looking statements including nickel production targets. 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

Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility and potential development of the Silver Swan underground mine.