

ASX Announcement

6 November 2024

AGREEMENT WITH ENCORE MINERALS TO DEVELOP WINDARRA TAILINGS PROJECT NOW UNCONDITIONAL

- As announced on 31 July 2024, Poseidon entered into an agreement with Encore Minerals to develop the Windarra gold and nickel tailings project¹
- The agreement was subject to various conditions precedent, including due diligence by Encore
- Encore has confirmed that it is satisfied with its due diligence enquiries and the parties have agreed all other conditions precedent have been satisfied or waived

¹ Refer to ASX Announcement "Poseidon Enters Agreement with Encore Minerals to Develop Windarra Tailings Project", dated 31 July 2024 that includes a summary of key terms and conditions precedent set in the agreement.

Poseidon Nickel (ASX: POS, the Company) is pleased to announce the Agreement with Encore Minerals Pty Ltd (**Encore Minerals**) to develop the gold and nickel tailings at the Windarra Tailings Project (**Project**) using Draslovka's a.s.'s (**Draslovka**) proprietary Glycine Leaching Technology (GLT) and other patented technology.

The agreement was subject to various conditions precedent. The parties have agreed that all conditions precedent set out in the agreement have been satisfied or waived.

The agreement includes an up-front non-refundable payment of \$250,000 upon signing of the agreement and the commencement of a testing period (received in August 2024). It is a staged framework agreement with a final agreement to be entered into upon the completion of the test work.

Pursuant to the Agreement, Poseidon will receive a total of \$1.25 million, an NSR royalty of 3% on production and \$1.6 million towards the existing rehabilitation bond. The funding, development, operation, closure and rehabilitation of the project will be the responsibility of Encore.

Since the release of the Windarra gold tailings DFS (refer ASX Announcement "*Windarra Gold Tailings DFS Highlights Robust Project*", dated 23 July 2021), the gold price has increased from the study assumption of A\$2,500/oz to above A\$4,000/oz, which should significantly improve project economics.

Next Steps

Encore Minerals is progressing with feasibility studies based on using GLT and other patented technology to process the gold tailings at Windarra and Lancefield. Outcomes from these studies will support potential development of the project.

About Encore Minerals

Encore Minerals is a Perth based company that provides resource development strategies and includes innovative technologies and plant design with a multi-disciplined understanding of success factors in resources projects. Encore Minerals is a wholly owned subsidiary of Mining and Process Solutions Pty Ltd, a Perth based company that owns several patented processing technologies including the GLT, which Poseidon understands

is an environmentally friendly hydrometallurgical process that leaches base and precious metal oxide, mixed oxide and sulphide ores. In 2022, Draslovka acquired Mining and Process Solutions Pty Ltd and their patented technologies, and both companies are now part of the Draslovka group. Originally founded in 1906, Draslovka has become a global chemicals business with agricultural, mining and speciality chemicals divisions. For more information, refer to their website at www.draslovka.com

This announcement was authorised for lodgement by the Board of Poseidon Nickel Limited.



Brendan Shalders
CEO
6 November 2024

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About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX Code: POS) is a multi-commodity exploration and development company with three projects located within a radius of 300km from Kalgoorlie in the Goldfields region of Western Australia and a resource base of over 420,000 tonnes of nickel and 180,000 ounces of gold¹.

Poseidon's strategy is focused on targeted exploration and business development to grow reserves and resources for the eventual restart of its established processing operations in Western Australia with the aim of being a profitable and sustainable producer.

Poseidon owns the Black Swan, Windarra Nickel and Lake Johnston Projects. The mines and infrastructure across all projects, including concentrators at Black Swan and Lake Johnston, present near term development options for Poseidon and peer companies that have mineral resources without established processing infrastructure.

In addition to processing capabilities, the Company has significant nickel exploration opportunities demonstrated by the discovery of the Golden Swan Resource at Black Swan, Maggie Hays West prospect at Lake Johnston and more recently the NW05 and NW04 targets at Windarra.

An assessment of other commodities across Poseidon's project portfolio has noted strong lithium prospectivity at Lake Johnston and developing gold exploration targets across all three projects areas.

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

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. During July 2024, Encore Minerals entered into an agreement with Poseidon to develop the Windarra tailings project.

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