

POSEIDON
N I C K E L

Company Update

May 2021

**HIGH MARGIN NICKEL
PRODUCTION IN 2022**

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• Our Assets

- Combined Nickel Resources – **395kt Ni¹**
- Black Swan - **195kt Ni¹** in Resources, 2Mtpa processing plant on C&M, **Golden Swan high-grade Ni discovery**
- Lake Johnston - **52kt Ni¹** in Resources, 1.5Mtpa processing plant on C&M
- Windarra - **149kt Ni in Resources¹**
- Gold - Windarra Gold Tailings project² containing **180,000oz Au³** + option to treat Lancefield Tailings containing **62,000oz Au⁴**

• Our Strategy

- **Discover more high-grade nickel**
- **Targeting nickel production in 2022**
- **Monetise the gold asset**

Capital Structure/Enterprise Value

ASX Code	POS
Shares on Issue	2.81B
Share Price (3 April 2021)	\$0.065
Market Cap	~\$180M
Cash (31 March 2021)	~\$15.4M

Major Shareholders

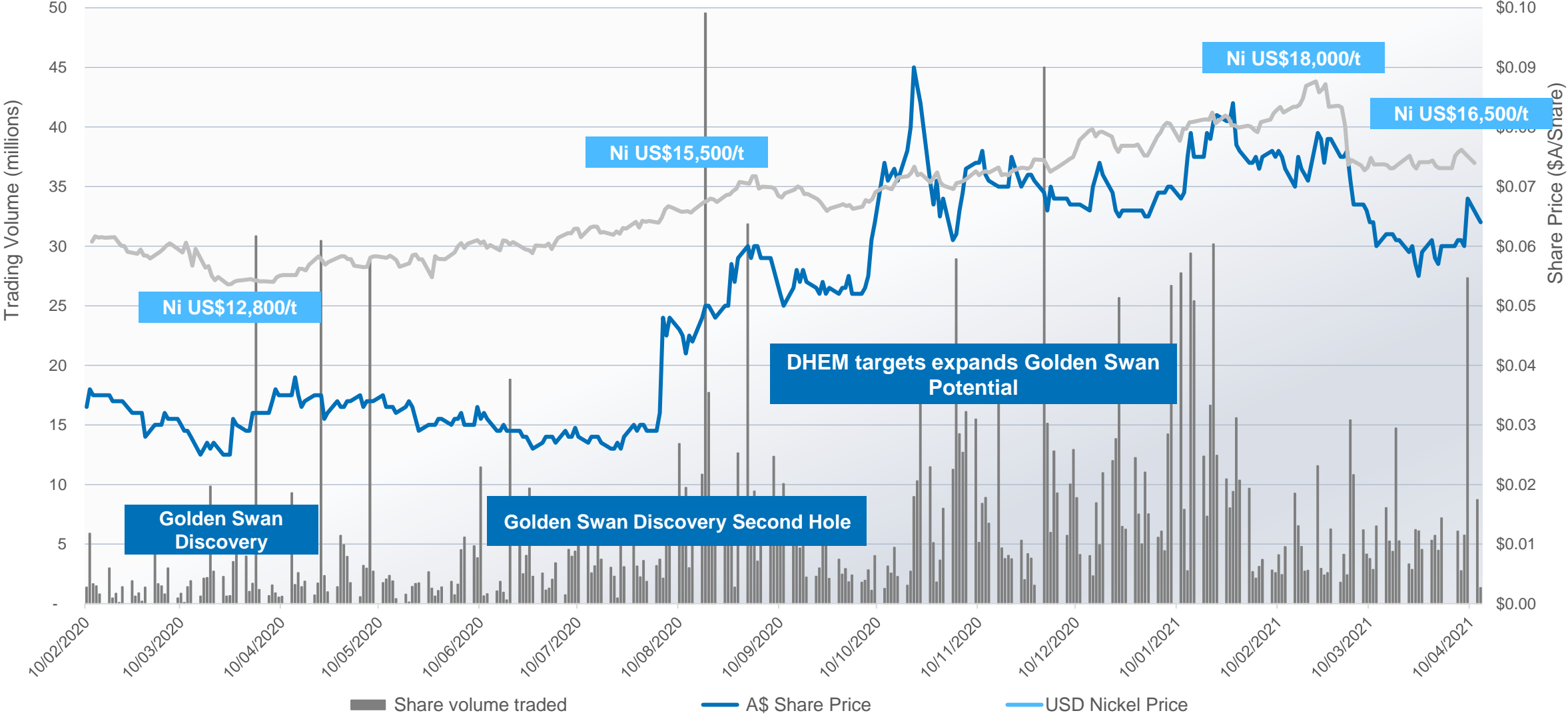
Edison Metals/Black Mountain	~19.55%
Tattarang/Forrest	~13.72%

Board & Executive Team

Derek La Ferla	Non-Executive Chairman
Peter Harold	Managing Director and CEO
Felicity Gooding	Non-Executive Director
Dean Hildebrand	Non-Executive Director
Peter Muccilli	Non-Executive Director
Brendan Shalders	CFO & Joint Co Sec
Andrea Betti	Joint Co Sec
Andy Pearce	Exploration Manager

¹ Mineral Resources Statement Table 1 and Mineral Resources Statement Table 2 attached. ² ASX Announcement “Robust PFS Completed for Windarra Gold Tailings Project” dated 22 June 2020, ³ ASX Announcement “Gold Tailings Resource at Windarra updated to JORC 2012” dated 22 June 2020 and ⁴ JORC Resource of 62,000 oz gold for Lancefield Tailings 21 December 2020

Poseidon recent share price performance



Black Swan Project¹

- 2.2Mtpa processing plant
- Silver Swan underground 16kt Ni* (grade - 9.5%)¹
- Black Swan open pit & stockpiles 179kt Ni* (grade - 0.6%)¹
- **High-grade discovery at Golden Swan**
- **Prospective Southern Terrace**

Windarra Project¹

- Mt Windarra 71.5kt Ni* (grade - 1.64%)¹
- Cerberus Nickel 69kt Ni* (grade - 1.5%)¹
- South Windarra 8kt Ni* (grade - 0.98%)¹
- Gold Tailings contains ~180,000 oz/Au Resource²
- PFS on Windarra gold tailings project³

Lake Johnston Project¹

- 1.5Mtpa processing plant
- Maggie Hays Ni 52kt Ni* (grade - 1.5%)¹
- Abi Rose Ni discovery confirms prospectivity
- Intrusive model to be tested



* Contained Ni Metal

¹ Mineral Resources Statement Table 1 attached.

² Mineral Resources Statement Table 2 attached.

³ ASX Announcement "Robust PFS Completed for Windarra Gold Tailings Project" dated 22 June 2020

Black Swan Project

Production history, processing plant, R&R, Golden Swan



Black Swan Project

Silver Swan Discovery - 1995

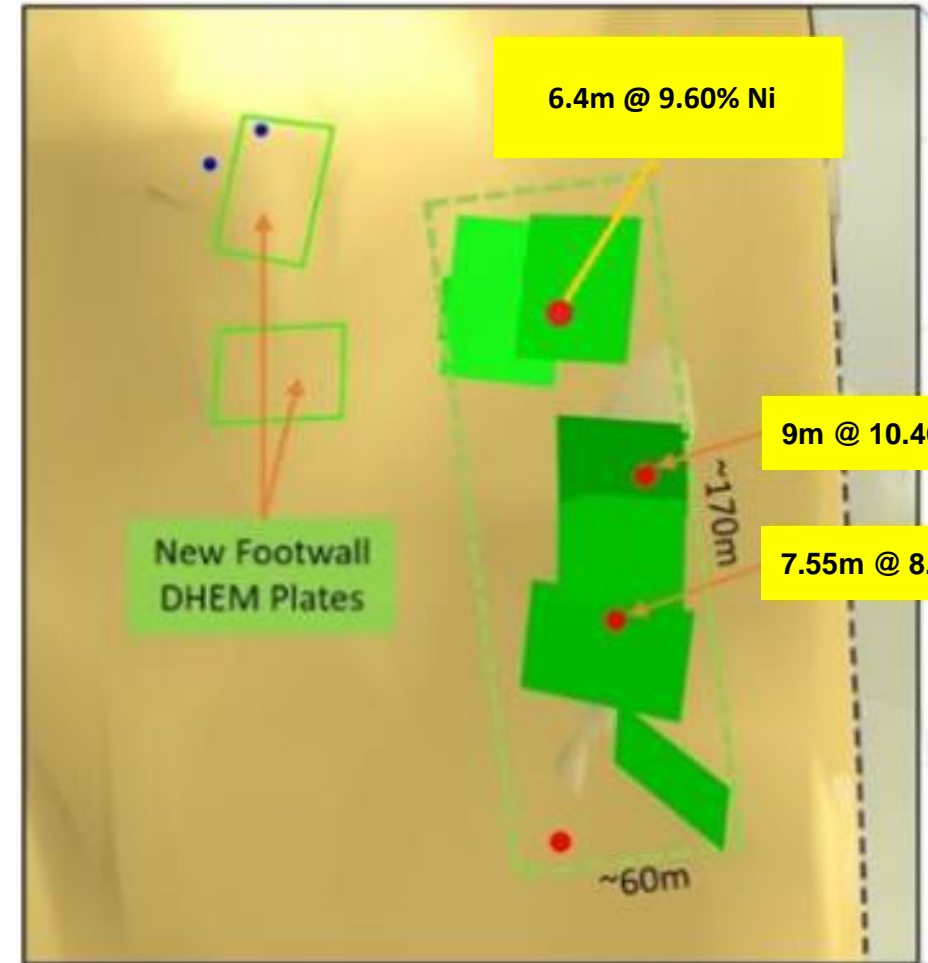


**Maiden Resource 440,000 tonnes @ 14% Ni
for approximately 62,000 tonnes of Ni¹**

Black Swan Project

Golden Swan high-grade discovery – 2020

- A very significant new high grade nickel discovery
- 1st intersection¹
 - 23.1m @ 4.0% Ni & 0.4% Cu (true width 13.3m) includes 7.55m @ 8.82% Ni (true width 4.3m)
- 2nd intersection²
 - 9.0m @ 10.46% Ni (true width 4.5m) includes 4.6m @ 13.8% Ni (true width 2.3m)
- 3rd intersection³
 - 6.4m @ 9.60% Ni (true width 3.7m) includes 1.6m @ 14.89% Ni (true width 0.9m)
- Downhole EM survey extends strike potential at Golden Swan⁴
 - Two newly modelled EM plates, contiguous along strike to the south increasing strike of the upper parts of Golden Swan mineralisation
- New footwall EM plates identified – potential for another mineralised system⁴



Golden Swan Discovery

¹ ASX Announcements "New Massive Sulphide Intersection in Golden Swan Anomaly" dated 26 March 2020 and "Exceptional grades received at Golden Swan & Windarra update" dated 14 April 2020

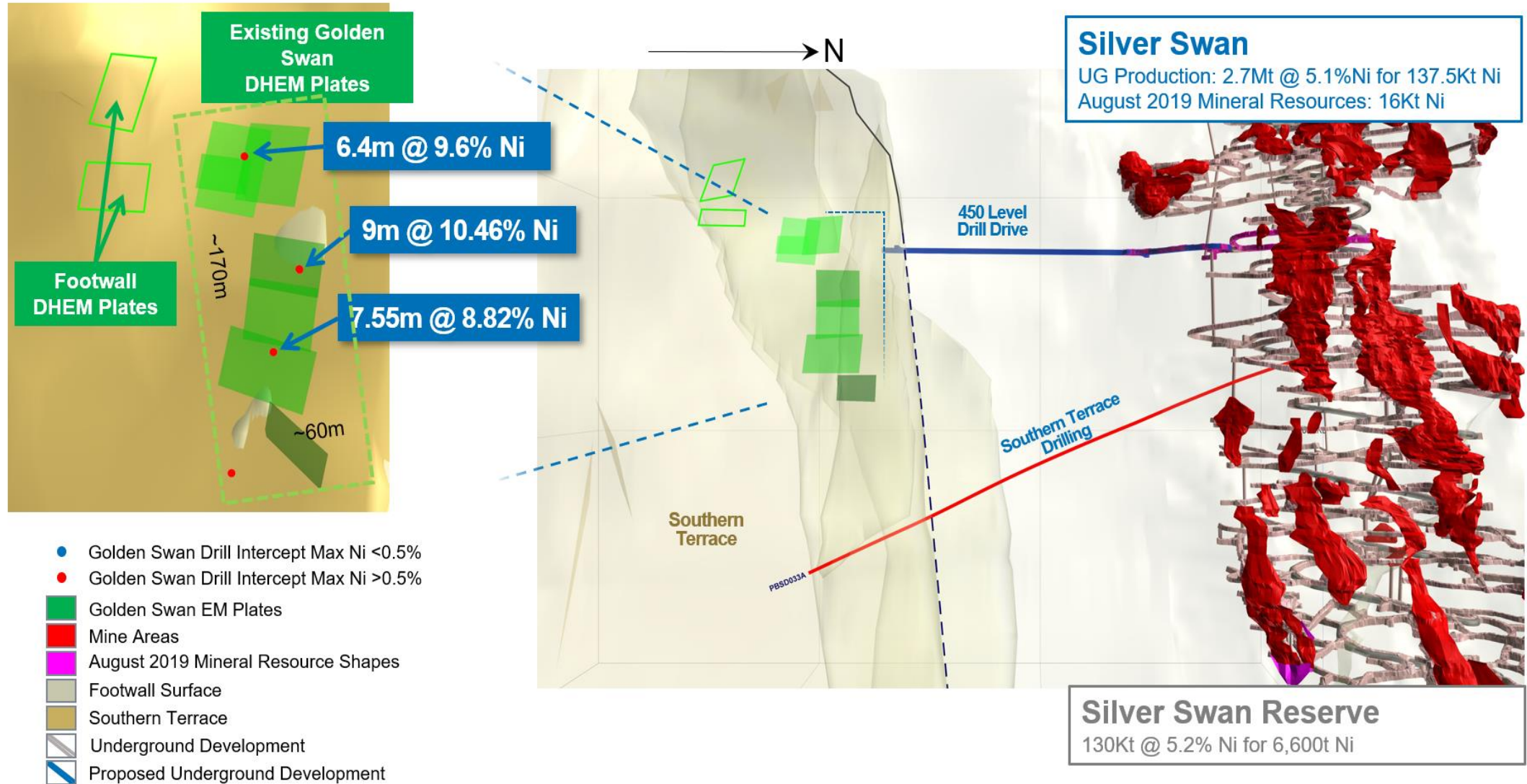
² ASX Announcement "Second Golden Swan Massive Sulphide Intersection extends new discovery" dated 5 August 2020

³ ASX Announcement "Assays confirm more high-grade nickel at Golden Swan" dated 25 November 2020

⁴ ASX Announcement "DHEM Targets Expands Golden Swan Potential" dated 12 October 2020.

Black Swan Project

Golden Swan High Grade & Southern Terrace Prospectivity



¹ Mineral Resources Statement Table 1 attached.

² Mineral Reserves Statement Table 3 attached.

³ Production statistics – from production records of previous owners compiled by POS

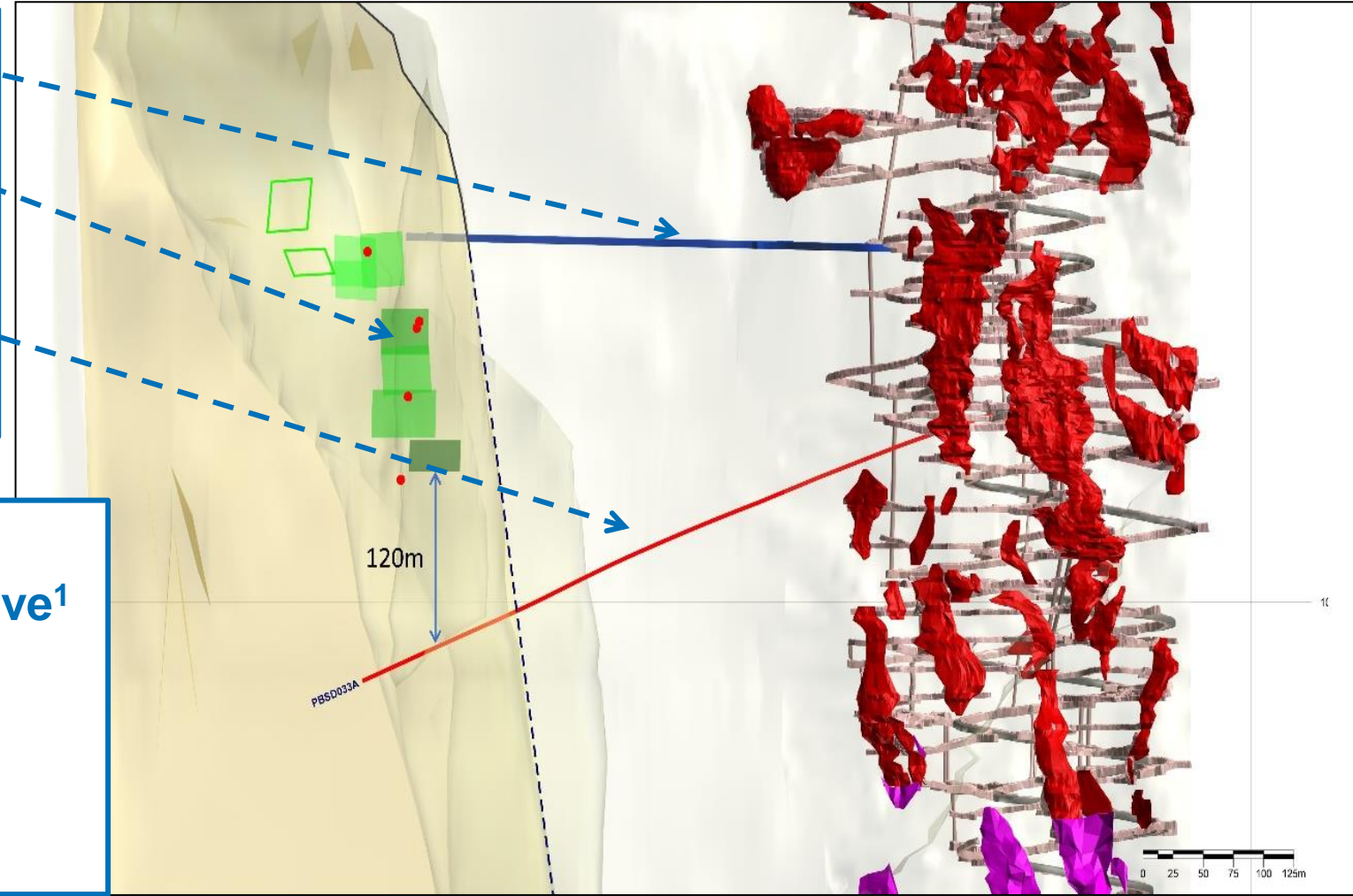
Black Swan Project

Golden Swan & Southern Terrace Next Steps

- 465m drill drive – completed
- Resource drilling – underway, targeting completion late July
- Southern Terrace drilling – further drill testing going fwd

Golden Swan Metallurgy

- Preliminary Testwork very positive¹
 - Ni recovery >90%
 - Ni conc grade >13%
 - Fe:Mgo > 50:1
- Testwork ongoing



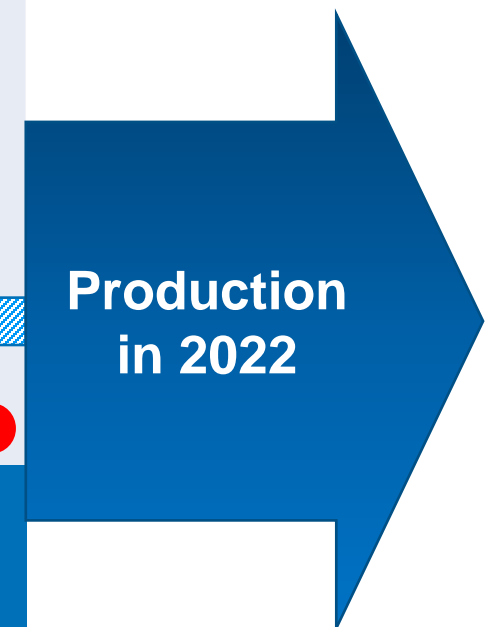
¹ ASX Announcement "Excellent results from preliminary metallurgical testwork" dated 25 November 2020.

Black Swan Project

Progressing Toward Production in 2022 – Updated Timeline



WORKSTREAM	1Q21	2Q21	3Q21	4Q21
GOLDEN SWAN				
- Drill drive	[Hatched bar]			
- Resource drilling		[Hatched bar]		
- Met test work		[Hatched bar]		
- Detailed mine design / reserve			[Hatched bar]	
- Production / marketing studies (DSO v Concentrator)				[Hatched bar]
- Final Investment Decision				[Red dot]
BLACK SWAN OPEN PIT AND HIGH-GRADE UNDERGROUND (Silver Swan & Golden Swan)				
- Review of 2018 restart study incorporating Golden Swan				[Hatched bar]
- Final Investment Decision				[Red dot]



Note: proposed timeline could change subject due to delays in completing proposed workstreams, factors outside the control of the Company or marco economic considerations like commodity prices and exchange rates.

Windarra Project

Historic production, existing resources & exploration upside

- **History**

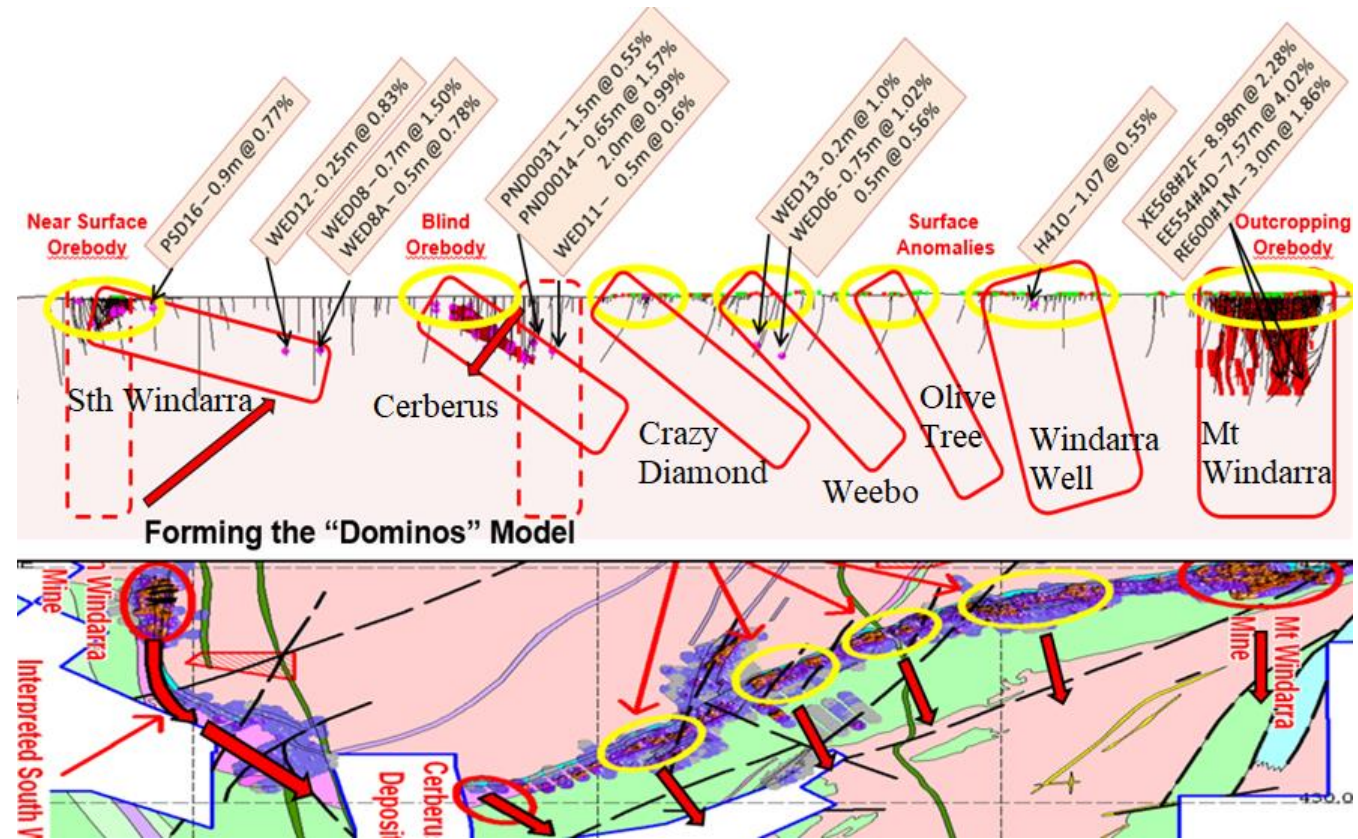
- 8Mt mined and processed on site to produce 84kt Ni*

- **Current resources**

- **Windarra 4.36Mt @1.64% Ni for 71,500t Ni¹**
- **Cerberus 4.55Mt @1.51% Ni for 69,000t Ni¹**

- **Future activities**

- Follow up Crazy Diamond discovery
- Review geophysics and determine locations for further Kambalda-style deposits
- Review previous development studies



Multiple Kambalda-style targets at Windarra

*Contained Ni metal.

¹ Reference Mineral Resources Statement Table 1 attached.

History

- Emily Ann - 1.5Mt @ 3.5% Ni mined and processed b/n 2001-2007
- Maggie Hays - 10Mt @ 0.6%Ni mined and processed b/n 2008-2014
- **Current resources & infrastructure**
 - **Maggie Hay - 3.5Mt @ 1.5% Ni* for 52kt Ni¹**
 - 1.5Mtpa process plant (on C&M)
- **Future activities**
 - Assess options
 - Update restart study
 - Test geological theory
 - More Kambalda-style deposits
 - Intrusive model - Follow up Abi Rose Ni discovery²



Lake Johnston process plant

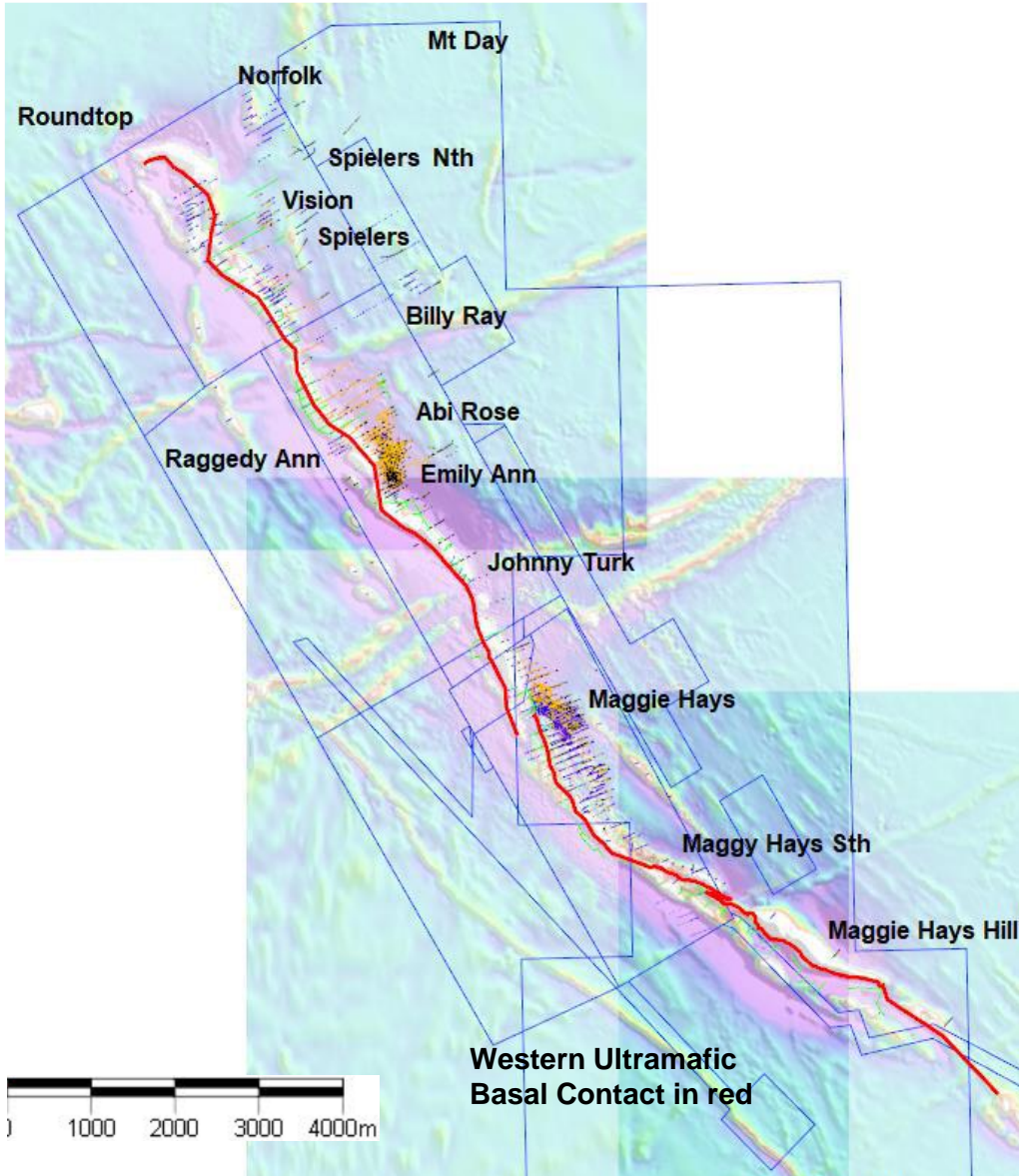
*Contained Ni metal

¹ Reference Mineral Resources Statement Table 1 attached

² ASX Announcement Successful Drill Program at Abi Rose Concluded with all three diamond holes intersecting Massive Nickel-Copper sulphides" dated 21 November 2018

Lake Johnston Project

Stratigraphy, Nickel Targets and Regional Magnetics



Key Target Areas

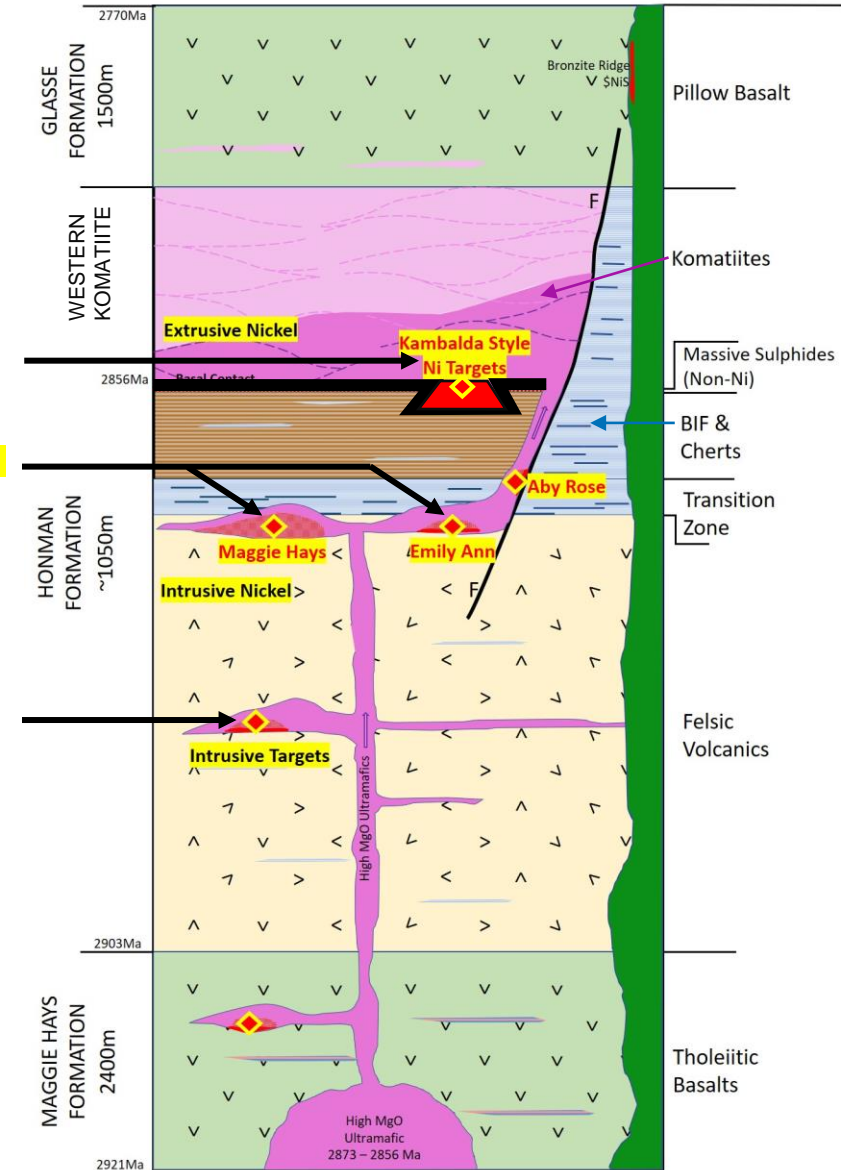
Limited exploration to date

Main focus for historic exploration

Limited exploration to date

Poorly explored

Lake Johnston Stratigraphy and Nickel Targets



Gold Option

Windarra gold tailings project



• Strategy

- Monetise existing gold resource
- Utilise cash for nickel strategy

• Recent Activities

- June 2020 PFS¹ - confirmed low risk, low Capex and Opex
- Proposed plant - 1.5Mtpa CIL processing facility

• Next Steps

- DFS incorporating 62,000oz of Lancefield tailings²

• Upside

- Additional feed
- Scope to re-purpose capital equipment for Ni retreatment (Black Swan & Windarra)

¹ Refer ASX Announcement "Robust PFS completed for Windarra Gold tailings Project" dated 22 June 2020

² Refer ASX Announcement "Poseidon to acquire rights to treat Lancefield gold tailings" dated 17 August 2020 and "JORC Resource of 62,000 oz gold for Lancefield Tailings" dated 21 December 2020

June 2020 PFS - Project physicals and key economic metrics¹

Contained gold in resource	105,000oz
Metallurgical recovery	42.3%
Gold production target ¹	44,400oz
Revenue ²	\$112.3M
Development capital cost	\$24.6M
Max cash drawdown	\$25.3M
Net cash flow	\$30.4M
Pre-tax NPV ₈	\$22.8M
IRR	62.4%
Payback period (from commencement of production)	15 months
Unit cost analysis	
C1 cash cost ³	\$1,209/oz recovered
AISC cash cost ⁴	\$1,291/oz recovered
Breakeven cost ⁵	\$1,846/oz recovered

Key Assumptions

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

1. Grow high grade nickel Resources and Reserves

- **Black Swan** – drill out Golden Swan, test the Southern Terrace
- **Windarra** – review existing resources, assess ore treatment options
- **Lake Johnston** – determine optimum pathway for this asset

2. Take advantage of positive price outlook for nickel and gold

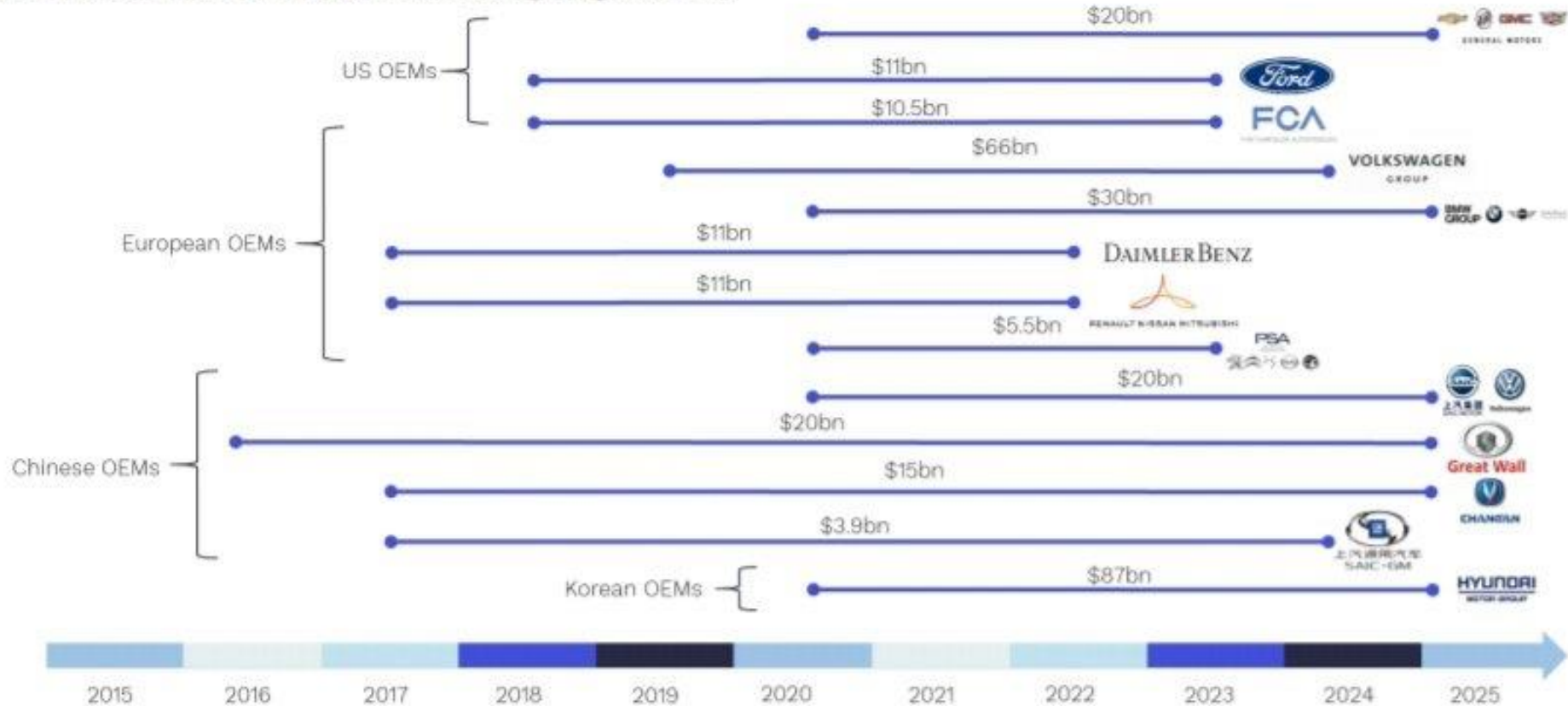
- **Nickel** – Black Swan – post Golden Swan drill out, study DSO vs restarting concentrator – **targeting production during 2022**
- **Gold** - monetise Windarra and Lancefield tailings

VISION: TO BECOME A SELF FUNDING MINING COMPANY

Massive investment in electrification by car makers

OEM investments exceed USD500bn to 2025

OEM electrification investments, announced by August 2020



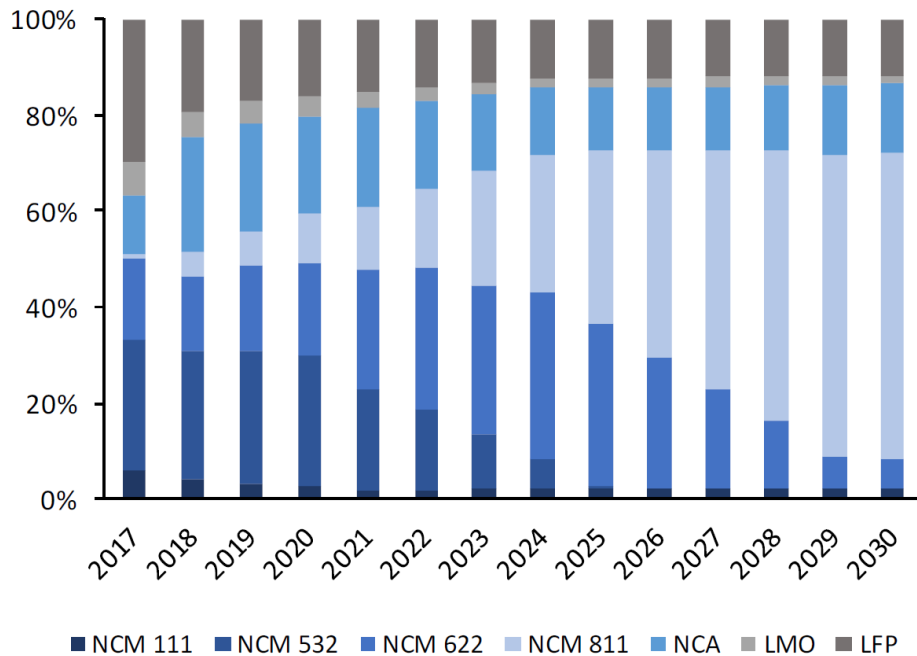
Nickel Market - Strong demand forecast from EVs

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

MARKET SHARE

BY TYPE OF CATHODE MATERIAL

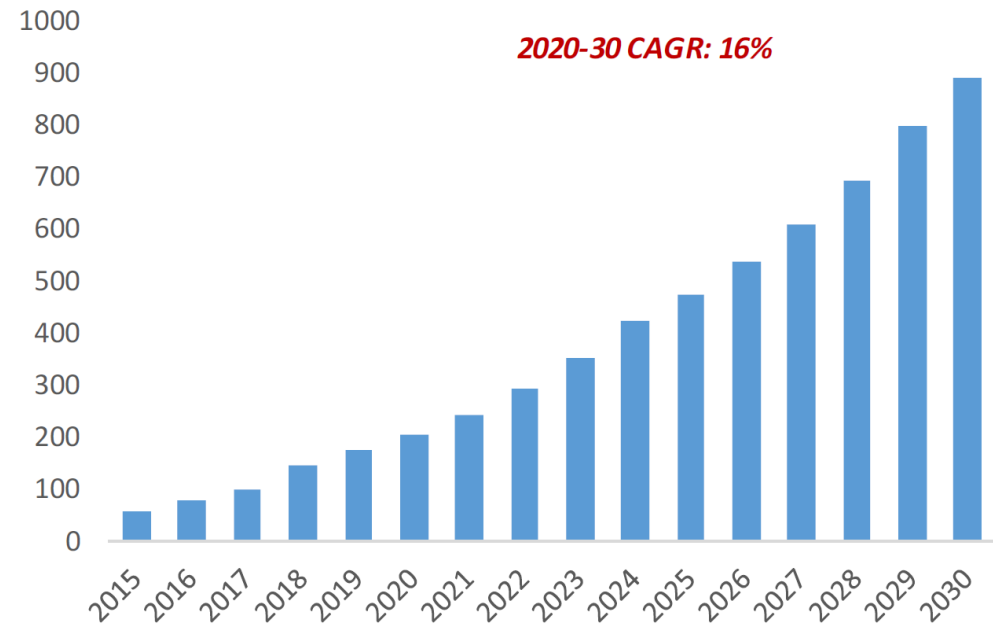
Stated as % of the market



NICKEL DEMAND IN BATTERIES

GLOBAL

kt nickel



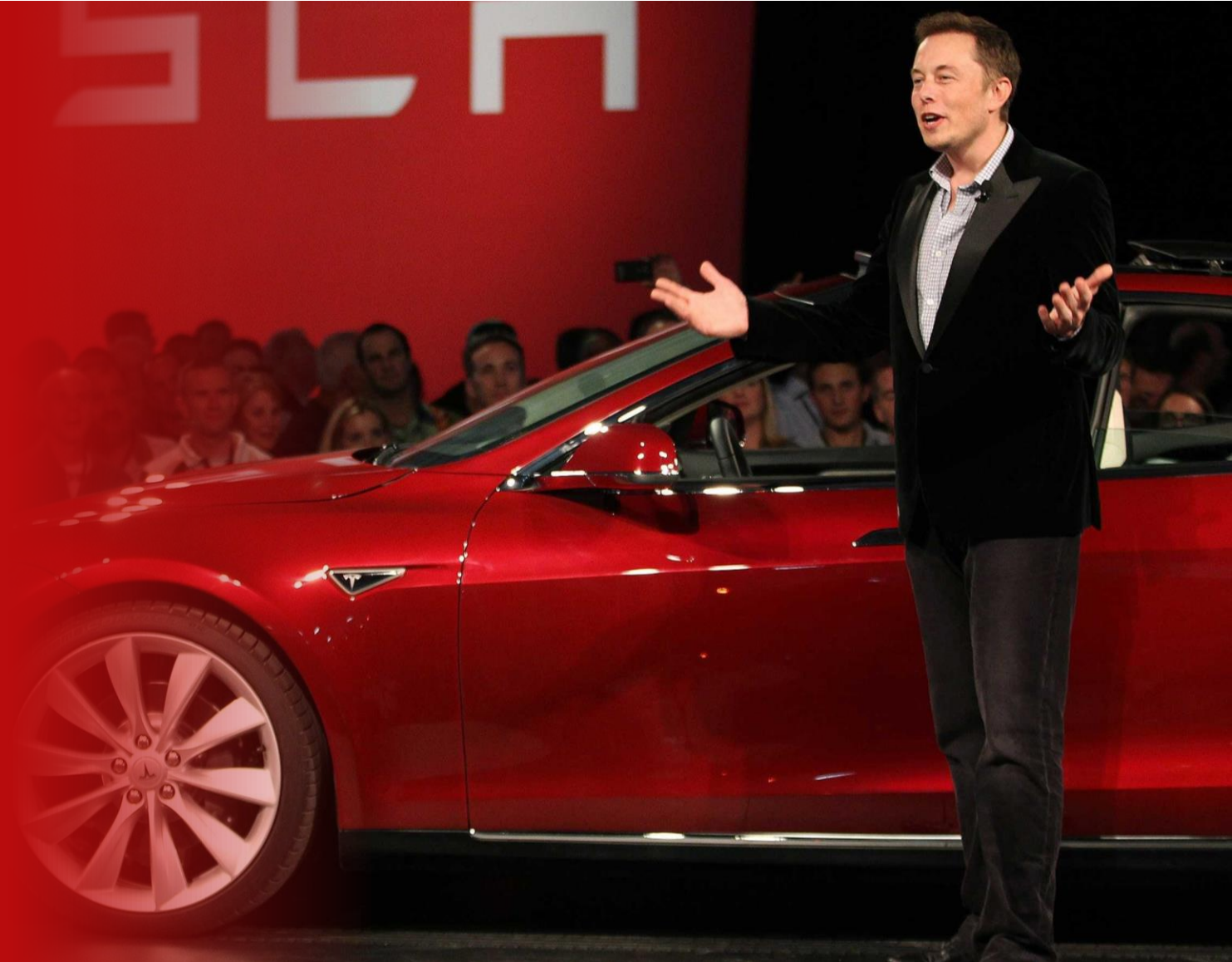
Source: Trafigura Research, SMM

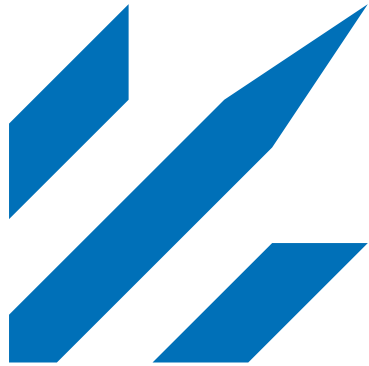
Source: Trafigura Research, SMM, CIAP



“I’d just like to re-emphasize, any mining companies out there, please mine more nickel”

Elon Musk





POSEIDON

N I C K E L

Peter Harold

Managing Director & CEO

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ASX:POS

Mineral Resource Statement



Table 1: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY												
			INDICATED			INFERRED			TOTAL						
			Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
BLACK SWAN PROJECT															
Black Swan	2012	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000	0.01	4,200	NA	-
Silver Swan	2012	4.50%	108	9.4	10,130	61	9.7	5,900	168	9.5	16,030	0.19	316	0.4	679
LAKE JOHNSTON PROJECT															
Maggie Hays	2012	0.80%	2,600	1.60	41,900	900	1.17	10,100	3,500	1.49	52,000	0.05	1,800	0.10	3,400
WINDARRA PROJECT															
Mt Windarra	2012	0.90%	922	1.56	14,000	3,436	1.66	57,500	4,358	1.64	71,500	0.03	1,200	0.13	5,700
South Windarra	2004	0.80%	772	0.98	8,000	-	-	-	772	0.98	8,000	NA	-	NA	-
Cerberus	2004	0.75%	2,773	1.25	35,000	1,778	1.91	34,000	4,551	1.51	69,000	NA	-	0.08	3,600
TOTAL															
Total Ni, Co, Cu Resources	2004 & 2012		16,775	1.04	174,030	27,275	0.81	221,500	44,049	0.90	395,530	0.02	7,516	0.03	13,379

Black Swan Resource as at 22 July 2014 (see ASX announcement "Poseidon Announces Black Swan Mineral Resource" released 4th August 2014)

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

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

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

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

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

Note: totals may not sum exactly due to rounding. NA = information Not Available from reported resource model. The Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Table 2: Gold Tailings Project Mineral Resource Statement

Windarra Gold Tailings Project North and South Dams Mineral Resource - JORC 2012 tabulation							
	INDICATED						
	Tonnes (t)	Au (g/t)	Au (oz)	Ag (g/t)	As (ppm)	Cu (ppm)	Ni (%)
North Dam	3,624,000	0.78	91,000	1.9	1,770	360	0.10
South Dam	923,000	0.48	14,000	0.6	630	369	0.26
Total	4,547,000	0.72	105,000	1.6	1,540	360	0.13

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

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

Table 2.1 Windarra Gold Tailings Project JORC2012 Mineral Resource

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

- no cut-off grade has been used to report the resource, as the potential mining method dictates removal of the entire dams.
- a dry bulk in situ density of 1.6 t/m³ has been used to derive tonnages.
- resource numbers in Table 2.1 may not sum exactly due to rounding.

Windarra Gold Tailings Project Central Dam Mineral Resource - JORC 2012 tabulation						
	INDICATED					
	Tonnes (t)	Au (g/t)	Au (oz)	As (ppm)	Cu (ppm)	Ni (%)
Central Dam	6,198,000	0.37	74,000	435.0	270	0.3

Table 2.2 Windarra Central Dam JORC2012 Mineral Resource

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

- No cut-off grade has been used to report the resource, as the potential mining method dictates removal of the entire dam down to a specified elevation.
- The mineralisation has been reported above a flat elevation of 446 mRL; there are tailings below this level but these have been shown by drilling to contain no gold, and it is anticipated that the proposed mining method will not treat material below this elevation.
- A dry bulk in situ density of 1.6 t/m³ has been used to derive tonnages.
- Resource totals may not sum exactly due to rounding.

Table 3: Nickel Project Ore Reserve Statement

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

*Silver Swan Underground Reserve as at 26 May 2017 (see ASX announcement “Silver Swan Definitive Feasibility Study” released 26th May 2017)
Black Swan Open Pit Reserve as at 5 November 2014 (see ASX announcement “Poseidon Announces Black Swan Ore Reserve” dated 5th November 2014).*

The Company completed an upgrade to the Silver Swan Indicated Resource in 2019 which was based upon the 2015 Silver Swan Resource Estimate (refer to Table 1 above for the new Silver Swan Resource estimate). At this point it is not known the impact the upgrade to the Silver Swan Resource will have on the Silver Swan Reserve.

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

Competent persons statement



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

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

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

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

The information in this Updated Gold Tailings Project Mineral Resource Statement which relates to Mineral Resources is based upon details compiled by Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Ian Glacken is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and the deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

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

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

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

FORWARD LOOKING STATEMENT – INFERRED RESOURCE STATEMENTS:

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

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

FORWARD LOOKING STATEMENTS:

This release contains certain forward-looking statements including nickel production targets. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “except”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward-looking statements.

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

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