

ASX Announcement

21 December 2022

POSEIDON NICKEL SHARE PURCHASE PLAN CLOSES HEAVILY OVERSUBSCRIBED

Poseidon Nickel (ASX: POS) (“Poseidon”, “the Company”) is pleased to announce the results of its Share Purchase Plan (SPP) which closed at 5.00pm (Perth time) on Monday, 19 December 2022.

The SPP provided Eligible Shareholders with the opportunity to apply for up to \$30,000 worth of new fully paid ordinary shares (**New Shares**) in the Company at the same price (\$0.035 per share) as the recently completed \$6 million Placement. The SPP targeted raising \$3 million.

The Company received overwhelming support and the SPP was heavily oversubscribed. The Company received valid applications totalling approximately \$9.0 million, well in excess of the targeted \$3 million.

As a result of the oversubscription, Poseidon’s Board of Directors has exercised its discretion under the terms of the SPP to accept a total of \$6 million in applications for the issue of approximately 171.43 million New Shares under the SPP. It is expected that the new shares will be issued and allotted on Friday, 23 December 2022.

The Company will conduct a scale-back of applications, on a pro-rata basis, based on amounts applied for under the SPP, rounded up to reflect a whole number of New Shares to \$6 million. Excess funds as a result of the scale-back, overpayments and any application funds received after the closing (5.00pm, Perth time, Monday 19 December 2022) will be returned to applicants without interest in accordance with the SPP booklet and will be processed by the Company’s registry as soon as possible.

Poseidon’s Managing Director, Peter Harold commented *“We would like to thank all those shareholders who participated in the Share Purchase Plan for their continued and strong support of the Company. We acknowledge that shareholders who subscribed may be disappointed by the scale back, however we have balanced the strong SPP applications with the foreseeable capital needs of the business in the best interests of all shareholders, hence the board’s decision to take \$6 million. The funds raised by the recent placement and this SPP will support the Company with its intended restart at Black Swan with final work streams underway to get to a Final Investment Decision during the second quarter of 2023:*

- *Resource enhancement – drilling has commenced to convert more Inferred into Indicated*
- *Offtake – finalise a suitable offtake agreement for the concentrate*
- *Project financing – select the most attractive debt provider*
- *Major contracts – finalise the contractor for the plant refurbishment and mining*
- *Approvals – continue work on obtaining outstanding approvals required for the restart*
- *Human Resources – finalise requirements and timing for onboarding personnel.*

In addition, funds from the placement and SPP will be directed towards the 15,000 metre drill program at Lake Johnston to test the Western Ultramafic priority targets.



Peter Harold
Managing Director & CEO
21 December 2022

For further information contact Peter Harold: + 61 (0)8 6167 6600

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

About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX Code: POS) is a nickel sulphide 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 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 with the aim of being a +15,000tpa nickel producer. A critical element of this strategy has been to acquire projects and operations with significant existing infrastructure, large nickel resources and geological prospectivity likely to lead to resource growth 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 Golden Swan Resource at Black Swan and the Abi Rose mineralisation at Lake Johnston.

The Company recently completed a Bankable Feasibility Study on Black Swan which will be the first project to restart. This will be followed by Lake Johnston and then Windarra, subject to favourable Feasibility Studies, appropriate project financing structures being achieved, the outlook for the nickel price remaining positive and all necessary approvals being obtained.

The Company has completed a Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield and has entered into a Heads of Agreement with Green Gold Projects whereby Green Gold will develop the project and Poseidon can retain an 8% free carried interest, subject to certain conditions precedent being satisfied.