

QUARTERLY REPORT 30 JUNE 2024

Strategic focus on targeted exploration and business development opportunities across several commodities, including nickel, gold and lithium

- **Gold in soil anomalies identified at Windarra**
 - Gold in soil anomalies interpreted to be along strike of the major regional mineralised gold trend which appears to include the nearby Lancefield and Beasley Creek gold camps
 - Rock chip samples selected from identified soil anomalies at Windarra returned up to 0.37 g/t Au and 12.9 g/t Ag
 - Windarra is located within the Laverton Goldfields and is close to processing infrastructure
 - Next step is a staged soil program, focusing on newly identified gold anomalies and nickel sulphide channels reported in the previous quarter
- **Lithium potential at Lake Johnston**
 - Lake Johnston central to growing Lake Johnston lithium province. The Company previously considered lithium processing in 2016¹
 - Numerous outcropping pegmatites have been identified within and proximal to the recently discovered broad Li₂O anomaly
 - Planning for soil sampling programs finalised to infill and extend the broad Li₂O anomalies, including across the highly prospective Mantis Resources tenements
- **Black Swan presents nickel and gold processing potential**
 - Black Swan located central to Kalgoorlie goldfields region. The Company previously considered gold processing in 2017²
 - Company is considering opportunities to partner with proximal resource companies with stranded nickel or gold resources to support a future restart of Black Swan
- **Near-surface nickel sulphide targets identified at Black Swan**
 - Two highly prospective high-grade nickel targets confirmed close to surface with previous high-grade nickel drill intersections within target areas
 - A high-grade nickel discovery at Black Swan can potentially add to reserves for any future restart and should decrease unit costs, further improving project economics
- **Windarra Tailings Project**
 - Subsequent to the end of the quarter, the Company entered into an agreement with Encore Minerals to develop the Windarra Tailings Project

¹ Refer to ASX Announcement "Poseidon & Kidman Move Closer to Lithium Production" dated 27 July 2016.

² Refer to ASX Announcement "Poseidon & Aphrodite Move Closer to Gold Production" dated 10 July 2017.

- **Corporate**

- During the quarter the Company received numerous approaches from parties interested in a corporate and/or asset transaction. The board has appointed an advisor and commenced a process to assess these opportunities
- On 8 May 2024 the Company received a notice of termination from Mineral Resources Limited in respect of the legally binding Heads of Agreement for the Lake Johnston sale
- Cost cutting initiatives have resulted in total annualised savings of circa \$6 million
- Company held cash and investments of \$1.4 million at 30 June 2024

Poseidon Nickel (ASX: POS, “the Company”) is pleased to provide a report on its activities and progress for the June quarter 2024.

CEO, Brendan Shalders, commented: *“During the quarter, we progressed our revised business strategy of targeted exploration and business development. This approach included considering the exploration potential for other commodities across our project portfolio, with gold and lithium in particular presenting opportunities for the business.*

The current business strategy is focused on shallow, low cost - high reward exploration programs to build quality resources and reserves through discovery, or inorganically via business development.

Our processing facilities continue to present near term development options for us and also companies that have mineral resources without established processing infrastructure who are proximal to us. Since 2016, Poseidon has undertaken a number of studies demonstrating the amenability for our nickel concentrators to processing other commodities with minimal modifications. These studies include the processing of gold at Black Swan and lithium at Lake Johnston.

During the quarter we held discussions with a number of parties regarding opportunities to partner on processing regional nickel, gold or lithium resources through our two strategically located concentrators. These discussions led to a number of parties expressing interest in partnering with Poseidon on our assets. The Company has engaged an advisor to assess these opportunities and determine which one(s) present the best value add for our shareholders.

Exploration programs completed in the quarter have identified highly prospective targets for nickel, gold and lithium across our project portfolio. Resource discovery and growth in our resources base across these commodities can be leveraged to either Poseidon’s processing capacity or regional production facilities. We intend to progress these targets adopting low-cost exploration methods to further define the targets and ensure an efficient use of capital.

Further to the exploration and business development initiatives, we have continued to find cost reductions across the business which now total over \$6 million in annualised savings.

Finally, the Binding Heads of Agreement for the proposed sale of Lake Johnston to Mineral Resources Limited for \$15 million cash consideration was terminated during the quarter. The Company received a \$1 million non-refundable upfront consideration from MinRes.

Despite terminating the transaction, the MinRes interest in acquiring Lake Johnston demonstrates the strategic value of Lake Johnston’s plant and land tenure. We continue to receive inbound interest from parties keen on accessing our infrastructure as they progress their own projects toward production.

Poseidon’s assets remain strategic to the respective regions within which each project is located. Opportunities across a number of commodities present optionality for Poseidon outside of nickel. The Company is focused on generating value from our asset base and ultimately progressing our concentrators and associated infrastructure to production.”

Business Strategy

As previously announced, the Company has shifted its strategic focus to targeted exploration and business development. The Company views these strategic pillars as providing a pathway to future production opportunities by growing our resource base which can be leveraged to Poseidon’s significant processing capacity and associated infrastructure at Black Swan and Lake Johnston. The transition in business strategy is reflected in the diagram below (see Figure 1):

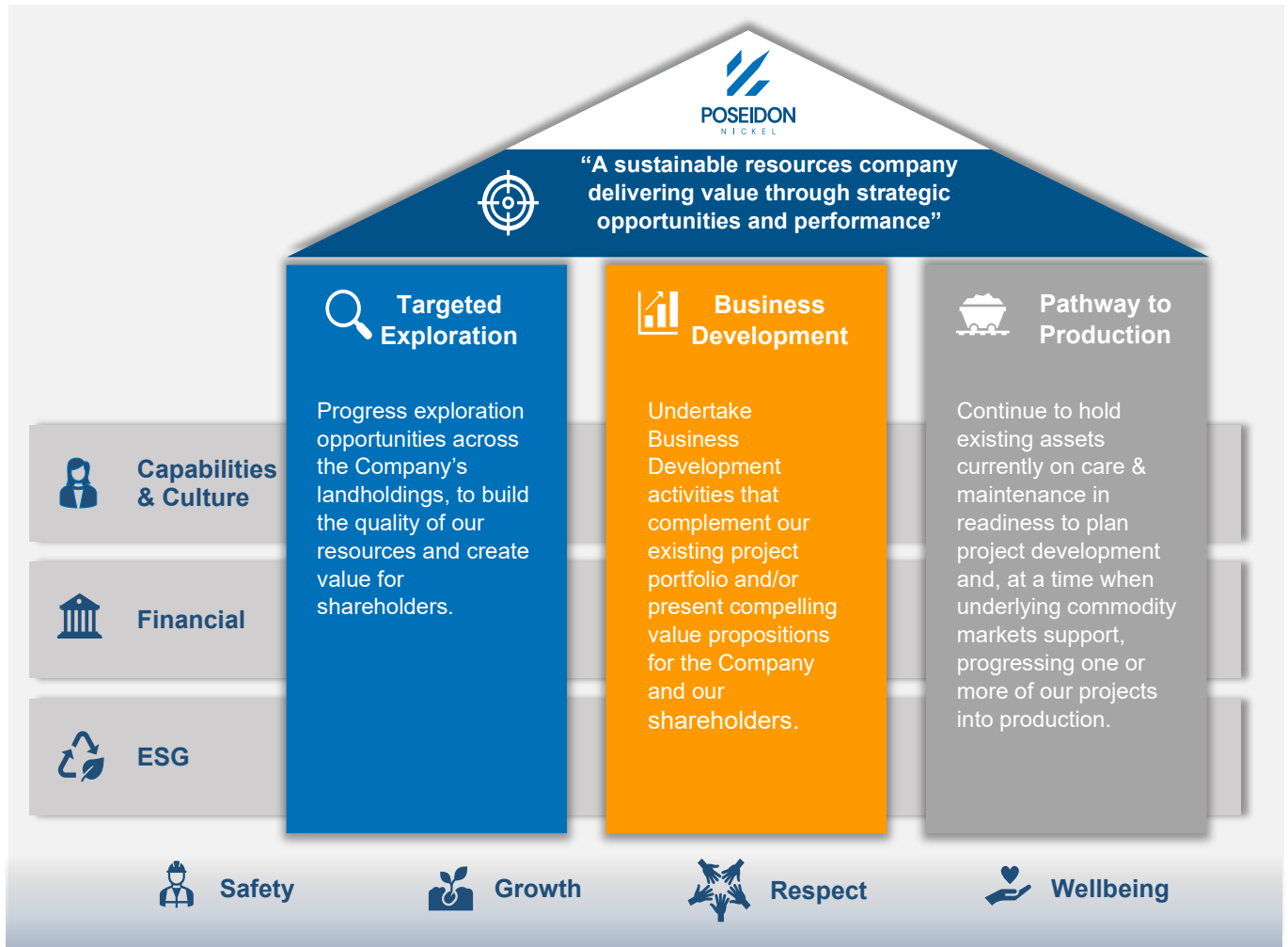


FIGURE 1: POSEIDON’S BUSINESS STRATEGY

Further to the revised business strategy the Company has actively assessed the potential to find and/or process other commodities across our asset portfolio. This strategy is not new with the Company having considered gold processing at Black Swan in 2017 and lithium processing at Lake Johnston in 2016 (refer to ASX announcements, “Poseidon & Aphrodite Move Closer to Gold Production” dated 10 July 2017, and “Poseidon & Kidman Move Closer to Lithium Production” dated 27 July 2016). Since the Company considered processing other commodities back in 2016/17 the regional resource base for the respective commodities has grown and the gold price has rallied significantly. The revised strategy has resulted in exploration and business development opportunities for Poseidon in other commodities across all three projects.

WINDARRA

Exploration

In the previous quarter the Company reported the results of a geological assessment of the northern 10km section of Windarra with the initial focus on nickel. This review was undertaken by Mark Muller from Muller Geological Services Consultancy (MGSC) in conjunction with Poseidon's geologists. Two new exciting high priority embayed basal contact channel structures were identified and reported (see ASX announcement "*Exciting New Exploration Targets at Windarra*" dated 14 February 2024).

During this quarter the Company extended the geological assessment to consider other commodities which have previously presented interesting exploration results. This assessment enhanced the significance of previously identified gold in soil anomalies and polymetallic high-grade lead-zinc-silver mineralisation.

Regolith mapping, remote sensing, magnetic and gravity datasets along with GSWA geological mapping were combined with soil geochemistry data collected by Poseidon in 2010 to fully assess any mineralisation potential. The limited 2010 soil program included a comprehensive suite of elements, which is standard exploration practice today, while large areas at Windarra are yet to be covered by soil programs that assay the full suite of elements.

The recently compiled data highlights the potential for gold mineralisation with a number of low order coincident gold and multi-element anomalous trends that is along strike of a favourable regional geological trend and is interpreted to include the Lancefield and Beasley Creek group of mines (see *Figure 2*). In addition to the gold anomalies, the drilling review completed for the nickel potential also identified isolated but high-grade lead-zinc-silver intersections.

The gold in soil anomalies and high-grade lead-zinc-silver intersections have been noted by Poseidon previously, however, were never followed up. Interpretation of the Poseidon Nickel State Agreement Act 1971 (Windarra State Agreement) was that if a commodity or proposed works was not specifically mentioned in the Windarra State Agreement, then the Company was not allowed to progress these works.

With the termination of the Windarra State Agreement and transition of Windarra tenure to a mining lease in early 2022 (refer ASX announcement "*Quarterly Activities Report – March 2022*" dated 29 April 2022), the Company now has the right to mine for all metals and minerals and processing of tailing, not just nickel, subject to normal permitting conditions. The Windarra State Agreement, combined with a prior focus on nickel exploration, is considered to be a major reason why little exploration for other commodities was undertaken historically.

Multiple Gold Anomalies Identified

From the assessment for other commodities the Company identified promising gold in soil anomalies, the two best areas being:

- the larger anomaly, the Western anomaly, occurs to the west and trends sub-parallel to the ultramafic/BIF contact. The anomaly extends over 6km x 0.7km (max Au 460ppb); and
- the Eastern anomaly is a 4km x 0.3km (max Au 16ppb) low order gold anomaly. No drilling for gold has occurred on this anomaly within the Windarra Project and it is open to the north (see *Figure 3*).

The anomalies were identified from a review of Poseidon's soil sampling program completed in 2010 which consisted of 1,138 samples from 1km and 0.5km spaced lines with sample site separation of 100m and 20m spacing (see ASX announcement "*Windarra Exploration to Recommence*" dated 18 January 2010). Results of the soil sampling program were focused on the nickel prospectivity with the identification of seven prospective channels (see ASX announcement "*Poseidon Identifies New Prospective Nickel Targets at Windarra*" dated 16 June 2010).

Initially, the gold anomalies identified were a series of disconnected highs within a consistent trend parallel to structural control in the area. On reviewing the soil data it was noted that the soil anomaly responses were subdued or absent in areas of cover. A recent site visit has visually confirmed the extent of cover in the noted areas. With the confirmation of the potential impact of cover on the soil sampling, the Company has re-rated these anomalies as a continuous trend extending over 6km x up to 0.7km in width, rather than isolated, discrete highs.

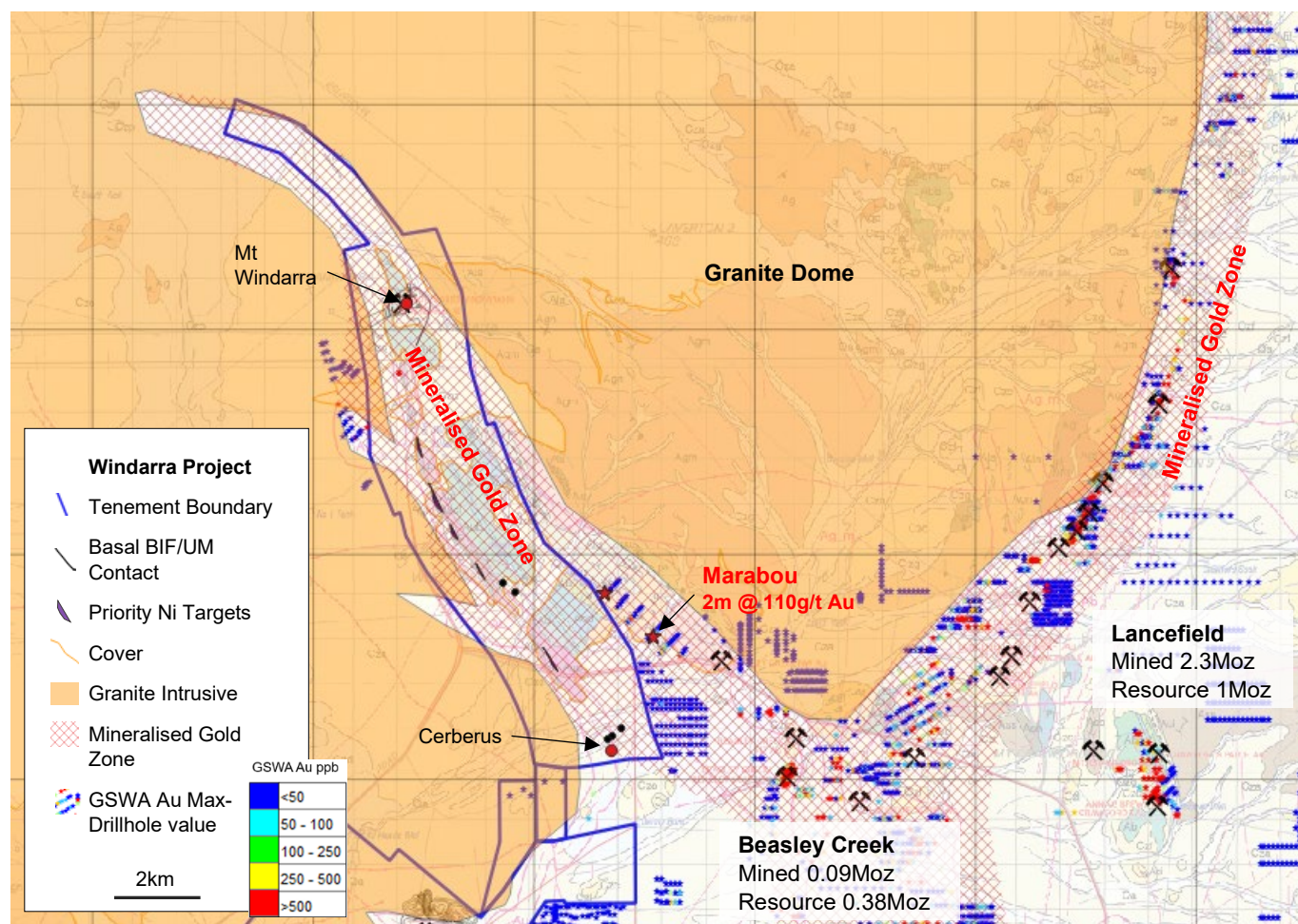


FIGURE 2: PLAN VIEW OF THE GSWA 250K GEOLOGY MAPPING SHOWING THE STRUCTURAL RELATIONSHIP OF THE HIGH PRIORITY MARABOU GOLD TREND AND STRUCTURAL CORRIDOR HOSTING THE LANCEFIELD AND BEASLEY CREEK GROUP OF MINES AROUND THE GRANITOID INTRUSIVE

The trend of the anomalies matches the regional geological control of structural fluid flow and the mineralising trend around a large granitoid intrusive. This relationship produces a favourable setting for gold mineralisation as granitoid intrusives are significant to control the gold mineralisation by directing and focusing mineralising fluids along the intrusive margins. The Windarra Project is located on the western side of the large granitoid, with the Beasley Creek group of mines (total endowment of 1.2Moz Au¹) on the southern margin and the Lancefield group of mines (total endowment of over 4Moz Au²) on the eastern margin (see Figure 2).

¹ Refer to Focus Minerals Ltd, ASX Announcement: “Beasley Creek Gold Deposit Continues to Grow” dated 8th November 2021 and “Beasley Creek South Mineral Resource Update” dated 23 February 2022

² Refer Focus Minerals Ltd, ASX Announcement “Lancefield Far North Maiden Mineral Resource” dated 18th January 2022

Some exploration has been completed to the east of and leading into the Windarra tenements with the last reported work from Magnetic Resources noting gold mineralisation in drilling, including hole **LJA0035 – 2m @ 110g/t Au from 38m** (drilled by Metex Resources Limited in 2005, see Magnetic Resources (ASX: MAU) ASX announcement “*Bonanza Grades of 2m @ 110g/t Gold from Historical Drilling at the Marabou Project*” dated 18 April 2016). The clear structure hosting the mineralisation extends into the Windarra Project with coincident gold and multi-element soil geochemical support along an observed aeromagnetic feature that extends for over 15km through the Windarra Project.

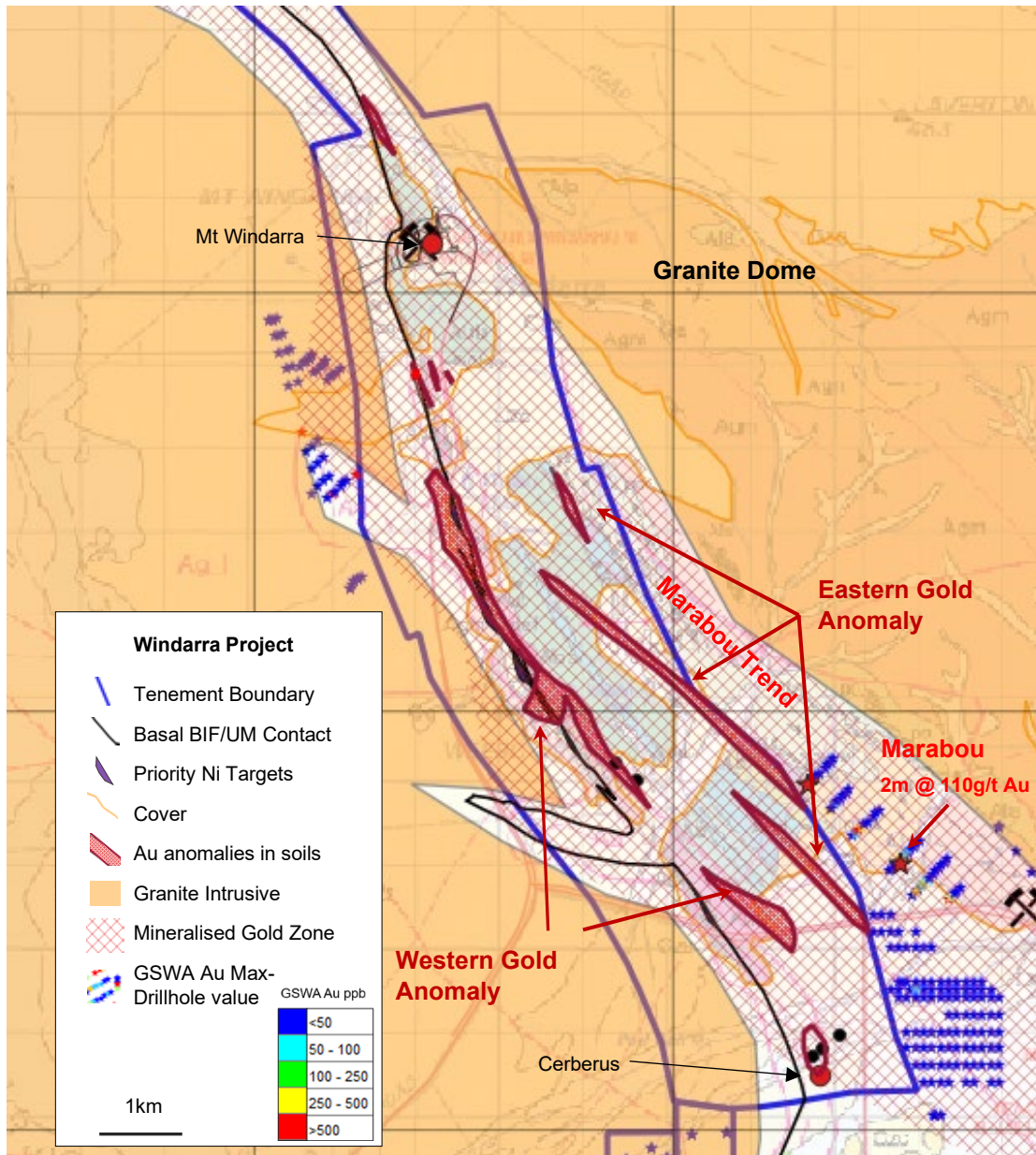


FIGURE 3: POSITIONING OF WESTERN AND EASTERN ANOMALIES WITHIN THE WINDARRA PROJECT

Rock Chip Samples Confirm Gold Mineralisation

Recent rock chip sampling and ground checking conducted at Windarra along the gold soil anomalies has returned peak results from the rock chips of 0.37g/t Au and 12.9g/t Ag (PNR52264) and 0.22g/t Au and 2.1g/t Ag (PNR52279) (see ASX announcement “*Update on Gold Exploration Programs*” dated 30 July 2024). These results are located along the western anomaly (see Figure 4) along strike from a shallow RC drill intercept of 1m @ 0.5g/t from 34m in PNRC0278 (see ASX announcement “*Gold and Nickel Targets at Windarra*” dated 6 June 2024). A program of 25 samples were collected in February and 36 samples in May this year over a 6km strike length.

Mapping has confirmed wide zones of shearing with quartz veining and goethite-silica alteration cross-cutting at low angle to the Banded Iron Formation (BIF), mafic, ultramafic and granite lithologies within the zones of anomalous soil samples. The strongest occurrence of the alteration was noted within the core of the east gold soil anomaly.

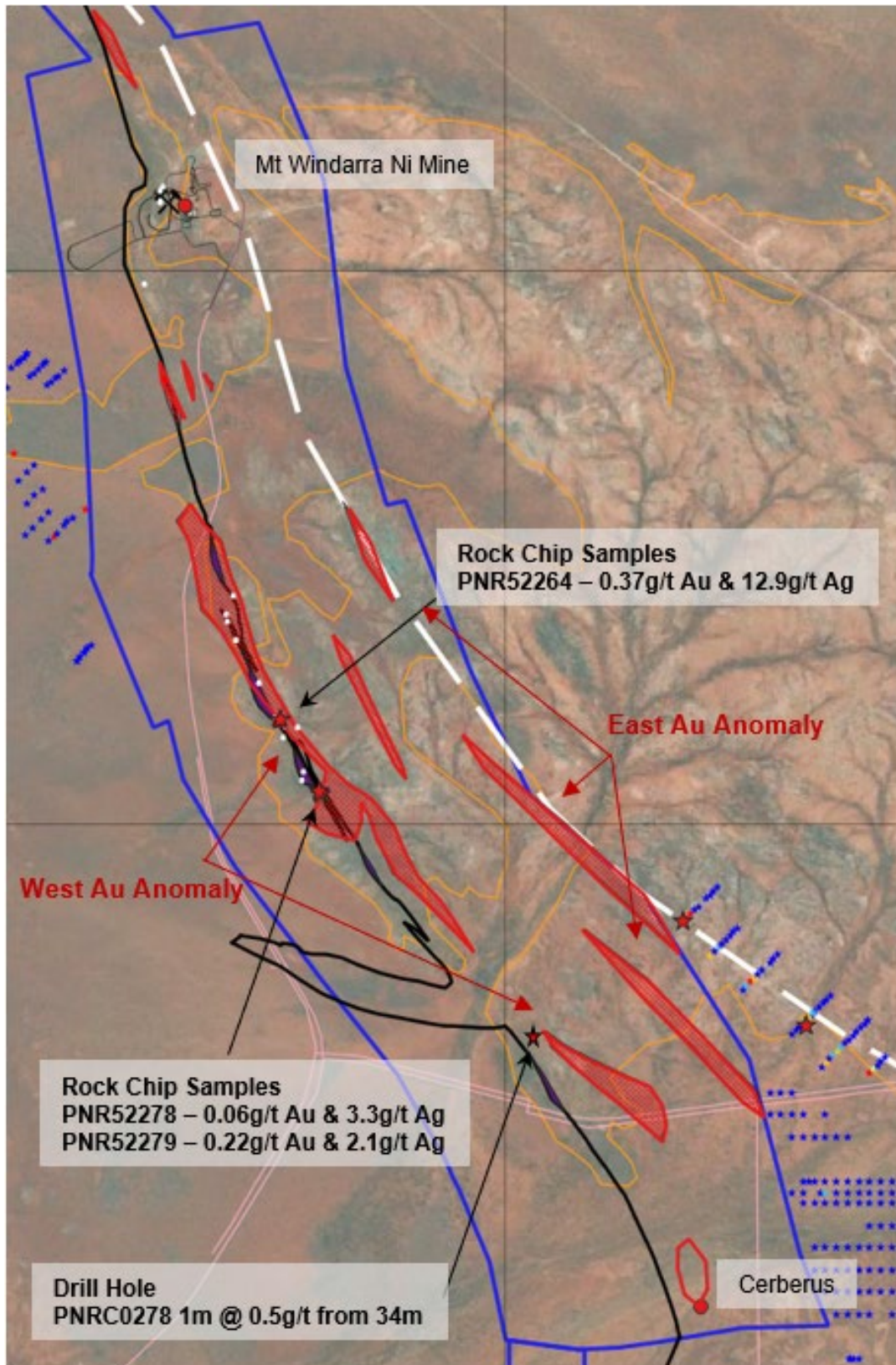


FIGURE 4: LOCATION OF ELEVATED GOLD ROCK CHIP SAMPLES AND DRILL HOLE PROXIMAL TO THE DEFINED SOIL ANOMALIES (IN RED) AND INTERPRETED STRUCTURAL TRENDS (IN WHITE) WITHIN THE WINDARRA PROJECT

Windarra is located in the Laverton gold mining region (see Figure 5). Any gold resource discovery at Windarra would be proximal to a number of gold producers within 100km of the project.

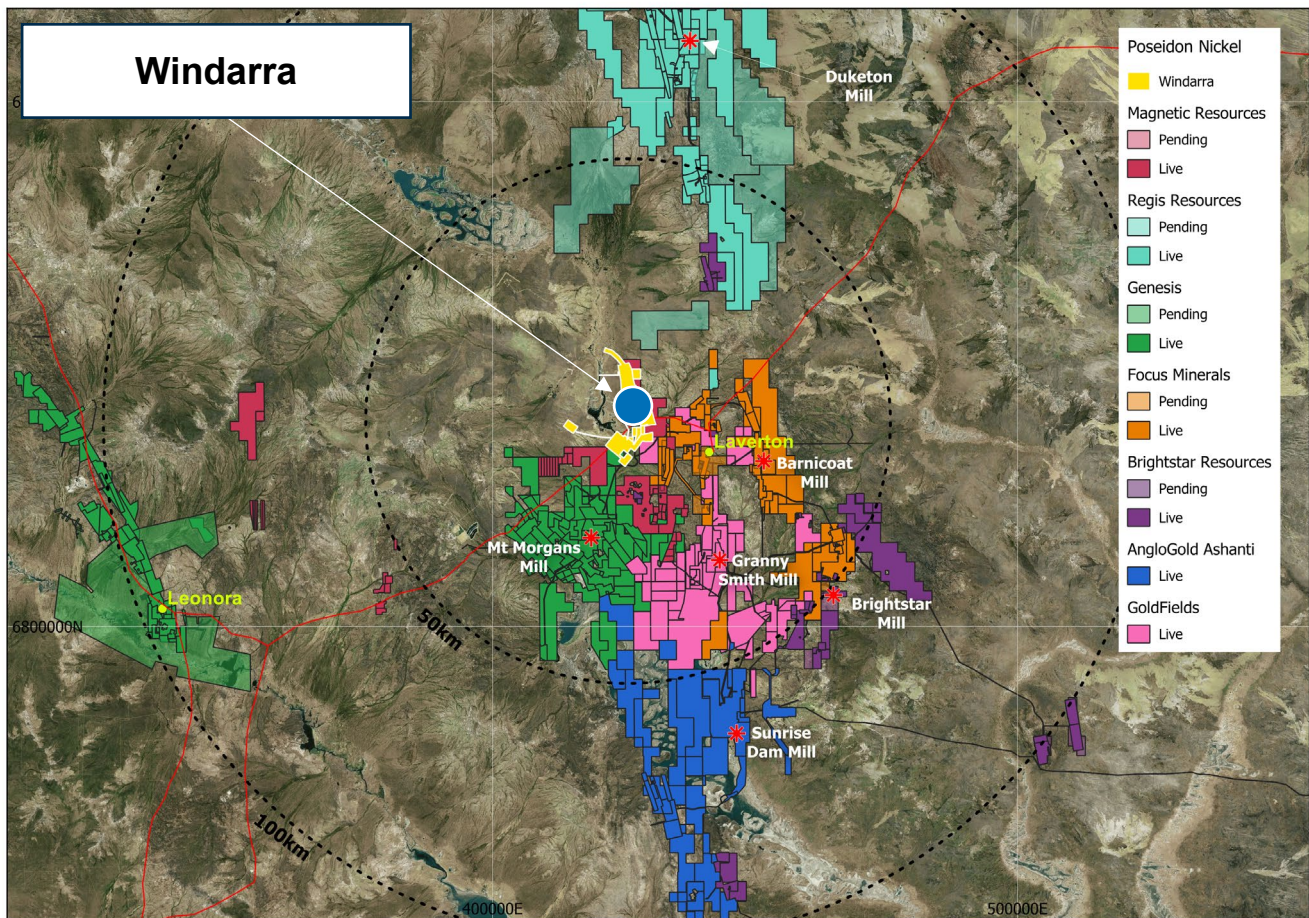


FIGURE 5: WINDARRA LOCATION IN THE LAVERTON GOLD REGION

Next Steps

A program of 3,000 soil samples is planned to be completed in the near term at Windarra providing coverage from Cerberus north to Mt Windarra. The soil program infills the existing 2010 wide spaced soil samples to a 200m x 20m, 200m x 40m and 400m x 80m spacing. It is planned to assay for a full suite of elements.

Once results from the soil sampling program have been assessed, the Company intends to progress planning for aircore and/or reverse circulation drilling programs to test exploration targets identified. Planning for heritage and regulatory approvals will commence to expedite preparation for any future exploration drilling programs.

High-Grade Polymetallic Lead-Zinc-Silver

The recent assessment also noted internally reported high-grade polymetallic lead-zinc-silver values in historical drilling results. The mineralisation identified is consistent with other Polymetallic Vein Hosted Pb/Zn/Ag discovered in Western Australia, for example in the Northhampton Complex (Blockley, 1971). This style of mineralisation has historically produced Pb and Zn with Ag as a by-product at other mining projects. The style is from a mineralising event that is younger than the gold event and is typically not associated with gold mineralisation. The polymetallic occurrences are isolated and from two small clusters in the northern Windarra area. The four significant historic intersections reported in June 2024 (see ASX announcement “Gold and Nickel Targets at Windarra” dated 6 June 2024) and are:

- WED13 – 1.60m @ 38.38g/t Ag, 2.56% Pb, 3.77% Zn from 687.70m
- PNRCD0128 – 4.57m @ 80.92g/t Ag, 0.67% Pb, 1.26% Zn from 211.83m (see Figure 6)
- PND0142 – 0.52m @ 90.00g/t Ag, 2.25% Pb, 0.49% Zn from 271.00m
- PND0039 – 1.44m @ 29.92g/t Ag, 0.08% Pb, 0.85% Zn from 672.93m

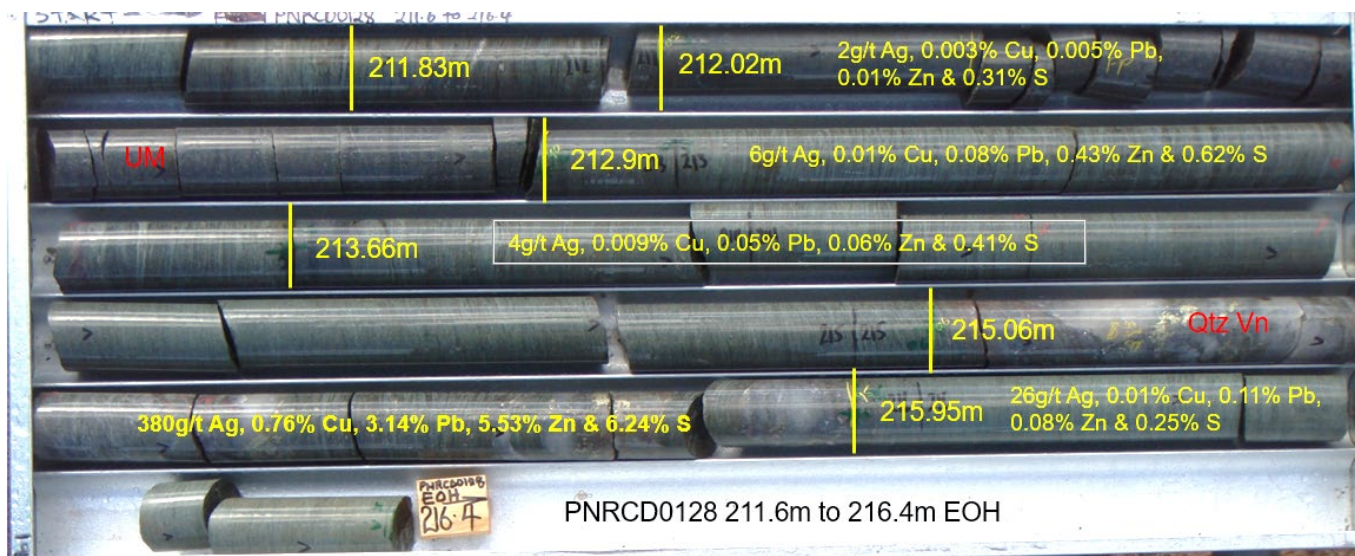


FIGURE 6: WINDARRA HIGH GRADE LEAD-ZINC-SILVER INTERSECTION LOCATED AT THE END OF HOLE PNRCD0128 WITH MINERALISATION EXTENDING BEYOND QUARTZ VEINING

Whilst these occurrences have exploration significance and are worthy of follow-up, the Company will focus on gold and nickel initially as these present greater prospectivity for an economic discovery.

Lancefield Gold Tailings Trial and Windarra Water Access Agreement

During December 2023 the Company signed a term sheet with Mt Morgans WA Mining Pty Ltd (Mt Morgans), a wholly owned subsidiary of Genesis Minerals Limited, for Mt Morgans to undertake trial processing of up to 100,000 tonnes of Lancefield gold tailings through their Laverton processing facility and to have access to 2.5GL per annum of water from the South Windarra pit.

A summary of the key terms of the term sheet are included in ASX announcement “*Lancefield Gold Tailings Trial and Windarra Water Access Agreement*”, dated 21 December 2023.

Parties have extended the conditions precedent date as per the term sheet to 2 August 2024 and agreed to progress the water access arrangement to a full legal agreement.

The agreement with Mt Morgans does not impact Poseidon’s rights to the remainder of the Lancefield gold tailings or the Windarra gold and nickel tailings.

Gold Tailings Project

Subsequent to the end of the quarter, the Company entered into an agreement with Encore Minerals to develop the Windarra Gold Tailings Project, using Draslovka a.s.’s (Draslovka) proprietary Glycine Leaching Technology (GLT) and other patented technology.

The agreement includes an up-front non-refundable payment of \$250,000 upon signing of the agreement and the commencement of a testing period. It is a staged framework agreement with a final agreement to be entered into upon the completion of the test work. Pursuant to the Agreement, Poseidon will receive a total of \$1.25 million in cash, an NSR royalty of 3% on production and \$1.6 million towards the existing rehabilitation bond. The funding, development, operation, closure and rehabilitation of the project will be

the responsibility of Encore Minerals. The Agreement is conditional on Encore Minerals being satisfied during the initial due diligence period, FIRB and other regulatory and third party approvals (if required).

A summary of key terms of the agreement is included in ASX announcement “*POS enters agreement to develop Windarra Tailings Project*” dated 31 July 2024.

Since release of the Windarra gold tailings DFS (refer ASX announcement “*Windarra Gold Tailings DFS Highlights Robust Project*”, dated 23 July 2021) the gold price has increased from the study assumption of A\$2,500/oz to A\$3,500/oz, which should significantly improve project economics.

BLACK SWAN

Near Surface Nickel Exploration Targets

During the quarter, MGSC completed a data integrity audit against the geological interpretations at Black Swan. Work streams included lithogeochemical correlation and verification of all logged geological units preceding the geological felsic footwall 3D model update – a key setting for massive sulphide development.

A comparison to the 2023 Newexco exploration review has also been completed.

Both reviews have independently validated two highly prospective, high-grade targets closer to surface at Cygnet South and Upper Southern Terrace (*refer Figure 7*). These targets present lower cost exploration targets compared to those deep underground targets which typically require expensive underground drilling programs to discover and then convert to a JORC Resource.

At the Upper Northern Terrace, further assessment is planned to identify any prospective targets.

Upper Cygnet South

The Upper Cygnet South target is located between Cygnet and the Black Swan pit (*refer Figure 6*). Cygnet previously produced 11kt nickel contained at an average nickel grade of 2.2%. The target area is approximately 250m by 150m, with further potential open at depth.

This area has had very limited drilling and includes a number of historic drill intersections reported in May 2024 (refer ASX announcement “*Low Cost, Near Surface Exploration Targets Identified at Black Swan*” dated 30 May 2024), the best being:

- BSD011 – 0.10m @ 3.57% Ni
- BSD054A – 0.13m @ 3.78% Ni

Upper Southern Terrace

The Southern Terrace was first identified and announced to the market in August 2020, see ASX announcement “*Second Golden Swan Massive Sulphide intersection extends new discovery*” dated 5 August 2020.

The Southern Terrace target area is approximately 1,200m by 300m and hosts the Gosling resource, which produced 5.3kt nickel contained at an average nickel grade of 4.4% and the Golden Swan resource which contains 160kt at 3.9% nickel for 6.2kt nickel tonnes.

The Southern Terrace is under-explored with limited drilling. The primary near surface target area is located south of Gosling on the Southern Terrace and approximately 350m by 150m in size. The area has down hole electromagnetic (DHEM) anomalies and a number of historic mineralised intersections reported in May 2024 (refer ASX announcement “*Low Cost, Near Surface Exploration Targets Identified at Black Swan*” dated 30 May 2024), as follows:

- BSD165 – 5.55m @ 2.70% Ni

- BSD116 – 1.90m @ 3.02% Ni
- GUD264 – 5.77m @ 3.91% Ni
- GUD220 – 4.00m @ 7.48% Ni

Upper Northern Terrace

With a total area of 600m by 200m, the Northern Terrace is divided into two surfaces, Upper and Lower. The Upper Northern Terrace area is 400m by 200m with limited historical drilling, previously reported in May 2024 (refer ASX announcement “*Low Cost, Near Surface Exploration Targets Identified at Black Swan*” dated 30 May 2024), that includes the following intersections to underpin its prospectivity:

- SUD2951 – 2.27m @ 7.13% Ni
- SUD2952 – 3.82m @ 2.70% Ni

Further assessment of this area is planned to fully define exploration targets along each surface.

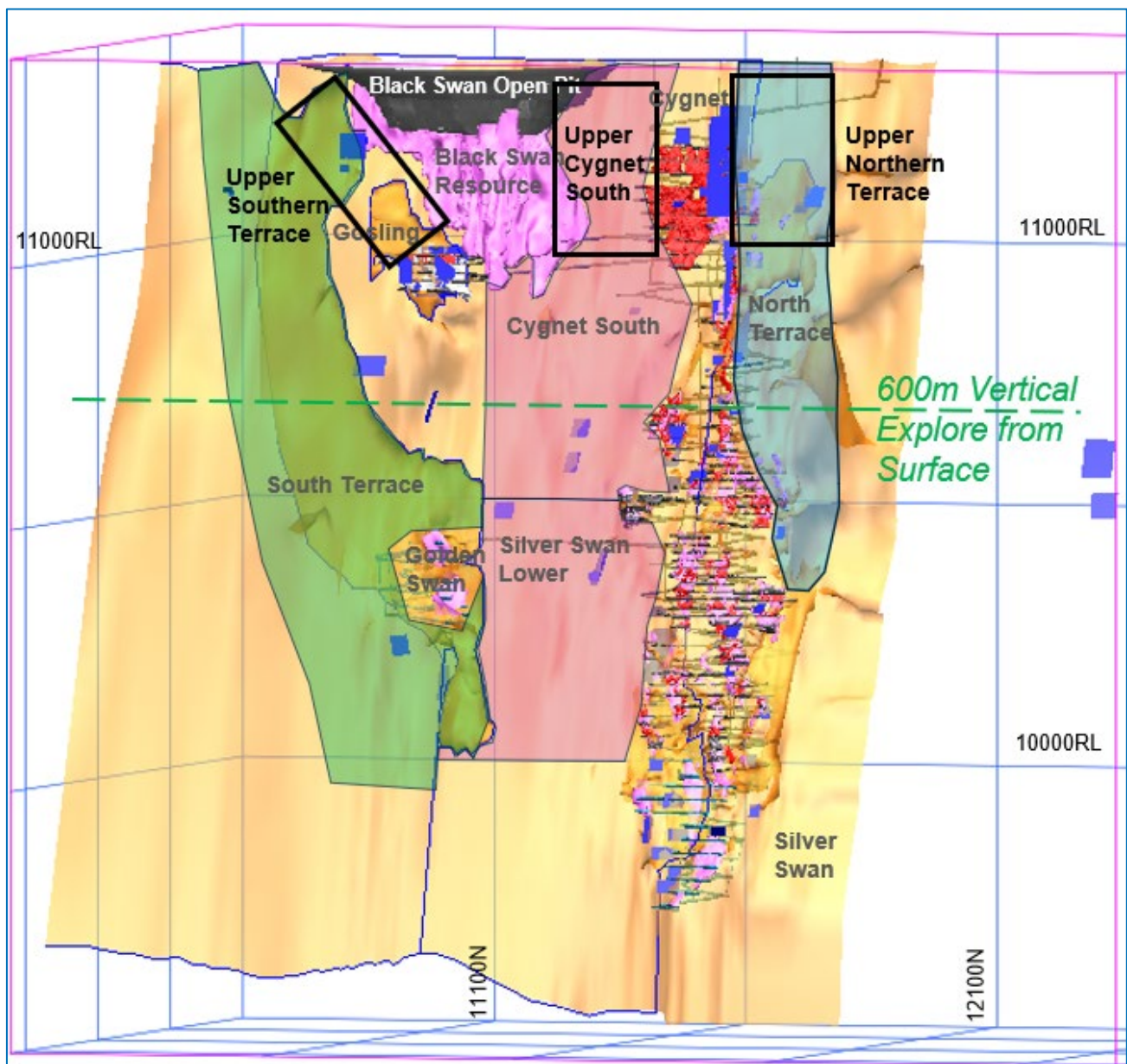


FIGURE 7: EXPLORATION TARGET AREAS AT BLACK SWAN

Next Steps

Following identification of these prospective targets, the next steps include completing the data integrity review for the upper Northern Terrace and the remainder of the greater Black Swan project area. This will include extending the detailed section-based footwall model across the entire project area focusing on near-surface opportunities.

Black Swan Restart Project

The Black Swan restart project is on hold pending a sustained improvement in the nickel price. The Company notes several parties, including BHP Nickel West, have curtailed or ceased nickel production in the current nickel price environment, supporting the Company’s decision to defer the project restart.

The pathway to production for Black Swan is now focused on growing the quality of the project’s resource base through exploration or business development to improve project economics. As mentioned previously, the Company is considering the potential to partner with third parties to process other commodities through Black Swan, in particular gold given the project’s location in the Kalgoorlie goldfields region (see Figure 8).

The Black Swan project is surrounded by significant gold resources, including refractory ores which are amenable to processing through a flotation circuit to produce gold concentrate. Poseidon has previously considered partnering with a regional gold company, entering into a MOU with Aphrodite Gold Limited back in 2017 (see ASX announcement “Poseidon & Aphrodite Move Closer to Gold Production” dated 10 July 2017).

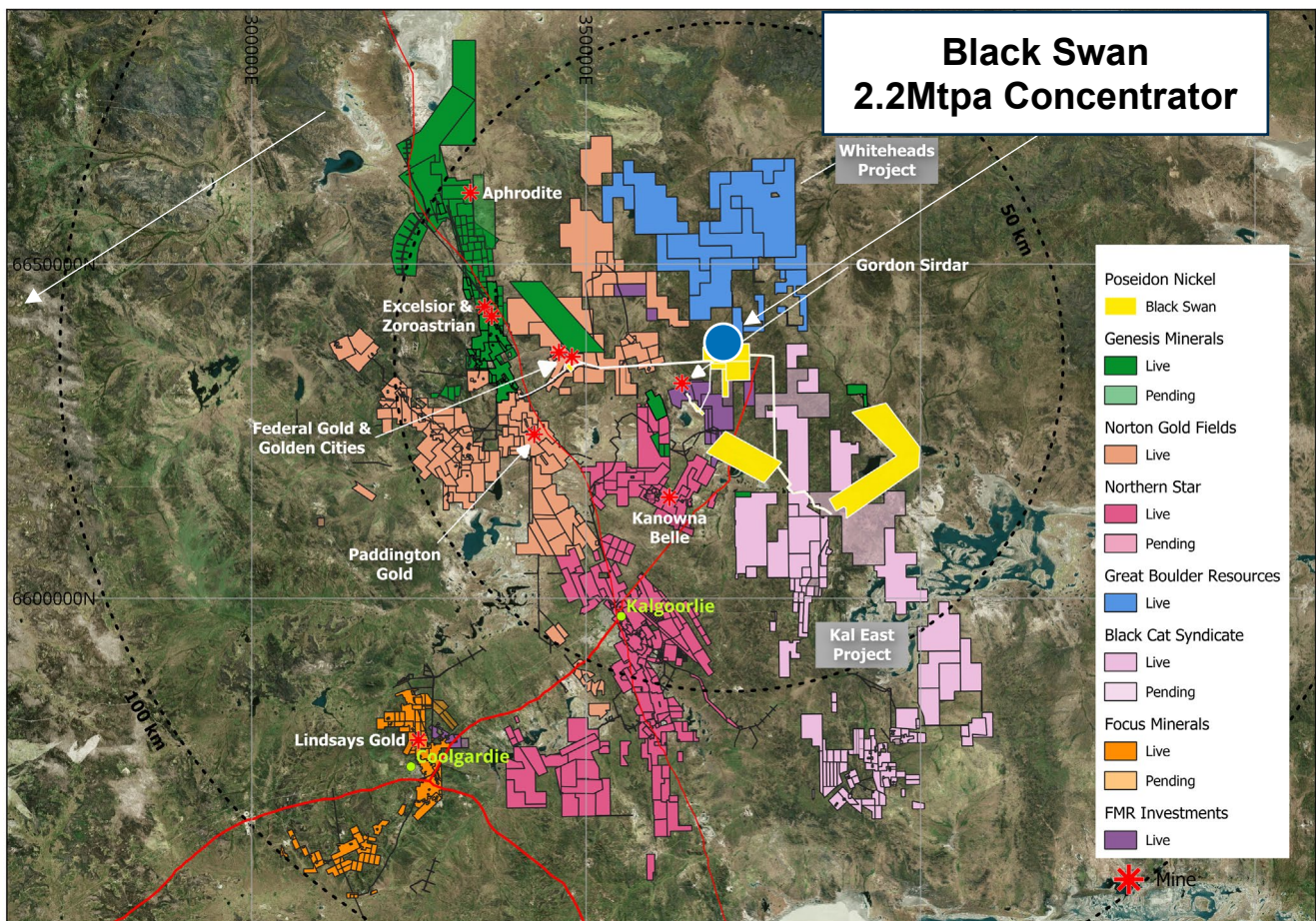


FIGURE 8: BLACK SWAN LOCATION IN KALGOORLIE GOLDFIELDS REGION

LAKE JOHNSTON

Lithium Potential at Lake Johnston

During late 2023 the Company commenced a review of the lithium potential at Lake Johnston, refer to ASX announcement “*Exploration & Gold Tailings Update*” dated 18 December 2023.

Data from soil sampling programs completed to delineate the extent of the Western Ultramafic Unit (WUU) were re-examined. The standout area was the southern-most portion of Lake Johnston. In-situ soils covering the WUU confirmed broad anomalous lithium values (>100ppm Li₂O) with corresponding rubidium (Rb) and caesium (Cs) anomalism in places over a strike length of 3km (see Figure 9). This anomaly is open to the east and south-west where it continues underneath North Lake Hope. The lithium levels in the soils are similar to levels recently reported by other exploration companies exploring for lithium bearing pegmatites in the Lake Johnston region.

In May 2024 mapping within the previously identified soil anomalies revealed isolated outcrops of pegmatite, marking an important step in underpinning the likely source of the soil anomaly. The area, characterised by thin soils and transported cover, suggests hidden pegmatites might be widespread, offering ample opportunity for potential fractionation processes to occur and the development of spodumene zones within the targeted “goldilocks zones”.

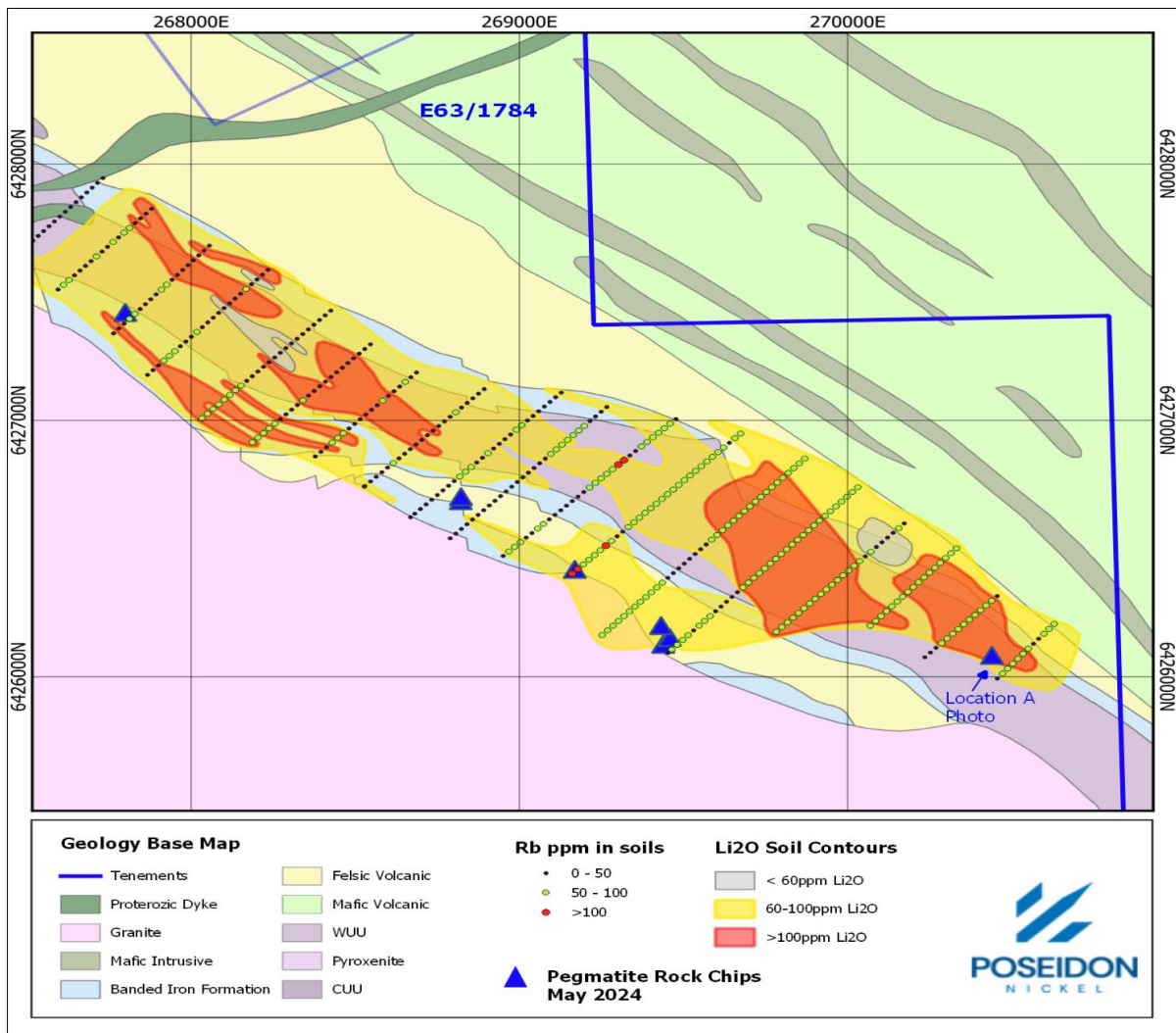


FIGURE 9: SOILS LOCATED IN THE SOUTHERN PORTION OF THE PROJECT AREA SHOWING Li₂O CONTOURS AND COINCIDENT RUBIDIUM ANOMALISM WITHIN A RESIDUAL SOIL PROFILE AND RECENT PEGMATITE ROCK CHIP SAMPLING

In addition, during December 2023 the Company entered into a Farm-in Agreement with Mantis Resources Pty Ltd to earn up to a 100% interest in exploration licences 63/2244 and 63/2256 which are located in close proximity to the Lake Johnston Project.

A summary of the key terms for the Farm-In Agreement are included in ASX announcement “*Poseidon Enters Strategic Farm-In Over Lithium Bearing Pegmatites Near Lake Johnston*”, dated 21 December 2023.

The Mantis tenements contain high grade lithium bearing pegmatites, with composite samples from outcropping pegmatite exposures returning assay results grading from 2.80% to 3.85% Li₂O (refer to ASX announcement “*High-grade Lithium Bearing Pegmatites Located at Lake Johnston*” dated 23 May 2016). These outcropping lithium pegmatites were, at the time, within exploration license E63/1067 which was registered to Poseidon and was subsequently compulsory surrendered.

Planning for soil sampling programs has been finalised to infill and extend the exciting broad, coherent >100ppm Li₂O anomaly in the southern area of Lake Johnston and furthermore, these surface sampling programs are to continue onto the highly prospective Mantis Resources tenements.

Lake Johnston is located in the growing Lake Johnston lithium province (see Figure 10). Any spodumene resources discovered at Lake Johnston, or by parties with proximal lithium projects, could be processed at Lake Johnston. The Company has previously considered lithium processing at Lake Johnston, entering into a MOU with Kidman Resources Limited in 2016 (see ASX announcement “*Poseidon & Kidman Move Closer to Lithium Production*” dated 27 July 2016).

Similar to Black Swan, the Company is in ongoing discussions with regional lithium focused explorers regarding the potential to partner on the Lake Johnston project.

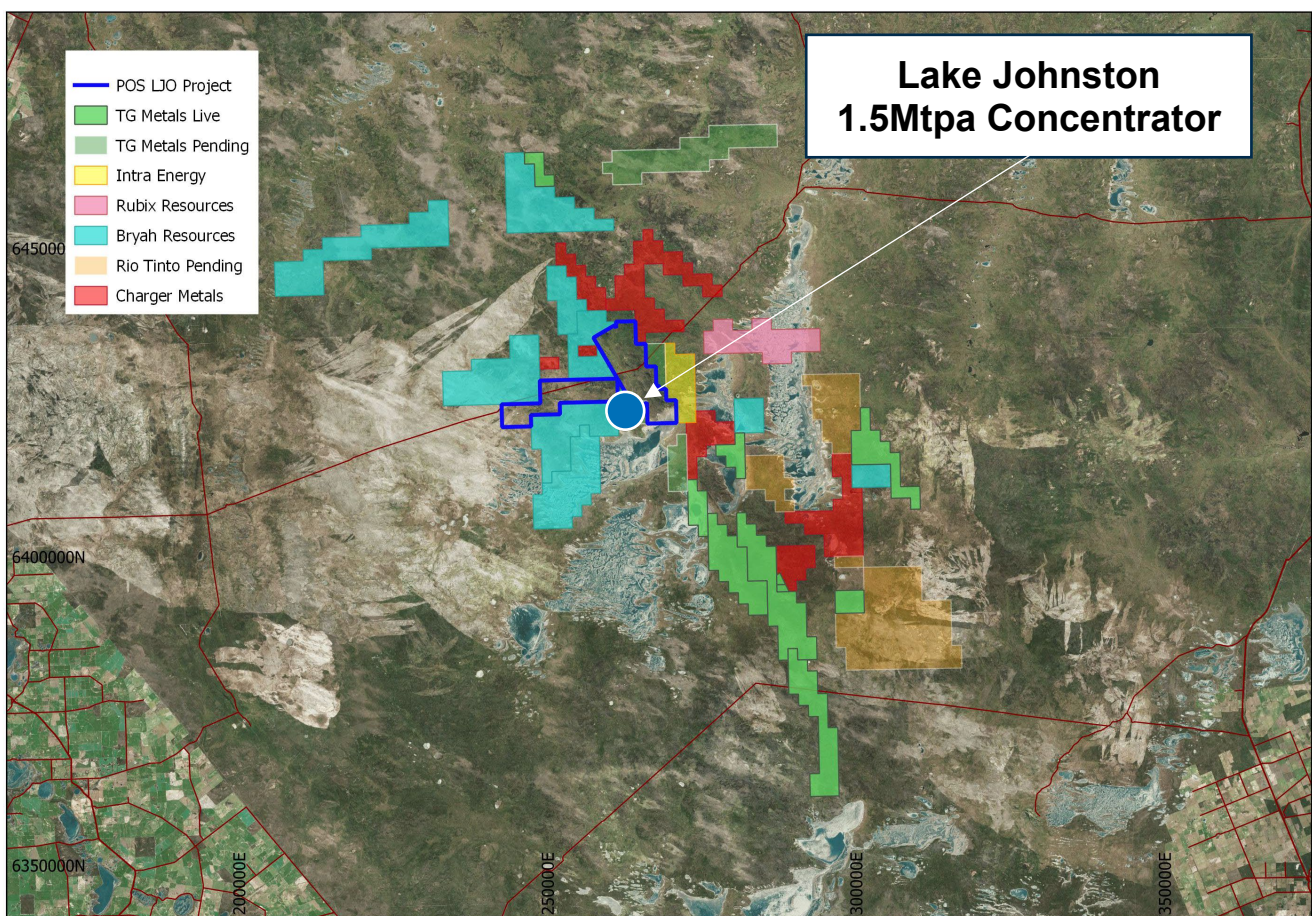


FIGURE 10: LAKE JOHNSTON LOCATION IN REGIONAL LITHIUM PROVINCE

Maggie Hays West Nickel Prospect

During 2023 the Company completed an aircore (AC) and shallow reverse circulation (RC) drilling program to progress several highly promising greenfields targets along the Western Ultramafic Unit (WUU) including Maggie Hays West.

A standout greenfields nickel sulphide target has been defined at Maggie Hays West with a coherent Ni-Cu-PGE regolith anomaly confirmed in shallow AC drilling over 1km sitting over the basal contact within the WUU. The best drill interval returned up to 2.37% Ni, 624ppm Cu and 353ppb Pt+Pd over 1m and provides a compelling target (refer to ASX Announcement “Exploration & Gold Tailings Update” dated 18 December 2023).

Testing of the Maggie Hays West anomaly and associated WUU “channel-like” zone warrants further exploration efforts and planning is underway for the next stages of the work programs which will likely include RC drilling (see Figure 11).

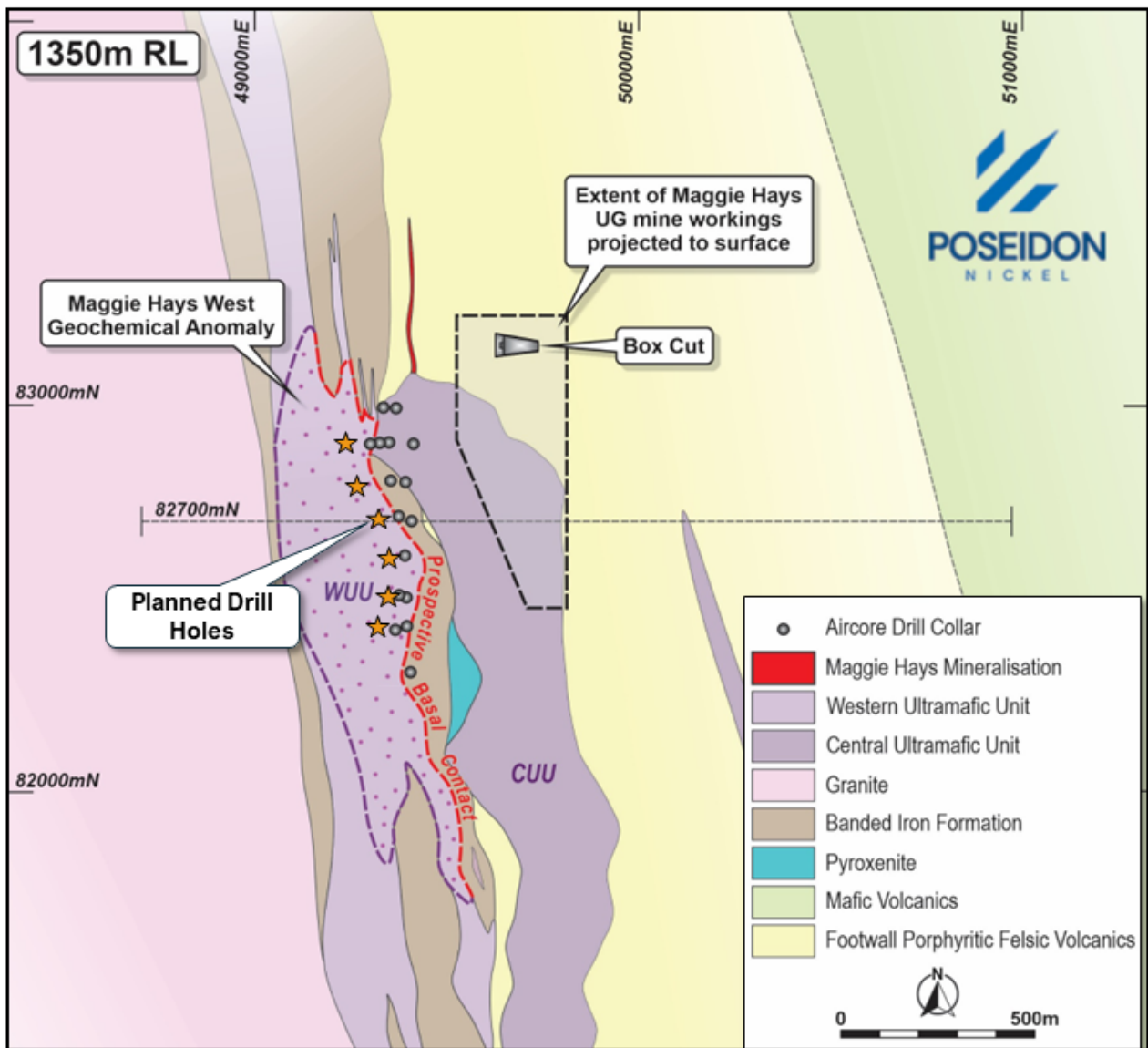


FIGURE 11: PROPOSED MAGGIE HAYS WEST DRILLING PROGRAM

Proposed Sale of Lake Johnston Project

Following positive market releases relating to exploration results at Lake Johnston from activities completed during 2023, and with increased exploration activity in the greater area, the Company received interest from a number of parties in the project.

The Poseidon Board carefully considered all offers received, and on 15 March 2024 the Company entered into a Binding Heads of Agreement (HoA) to divest Lake Johnston to Mineral Resources Limited (MRL), subject to certain conditions precedent and other terms – see full announcement “*Binding Heads of Agreement for the Sale of Lake Johnston*” dated 18 March 2024. Upon execution of the HOA, the Company received a \$1 million non-refundable payment from MRL in late March 2024.

Following entering the Binding HoA, the Company released two further announcements regarding the proposed sale of Lake Johnston on 30 April 2024 and 9 May 2024 (see ASX Announcements, “*Update on proposed sale of Lake Johnston*”, dated 30 April 2024, and “*Update on proposed sale of Lake Johnston*”, dated 9 May 2024).

As stated in Poseidon’s update provided on 30 April 2024, MRL requested for the Company to consider renegotiating the transaction on terms different to the Binding HoA. The terms suggested by MRL were materially different to the agreed transaction and the Board considered it not to be in the best interests of Poseidon shareholders. The Board communicated to MRL that it remained open to further negotiations provided that the terms of any renegotiated transaction were closer to and aligned with the Binding HoA. On 8 May 2024, the Company received a notice of termination from MRL in respect of the Binding HoA for which the Company reserves all its rights.

OPERATIONS

Operating Update

There were no significant safety issues or incidents reported across the operations.

Black Swan

Black Swan remained on care and maintenance during the quarter.

During the quarter the Company announced it has revised its Care and Maintenance (C&M) model at Black Swan which included ceasing dewatering of the Silver Swan decline. Following the recent exploration review, lower cost, near surface exploration targets have been identified which do not require drilling from underground positions. The optimised C&M removes up to \$1.0 million of annualised costs from the business. Combined with other cost reduction initiatives, total recurring annual costs removed from the business now total over \$6 million.

The Company has identified equipment on site which is surplus to current C&M requirements. A total of \$0.5 million has been received for surplus equipment already sold during 2024 with further equipment sales expected over the next quarter.

The proposed changes to C&M and the proposed sale of surplus equipment is not expected to impact any future restart plans for the project. The estimated 12-month plant refurbishment period assumed in the Bankable Feasibility Study released in November 2022 should provide sufficient time to prepare the Silver Swan mine and infrastructure for any future operations. There would be additional capital expenditure required to undertake these works, however the cost would unlikely be prohibitive to restarting the project.

Lake Johnston

Lake Johnston remained on care and maintenance during the quarter.

During the quarter the Company provided accommodation services to several parties undertaking exploration activities in the Lake Johnston area.

Windarra

Windarra remained on care and maintenance during the quarter.

CORPORATE

Leadership Transition

At the commencement of the quarter Brendan Shalders transitioned from CFO to CEO. Brendan has been with Poseidon since September 2019 and has an in-depth knowledge of the business and the Company's projects.

Following the leadership change, the strategy going forward remains as reported in September 2023 (refer ASX release "*Leadership and Operations Transition*" dated 22 September 2023) with a focus on targeted exploration and business development opportunities. The Company continues to utilise highly experienced geological consultants to assist with exploration programs at Windarra and Black Swan.

Financial

As at 30 June 2024, the Company held cash and current investments totalling \$1.4 million.

Over the quarter, Poseidon's net cash outflow from operating and investing activities totalled \$1.4 million.

There were no production or development activities conducted over the period and so no production or development expenditures were incurred.

Related party expenses over the quarter totalled \$36,461, all of which were fees paid to Directors.

This Quarterly Activities Report was authorised for lodgement by the Board of Poseidon Nickel Limited.



Brendan Shalders
CEO

31 July 2024

For further information contact Brendan Shalders:

T: + 61 (0)8 6167 6600

E: admin@poseidon-nickel.com.au

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 over 420,000 tonnes of nickel and 180,000 ounces of gold¹.

Poseidon's strategy is focused on targeted exploration and business development to grow reserves and resources for the eventual restart of its established processing operations in Western Australia with the aim of being a profitable and sustainable producer.

Poseidon owns the Black Swan, Windarra Nickel and Lake Johnston Projects. The mines and infrastructure across all projects, including concentrators at Black Swan and Lake Johnston, present near term development options for Poseidon and peer companies that have mineral resources without established processing infrastructure.

In addition to processing capabilities, the Company has significant nickel exploration opportunities demonstrated by the discovery of the Golden Swan Resource at Black Swan, Maggie Hays West prospect at Lake Johnston and more recently the NW05 and NW04 targets at Windarra. Assessment of other commodities across Poseidon's project portfolio has noted strong lithium prospectivity at Lake Johnston and gold anomalies at all three projects.

The Company completed a Bankable Feasibility Study on Black Swan in November 2022 which is planned to be the first project to restart, subject to appropriate project financing structures being achieved, the outlook for the nickel price improving and all necessary approvals being obtained.

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. In December 2023 Mt Morgans entered into a trial processing agreement with Poseidon on the Lancefield gold tailings and accessing the water in the South Windarra pit.

¹ Refer to the Company website, www.poseidon-nickel.com.au, for Resource and Reserves tables

COMPETENT PERSON STATEMENTS:

The information in this report that relates to Exploration Targeting and Results is based on, and fairly represents, information compiled and reviewed by Mr Mark Muller, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Muller is a full time employee of Muller Geological Services Consultancy Pty Ltd, an independent industry consultancy providing geological services to Poseidon Nickel, and has 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 Muller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Mueller confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

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

- "Update on Gold Exploration Programs" dated 30 July 2024
- "Gold and Nickel targets at Windarra" dated 6 June 2024
- "Low Cost, Near Surface Exploration Targets Identified at Black Swan" dated 30 May 2024
- "Update on proposed sale of Lake Johnston" dated 9 May 2024
- "Update on proposed sale of Lake Johnston" dated 30 April 2024
- "Binding Heads of Agreement for the Sale of Lake Johnston" dated 18 March 2024
- "Exciting New Exploration Targets at Windarra" dated 14 February 2024
- "Quarterly Report 31 December 2023" dated 30 January 2024
- "Poseidon Enters Strategic Farm-in Over Lithium Bearing Pegmatites near Lake Johnston" dated 21 December 2023
- "Lancefield Gold tailings Trial and Windarra Water Access Agreement" dated 21 December 2023
- "Exploration & Gold Tailings Update" dated 18 December 2023
- "Leadership and Operations Transition" dated 22 September 2023
- "Positive Black Swan Feasibility Study" dated 21 November 2022
- "Quarterly Activities Report – March 2022" dated 29 April 2022
- Focus Minerals Ltd, ASX announcement "Beasley Creek South Mineral Resource Update" dated 23 February 2022
- Focus Minerals Ltd, ASX Announcement "Lancefield Far North Maiden Mineral Resource" dated 18 January 2022
- Focus Minerals Ltd, ASX announcement "Beasley Creek Gold Deposit Continues to Grow" dated 8 November 2021
- "Windarra Gold Tailings DFS Highlights Robust Project", dated 23 July 2021
- "Second Golden Swan Massive Sulphide intersection extends new discovery" dated 5 August 2020
- "Poseidon & Aphrodite Move Closer to Gold Production" dated 10 July 2017
- "Poseidon & Kidman Move Closer to Lithium Production" dated 27 July 2016
- "High Grade Lithium Bearing Pegmatites Located at Lake Johnston" dated 23 May 2016
- Magnetic Resources NL, ASX announcement "Bonanza Grades of 2m @110g/t Gold from Historical Drilling at the Marabou Project" dated 18 April 2016
- "Poseidon Identifies New Prospective Nickel Targets at Windarra" dated 16 June 2010
- "Windarra Exploration to Re-commence" dated 18 January 2010
- Blockley, 1971. The Lead, Zinc and Silver Deposits of Western Australia, Geological Survey of Western Australia, Mineral Resources Bulletin 9

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."

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

FORWARD LOOKING STATEMENTS:

This release contains certain forward looking statements including nickel production targets matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (Forward 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. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, their related bodies corporate and their respective officers, directors, employees, or advisers represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this release. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. Recipients should form their own views as to these matters and any assumptions on which any of the Forward Statements are based and not place reliance on such statements.

APPENDIX 1 - Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY															
			MEASURED			INDICATED			INFERRED			TOTAL						
			Tonnes (Kt)	Ni% Grade	Ni Metal (t)	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	0.4%	800	0.78	7,000	15,100	0.73	111,000	10,400	0.69	71,000	26,300	0.72	189,000	0.02	4,000	0.03	7,900
Silver Swan	2012	1.0%	-	-	-	138	9.00	12,450	8	6.00	490	146	8.80	12,940	0.16	240	0.36	530
Golden Swan	2012	1.0%	-	-	-	112	4.70	5,200	48	2.20	1,050	160	3.90	6,250	0.08	120	0.30	480
Silver Swan Tailings	2012	NA	675	0.92	6,200	-	-	-	-	-	-	675	0.92	6,200	0.07	460	0.04	270
Stockpiles	2012	0.4%	-	-	-	1,200	0.49	5,900	400	0.53	1,900	1,600	0.50	7,800	NA	NA	NA	NA
LAKE JOHNSTON PROJECT																		
Maggie Hays	2012	0.8%	-	-	-	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	0.9%	-	-	-	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	0.8%	-	-	-	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	-	NA	-
TOTAL																		
Total Ni, Co, Cu Resources	2004 & 2012		1,475	0.84	13,200	23,600	0.98	233,500	17,000	1.03	176,000	42,100	1.00	422,700	0.02	7,800	0.05	18,300

Note: totals may not sum exactly due to rounding. NA = Information Not Available from reported resource model.

- **Black Swan Resource** as at 7 June 2023 (see ASX announcement "Updated Resource provides more Nickel at Black Swan" released 7 June 2023)
- **Silver Swan Resource** as at 27 April 2022 (see ASX announcement "Updated Silver Swan Resource underpins significant increase in high-grade Indicated resource base" released 27 April 2022)
- **Golden Swan Resource** as at 27 October 2021 (see ASX announcement "Golden Swan Maiden Resource" released 27 October 2021).
- **Silver Swan Tailings Resource** as at 15 September 2021 (see ASX announcement "Silver Swan Tailings – Maiden Resource Estimate" released 15 September 2021)
- **Stockpile Resource** as at 22 July 2014 (see ASX announcement "Poseidon Announces Black Swan Mineral Resource" released 4 August 2014)
- **Maggie Hays Resource** as at 17 March 2015 (see ASC announcement "50% Increase in Indicated Resources at Lake Johnston" released 17 March 2015)
- **Mt Windarra Resource** as at 7 November 2014 (see ASX announcement "Poseidon Announces Revised Mt Windarra Resource" released 7 November 2014)
- **South Windarra and Cerberus Resource** as at 30 April 2013 (see ASX announcement "Resource Increase of 25% at Windarra Nickel Project" released 1 December 2011)

Appendix 2 – Nickel Reserves Statement

Nickel Sulphide Reserves	JORC Compliance	BLACK SWAN PROJECT							
		Proved/Probable	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co % Grade	Co Metal (t)	Cu % Grade	Cu Metal (t)
Black Swan	2012	Proved	579	0.7	4.2	NA	NA	NA	NA
		Probable	2,608	0.7	17.7	NA	NA	NA	NA
Silver Swan	2012	Proved	-	-	-	NA	NA	NA	NA
		Probable	179	5.0	9.0	NA	NA	NA	NA
Golden Swan	2012	Proved	-	-	-	NA	NA	NA	NA
		Probable	100	4.0	4.0	NA	NA	NA	NA
Total Ni Reserves	2012	Proved	579	0.7	4.2	NA	NA	NA	NA
		Probable	2,887	1.1	30.7	NA	NA	NA	NA
		Total	3,466	1.0	34.9	NA	NA	NA	NA

Note: totals may not sum exactly due to rounding. NA = Information Not Available from reported resource model.

- Black Swan Reserve, Silver Swan Reserve and Golden Swan Reserve as at 21 November 2022 (see ASX announcement "Positive Black Swan Feasibility Study" released 21 November 2022)

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.

APPENDIX 3 – Gold Projects Ore 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 (ppm)
North Dam	3,902,000	0.78	98,000	1.9	1,805	365	975
South Dam	850,000	0.50	14,000	0.6	645	355	2,533
Total	4,752,000	0.73	112,000	1.7	1,600	363	1,250

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	6,198,000	0.37	74,000	435.0	270	0.3

Lancefield Gold Tailings Mineral Resource – JORC 2012 Tabulation

INDICATED AND INFERRED							
	Tonnes (t)	AU (g/t)	Au (oz)	Ag (g/t)	As (ppm)	CU (ppm)	Ni (ppm)
Indicated	1,210,084	1.27	49,278	3.61	2,789	314	70
Inferred	337,964	1.20	13,063	3.48	2,951	269	57
Total	1,548,048	1.23	62,341	3.58	2,824	304	67

Windarra Gold Tailings North and South Dams Resource: no cut-off grade has been used to report the resource, as 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 the above table may not sum exactly due to rounding.

Windarra Gold Tailings central Dam Resource: 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.

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

Lancefield Gold Tailings Resources as at 23 July 2021 (see ASX Announcement "Windarra Gold Tailings DFS Highlights Robust Project" 23 July 2021).

APPENDIX 4 – TENEMENTS HELD

Tenements Held as at 30 June 2024

AREAS OF INTEREST	TENEMENTS	ECONOMIC ENTITY'S INTEREST
Western Australia		
Windarra Nickel Assets	M261SA, G38/21, L38/121, L39/184, L38/199, L38/218, L39/221	100%
Windarra South	L38/119, L38/122, L38/220	100%
Woodline Well	M39/1075, L39/224	100%
Pool Well	M38/1244, M38/1245, L38/118	100%
Lake Johnston Nickel Assets	G63/8, G63/5, L63/51, L63/52, L63/55, L63/57, M63/163, M63/282, M63/283, M63/284, M63/292, M63/293, M63/294, M63/522, M63/523, M63/524, E63/1784 (80% interest), E63/2244 (farm-in), E63/2256 (farm-in)	100% (except for E63/1784, E63/2244, E63/2256)
Black Swan Nickel Assets	M27/39, M27/200, M27/214, M27/216, L27/57, L27/58, L27/59, L27/74, L27/75, L27/77, L27/78, L24/219, L24/222, L27/95, L27/96, G27/2	100%

E = Exploration Licence M = Mining Lease MSA = Mining Tenement State Act PL = Prospecting Licence L = Miscellaneous Licence

Mining Tenements Acquired or Disposed during the June 2024 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the June 2024 Quarter

Farm-out Agreement

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the June 2024

Nil

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Poseidon Nickel Limited

ABN

60 060 525 206

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	396	1,523
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(867)	(4,351)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(375)	(2,730)
	(e) administration and corporate costs	(442)	(1,727)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	60	330
1.5	Interest and other costs of finance paid	(161)	(409)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – sundry income	-	-
1.9	Net cash from / (used in) operating activities	(1,389)	(7,364)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(83)
	(d) exploration & evaluation (if capitalised)	(233)	(4,096)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	200	502
	(d) investments	-	-
	(e) other non-current assets (Non-refundable deposit received on the sale of the Lake Johnston asset)	-	1,000
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(36)	(2,677)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,098
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(324)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	5,774
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,859	5,701
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,389)	(7,364)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(2,677)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,774
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,434	1,434

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,434	2,859
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,434	2,859

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

36

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,389)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(233)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,622)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,434
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,434
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.9

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: During the past year the Company has implemented cost saving initiatives delivering over \$6 million of annualised savings. The Company has reduced operating costs to ensure net operating cash flows reflect a reduced level of spending going forward.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is running a number of concurrent processes on various assets to raise funds. If these initiatives are not successful the Company may consider seeking new equity via a capital raising. If the Company decides to raise funds or proceed with an asset sale, it believes it would be successful in raising sufficient funds to continue with the planned level of operations.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to continue its operations and meet business objectives in the future with funding from existing cash reserves and the entitlement offer.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: The Board of Poseidon Nickel Ltd.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.