

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Poseidon Nickel Limited

ABN / ARBN

60 060 525 206

Financial year ended:

30 June 2020

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: <http://poseidon-nickel.com.au/investors-media/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 23 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 24 September 2020

Name of Director or Secretary authorising lodgement: Andrea Betti
Company Secretary



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/ | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|---|
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|---|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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|---|--|---|--|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/ | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/ | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://poseidon-nickel.com.au/investors-media/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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|---|---|---|
| <p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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|--|---|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| <p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://poseidon-nickel.com.au/investors-media/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – NOT APPLICABLE | | |
| <p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

CORPORATE GOVERNANCE STATEMENT 2020

The Board of Directors of Poseidon Nickel Ltd (**Poseidon, the Company**) and the entities it controls (Consolidated Entity or Group) is responsible for the corporate governance of the Group.

Poseidon has established a corporate governance framework which guides and monitors the business and operations of the Group on behalf of Shareholders by whom they are elected and to whom they are accountable. The corporate governance framework includes policies, procedures, charters and systems of control and accountability as the basis for the administration of corporate governance.

This Corporate Governance Statement dated 30 June 2020 and approved by the Board on 23 September 2020, outlines the key principles and practices of the Company which, taken as a whole, is the system of governance. Poseidon's Corporate Governance Statement can be found in the Corporate Governance section of the *Investors & Media* section on its website at www.poseidon-nickel.com.au.

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The Company's website (www.poseidon-nickel.com.au) includes copies of key corporate governance policy documents.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

| Corporate Governance Recommendation | | Recommendation followed |
|---|--|--------------------------------|
| Principle 1: <i>Lay solid foundations for management oversight</i> | | |
| 1.1 | Disclose roles and responsibilities of the Board and Management | Yes |
| 1.2 | Undertake appropriate checks before appointing or electing a person as director | Yes |
| 1.3 | Written agreement with each director and senior executive | Yes |
| 1.4 | Company Secretary accountable directly to Board | Yes |
| 1.5 | Diversity Policy disclosures reported | Yes |
| 1.6 | Board performance evaluation undertaken | Yes |
| 1.7 | Senior Executives performance evaluation undertaken | Yes |
| Principle 2: <i>Structure the Board to add value</i> | | |
| 2.1 | Nomination committee requirements met | Partially |
| 2.2 | Board skills matrix disclosed | Yes |
| 2.3 | Director Independence and tenures disclosed | Yes |
| 2.4 | Majority of the Board are independent directors | No |
| 2.5 | Board Chair is an independent director & not the same person as the MD | Yes |
| 2.6 | Director induction and ongoing training program | Yes |
| Principle 3: <i>Act Ethically and Responsibly</i> | | |
| 3.1 | Code of conduct available on website | Yes |
| Principle 4: <i>Safeguard Integrity in corporate reporting</i> | | |
| 4.1 | Audit committee requirements met | Partially |
| 4.2 | CEO and CFO financial statement declarations received | Yes |
| 4.3 | External auditors attend AGM and are available to answer questions from shareholders | Yes |
| Principle 5: <i>Make Timely and Balanced Disclosure</i> | | |
| 5.1 | Continuous Disclosure Policy available on website | Yes |
| Principle 6: <i>Respect the Rights of Security Holders</i> | | |
| 6.1 | Corporate and governance information available on website | Yes |
| 6.2 | Investor Relations program | Yes |
| 6.3 | Processes to facilitate and encourage participation at shareholder meetings | Yes |
| 6.4 | Electronic shareholder communications functionality | Yes |
| Principle 7: <i>Recognise and Manage Risk</i> | | |
| 7.1 | Risk Committee requirements met | Partially |
| 7.2 | Annual review of Risk Management Framework | Yes |
| 7.3 | No internal audit function but internal control processes in place | Yes |
| 7.4 | Disclosure of material exposure to and management of economic environmental and social sustainability risk | Yes |
| Principle 8: <i>Remunerate Fairly and Responsibly</i> | | |
| 8.1 | Remunerate committee requirements | Partially |
| 8.2 | Remuneration practices disclosed | Yes |
| 8.3 | Remuneration policy disclosures regarding equity based remuneration | No |

| Recommendations | Commentary |
|---|---|
| <p>Principle 1: Lay solid foundations for management oversight: A listed entity should establish the respective roles and responsibilities for its Board and management and how their performance is monitored and evaluated.</p> | |
| <p>1.1. Listed Entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the Board and those delegated to management.</p> | <p>Adopted.</p> <p>This is contained within the Company's Board Charter, a copy of which is contained in the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page.</p> |
| <p>1.2. Listed Entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>Adopted.</p> <p>The Company undertakes appropriate checks prior to any director appointments.</p> <p>Upon rotation of directors at each Annual General Meeting, all relevant information is provided to security holders within the Notice of Meeting including biographical details, other material directorships, term of office and independence of directors.</p> |
| <p>1.3. A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Adopted.</p> <p>All directors are appointed under an engagement letter or contract which details the terms of their appointment.</p> <p>All senior executives have a written employment agreement detailing roles and responsibilities.</p> |
| <p>1.4. The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p> | <p>Adopted.</p> <p>The Company Secretary is accountable directly to the Board on all matters relating to the proper functioning of the Board. The Company Secretary duties include the following:</p> <ul style="list-style-type: none"> - advising the Board and/or Committees on corporate governance matters; - monitoring that the Board and/or Committees follow policy and procedure; - coordinating the timely completion and despatch of Board and Committee papers; - Ensuring that business at meetings is accurately captured in minutes; - Helping to organise and facilitate induction and professional development of directors. |
| <p>1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee</p> | <p>Adopted.</p> <p>The Company has a diversity policy, a copy of which is contained in the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate</p> |

of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation; or

(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Governance Page which documents the Company's commitment to workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce.

Responsibility for review of all matters contained within the Diversity Policy rests with the Board as a whole and is reflected accordingly in its Charter.

| | 2020 | | 2019 | |
|------------------|--------|------|--------|------|
| | Female | Male | Female | Male |
| Board | 25% | 75% | 25% | 75% |
| Senior Executive | 0% | 100% | 0% | 100% |
| Other* | 43% | 57% | 25% | 75% |

* Company Secretary Consultant and on site caretakers included

Measurable Objectives

- To implement strategies to address any gender pay equity gaps:
 - The Company's remuneration practises as monitored by the Nomination, Remuneration and Diversity Committee are capability, responsibility and performance based.
- To implement reporting procedures to ensure that prospective employees are interviewed by an interview panel:
 - The Nomination, Remuneration and Diversity Committee follows the Company's internal prepared selection practice with the full Board including the Managing Director/CEO making the final selection.
- To provide flexible work and salary arrangements to accommodate personal commitments, study and self-improvement, and cultural traditions of current and potential employees:
 - The Company, without prejudice and within reason will accommodate requests for flexible working arrangements.
- To provide relevant and challenging professional development and training opportunities for all employees:
 - The Company seeks to encourage all employees to participate in external and internal training courses, staff meetings and on the job training.
- To adopt and always promote the Diversity Policy:
 - The Company's Diversity Policy is made available to all Directors, senior management and employees as well as to Shareholders and the general public through disclosure on the Company's website.

1.6. A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Adopted.

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of annual Board evaluation is to identify ways to improve performance.

The Company has developed a process for performance evaluation as reflected in the Board Charter and Performance Evaluation Policies of the Company. This includes evaluations of the Board, Committees, individual Directors and the Chairman of the Board/Committees. General performance discussions have occurred in the 2020 financial year, however a more structured and detailed review will be conducted later in the year due to the recent changes to the Board and executive management. The process will include the completion of individual

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| | <p>questionnaires focused on process, structure, effectiveness and contributions.</p> <p>Responses to the questionnaires will then be collated and discussed by the Board and Committees in an open forum and recommendations for improvement considered.</p> |
| <p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Adopted.</p> <p>The Company reviews the performance of the CEO each year. Due to the recent appointment of the current CEO, an evaluation has not been conducted during the reporting period. It is intended that a performance review of the CEO and CFO will occur later in the year.</p> <p>Open discussion on management performance takes place at Board level.</p> |
| <p>Principle 2 Structure the Board to add value: A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p> | |
| <p>2.1 The Board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>Partially Adopted.</p> <p>The Company has a Remuneration, Nomination and Diversity Committee. The responsibilities of this Committee are detailed in the Committee Charter.</p> <p>Mr Derek La Ferla chairs this Committee. The Board considers that, given the importance of board composition, it is appropriate that all members of the Board are members of the Committee. However the majority of the committee is not independent as the only independent member is Mr La Ferla.</p> <p>The number of meetings of this Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Poseidon Nickel Ltd Annual Report 2020.</p> <p>A copy of the Company's Remuneration, Nomination and Diversity Committee Charter is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page.</p> |

2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Adopted.

Skill sets represented at Board level include managerial, technical, financial, corporate, legal and commercial. Particularly, members have a broad range of experience and expertise in the uranium business. The Board matrix is currently being updated due to the recent changes in the Board.

| Skill / Competency | Derek La Ferla | Peter Harold | Felicity Gooding | Dean Hildebrand* |
|--|----------------|--------------|------------------|------------------|
| Accounting and financial acumen/Auditing | ✓ | ✓ | ✓ | ✓ |
| Governance | ✓ | ✓ | ✓ | |
| Leadership | ✓ | ✓ | ✓ | ✓ |
| Industry knowledge | ✓ | ✓ | ✓ | ✓ |
| Nickel Marketing | | ✓ | | |
| Mining - Exploration | | ✓ | | |
| - Metallurgy | | ✓ | | |
| - Development/Construction | | ✓ | | |
| - Production | | ✓ | | |
| Business Management | ✓ | ✓ | ✓ | ✓ |
| Strategic Planning | ✓ | ✓ | ✓ | ✓ |
| Capital Raising/Corporate Finance | ✓ | ✓ | ✓ | ✓ |
| Legal | ✓ | ✓ | | |
| Mergers and Acquisitions/JVs | ✓ | ✓ | ✓ | ✓ |
| Risk Management | ✓ | ✓ | ✓ | |
| Measure Executive/KMP performance | ✓ | ✓ | | |
| Business Development | ✓ | ✓ | ✓ | ✓ |
| Sustainability/Environmental | ✓ | ✓ | ✓ | |

* Dean Hildebrand was appointed to the Board on 1 July 2020.

Directors are encouraged to undertake continuing education relevant to the discharge of their obligations as directors of the Company. Reasonable cost of such education is met by the Company. Directors are also regularly briefed on any changes to legislation and practices relevant to the business.

2.3. A listed entity should disclose:
 (a) the names of the directors considered by the Board to be independent directors;
 (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
 (c) the length of service of each director.

Adopted.

Currently the only Independent Director is:

- Mr Derek La Ferla, appointed to the Board on 1 December 2019, serving seven months.

Subsequent to the end of the reporting period, the Company appointed Mr Peter Muccilli as an Independent Non-Executive Director to the Board on 3 August 2020.

The Board does not believe that any director has served on the Board for a period which could, or be perceived to, materially interfere with his ability to act in the best interests of the Company.

2.4. A majority of the Board of a listed entity should be independent directors.

Not Adopted.

Currently only the Chairman, Derek La Ferla, is independent, which is 25% of the Board. Subsequent to the end of the reporting period, the Company

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| | appointed Mr Peter Muccilli as an Independent Non-Executive Director to the Board on 3 August 2020. This provides for 40% of the Board to being independent. |
| 2.5. The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | Adopted. The Chairman of the Board is Derek La Ferla, and he has been determined as an independent director. The Chair of the Board and the CEO are not the same person. |
| 2.6. A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | Adopted. There is an induction program in place for any new directors which includes the commitment of the Company to provide and support any required professional development. |

Principle 3

Act Ethically and Responsibly:

A listed entity should act ethically and responsibly.

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| 3.1. A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of conduct or a summary of it. | Adopted. The Company has a Directors' and Executive Officers' Code of Conduct and a Code of Business Conduct, both of which are contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page. |
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Principle 4

Safeguard Integrity in corporate reporting:

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

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| 4.1. The Board of a listed entity should: (a) have an audit committee which: (1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not eh chair of the Board; and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the committee; and | Partially Adopted. The Audit and Risk Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control and compliance and reporting practices in accordance with the Audit and Risk Committee Charter. Details of the Risk responsibilities are in section 7.1 The audit role of the Audit and Risk Committee is detailed in the Audit and Risk Committee Charter. The Audit and Risk Committee comprises four members, with only one member an independent Non-executive Directors. The current members of the Audit and Risk Committee are: <ul style="list-style-type: none"> • Felicity Gooding – Committee Chairperson, Non-Executive Director (not independent) • Derek La Ferla, Non-Executive, Independent Company Chairman • Dean Hildebrand, Non-Executive Director (not independent) • Peter Harold, Managing Director (not Independent) |
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| <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>The relevant qualifications and experience of the members of the Audit and Risk Committee can be found in their biographical information, which is included in the Directors' Report.</p> <p>The Audit and Risk Committee meets at least three times a year and at any other time requested by a Board member, Company Secretary or external auditor. The external auditors attend each meeting and on other occasions where circumstances warrant.</p> <p>At the discretion of the Chairman, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings. The number of meetings of the Audit and Risk Committee during the reporting period and the names on the attendance record is set out in the Directors' Report of the Poseidon Nickel Ltd Annual Report 2020.</p> <p>The external auditors can meet with the Audit and Risk Committee without management present at any meeting and as a standing agenda item at the August meeting.</p> <p>The charter of the Audit and Risk Committee is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page.</p> |
| <p>4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>Adopted.</p> <p>Upon approval of all financial statements, the Board receives a copy of the CEO and CFO declaration which covers the items required in principle 4.2</p> |
| <p>4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit</p> | <p>Adopted.</p> <p>The external auditors are required to attend the AGM and be available to answer any shareholder questions relevant to the audit.</p> |

Principle 5
Make Timely and Balanced Disclosure:
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

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| <p>5.1. A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it</p> | <p>Adopted.</p> <p>Poseidon is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal and timely access to material information concerning the Company.</p> <p>The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX’s securities market and has adopted a Continuous Disclosure & Communication Policy with underlying procedures covering public announcements, the prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, and media communications.</p> <p>Directors and management are committed to promoting consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information to the market.</p> <p>The Company publishes its Continuous Disclosure Policy within the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page. This policy is regularly reviewed and updated.</p> |
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Principle 6
Respect the Rights of Security Holders:
A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

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| <p>6.1. A listed entity should provide information about itself and its governance to investors via its website.</p> | <p>Adopted.</p> <p>The Company currently has a Corporate Governance page on its website providing links to constitution, charters, and corporate governance policies. Details of directors can be found on the <i>Board of Directors</i> page of their website www.poseidon-nickel.com.au</p> |
| <p>6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | <p>Adopted.</p> <p>The Company places a high priority on communications with, and accountability to, shareholders. The Board recognises that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective investors should be able to make an informed decision when considering the purchase of shares in Poseidon.</p> <p>Information is communicated to shareholders by:</p> <ul style="list-style-type: none"> • ensuring the disclosure of full and timely information about the Company’s activities in accordance with the general and continuous disclosure principles in the ASX Listing Rules, the Corporations Act in Australia; • providing detailed reports from the Chairman, the Managing Director and other senior executives at the Annual General Meeting (AGM); • placing all material information released to the market (including notices of meeting and explanatory materials) on the Company’s website as soon as practical following release; • placing the Company’s market announcements and financial data on its website. |

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| | <p>In addition, the website includes a facility to allow interested parties to <i>Register for Updates</i> by subscribing to receive electronically, public releases and other relevant material concerning the Company. There are also contact details if shareholders wish to contact the Company or its security registry with any queries.</p> <p>The Company's Communications Strategy is contained within the <i>Corporate Governance Policies</i> downloadable document available on the company website at www.poseidon-nickel.com.au on the Corporate Governance Page.</p> |
| <p>6.3. A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | <p>Adopted.</p> <p>Shareholders are encouraged to attend AGMs and ask questions of directors, senior management and the Company's external auditors, who are required to be in attendance. In the event that shareholders are unable to attend meetings, they are encouraged to lodge proxies signifying their approval or otherwise of the business to be considered. Shareholders are able to directly lodge their votes online via the Computershare investor portal (the Company's share registry) voting platform.</p> |
| <p>6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | <p>Adopted.</p> <p>Welcome pack to all new shareholders provides these options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry, Computershare.</p> |
| <p>Principle 7 Recognise and Manage Risk: A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p> | |
| <p>(a) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>Whilst all personnel have a responsibility to identify and report to management risks which may materially affect the Company, the Managing Director has the overall responsibility for the management of risk in the Company.</p> |
| <p>7.2. The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>Adopted.</p> <p>The risk management system is designed and implemented by the Company Secretary and Chief Financial Officer, with assistance from senior executives, and is subject to review by the Managing Director and Audit and Risk Committee on a regular basis.</p> |

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| <p>7.3. A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>Adopted.</p> <p>The Company does not have an internal audit function. Financial and Operating Risks are addressed through individual approved policies and procedures covering financial, contract administration, and safety and environmental activities of the Company. The Company engages an insurance brokering firm as part of the Company's annual assessment of the coverage for insured assets and risk. The result of these reviews are reported to the Board at least annually.</p> |
| <p>7.4. A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Adopted.</p> <p>The Company has material exposure to financial economic and social sustainability risks through its exploration and operational activities. The Company mitigates these risks by ensuring there is adequate funding to ensure that it can meet its operating obligations and ensuring it applies best practice procedures to ensure compliance with all relevant legal obligations.</p> <p>A robust Risk Management Framework which adapts to changing conditions is also key in managing these risks and ensuring all stakeholders are considering when managing risks.</p> |
| <p>Principle 8</p> <p>Remunerate Fairly and Responsibly:</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p> | |
| <p>8.1. The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by independent director;</p> <p>and disclose:</p> <p>(3) charter of the committee;</p> <p>(4) members of the committee; and</p> <p>(5) at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>Partially Adopted.</p> <p>Poseidon has a Remuneration, Nomination and Diversity Committee. The Remuneration responsibility of the Committee is to assist the Board with respect to remuneration by reviewing and making appropriate recommendations on:</p> <ul style="list-style-type: none"> • remuneration packages of executive Directors, Non-executive Directors and senior executives; and, • employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed. <p>The policies and practices regarding remuneration and the remuneration paid to directors and senior executives are shown in the Remuneration Report, forming part of the Directors' Report of the Poseidon Nickel Ltd Annual Report 2020.</p> <p>The Remuneration, Nomination and Governance Committee comprises four members (the entire Board), of which only one, Derek La Ferla, is considered independent. Mr La Ferla is also the Chairman of the committee.</p> <p>The number of meetings of the Committee during the reporting period and the names on the attendance record are set out in the Directors' Report of the Poseidon Nickel Ltd Annual Report 2020.</p> |

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| <p>8.2. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>Adopted.</p> <p>This is contained within the remuneration report of the Annual Report.</p> |
| <p>8.3. A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>Not Adopted.</p> <p>The Company has a Performance Rights Plan which was approved by Shareholders at the 2015 AGM. This plan does not specifically deal with permissions for participants to limit their economic risk. The Company is currently reviewing this plan.</p> |

Corporate Governance Statement date: 30 June 2020

Approved by the Board on: 23 September 2020