



ASX Announcement

\$119.6 MILLION MODERN MANUFACTURING INITIATIVE GRANT FOR INTERGRATED BATTERY MATERIAL REFINERY HUB IN KALGOORLIE

17 March 2022

KEY POINTS

- Pure Battery Technologies (PBT), in partnership with Poseidon, receives confirmation of a \$119.6 million Modern Manufacturing Initiatives Grant from the Federal Australian Government to advance PBT's proposed battery material refinery hub
- PBT is targeting initial production of up to 50,000tpa of precursor Cathode Active Material (pCAM) from the refinery, expandable over time
- The support from the Federal government is a major step forward for PBT's pCAM Hub which could be of great benefit to Poseidon by maximising the margins on concentrates supplied to the refinery and potentially unlocking further value by treating a broader range of concentrate specifications
- PBT and Poseidon are investigating the pCAM Hub project under an MoU executed in October 2021. The collaboration structure between PBT and Poseidon is yet to be formalised

Poseidon Nickel (ASX: POS, "the Company") is pleased to announce that Pure Battery Technologies (PBT) has been advised that their proposed development of a battery cathode active material refinery hub in Kalgoorlie, WA has received, in partnership with Poseidon, confirmation of a \$119.6 million Modern Manufacturing Initiatives (MMI) Grant from the Australian Federal Government.

Managing Director and CEO, Peter Harold, commented: *"This grant is wonderful news for Poseidon and PBT and a major vote of confidence by the Federal Government supporting PBT's plans for the Kalgoorlie pCAM Hub."*

This project will add significant value to the battery minerals it processes, and Poseidon is well placed to be a major beneficiary given it has the potential to be a significant supplier of feed to PBT's proposed PCAM Hub from our existing 400,000 tonne nickel resource¹ base and nickel concentrators at Black Swan and Lake Johnston. Given the nature of the processing route, being direct to pCAM, and the proximal location of the proposed pCAM Hub to our mines, there is an opportunity to enhance the margins on our concentrates."

Details

Pure Battery Technologies is an Australian based company with an international nickel and cobalt refining operation in Germany (owned via a subsidiary company) that is advancing its plans to establish a refinery in Kalgoorlie, Western Australia to produce precursor Cathode Active Material (pCAM) battery metal products. Current studies are focused on initial production of up to 50,000tpa of pCAM with potential to expand over time.

PBT made a submission in September 2021 for a grant under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream to assist with the development of their proposed battery material refinery.

¹. Refer Appendix 1

On 16 March 2022 the Federal Government announced “over \$243 million in support for four projects under the Collaboration Stream of the Modern Manufacturing Initiative, which will create over 3,400 jobs over time and cement Australia’s place in the rapidly growing critical minerals, electric vehicle and battery markets. This includes \$119.6 million for Pure Battery Technologies’ \$399 million Western Australian pCAM Hub, in partnership with Poseidon Nickel, (who) will build an integrated nickel manganese cobalt battery material refinery hub in the Kalgoorlie region.” (Refer 16 March 2022 Federal Government Release - attached)

The support from the Federal government is a major step forward for PBT’s pCAM Hub which could be of great benefit to Poseidon by (a) maximising margins on concentrates supplied to the refinery and (b) potentially being able to treat a broader range of nickel concentrate specifications thereby unlocking significant additional value from the Company’s large nickel sulphide resource base proximal to Kalgoorlie.

Collaboration between Poseidon and PBT

The submission for the MMI grant was made by PBT with Poseidon as the Project Participant whereby Poseidon could supply a base load of nickel concentrate from its proposed Black Swan and/or Lake Johnston to PBT’s proposed pCAM Hub.

In October 2021 Poseidon and PBT entered into a Memorandum of Understanding (MoU) whereby Poseidon and PBT evaluated the establishment of a regional pCAM refining hub. (Refer ASX release 13 October 2021).

Under the MoU Poseidon and PBT agreed to work together with the ultimate objective of executing a Definitive Agreement that will detail how the parties can collaborate to fund and develop a regional supply chain from mine to concentrate, to an intermediate mixed nickel cobalt hydroxide product that will be further refined in PBT’s proposed pCAM Hub. The MoU noted that obligations of the parties were not binding or enforceable unless and until a Definitive Agreement has been entered into. The receipt of the grant is a major milestone for the pCAM Hub project and will be a key driver for the parties to formalise their collaboration through the proposed Definitive Agreement.

PBT’s Managing Director and Chief Executive Officer, Bjorn Zikarsky, said he was excited PBT’s home grown technology was being supported by the Australian Government.

“We are excited to deliver our Western Australian project with the support of the Australian Government and our partners Poseidon Nickel. We have developed our technologies from the ground up, working with Australian Universities and research Institutions to ensure we produce cleanest battery materials on the market.

We look forward to delivering the value from these efforts to the emerging Australian battery materials sector,” Mr Zikarsky said.

PBT’s Chairman, Mr Stephen Wilmot noted the value of the investment from the Australian Government and its importance in future proofing Australia’s emerging battery industry.

“This federal grant from the Modern Manufacturing Initiative will accelerate the growth of the battery materials industry in Australia. We thank the government for their significant support, and look forward to delivering this exciting new project,” Mr Wilmot said.



Peter Harold

Managing Director & CEO

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

Appendix 1: 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	169	9.5	16,030	0.19	316	0.4	679
Golden Swan	2012	1.00%	111.6	4.7	5,200	48.4	2.2	1050	160	3.9	6250	0.08	123	0.3	480
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	-	16,887	1.04	179,230	27,275	0.81	222,550	44,209	0.91	401,480	0.02	7,639	0.03	13,859

Zone	Table 2B. Silver Swan Tailings Resource - December 2021										
	Measured										
	Tonnes	Ni%	Ni t	Cu%	Co ppm	Fe%	MgO%	As%	S%	Density	
1	280,600	0.75	2118	0.02	283	16.7	8.81	0.04	7.56	2.84	
2	394,365	1.04	4082	0.06	967	26.1	4.71	0.17	13.56	3.09	
Total	674,964	0.92	6200	0.04	683	22.2	6.42	0.11	11.06	2.98	

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.

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)

Golden Swan Resource as at 12 November 2021 (see ASX announcement "Golden Swan Maiden Resource – Additional Information released 12th November 2021)

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)

Silver Swan Tailings Resource as at 15 September 2021 (ASX Announcement "Silver Swan Tailings – Maiden Resource Estimate" 15 September 2021)

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.

COMPETENT PERSON STATEMENTS:

The information contained within this announcement is extracted from the reports titled:

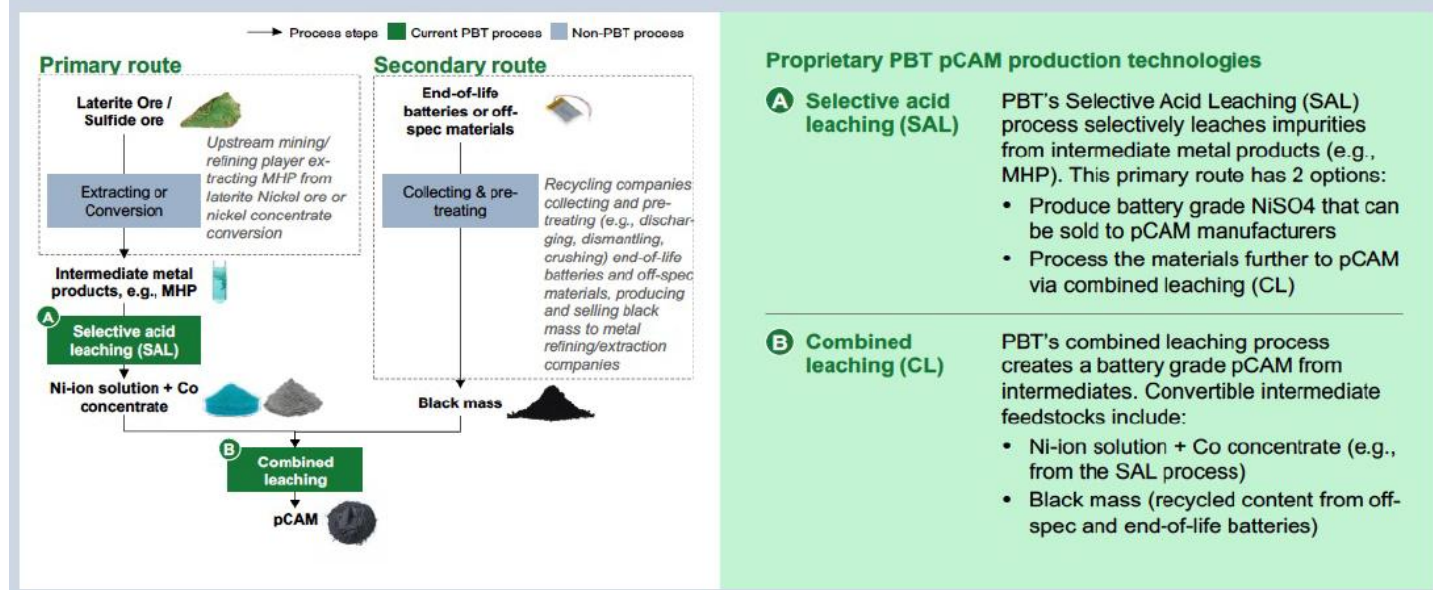
- "Poseidon Announces Black Swan Mineral Resource" released 4 August 2014
- "Silver Swan Resource Upgrade" released 5 August 2019
- "50% Increase in Indicated Resources at Lake Johnston" released 17 March 2015
- "Poseidon Announces Revised Mt Windarra Resource" released 7 November 2011
- "Resource Increase of 25% at Windarra Nickel Project" released 1 December 2011
- "Silver Swan Resource Upgrade" released 5 August 2019
- "Silver Swan Tailings – Maiden Resource Estimate" released 15 September 2021
- "Golden Swan Maiden Resource" released 27 October 2021

which are available to view on www.poseidon-nickel.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and, in the case of Minerals Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

About Pure Battery Technologies (PBT)

Pure Battery Technologies Pty Ltd (PBT) was established in 2017 and is headquartered in Queensland. PBT commercialised and patented the Selective Acid Leaching (SAL) process. The SAL process was developed by the University of Queensland and has been commercially proven to produce high-quality, more affordable nickel and cobalt battery materials with a lower environmental footprint. PBT currently utilises Mixed Hydroxide Precipitate (MHP) to produce nickel and cobalt materials for Lithium-Ion Batteries (LIB).

PBT's technology can be used for both primary and secondary production



PBT's technology can also be used to recycle existing LIB materials creating a closed-loop lifecycle for these critical battery minerals. In September 2020, PBT acquired an existing refinery in Hagen, Germany, providing a base to demonstrate the commercial viability of PBT's technology. PBT is a publicly unlisted company. Further information on PBT can be found at www.purebatterytech.com

About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX Code: POS) is a nickel sulphide exploration and development company with three projects located within a 300km radius of Kalgoorlie in the Goldfields region of Western Australia and a resource base of around 400,000 tonnes of nickel and 180,000 ounces of gold.

Poseidon's strategy is focused on the exploration and eventual restart of its established nickel operations in Western Australia where project risk capital and operating costs are low. A critical element of this strategy has been to acquire projects and operations with high levels of geological prospectivity likely to lead to potential substantial extension of the operation's life through the application of modern exploration techniques.

Poseidon owns the Windarra, Black Swan and the Lake Johnston Nickel Projects. In addition to the mines and infrastructure including concentrators at Black Swan and Lake Johnston, these projects have significant exploration opportunities demonstrated by the discovery of the Abi Rose deposit at Lake Johnston and the recent discovery of the Golden Swan mineralisation at Black Swan. The Company is also recently completed a Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield given the strength of the A\$ gold price.



The Hon. Scott Morrison MP
Prime Minister

The Hon. Angus Taylor MP
Minister for Industry, Energy and Emissions Reduction

JOINT MEDIA RELEASE

Wednesday 16 March 2022

SUPERCHARGING CRITICAL MINERALS MANUFACTURING

Australia's critical minerals sector and the job-creating industries that rely on it are being supercharged under the Morrison Government's \$1.3 billion Modern Manufacturing Initiative.

The Government has today announced over \$243 million in support for four projects under the Collaboration Stream of the Modern Manufacturing Initiative, which will create over 3,400 jobs over time and cement Australia's place in the rapidly growing critical minerals, electric vehicle and battery markets.

This includes:

- \$119.6 million for Pure Battery Technologies' \$399 million Western Australian pCAM Hub, in partnership with Poseidon Nickel, will build an integrated nickel manganese cobalt battery material refinery hub in the Kalgoorlie region. The site will become home to a growing workforce with 380 construction jobs and 175 initial permanent jobs from 2023.
- \$49 million for a \$367 million project led by Australian Vanadium, to process high-grade vanadium from its Meekatharra mine in WA and transported to its Tenindewa plant powered by clean hydrogen from partner ATCO Australia. This highly sought-after critical mineral will then be transformed into energy-storing batteries to fuel the growing domestic and overseas market, with more than 740 jobs to be supported.
- \$30 million for Arafura Resources' flagship Nolans Project near Aileron, in Central Australia, the first of its kind rare earth separation plant in Australia and only the second outside China. The \$90.8 million project, located in the Northern Territory, will leverage Australia's mineral processing expertise to develop rare earth separation technology not currently available here now, creating 650 jobs at the peak of construction and new high-value export opportunities.
- \$45 million for Alpha HPA's \$330 million project with Orica to construct a high purity alumina production facility near Gladstone that will help meet the rapidly expanding demand for lithium-ion batteries and LED lights, with more than 300 jobs to be created from this year.

Prime Minister Scott Morrison said the projects were key to securing manufacturing in Australia and the thousands of jobs that come with those industries.

“Projects like these make for a stronger economy and a stronger future for Australia,” the Prime Minister said.

“These projects are about manufacturing the products and materials Australians need and the world needs, by making them right here at home.

“We’re helping grow the local critical minerals processing and clean energy industries and locking in the future of those industries by backing manufacturing projects in Australia.

“The \$1.3 billion Modern Manufacturing Initiative is a key part of my Government’s plan for a stronger economy and a stronger future for our country.”

Minister for Industry, Energy and Emissions Reduction Angus Taylor said these projects would help us capture even more parts of the global supply chain, while at the same time helping us power our lives here at home.

“The things we use every day like our smartphones, computers and rechargeable batteries need to be made with critical minerals. They are also needed to make solar panels, electric cars, defence technology and many other high-tech applications,” Minister Taylor said.

“Australia is lucky to have some of the largest reserves of the critical minerals and metals which drive the modern global economy. But China currently dominates around 70 to 80 per cent of global critical minerals production and continues to consolidate its hold over these supply chains. This initiative is designed to address that dominance.

“These projects are not only game-changers for the local region with the creation of new jobs, they will also open up incredible export opportunities.”

Australia is a global leader in resources technology and can build greater capacity in critical minerals processing by leveraging our vast natural resources, huge investments in R&D and proximity to the growing global market.

Under our Modern Manufacturing Strategy, Australia’s regional manufacturers are playing an important role in seizing this opportunity.

Media Contacts:

Prime Minister’s office: Press Office, (02) 6277 7744

Minister Taylor’s office: Liam O’Neil, 0428 113 617

The Hon. Scott Morrison MP, Sydney