



ASX Announcement

\$22M PLACEMENT TO DRIVE PROGRESS TOWARD COMMENCEMENT OF OPERATIONS AT BLACK SWAN

2 August 2021

KEY POINTS

- Commitments received to place 200 million new shares at 11 cents per share to raise \$22 million with strong demand shown by existing and new institutional investors and retail investors
- Share Purchase Plan (**SPP**) targeting \$3 million for existing shareholders on the register at the Record Date of 30 July 2021
- Funds will be applied towards:
 - Exploration drilling at Golden Swan to explore the Southern Terrace and parallel structures
 - Resource drilling at Silver Swan to convert existing mineral resources to ore reserves
 - Undertaking mining and production studies to consider the potential recommencement of operations at Black Swan
 - Reviewing exploration and development potential of Lake Johnston and Windarra
- Drilling to immediately commence as the Company sources additional drill rigs to further accelerate its proposed program of works
- Post placement, the Company will have approximately \$27.0 million in cash (before the SPP) to progress toward commencement of operations at Black Swan and undertake exploration activities across the Company's projects

Poseidon Nickel (ASX: POS "the Company") is pleased to advise that it has received commitments to raise \$22 million (before costs) through a private placement of ordinary shares in the Company ("**Placement**") to clients of Morgans Corporate Limited ("**Morgans**"), who acted as Lead Manager of the Placement and MST Financial Services Pty Ltd ("**MST Financial**") who acted as Co-Manager.

Managing Director and CEO, Peter Harold, commented "*this over-subscribed placement supports the Company on our continued strategy to build high-grade nickel inventory at our Black Swan project and progress the project toward a potential recommencement of operations in 2022. The funds raised will be used to continue exploration activities at Golden Swan and across the Southern Terrace, undertake drilling to convert additional Silver Swan mineral resources to ore reserves and complete mining and production studies at Black Swan. Funds will also be allocated to reviewing the exploration potential of our Lake Johnston and Windarra nickel projects.*"

The Company would like to thank our existing and new shareholders who participated in the placement. We would also like to thank Morgans and MST Financial for their assistance."

Placement Details

Commitments received from new and existing institutional, professional and sophisticated investors to raise \$22 million (before costs) through the issue of 200 million fully paid ordinary shares at an issue price of 11 cents per share, representing a 10% discount to the 10 day volume weighted average share price (“**VWAP**”) and a 18.5% discount to last closing price before the trading halt.

Shares issued under the Placement will be issued under the Company’s existing placement capacity pursuant to ASX Listing Rule 7.1.

The indicative Placement timetable is as follows:

Event	Date
Trading Halt	Thursday 29 July
Confirmation of Allocations	Friday 30 July
Recommencement of Trading	Monday 2 August
Settlement	Monday 9 August
Issue and quotation of Shares	Tuesday 10 August

Share Purchase Plan

The Company wishes to reward existing shareholders for their ongoing support and invites them to participate through an SPP that will seek to raise up to an additional \$3 million. Under the proposed SPP, shareholders with a registered address in Australia or New Zealand that are on the register at the record date of Friday 30 July 2021 will be able to subscribe for up to \$30,000 worth of shares in the Company. The new shares under the SPP will be issued at \$0.11 per share, the same price as the Placement. Full details of the proposed SPP will be announced shortly on the ASX.

Use of Funds

The Company intends to use the funds raised from the Placement and SPP for the following purposes:

- undertaking diamond drilling from surface and/or underground to further test the potential of the Southern Terrace to host additional high-grade nickel mineralised zones;
- drilling of the Silver Swan orebody to upgrade existing mineral resources to ore reserves, increasing the existing reserve base at the project;
- undertaking mining and production studies on recommencement of operations at Black Swan including both the previously announced 150ktpa and 1.1ktpa processing circuits;
- completing studies on the potential to mine and transport ore from Windarra to Black Swan for processing;
- reviewing exploration potential of Lake Johnston and Windarra and undertake drilling if suitable targets are identified; and
- general working capital purposes.



Peter Harold
Managing Director & CEO
2 August 2021

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

FORWARD LOOKING STATEMENTS:

This release contains certain forward looking statements. 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 Company’s Projects.