

7 October 2020

LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY

Poseidon Nickel Limited (ASX:POS) (“Poseidon” or “the Company”) announces details of a share sale facility (“**Facility**”) it has established for holders of less than a marketable parcel of shares in the issued capital of Poseidon (“**Poseidon Shares**”) (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) (“**Less Than a Marketable Parcel**”).

Based on the closing price on ASX on 6 October 2020 of \$0.053 per Poseidon Share, a Less Than a Marketable Parcel of Poseidon Shares is any holding of 9,433 Poseidon Shares or fewer. As at 4pm AWST on the Record Date, there are 4,086 holdings of Poseidon Shares of Less Than a Marketable Parcel (from a total of 9,235 holdings), totalling 9,916,806 Poseidon Shares and constituting approximately 0.38% of the 2,642,701,831 total Poseidon Shares on issue.

Poseidon is providing the Facility to registered holders of Less Than a Marketable Parcel to sell their Poseidon Shares without difficulty, and without incurring any costs that might otherwise make a sale of their shares uneconomic. In addition, Poseidon expects to reduce the administrative costs associated with maintaining such a large number of relatively small holdings on its share register, in particular costs associated with printing and mailing documents to shareholders.

Morgans Financial Limited has been appointed as broker for the shares to be sold under the Facility. Poseidon will forward all sale proceeds to participating shareholders as soon as practicable following settlement. All associated costs and brokerage fees will be paid by Poseidon, excluding any tax consequences which are the responsibility of participating shareholders.

Poseidon will arrange to complete the Less Than a Marketable Parcel share sale process as soon as practicable after the closing date for the Facility of 26 November 2020.

The key dates for the Facility are detailed below.

EVENT	DATE
Less Than a Marketable Parcel Record Date	4pm AWST, 6 October 2020
Poseidon Announces Less Than a Marketable Parcel Share Sale Facility	7 October 2020
Letter Sent to Holders of Less Than a Marketable Parcel of Poseidon Shares	14 October 2020
Closing Date for Receipt of Share Retention Forms	26 November 2020

You do not need to take any action if you want your Less Than a Marketable Parcel of Poseidon Shares to be sold under the Facility.

An Information Sheet about the Facility and a copy of the letter that will be sent to all Poseidon shareholders on the Record Date holding Less Than a Marketable Parcel of Poseidon Shares are attached to this announcement.

Please contact Poseidon at admin@poseidon-nickel.com.au for further information about the Facility.

This announcement was approved for release by Poseidon’s Managing Director, Peter Harold.

**INFORMATION SHEET
LESS THAN A MARKETABLE PARCEL SHARE SALE FACILITY**

1. What is a Less Than a Marketable Parcel?

A Less Than a Marketable Parcel is a parcel of shares in Poseidon Nickel Limited valued at less than \$500. Based on the closing share price of Poseidon's shares on the Record Date of 6 October 2020, this is equivalent to a parcel of 9,433 Poseidon Shares or fewer.

2. What was the closing price of Poseidon Shares on the Record Date?

The closing price of a Poseidon Share on the Record Date was \$0.053 per share.

3. Why is the Facility being offered?

Poseidon is providing the Facility to enable you to sell your Less Than a Marketable Parcel without difficulty, and without incurring brokerage or handling costs that might otherwise make a sale of your Less Than Marketable Parcel of Poseidon Shares uneconomic or difficult. The Facility will assist Poseidon to reduce administrative costs associated with maintaining a large number of relatively small holdings of Poseidon Shares. Additionally, Poseidon expects that the Facility will reduce the costs associated with maintaining its share register, and with printing and mailing of documents such as annual reports and notices of meetings, and any other general correspondence that is required to be printed and mailed to shareholders.

4. What do I need to do to sell my Poseidon Shares?

You do not need to do anything— your Less Than a Marketable Parcel of Poseidon Shares will be sold through the Facility unless you return a completed Share Retention Form by no later than the Closing Date of 26 November 2020.

5. How will my Poseidon Shares be sold under the Facility?

Your Poseidon Shares will be sold by Morgans Financial Limited, the appointed broker for the Facility, on the Australian Securities Exchange ("**ASX**"), subject to prevailing market conditions and available liquidity. The Poseidon Shares sold under the Facility may be sold in a single or multiple parcels, and may be sold at different parcels on different days.

6. What price will I receive for my Poseidon Shares sold through the Facility?

The shares will be sold at the market price of Poseidon Shares on ASX (ASX code: POS) as soon as practicable after the Closing Date of 26 November 2020, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Poseidon Shares sold under the Facility. You will not have control over the time at which your Poseidon Shares are sold, and the price you receive may differ from the price appearing in the media or quoted by the ASX on any day, and may not be the best price on the day your shares are sold. If on the Closing Date the value of your holding of Poseidon Shares has increased due to an increase in the number of shares you hold, your shares will **not** be sold.

7. Do I need to pay anything if I participate in the Facility?

No, Poseidon will pay all costs and fees associated with the Facility, however, any tax consequences arising from the sale of your Poseidon Shares under the Facility are your responsibility.

8. When will I receive the proceeds for the shares sold?

Payment will be forwarded to you following settlement of all Poseidon Shares sold under the Facility, or otherwise as soon as it is practicable. Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Poseidon's share register. If your address requires updating or you would like to update your bank account, you can amend your details online through Computershare's Investor Centre website at www.computershare.com.au/easyupdate/POS (you cannot elect to retain your Less Than a Marketable Parcel of Poseidon Shares through this website). Payment will be made in Australian Dollars.

9. What are the advantages and disadvantages of participating in the Facility?

Advantages include:

- receiving a cash payment from the sale of your Less Than a Marketable Parcel Poseidon Shares;
- avoiding any brokerage or related selling expenses;
- utilising a cost-effective way of disposing of a Less Than a Marketable Parcel of shares; and
- the sale price being determined by reference to the market price.

Disadvantages include:

- no longer holding any Poseidon Shares (unless you subsequently buy more);

- possible capital gains tax being payable following the sale of your Poseidon Shares; and
- the price of the Poseidon Shares may subsequently rise.

10. What if I do not wish to sell my Less Than Marketable Parcel?

If you do not wish to sell your Less Than a Marketable Parcel of Poseidon Shares, ***you must complete and return the Share Retention Form by mail***, so that it is received by Computershare Investor Services, Poseidon's share registry, by no later than 5pm AEDT on 26 November 2020. If Computershare has not received your completed Share Retention Form by no later than 5pm AEDT on 26 November 2020, your shareholding will be sold under the Facility.

The address to which you need to return by mail your Share Retention Form, if you wish to keep your Less Than a Marketable Parcel of Poseidon Shares, is detailed on the Share Retention Form.

11. Will I retain my holding if I buy more Poseidon Shares?

Poseidon will not sell your shares if you increase your holding (or the beneficial holding of the beneficiary for whom or on whose behalf you hold Poseidon Shares) to a marketable parcel, being a parcel of shares with a market value of at least \$500 based on the closing price of Poseidon Shares on ASX on the Record Date (being \$0.053 per Poseidon Share). Any additional Poseidon Shares acquired must be registered by the Closing Date, under the same name and address and with the same holder number (SRN or HIN) as set out in the Share Retention Form you will receive

12. What if I hold multiple Less Than a Marketable Parcels of Poseidon Shares?

If you hold multiple Less Than a Marketable Parcels of Poseidon Shares, you must complete and return a Share Retention Form for each separate Less Than a Marketable Parcel of Poseidon Shares you wish to retain, or make arrangements to amalgamate your holdings by contacting your broker or Poseidon's share registry, Computershare Investor Services.

13. What if my holding of Poseidon Shares is a CHESS Holding?

If your shares remain in a CHESS Holding, Poseidon may move those shares to an Issued Sponsored Holding and the shares will then be sold under the Facility.

14. How is Poseidon able to sell my shares under the Facility?

Clause 13 of Poseidon's Constitution entitles Poseidon to sell Less Than a Marketable Parcels of Poseidon securities provided it complies with the process set out in that clause. The Facility established by Poseidon complies with clause 13 of Poseidon's Constitution and with ASX Listing Rule 15.13.

15. How can I obtain further information about the Facility?

You can obtain further information about the Facility by contacting Poseidon at admin@poseidon-nickel.com.au.

16. Important Notes

If you are in doubt about what to do, you should consult a financial, legal, taxation or other professional advisor. This Information Sheet does not constitute advice about what you should do regarding the Facility, nor is it a recommendation to sell, buy or hold Poseidon Shares.

Poseidon reserves its right to change any of the dates referred to in the ASX announcement dated 7 October 2020, this Information Sheet, or the Share Retention Form and accompanying letter by written notice to the ASX.

Before a sale is effected under the Facility, Poseidon may elect to suspend or terminate the Facility either generally, or in specific cases.

SELLING YOUR LESS THAN A MARKETABLE PARCEL OF POSEIDON SHARES

Poseidon Nickel Limited (ASX:POS) (“Poseidon” or “the Company”) has many shareholders holding a small number of shares in the issued capital of Poseidon (“**Poseidon Shares**”). Poseidon knows that small holdings may be difficult or expensive to sell, and as such is offering you a convenient and economic way to sell your Poseidon Shares through a share sale facility (“**Facility**”) at market prices and free of charge for holders of less than a marketable parcel of Poseidon Shares (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) (“**Less Than a Marketable Parcel**”).

The Facility also benefits Poseidon by reducing the number of shareholders with a small holding of Poseidon Shares, and allowing Poseidon to better manage its share registry costs and reduce its costs for printing and mailing documents to shareholders.

The Facility is available to all registered Poseidon shareholders who held 9,433 Poseidon Shares or fewer (valued at less than \$500 based on the closing price of \$0.053) at 4pm AWST on the Record Date of 6 October 2020. Poseidon’s share register shows that you hold Less Than a Marketable Parcel of Poseidon Shares as at the Record Date. Shareholders with a Less Than Marketable Parcel of Poseidon Shares are not obliged to sell their shares. **You do not need to do anything if you wish to sell your Poseidon Shares in the Facility.**

If you do not wish to sell your Poseidon Shares in the Facility, you must return the enclosed Share Retention Form by mail to the address detailed on the form so that it is received by Poseidon’s share registry, Computershare Investor Services, by no later than 26 November 2020. If your Share Retention Form is not received by that date, Poseidon will sell your shares through the Facility, in accordance with its entitlement under clause 13 of Poseidon’s Constitution. The proceeds of the sale will be sent to you as soon as practicable after settlement of all Poseidon Shares sold under the Facility. The Poseidon Shares sold under the Facility will be sold at market prices, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Poseidon Shares sold under the Facility.

This letter is the first and final notice to holders of Less Than a Marketable Parcel of Poseidon Shares regarding the Facility.

What are your options?

You should read the Information Sheet attached to Poseidon’s ASX announcement dated 7 October 2020.

If you wish to sell you Poseidon Shares in the Facility, you do not need to take any action. By not taking any action, you will be deemed to have appointed Poseidon as your agent to sell your Less Than a Marketable Parcel of Poseidon Shares through an orderly on-market sale and without any cost being incurred by you, to have appointed Poseidon and its directors as your attorney and to act on your behalf to effect all documents required to effect the sale under the Facility, and to deal with the proceeds of the sale as set out in this letter and the Information Sheet attached to Poseidon’s ASX announcement dated 7 October 2020.

If you do not wish to sell your Poseidon Shares in the Facility, you must complete and return the enclosed Share Retention Form by mail so that it is received by 5pm AEDT on 26 November 2020. Please carefully read the instructions on the Share Retention Form before completing it.

If you are in doubt about what to do, you should consult a financial, legal, taxation or other professional advisor. This letter does not constitute advice about what you should do regarding the Facility, nor is it a recommendation to sell, buy or hold Poseidon Shares.

The Information Sheet attached to Poseidon’s ASX announcement dated 7 October 2020 contains further details about the Facility which you should read before making any decision – available at <https://www.asx.com.au/asx/share-price-research/company/POS>

Please contact Poseidon at admin@poseidon-nickel.com.au if you require further information or have any queries about the Facility.

Yours sincerely,



Andrea Betti

Company Secretary

For and on behalf of Poseidon Nickel Limited

- **What is a Less Than a Marketable Parcel of Poseidon Shares?**

A parcel of Poseidon Shares valued at less than \$500 as at close of trade on the Record Date of 6 October 2020 – being 9,433 Poseidon Shares at a closing price of \$0.053 per Poseidon Share.

- **What price will I receive for Poseidon Shares sold through the Facility?**

The price that you receive for your Poseidon Shares under the Facility will be determined subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Poseidon Shares sold under the Facility. You will not have control over the time at which your Poseidon Shares are sold, and the price you receive may differ from the price appearing in the media or quoted by the ASX on any day, and may not be the best price on the day your shares are sold. If on the Closing Date the value of your holding of Poseidon Shares has increased to more than 9,433 Poseidon Shares, your shares will **not** be sold.

- **How much will the sale of Shares through the Facility cost?**

Nothing, Poseidon will bear all costs associated with the sale of the Less Than a Marketable Parcel of Poseidon Shares. Tax consequences from the sale of Poseidon Shares under the Facility are your responsibility.

- **When will the proceeds from the sale of Poseidon Shares be sent to me?**

The proceeds to which you are entitled from the sale of your shares will be remitted to you in Australian dollars as soon as practicable after settlement of the sale of all Poseidon Shares under the Facility. Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Poseidon's share register.

- **If I buy more Poseidon Shares, will I retain my holding?**

Yes, Poseidon will treat any purchase of additional shares taking your shareholding total to above \$500 (based on the Record Date closing price of \$0.053) registered at 5.00pm AEDT on 26 November 2020 as an indication that you do not want your Poseidon Shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your Poseidon Shares, any additional shares must be registered by 5.00pm AEDT on 26 November 2020 under the same name and address and with the same holder number (SRN or HIN) as set out in Share Retention Form accompanying this letter.

- **Where can I get further information?**

See the Information Sheet attached to Poseidon's ASX announcement dated 7 October 2020, or contact Poseidon at admin@poseidon-nickel.com.au.

Important notes

Poseidon reserves the right to change any of the dates referred to in this letter by notice to the ASX.

After 26 November 2020, for the purpose of selling Less Than a Marketable Parcels of Poseidon Shares that are held in a CHESS Facility holding, Poseidon may initiate a holding adjustment to move those shares from the CHESS holding to an issuer sponsored holding or certificated holding.

This letter does not constitute advice nor a recommendation to buy, sell or hold Poseidon Shares, nor advice about what you should do regarding the Facility.