

POSEIDON NICKEL

Exploration Leveraged for Near-Term Production

Corporate Update

30 June 2020



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Investment case & corporate profile

- **Strategy – Leveraging existing assets to expedite path to commercial production**
- Portfolio of advanced stage nickel sulphide projects in Western Australia
- Combined Nickel Resources - **395,530 tonnes Ni** (contained metal)
 - Black Swan - **195kt Ni¹** in Resources, 2Mtpa processing plant on C&M, **Golden Swan high-grade Ni discovery**
 - Lake Johnston – **52kt Ni¹** in Resources, 1.5Mtpa processing plant on C&M
 - Windarra – **149kt Ni in Resources¹**
 - Gold - PFS recently completed on Windarra Gold Tailings project² containing **180,000oz Au³**

Capital Structure/Enterprise Value

ASX Code	POS
Shares on Issue	2.64B
Share Price (29 June 2020)	~\$0.027
Market Cap	~\$71.35M
Cash (31 March 20)	~\$48.65M
Debt (convertible note)	\$US\$17.5 (~AU\$25M)

Major Shareholders

Black Mountain Metals Ltd	~21%
Squadron Resources Ltd/Forrest	~18%

Board & Executive Team

Derek La Ferla	Non-Executive Chairman
Peter Harold	Managing Director and CEO
Felicity Gooding	Non-Executive Director
Karl Paganin	Non-Executive Director
Geoff Brayshaw	Non-Executive Director
Brendan Shalders	CFO & Joint Co Sec
Andrea Betti	Joint Co Sec
Steve Warriner	Chief Geologist
David Riekie	Corporate Development Consultant

¹ Reference Mineral Resources Statement Table 1 attached Reference Mineral Resources Statement Table 2. ² Robust PFS Completed for Windarra Gold Tailings Project dated 22 June 2020 and ³ ASX Release Gold Tailings Resource at Windarra updated to JORC 2012 dated 22 June 2020

Portfolio of complementary assets

Black Swan**

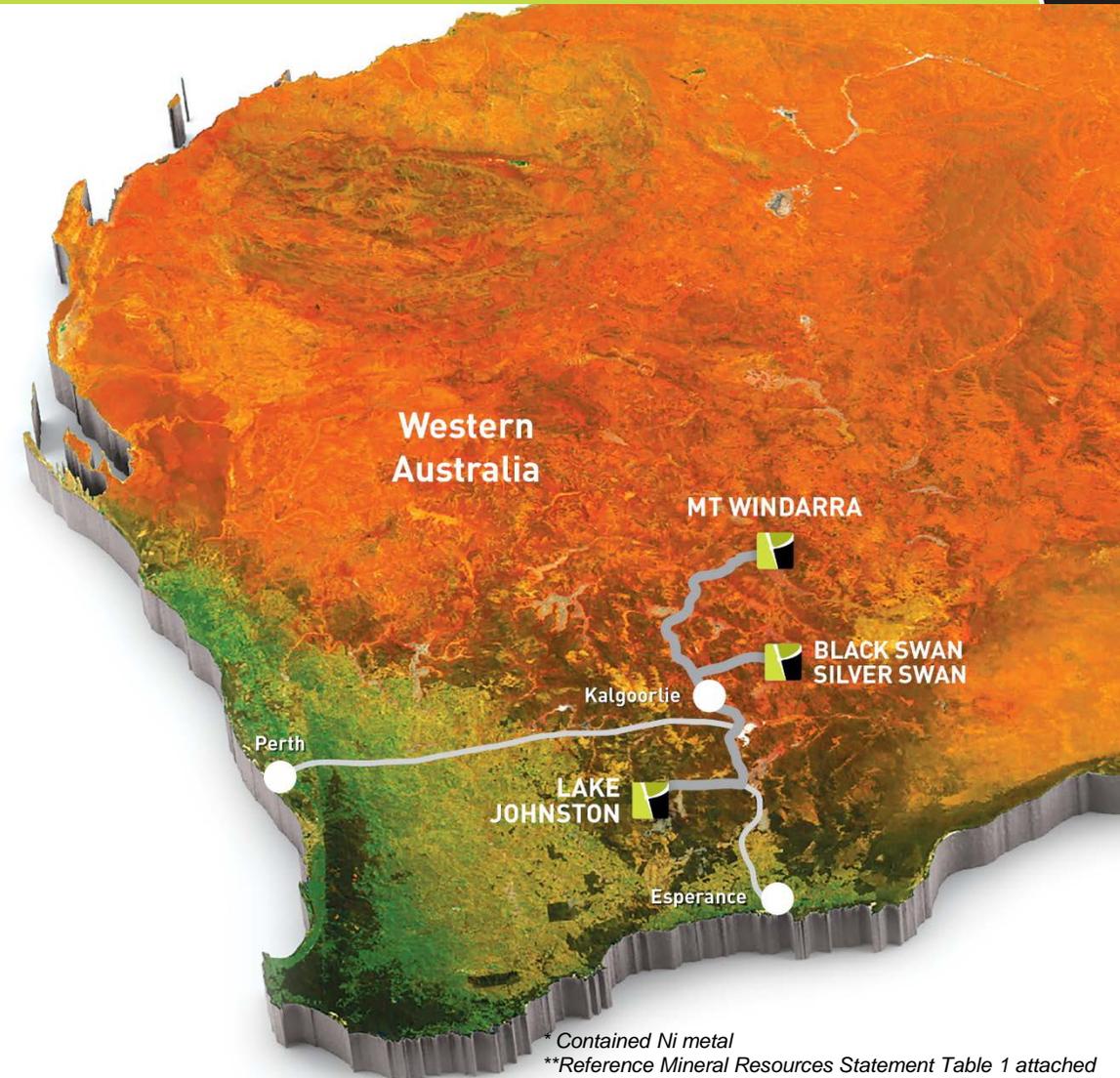
- 2.2Mtpa process plant capacity
- Silver Swan underground 16kt Ni* (grade - 9.5%)**
- Black Swan open pit & stockpiles 179kt Ni* (grade - 0.6%)**
- **High grade discovery at Golden Swan**

Windarra **

- PFS completed on Windarra gold tailings project¹
- Gold Tailings contains ~180,000 oz/Au Resource ***
- Mt Windarra 71.5kt Ni* (grade - 1.64%)**
- Cerberus Nickel deposit 69kt Ni* (grade - 1.5%)**
- South Windarra 8kt Ni* (grade - 0.98%)**

Lake Johnston**

- 1.5Mtpa process plant
- Maggie Hays Ni Mine 52kt Ni* (grade - 1.5%)**
- New Abi Rose Ni discovery confirms prospectivity



* Contained Ni metal
**Reference Mineral Resources Statement Table 1 attached
***Reference Mineral Resources Statement Table 2 attached

Black Swan – multiple ore bodies & exploration potential

Exploration opportunities at the Black Swan to support restart:

1. Golden Swan Massive Sulphide

- Maiden hole discovered high grade nickel sulphides*
- Targeted DHEM and drilling underway

2. Black Swan Disseminated

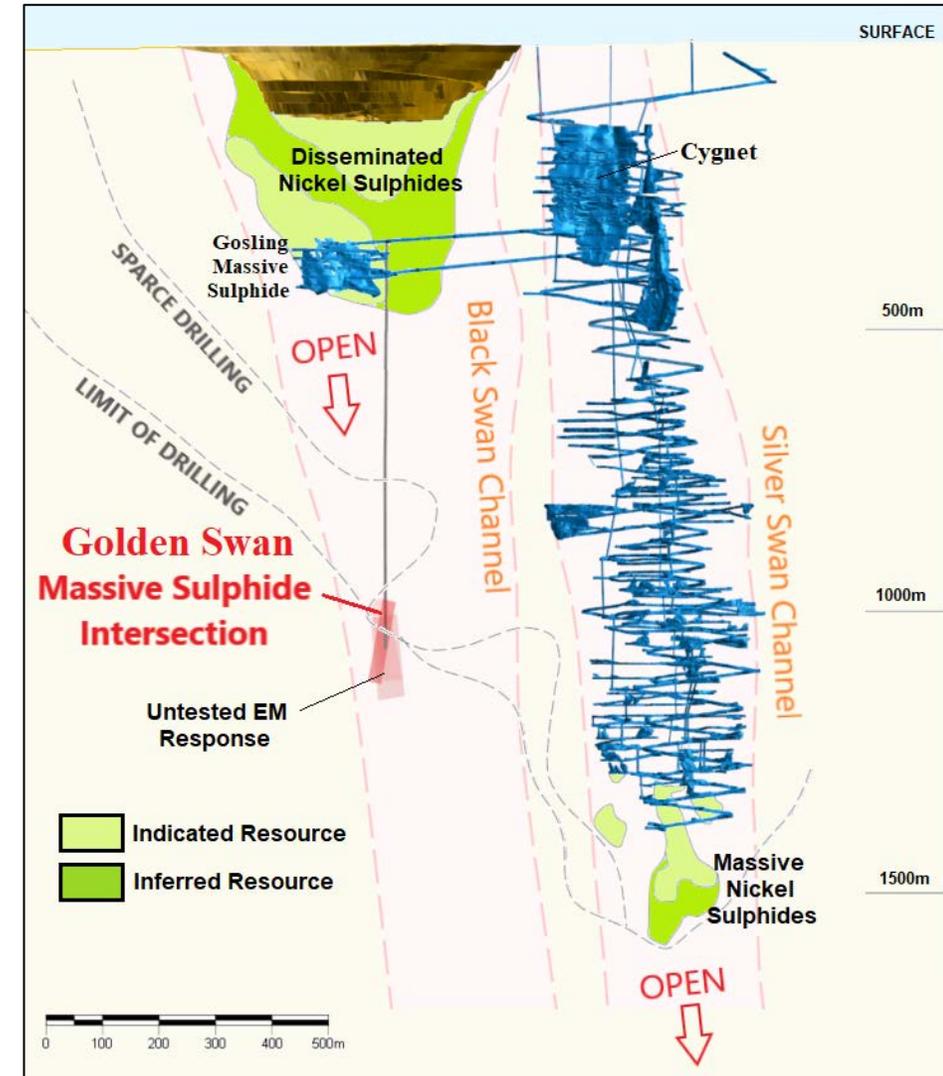
- Recent drilling identified opportunity below the current open pit reserves and discovered high grade mineralisation**

3. Cygnet Disseminated

- Scope in medium-term opportunity to access disseminated sulphide mineralisation left over from earlier mining

4. Silver Swan Massive Sulphide

- High-grade orebody remains open at depth***



Proximity of Significant Nickel Opportunities

* ASX release 26 March 2020 New Massive Sulphide Intersection in Golden Swan Anomaly & 14 April 2020 Exceptional grades received at Golden Swan & Windarra update

** ASX Release 27 November 2019 Black Swan Underground RC drilling Final Assay Results

*** ASX Release 6 March 2020 106% Upgrade of Nickel Reserve at Silver Swan

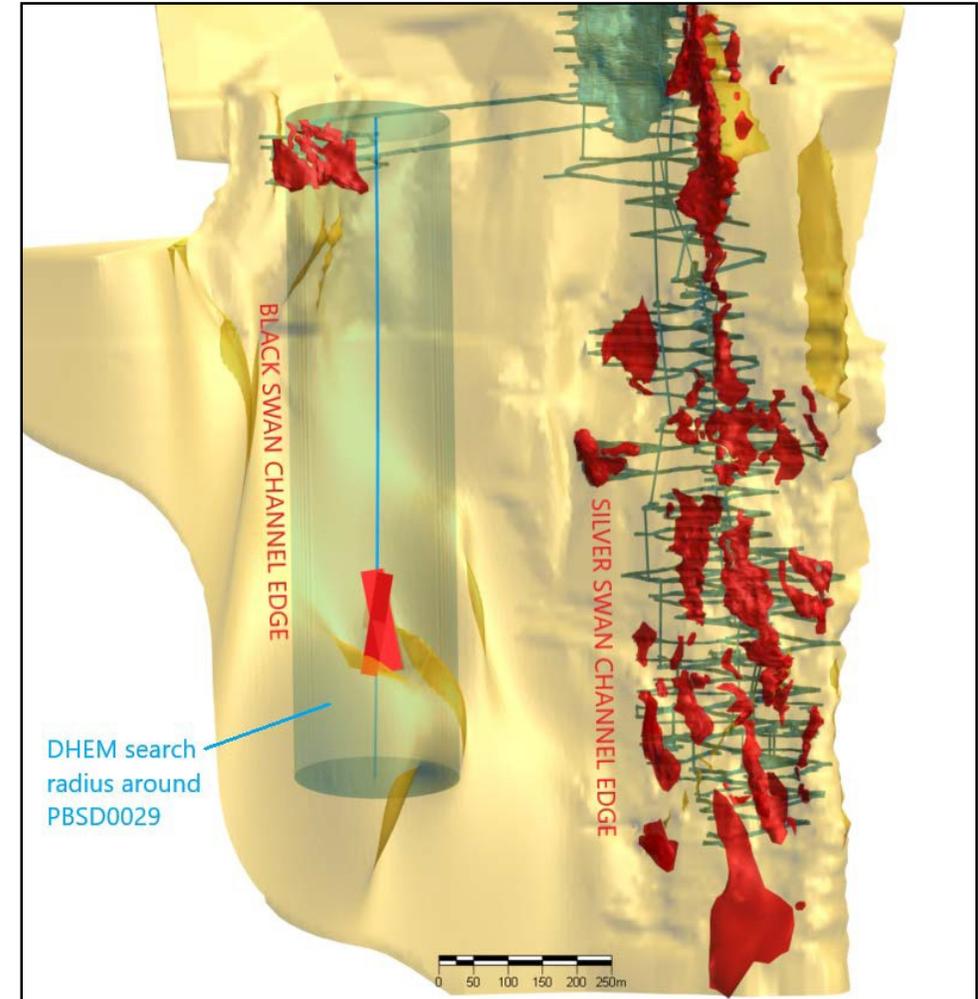
Golden Swan – high grade discovery

- Maiden hole drilled in March 2020 targeting electromagnetic conductors intersected high grade massive nickel sulphides
- Composite assays from maiden drill hole included*:
 - **23.1m @ 4.0% Ni & 0.4% Cu** (true width 13.3m)
includes **7.6m @ 8.8% Ni** (true width 4.3m)
- Surface and underground electromagnetic surveys underway will assist with vectors for targeted drilling**
- **Underground drilling recommenced in June, news flow from July onwards**

* ASX release 26 March 2020 New Massive Sulphide Intersection in Golden Swan Anomaly & 14 April 2020

Exceptional grades received at Golden Swan & Windarra update

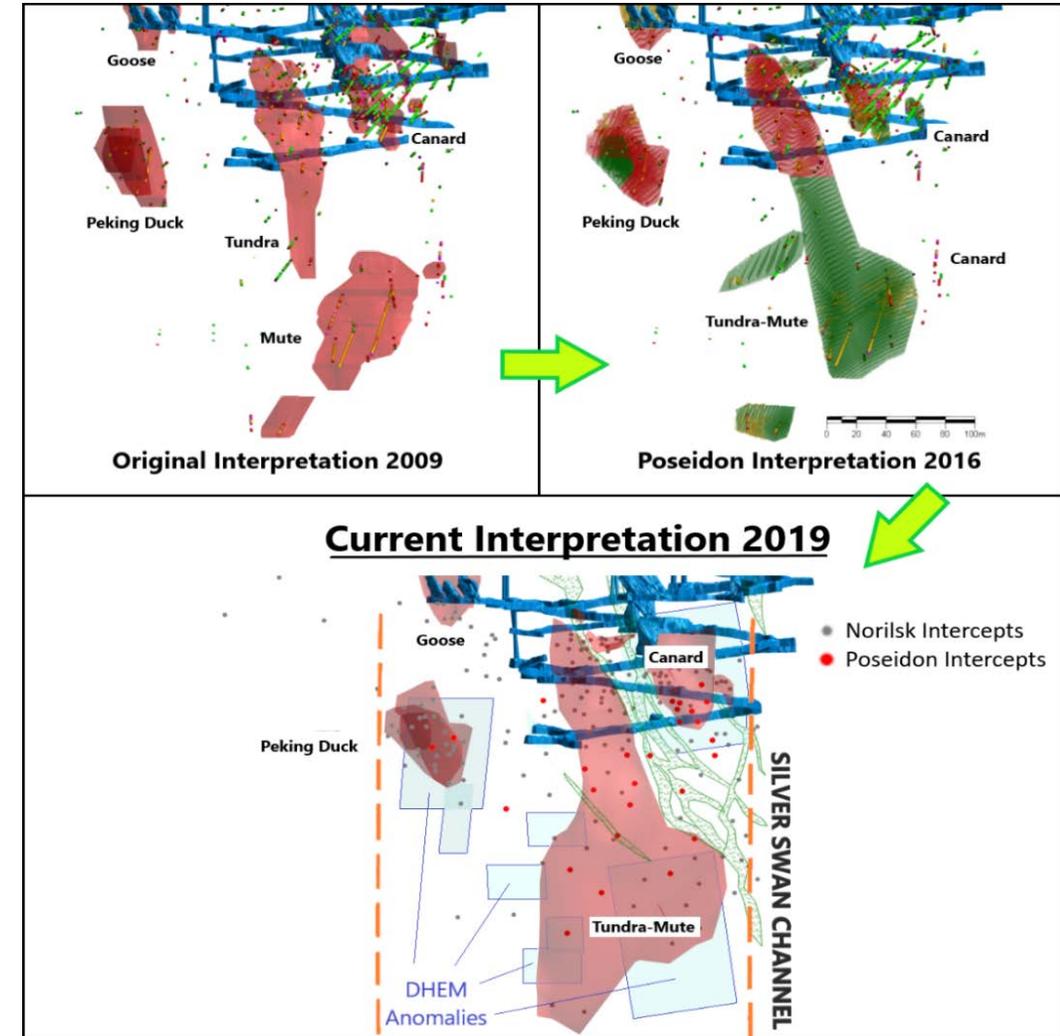
** ASX Release 14 April 2020 Exceptional grades received at Golden Swan & Windarra update & ASX Release 28 April 2020 Quarterly Report 31 March 2020



Search DHEM radius around PBSD0029

Silver Swan Massive Sulphide (SS)

- 2019 drilling program (3,662m) increased Silver Swan Resource by 30% (3,630 Ni tonnes) to **168,000t @ 9.5% Ni for 16,030 Ni tonnes***
- The SS deposit is high-grade and open at depth
- Drilling intersected high grade massive nickel sulphides*:
 - Improved confidence in continuity
 - Increased overall grade and width of resource
 - Less anticipated dilution and structural complexity
- 2019 results important in BS restart
- 106% Increase in Nickel Reserve increased contained Nickel metal to 6,800 Ni tonnes (130,000t @5.2% Ni)**



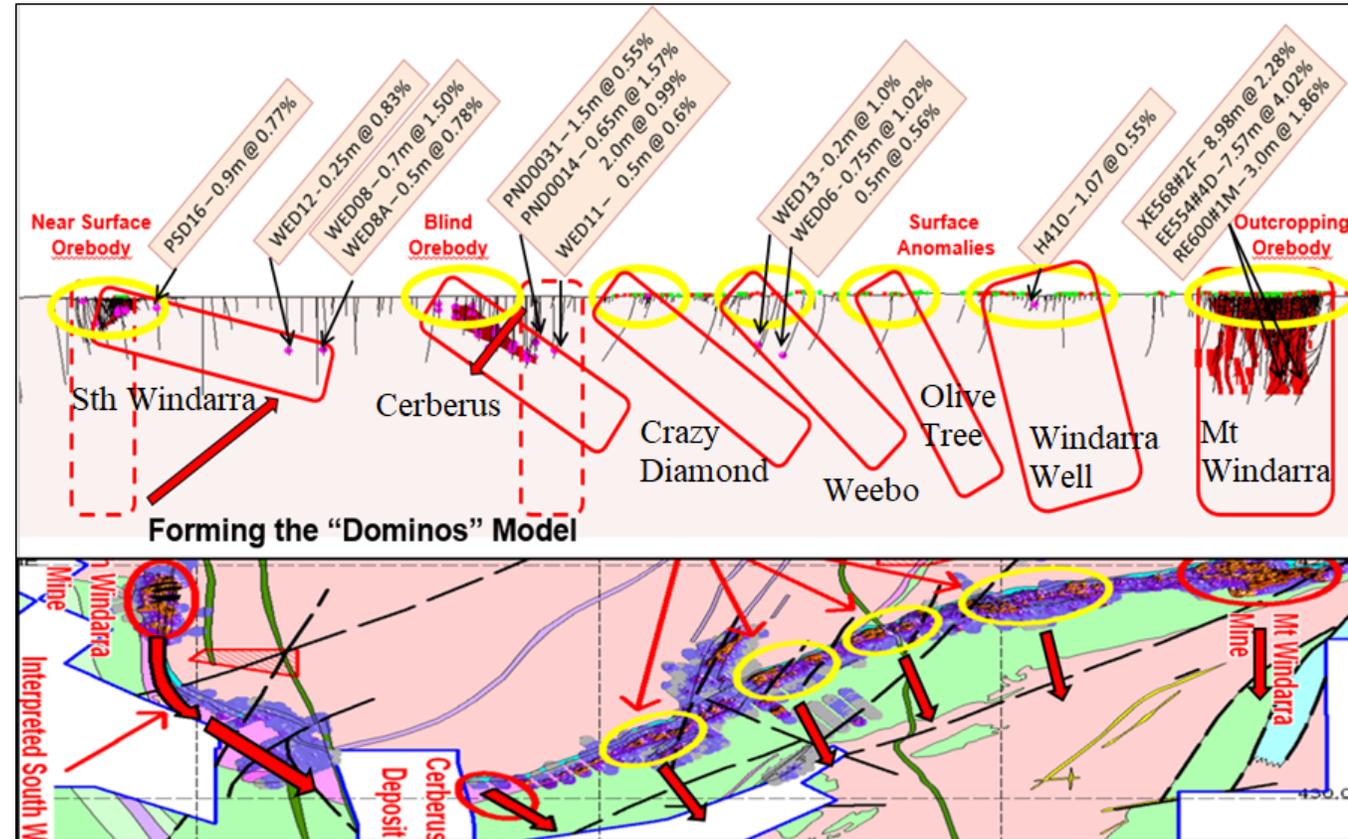
Evolution of the Silver Swan Resource under Poseidon

*ASX announcement 5th August 2019 "Silver Swan Resource Upgrade as at 5 August 2019

**ASX Release dated 6 March 2020 106% upgrade of Nickel Reserve at Silver Swan and Reference Mineral Resources Statement Table 3 attached

Windarra – historic nickel mine with excellent potential

- Historic mining centre
 - **8Mt mined and processed to produce 84kt Ni***
- Current resources
 - **Windarra 4.36Mt @1.64% Ni for 71,500t Ni****
 - **Cerberus 4.55Mt @1.51% Ni for 69,000t Ni****
- Kambalda model verified at Windarra
- Kambalda-style mineralisation usually cheaper and simpler to explore
- Recent exploration at Crazy Diamond confirms prospectivity ***
 - **PNRC0309 intersects 5m @ 0.75% Ni from 12m (ex sulphides) including 1m @ 1.38% (approx. 0.8m true width)**



Multiple Kambalda-style targets at Windarra

*Contained Ni metal. **Reference Mineral Resources Statement Table 1 attached.

*** ASX Release date 6 March 106% Upgrade of Nickel Reserve at Silver Swan

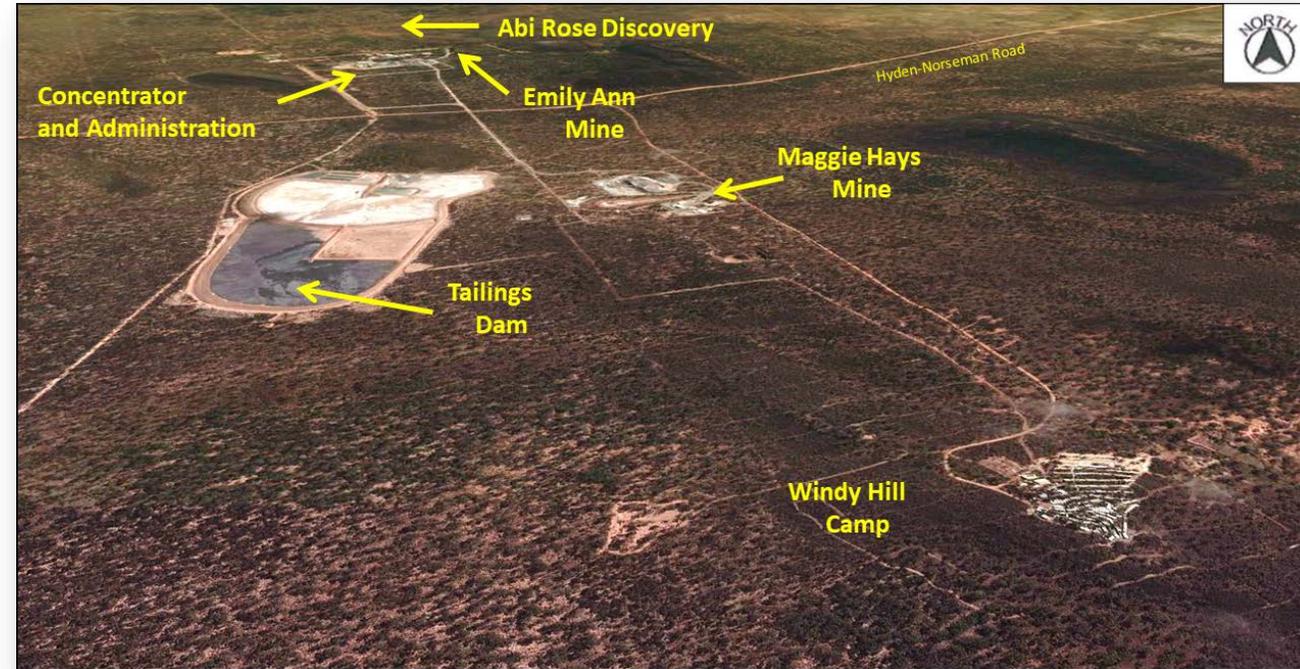
Lake Johnston – background

Maggie Hays

- Historical production of 10Mt @ 0.6%Ni between 2008 - 2014
- Remaining resource of 3.5Mt @ 1.5% Ni ** for 52kt Ni*

Emily Ann

- Historical production of 1.5Mt @ 3.5% Ni between 2001 - 2007
- Recent Abi Rose Ni discovery – new geological model ***
- Drilling confirmed mineralisation continues outside limits of historical exploration
- 1.5Mtpa process plant (on care and maintenance)
- Infrastructure including camp and airstrip



Lake Johnston Operations

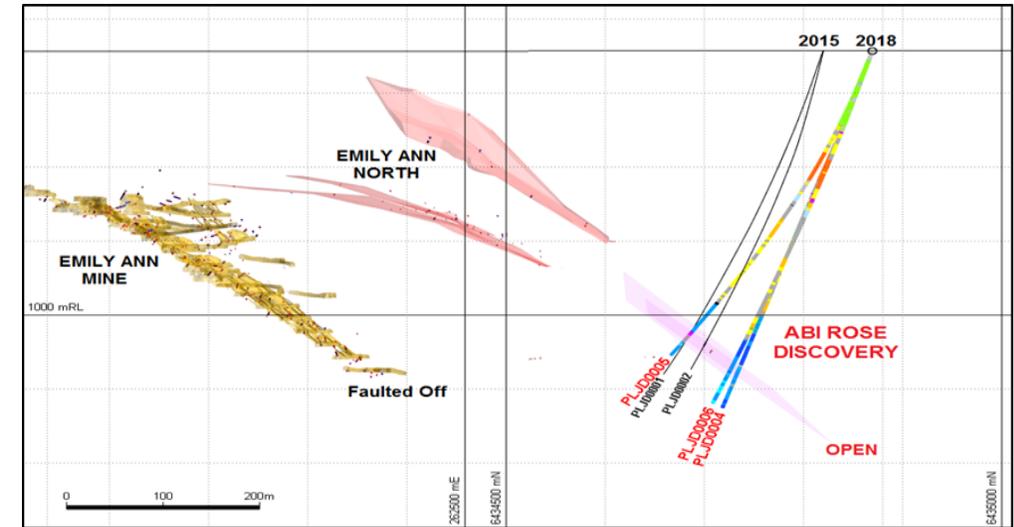
*Contained Ni metal

**Reference Mineral Resources Statement Table 1 attached

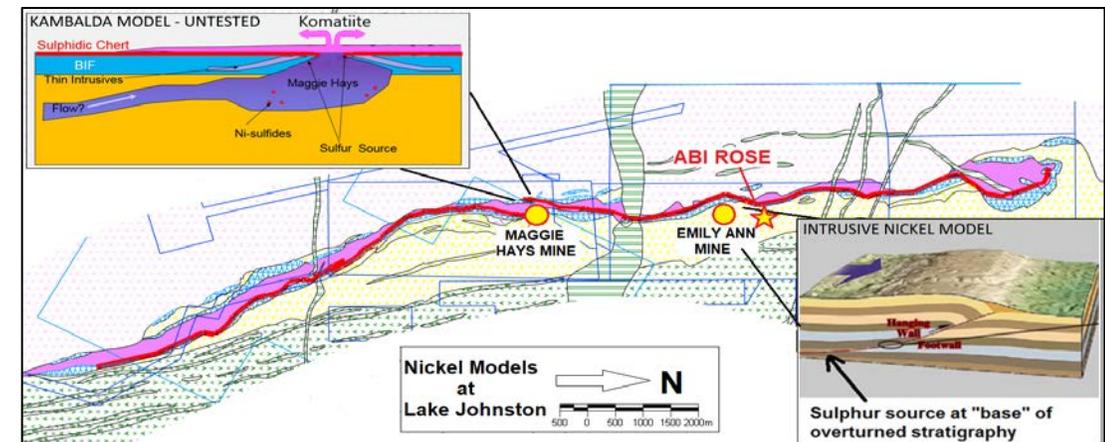
*** ASX Release 21 November 2018 Successful Drill Program at Abi Rose Concluded with all three diamond holes intersecting Massive Nickel-Copper sulphides

Lake Johnston – a new interpretation

- **New geological model** - 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
- Approvals in place for next phase of exploration drilling; surveys being progressed for expanded exploration activities



Abi Rose discovery in relation to Emily Ann Mine



Intrusive and Komatiite models evident at Lake Johnston

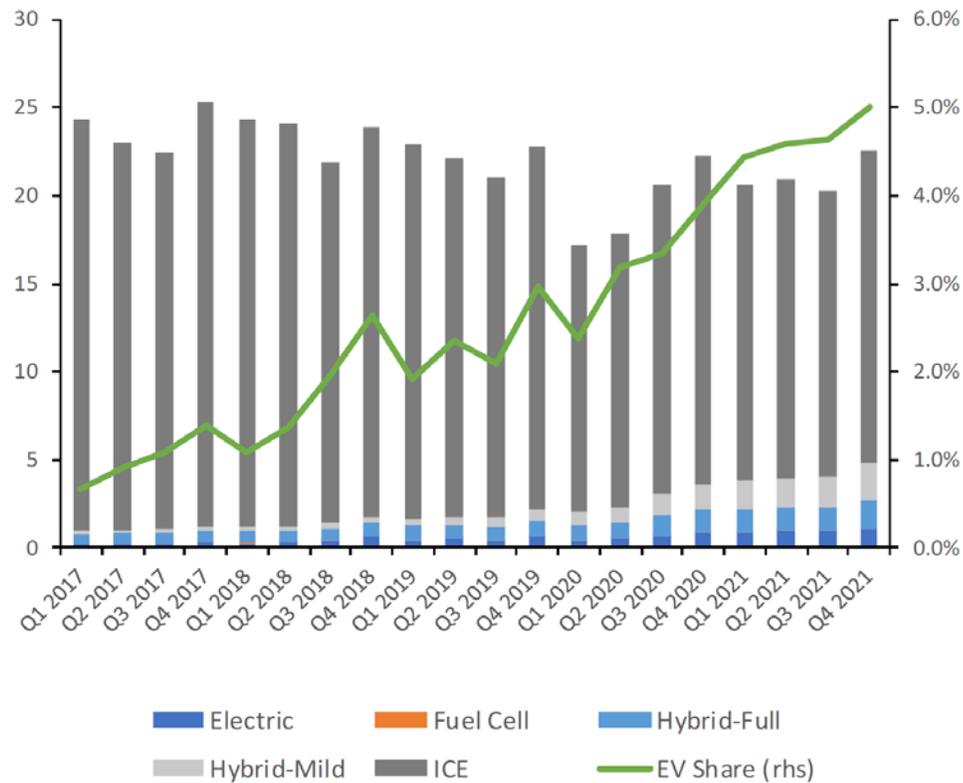
*ASX release 21st November 2018 Successful drilling program at Abi Rose intersection PLJD0002

Nickel Market – emerging supply shortage

GLOBAL AUTO PRODUCTION EXPECTED TO FALL SHARPLY IN 2020, YET EV SALES ARE EXPECTED TO GROW BY >20%, WITH LONG TERM PROSPECTS UNAFFECTED BY HEADWINDS FROM COVID-19

GLOBAL AUTO PRODUCTION AND EV SHARE

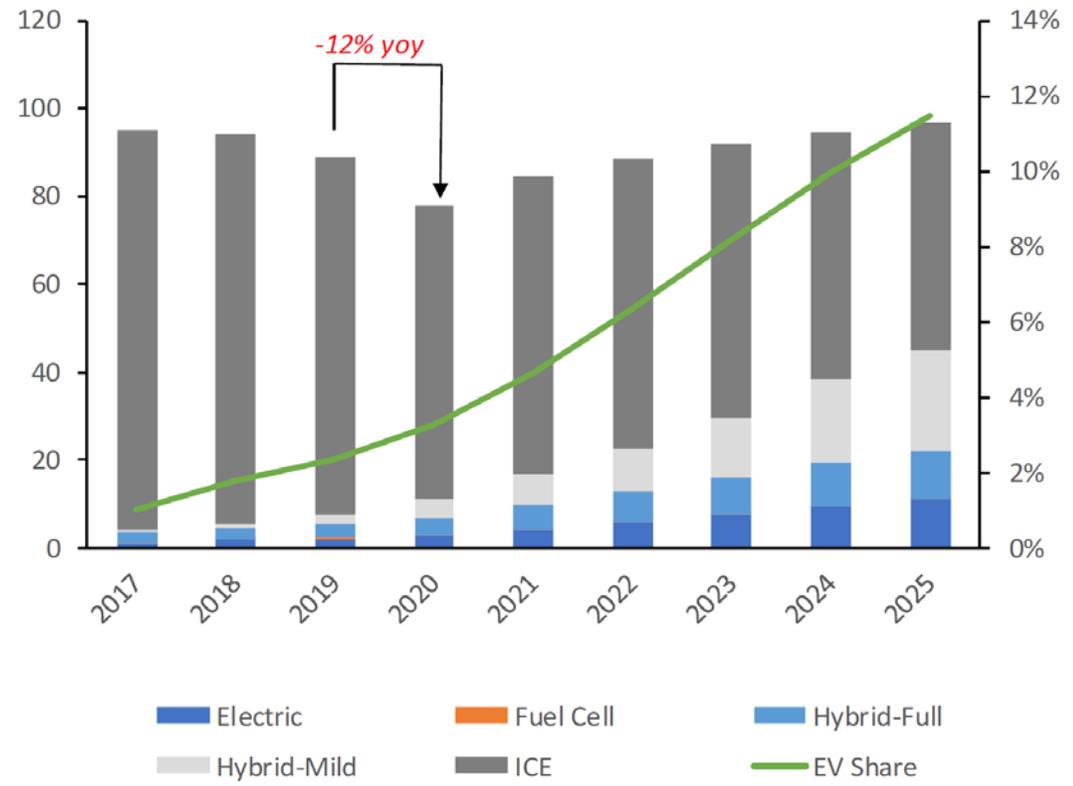
BY TYPE



Source: IHS Automotive, Trafigura Research

GLOBAL AUTO PRODUCTION AND EV SHARE

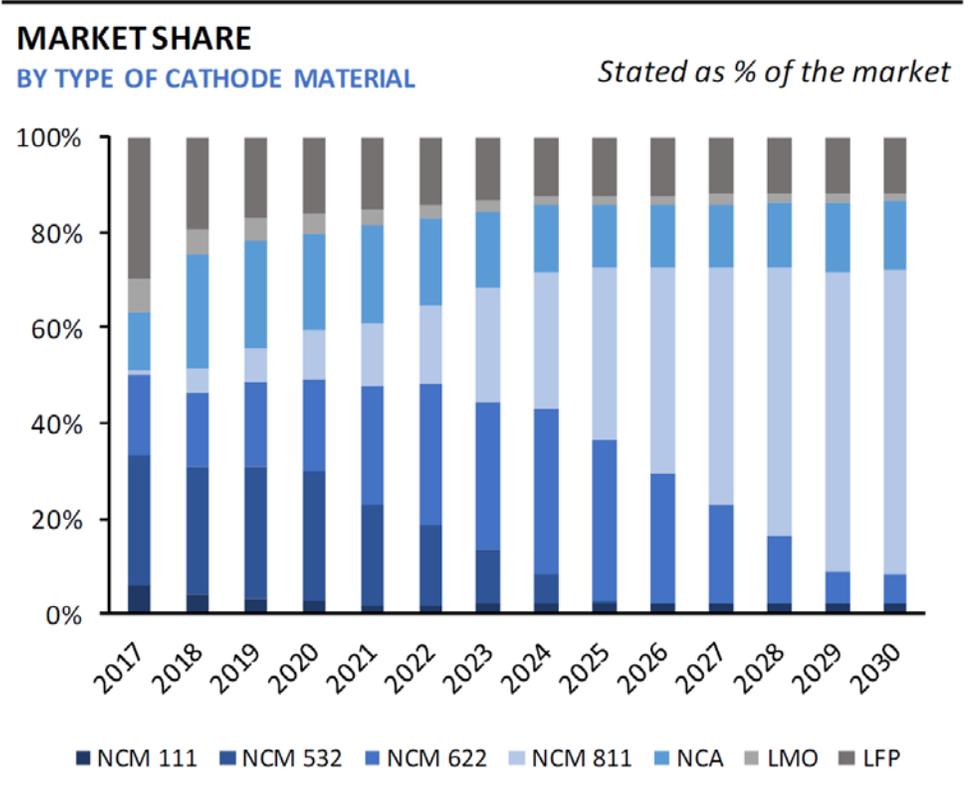
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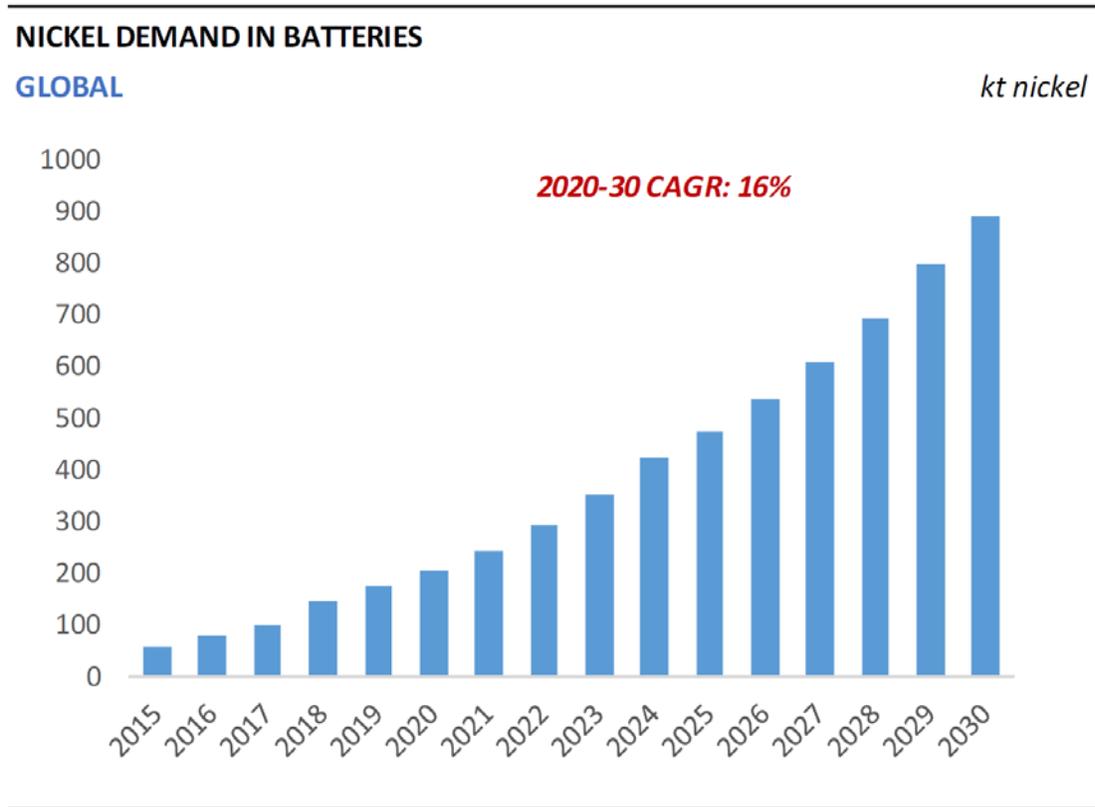
Source: IHS Automotive, Trafigura Research

Nickel Market – strong demand forecast from EVs

WITH THE LONG-TERM EV FORECAST INTACT NICKEL DEMAND IN BATTERIES EXPECTED TO CONTINUE GROWING AT DOUBLE DIGITS TO REACH 500KT IN 2025



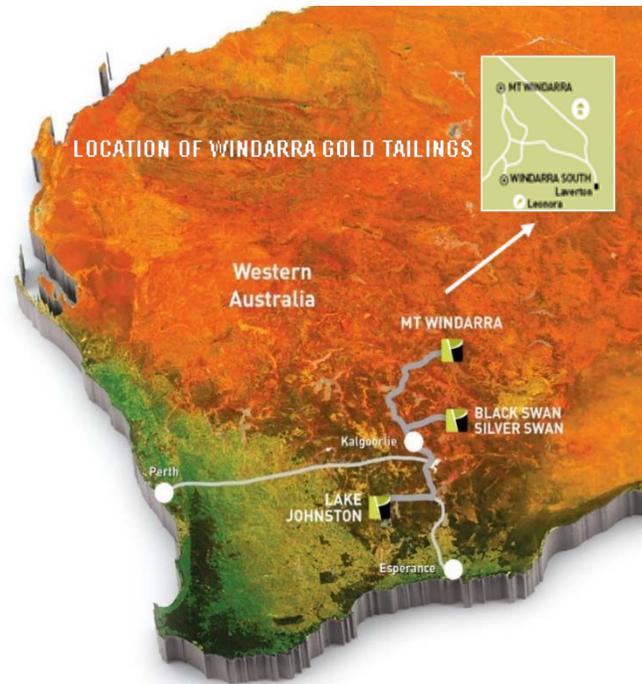
Source: Trafigura Research, SMM



Source: Trafigura Research, SMM, CIAP

Gold - Windarra gold tailings project

- PFS* confirms low risk, low cost hydraulic mining with plant Capex circa \$20m
- 1.5mtpa CIL processing facility; 39 month operation life (15 month payback)
- Monetise existing gold resource
- Supports strategy to return to Ni production
- DFS underway & scheduled for completion early Q4 2020
- Testing underway to confirm/optimize metallurgical recovery
- Scope to re-purpose capital equipment for Ni retreatment (Black Swan/Windarra)



Project physicals and key economic metrics	
Contained gold in resource	105,000oz
Metallurgical recovery	42.3%
Gold production target ¹	44,400oz
Revenue ²	\$112.3M
Development capital cost	\$24.6M
Max cash drawdown	\$25.3M
Net cash flow	\$30.4M
Pre-tax NPV _g	\$22.8M
IRR	62.4%
Payback period (from commencement of production)	15 months
Unit cost analysis	
C1 cash cost ³	\$1,209/oz recovered
AISC cash cost ⁴	\$1,291/oz recovered
Breakeven cost ⁵	\$1,846/oz recovered

Key Assumptions

1. Target Gold Production – assumes 100% mining recovery of Mineral Resource under the hydraulic mining scenario.
2. A gold price of US\$1,625/oz has been assumed and an exchange rate of A\$:US\$ of 0.65. Revenue includes \$1.4M of assumed silver credits which is produced as a by-product of the gold tailings retreatment process.
3. C1 cash costs mean operating cash costs including mining, processing, geology, OHSE, project G&A, smelter and refining, divided by gold produced. Excludes development and sustaining capex, royalties and corporate overheads.
4. All-in-sustaining cash costs are C1 cash costs plus royalties and sustaining capital. Excludes development capital and corporate overheads.
5. Includes AISC plus development capital.

* Refer ASX Release – Robust PFS completed for Windarra Gold tailings Project 22 June 2020

Road to cashflow and share price appreciation

- **Exploration success**
 - More high grade at Golden Swan
 - New mineralisation at Windarra
 - Test the intrusive model at Lake Johnston
- **Production studies** – focus on Black Swan restart
- **Gold tailings** – potential to generate cash from tailings to fund nickel exploration and development
- **Healthy Balance Sheet** – substantial net cash of >\$20M
- **Supportive shareholders** - Squadron and Black Mountain Metals
- **Experienced Team** - to transition Poseidon into a profitable nickel producer





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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 (see ASX announcement "Poseidon Announces Black Swan Mineral Resource" released 4th August 2014)

Silver Swan Resource as at 5 August 2019 (see ASX announcement "Silver Swan Resource Upgrade..." released 5th August 2019)

Maggie Hays Resource as at 17 March 2015 (see ASC announcement "50% Increase in Indicated Resources at Lake Johnston" released 17th March 2015)

Mt Windarra Resource as at 1 November 2014 (see ASX announcement "Poseidon Announces Revised Mt Windarra Resource" released 7th November 2014)

South Windarra and Cerberus Resource as at 30 April 2013 (see ASX announcement "Resource Increase of 25% at Windarra Nickel Project" released 1st December 2011)

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.

Mineral Resource statement

Table 2: Gold Tailings Project Mineral 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 (%)
North Dam	3,624,000	0.78	91,000	1.9	1,770	360	0.10
South Dam	923,000	0.48	14,000	0.6	630	369	0.26
Total	4,547,000	0.72	105,000	1.6	1,540	360	0.13

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

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.

Table 2.1 Windarra Gold Tailings Project JORC2012 Mineral Resource

The Windarra Tailings estimate for North and South Dams has been reported based on the following:

- no cut-off grade has been used to report the resource, as the 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 Table 2.1 may not sum exactly due to rounding.

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 Dam	6,198,000	0.37	74,000	435.0	270	0.3

Table 2.2 Windarra Central Dam JORC2012 Mineral Resource

The Windarra Tailings estimate for the Central Dam has been reported based on the following:

- 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.

Mineral Resource statement

Table 3: Nickel Project Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	ORE RESERVE CATEGORY		
		PROBABLE		
		Tonnes (Kt)	Ni% Grade	Ni Metal (t)
SILVER SWAN PROJECT				
Silver Swan Underground	2012	130	5.2	6,800
Black Swan Open pit	2012	3,370	0.63	21,500
TOTAL				
Total Ni Reserves	2012	3,500	0.81	28,300

Silver Swan Underground Reserve as at 26 May 2017 (see ASX announcement “Silver Swan Definitive Feasibility Study” released 26th May 2017)

Black Swan Open Pit Reserve as at 5 November 2014 (see ASX announcement “Poseidon Announces Black Swan Ore Reserve” dated 5th November 2014).

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 (refer to Table 1 above for the new 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.

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

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.

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 Updated Gold Tailings Project Mineral Resource Statement which relates to Mineral Resources is based upon details compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Ian Glacken is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and the deposit under consideration, and to the activity which he is 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).

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.

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.