

QUARTERLY REPORT 30 SEPTEMBER 2024

• Proposed Merger of Poseidon Nickel and Horizon Minerals

- Poseidon Nickel Limited (ASX: POS), (**Poseidon** or “the **Company**”) and Horizon Minerals Limited (ASX:HRZ) (**Horizon**) have entered into a Scheme Implementation Deed under which Horizon proposes to acquire 100% of the fully paid ordinary shares in Poseidon and 100% of the unlisted Poseidon options under the code POSAAB by way of Schemes of Arrangement (**Schemes**)

- Pursuant to the terms of the Scheme Implementation Deed (**SID**):

- each holder of Poseidon Shares will receive 0.1156 Horizon shares for every 1 Poseidon share held; and
- each holder of Poseidon Options will receive 0.1156 new Horizon options to acquire Horizon Shares for every 1 Poseidon Option held,

subject to certain conditions including Poseidon shareholders and optionholders voting in favour of Schemes

- The Share Scheme represents a 40% premium to 30-day VWAP of Poseidon shares as of 22 October 2024 and an implied equity value of \$30 million for Poseidon
- The proposed conversion of the Black Swan plant to gold processing should provide a low-capital, near term processing pathway for Horizon to transition to a standalone gold producer and unlock the region for toll milling and potentially further consolidation
- Gold exploration targets across the combined group, including Poseidon’s Black Swan’s highly prospective Wilson’s Prospect, present future growth opportunities
- Combined entity to assess the best pathway forward to deliver shareholder value from Poseidon’s strategically positioned and permitted Lake Johnston and Windarra assets

• Gold potential at Black Swan continues to build

- Coherent gold anomaly defined at Wilson’s Prospect (up to 54ppb Au) that is 1.4km by 1km in size and remains open to the south
- The gold anomaly extents capture the locations of the previously announced gold nuggets and anomalous rock chip samples that graded up to 1.25g/t Au in gossanous quartz veins
- Several historical gold drill intersections with assay results >1g/t Au, including 0.4m @ 6.41g/t Au, are also located within the anomaly area
- Infill soil sampling completed late in the September quarter with results expected early November 2024

- **Copper-Gold Targets at Lake Johnston**

- Infill soil sampling results from the Billy Ray Copper Gold Prospect confirmed 1.0km by 1.2km bullseye shaped Cu-Au anomaly, with peak coincident values of 71ppb Au and 141ppm Cu concentrated near the eastern margin
- Maiden reconnaissance sampling results across the farm-in Mantis tenement (E63/2244) successfully extended the open-ended Norfolk Prospect Au anomaly

- **Lithium in soils anomaly at Lake Johnston**

- Soil sampling program results successfully identified a large 2.3km by 3.4km lithium anomaly on the Mantis tenement which remains open to the west
- A maximum value of 495ppm Li₂O was recovered in the centre of the anomaly with coincident rubidium (117ppm Rb), caesium (31ppm Cs) and tin (9ppm Sb), extending south from lithium bearing pegmatites returning high grades from 2.80% up to 3.85% Li₂O

- **Gold rock chips samples at Windarra**

- Rock chip samples located within established gold in soil anomalies returned up to 0.37 g/t Au and 12.9 g/t Ag
- Results support the interpretation that Windarra contains strike extensions to the main mineralised gold trend which controls nearby gold camps

- **Agreement with Encore Minerals to develop Windarra tailings project**

- Poseidon entered an agreement with Encore Minerals to develop the Windarra Gold and Nickel Tailings using proprietary Glycine Leaching Technology
- Encore Minerals is responsible for the funding, development, operation, closure and rehabilitation of the Windarra tailings project
- Consideration to Poseidon includes:
 - A\$250,000 non-refundable payment received during the period
 - Further payments totalling \$1 million, payable upon commencement of the development period and the production period
 - 3% Net Smelter Return royalty, once the Project is in production

- **Corporate**

- A conditional agreement with Mt Morgans WA Mining (**Mt Morgans**) for the processing trial of 100kt of Lancefield gold tailings and the provision of 2.5GL of water per annum from Windarra was terminated during the period
- Entitlement offer to eligible shareholders raising \$1.5 million before costs (this included amounts received under the shortfall offer)
- Company held cash and investments of \$2.2 million at 30 September 2024 and subsequent to the end of the quarter has entered into Loan Agreement with Horizon for \$2M to be drawn if and when required.

The Company is pleased to provide a report on its activities and progress for the September quarter 2024.

CEO, Brendan Shalders, commented: *“During the September 2024 quarter the Company undertook a process to consider offers from parties interested in corporate or asset level transactions with Poseidon. This process commenced early in the quarter with the appointment of an advisor following inbound interest during the first half of 2024. From this process, the recently announced proposed merger with Horizon is anticipated to present the greatest value and future growth potential for Poseidon shareholders. The proposed merger aligns with Poseidon’s strategy to unlock the value of our projects through exploration and business development opportunities in commodities other than nickel .*

The proposed business combination provides Poseidon shareholders continuing exposure to the Company’s strategic assets, a low-capital, near term pathway to process Horizon’s gold resources at Black Swan, exposure to projected strong operating cashflows in a high gold price environment from Horizon’s toll treating projects and the potential for future exploration success across the combined significant landholding in the WA Goldfields region. The proposed transaction was equivalent to a 40% premium to the 30-day VWAP of Poseidon’s share price as of 22 October 2024 and an approximate 100% premium to the August 2024 entitlement offer price of \$0.003/share.

Outside of the proposed merger, the Company continues to build gold exploration targets identified across all three projects. Soil samples collected from Black Swan noted four coherent gold anomalies with the strongest adjacent to the existing mines and processing infrastructure. At Lake Johnston soil samples collected enhanced the Billy Ray anomaly and noted anomalous gold values at the Norfolk Prospect, in addition to, a large lithium anomaly across one of the Mantis tenements. While at Windarra gold bearing rock chip samples were collected from within the gold anomalies areas previously reported. The Company is continuing exploration programs, in particular, developing future drill programs for the Wilson’s Prospect at Black Swan and the Billy Ray Prospect at Lake Johnston.

Over the quarter we continued the cost reduction initiatives which combined with cash inflows from accommodation revenue and sale of surplus equipment at Black Swan reduced net cash outflow for the period to \$0.5 million. Period end closing cash of \$2.2 million and the recently announced \$2.0 million working capital loan agreement entered with Horizon provides sufficient funding to support Poseidon through the scheme process.

Moving forward the prospect of combining our strategic assets with Horizon’s proximal gold resources and progressing toward processing of gold ores at Black Swan makes a lot of sense for our shareholders and Horizon shareholders.”

Proposed Merger with Horizon Minerals Limited

The Company reported in its June 2024 Quarterly Report a revised strategic direction of targeted exploration and business development, with a multi-commodity focus. This renewed focus has driven exploration success with gold targets identified across all three projects and resulted in the proposed merger with Horizon. Both the early-stage exploration success across Poseidon’s projects and proposed merger are expected to drive future value growth for Poseidon shareholders (as part of the proposed merged entity).

Over the first half of 2024 the Company received inbound interest from parties interested in corporate or asset level transactions, following which the Company engaged advisors Euroz Hartleys during early July 2024 to undertake a process to consider this interest and canvass the market for other potential interested parties. Over 15 parties entered the process with five non-binding indicative offers (NBIO) received. Of the five offers Horizon’s NBIO offered the most value and future growth potential for Poseidon shareholders.

Poseidon and Horizon entered into a scheme implementation deed (**Scheme Implementation Deed**) on 25 October 2024 under which Horizon proposes to acquire 100% of the fully paid ordinary shares in

Poseidon (**Poseidon Shares**) and 100% of the unlisted Poseidon options under the code POSAAB (**Poseidon Options**) by way of Schemes of Arrangement.

Pursuant to the terms of the Scheme Implementation Deed:

- each holder of Poseidon Shares will receive 0.1156 Horizon shares for every 1 Poseidon share held (**Share Scheme**); and
- each holder of Poseidon Options will receive 0.1156 new Horizon options to acquire Horizon Shares for every 1 Poseidon Option held (**Option Scheme**) (together, the **Schemes**),

subject to certain conditions including Poseidon shareholders and optionholders voting in favour of Schemes.

Refer to ASX Announcement “*Poseidon and Horizon announce Merger Transaction*” dated 25 October 2024 for further details of the Schemes and the related process, including a full listing of conditions precedent and the proposed timetable.

BLACK SWAN

Black Swan Geology Setting Favourable for Gold Mineralisation

The Black Swan project is situated west of the Mt Monger Fault amongst a series of interpreted secondary structures emanating from the primary fault which are commonly associated with gold mineralisation. The secondary structures are similar to those controlling the Golden Valley and Kanowna Sequence which hosts a number of large gold deposits including Kanowna Belle and Gordon Sirdar (see **Figure 1**).

Komatiitic nickel deposits such as Black Swan occur as channel like features that are interpreted to be following very early-stage crustal scale structures that remain active throughout the Earth’s geological history. These long-lived structures may become reactivated during the gold mineralising events meaning that separate nickel and gold mineralisation events can share common structural associations (i.e. Beta Hunt nickel and gold mine located near Kambalda Western Australia).

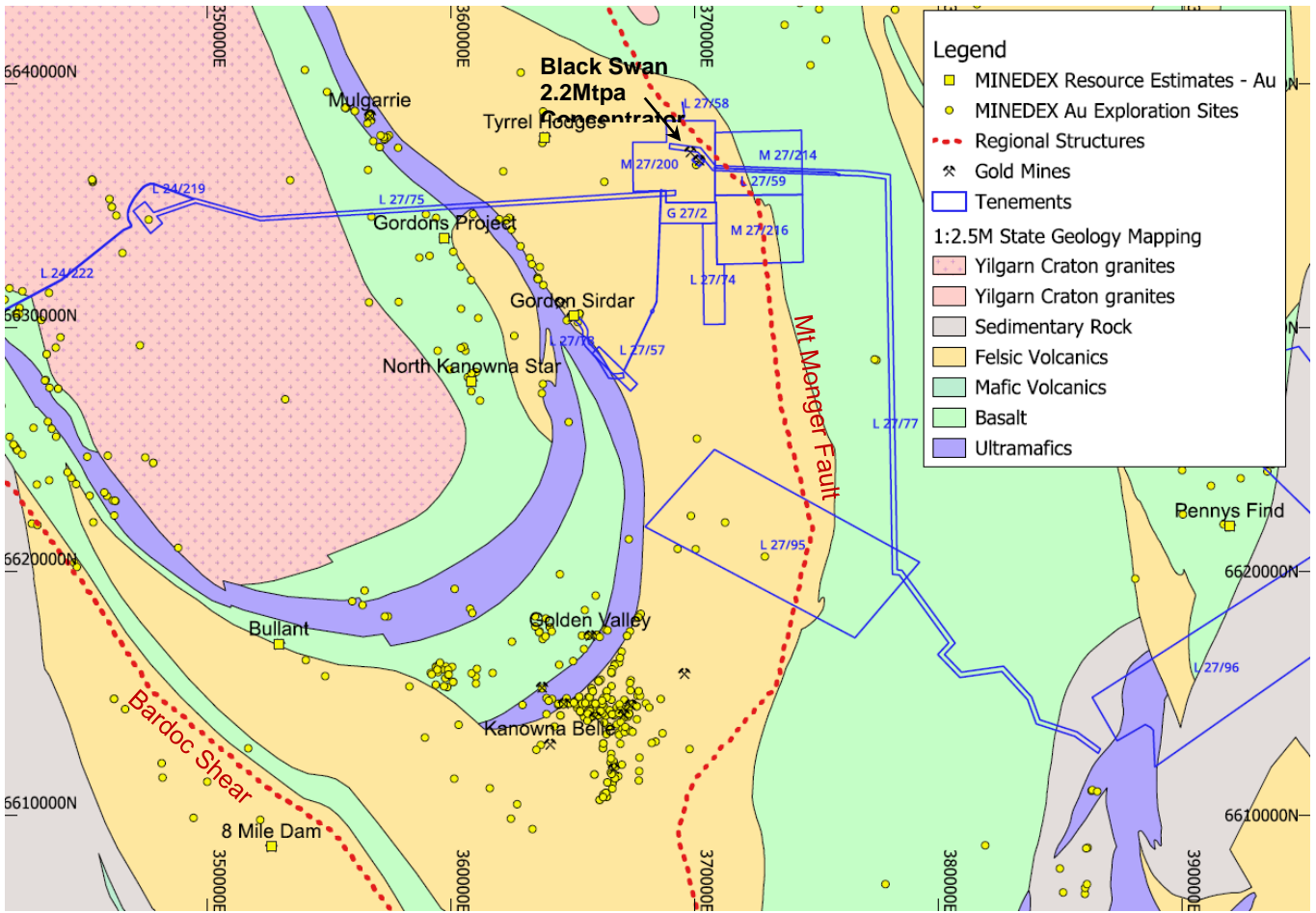


FIGURE 1: BLACK SWAN REGIONAL GEOLOGY MAP & TENEMENT LOCATIONS

Building Gold Exploration Potential

During August 2024 the Company collected 362 soil samples from a wide spaced reconnaissance soil sampling program over the entire Black Swan tenement package on 800m and 400m space traverses with sampling intervals of between 80m and 160m. The soil samples were tested using the UltraFine+ technique identifying four coherent anomalies across the project (refer Figure 2 and ASX Announcement “Gold Potential Builds at Black Swan”, dated 24 September 2024).

Gold assay results from the soil sampling grade up to 54ppb and present four distinct gold in soil anomalies spread across the Black Swan tenements.

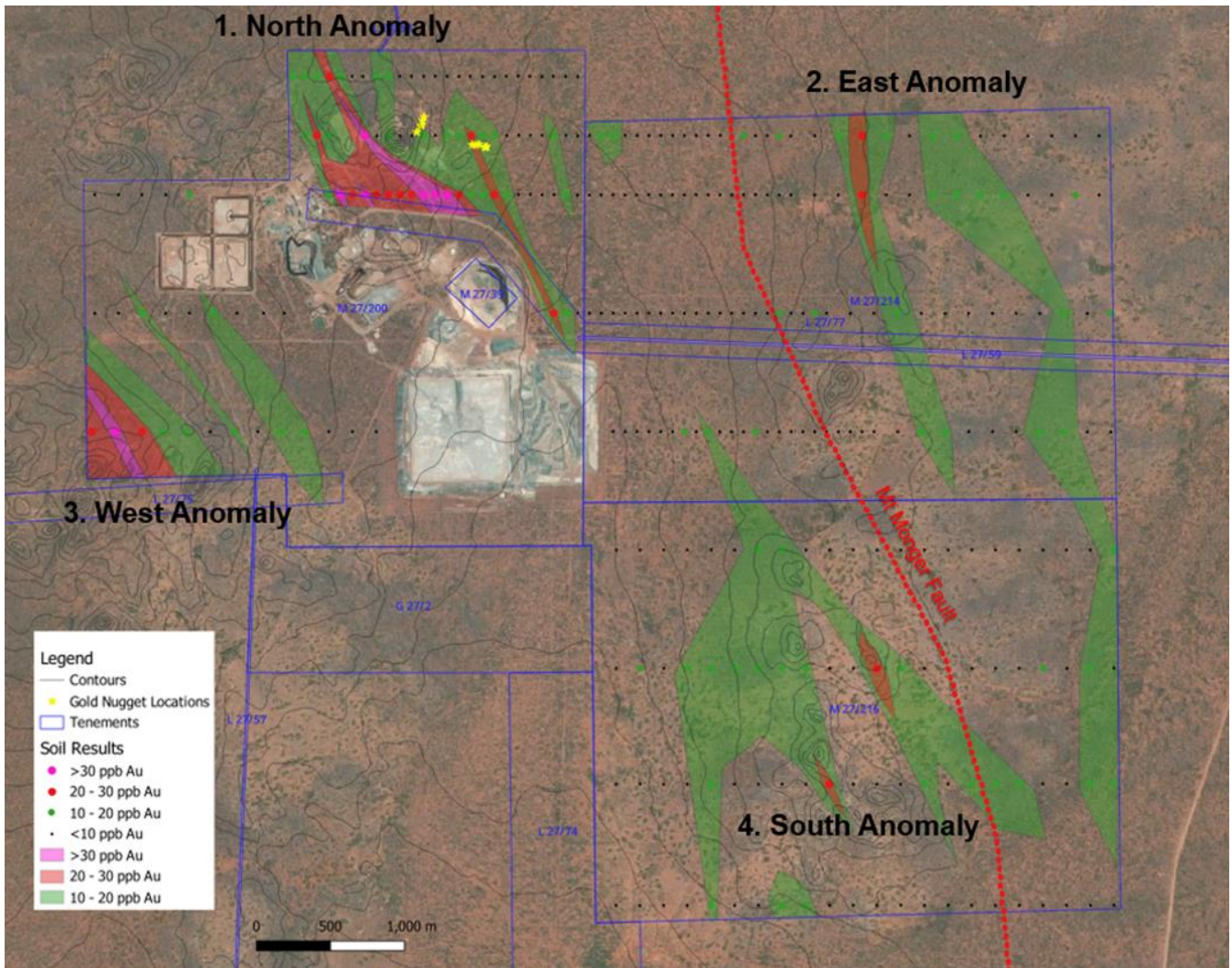


FIGURE 2: BLACK SWAN GOLD IN SOIL ANOMALIES

Wilson’s Prospect Correlates to Previously Reported Gold Occurrences

The most coherent anomaly, the Northern anomaly which has been named the Wilson’s Prospect, is 1.4km by 1km in size and located just north of the existing Black Swan nickel mines and associated infrastructure, see Figure 3. Assay results for soils at Wilson’s Prospect graded up to 54ppb Au and cover an area adjacent to the previously reported gold bearing rock chip samples grading up to 1.25g/t Au and the previously announced gold nugget discoveries (refer to ASX Announcement “Further Validation of Gold Potential at Black Swan and Lake Johnston”, dated 26 August 2024). The anomaly is open to the south where it trends onto the existing mine area and cannot be fully tested due to surface disturbance.

The correlation of the elevated gold in soil anomaly in this area, confirmed gold in bedrock and the discovery of gold nuggets, define a compelling gold exploration target at Black Swan.

The Company recently completed a follow-up infill soil sampling program at Black Swan to further define the identified anomalies. Results from this program are expected to be announced early November 2024 and used to prepare reconnaissance aircore (AC) or reverse circulation (RC) drilling programs to test Wilson’s Prospect.

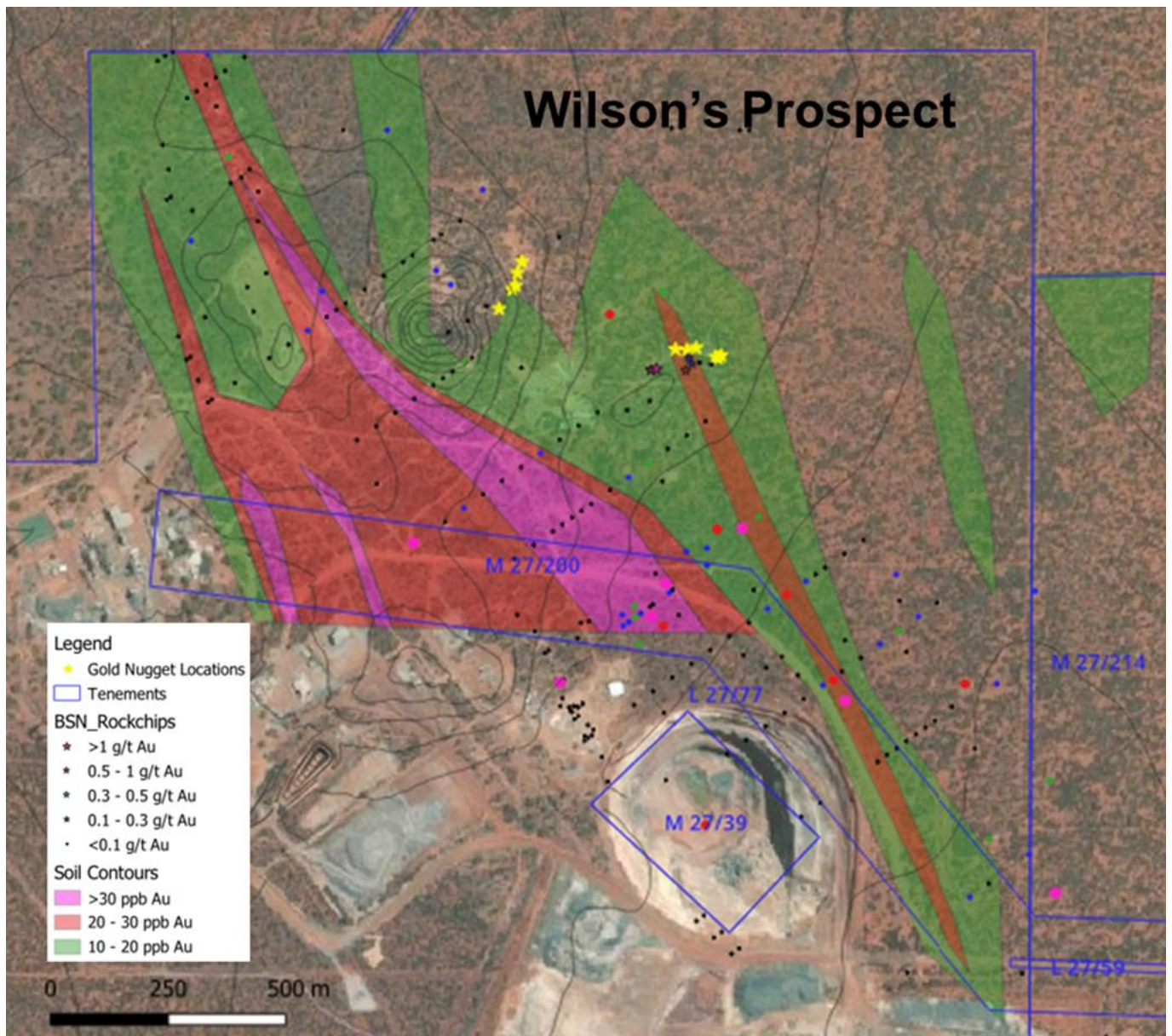


FIGURE 3: WILSON'S PROSPECT DEFINED BY THE NORTHERN MOST ANOMALY GOLD IN SOIL CONTOURS, ROCK CHIPS AND GOLD NUGGET LOCATIONS

Rock Chip Samples Grading up to 1.25g/t Au

During the quarter, Poseidon reported the assay results for rock chip samples collected from the Wilson's Prospect which confirmed gold mineralisation in the bedrock units. The best rock chip returned 1.25g/t Au from a gossanous quartz vein hosted within felsic volcanic (refer Figure 4). Rock chips with anomalous gold (>0.5g/t Au) and collected from areas proximal to the gold in soil anomaly are presented in Table 1 below, (refer ASX Announcement "Gold Potential Builds at Black Swan", dated 24 September 2024).

TABLE 1: BEST ROCK CHIP AU RESULTS COLLECTED RECENTLY FROM BLACK SWAN

<i>Rock Chip Sample</i>	<i>Assay Au Results (ppb)</i>	<i>Geology</i>
P2756A	151	Quartz Vein
P2757A	135	Felsic Volcanic
P2758A	647	Felsic Volcanic
P2760A	1254	Quartz Vein
P2762A*	680	Quartz Vein
P2764A*	50	Quartz Vein
P2765A*	588	Quartz Vein
P2766A*	493	Quartz Vein
P2767A*	294	Quartz Vein

* Duplicate of a single large sample

**FIGURE 4: PHOTO OF ROCK CHIP SAMPLE GRADING 1.25G/T AU, LOCATED AT WILSON'S PROSPECT**

Gold Nuggets Reported at Wilson's Prospect

During the period, Poseidon reported the discovery of 67 gold nuggets at Wilson's Prospect with a combined weight of 22.6 grams (refer to ASX Announcement "*Further Validation of Gold Potential at Black Swan and Lake Johnston*", dated 26 August 2024). The nuggets range in size from less than 0.1 gram to approximately 1 gram and have an angular habit.



FIGURE 5: EXAMPLES OF PREVIOUSLY REPORTED GOLD NUGGETS DISCOVERED AT WILSON'S PROSPECT

As set out in the Company's announcement dated 26 August 2024, visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

Wilson's Prospect Coincident to Historic Gold Drill Intersections

Limited focus on gold exploration has occurred at Black Swan since the discovery of the Silver Swan nickel sulphide deposit in 1995. Due to the historic focus on nickel only 5% of the drill hole samples have been assayed for gold.

Review of the Black Swan drillhole database and GSWA data has identified seven holes within the Companies tenements and one along strike on neighbouring ground, all containing gold intersections grading 1 g/t Au or higher. These drill holes are located within or near the soil anomaly identified at Wilson's, refer Figure 6. The gold intersections include (refer ASX Announcement "Gold Potential Builds at Black Swan", dated 24 September 2024):

- BSD033C: 0.4m @ 6.41 g/t Au from 421.6m
- 08NBSD0041: 0.2m @ 5.12g/t Au from 120.5m
- BSD034B: 0.3m @ 2.38g/t Au from 356m
- BSAC009: 4m @ 2.32g/t Au from 76m
- BSD063E: 0.3m @ 1.74 g/t Au from 677.9m
- LBSD0022A: 1m 1.13g/t Au from 1047m
- LBSD0013: 1m @1.11g/t Au from 348m
- ESR091*: 5m @ 0.99g/t Au from 5m (located less than 500m north of the Black Swan tenements)

* GSWA data.

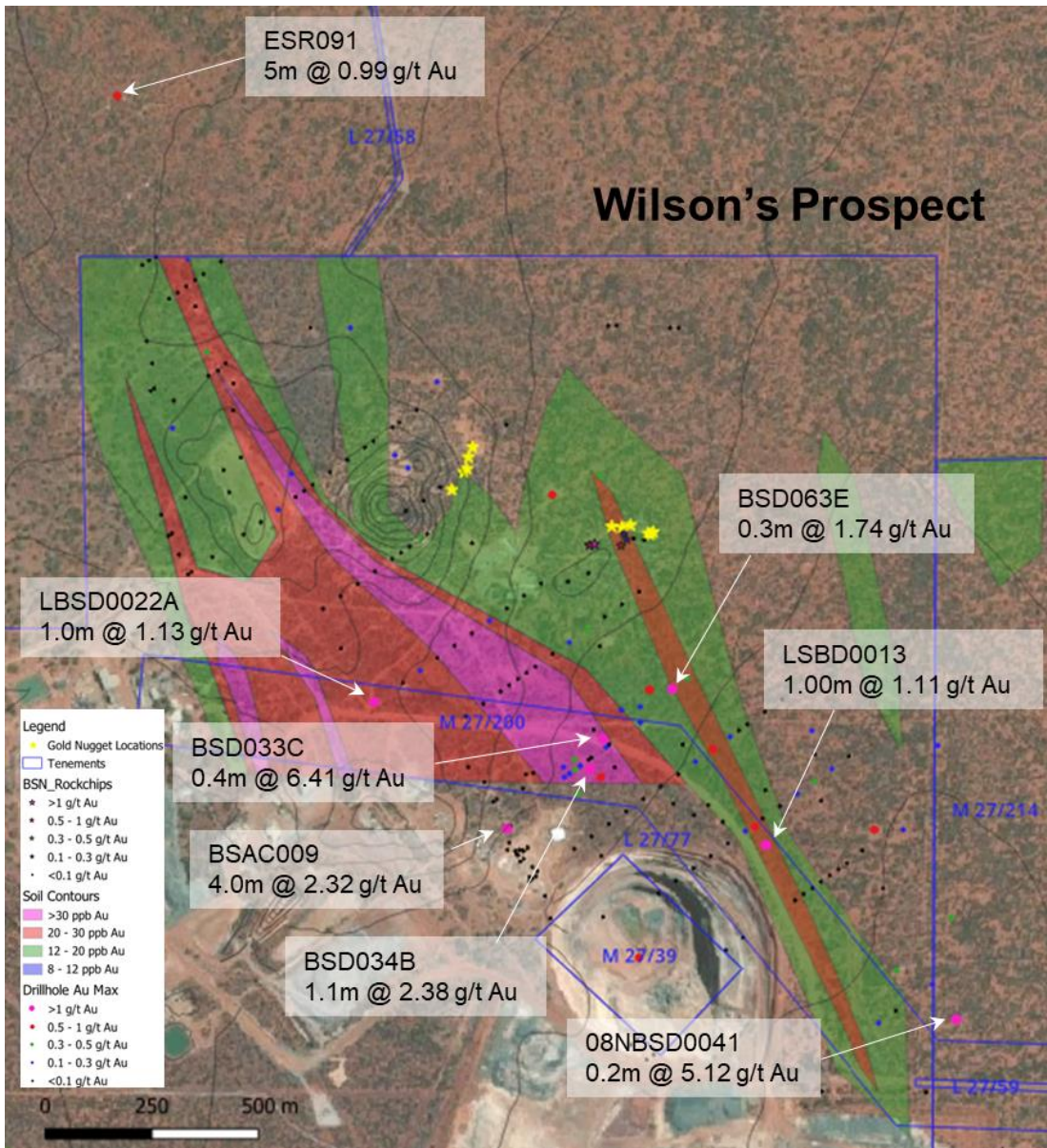


FIGURE 6: NICKEL DRILLHOLE COLLAR LOCATIONS WITH GOLD DRILL INTERSECTIONS >1 G/T AU OVER GOLD IN SOIL ANOMALY AT WILSON'S PROSPECT

The historic drilling focused on the basal contact of the Black Swan Komatiite, mostly on the western extent of the identified gold in soil anomaly or were not assayed for gold. Wilson's Prospect remains untested by drilling into the Felsic Volcanic footwall and hangingwall, away from the Black Swan Ultramafic and Silver Swan Nickel ore body.

LAKE JOHNSTON

Multiple Exploration Targets from Soils at Lake Johnston

During early September 2024 the Company collected 135 soil samples to test extensions of the Billy Ray Prospect, evaluate the gold potential at the Norfolk Prospect and define additional exploration targets across the Mantis tenement (E63/2244). The soil samples were conducted on variable line spacing, ranging from 200m near Billy Ray to 400m and 800m further north, with sample spacing intervals of between 80 and 160m. The UltraFine+ technique was utilised providing a comprehensive suite of elemental data including gold, copper and lithium. Sampling results were reported in ASX Announcement "Copper-Gold and Lithium Targets at Lake Johnston Enhanced" dated 8 October 2024.

Gold results for the soil program are presented below in Figure 7, which also notes the extensive areas across the Lake Johnston tenements which have not previously been tested for gold, lithium and base metals. The historic nickel focus at Lake Johnston has resulted in large areas that have been under explored for commodities other than nickel. The Company is planning to continue soil sampling programs over the under explored areas to identify any further gold, lithium or base metals targets.

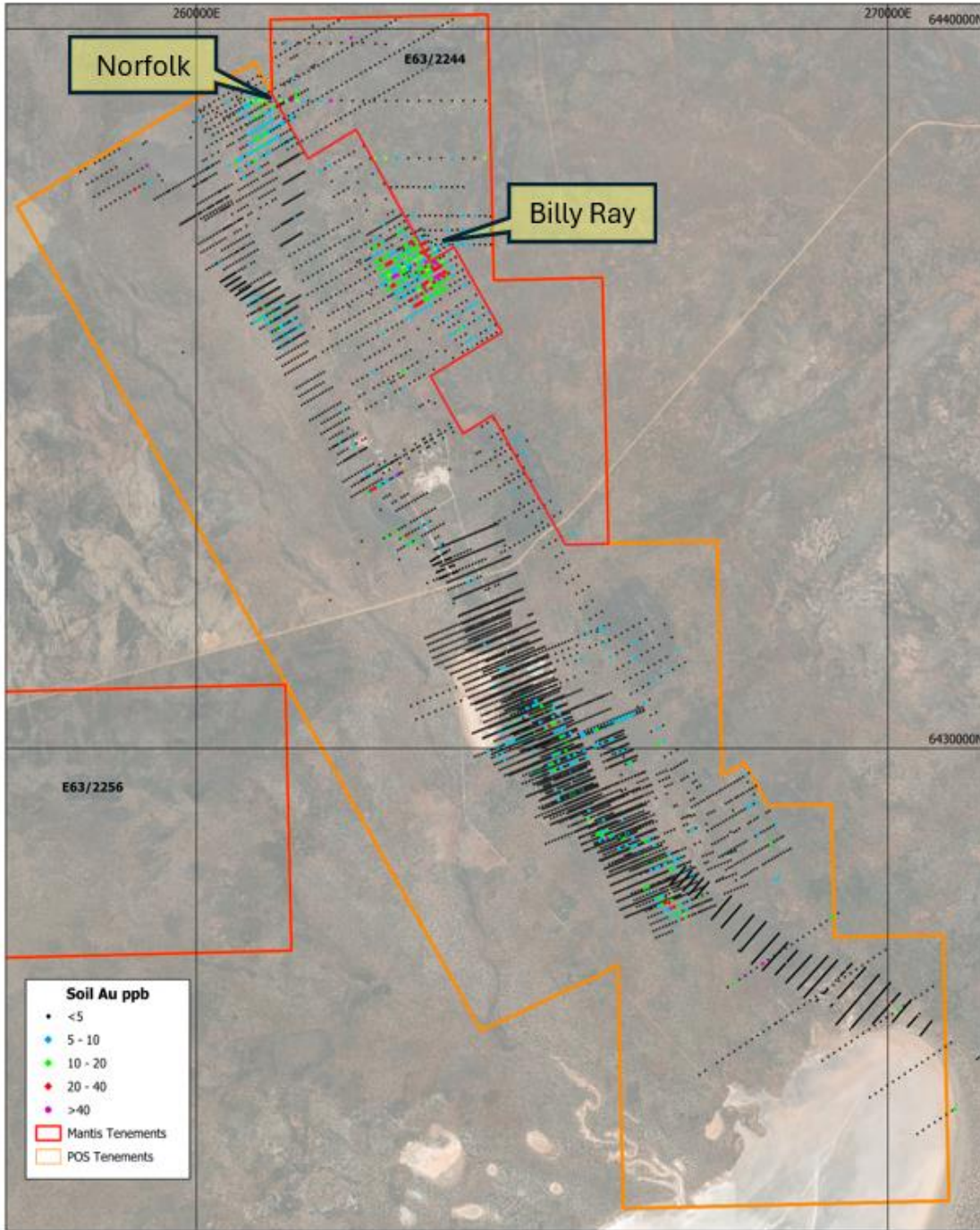


FIGURE 7: LAKE JOHNSTON GOLD IN SOIL ANOMALIES AND COVERAGE OF PREVIOUSLY UNTESTED AREA ACROSS THE TENEMENTS

Large Copper-Gold Anomaly Defined at Billy Ray

The recent soil sampling program at the Billy Ray Prospect focused on extending the known copper-gold anomaly previously identified in historical soils. The sampling successfully defined the eastern extent of the anomaly, now covering an area of 1km by 1.2km, refer Figure 8. This eastern section represents the strongest copper-gold association with peak values of 71ppb Au and 141ppm Cu and aligns with the

interpreted cross cutting structure (refer ASX Announcement “*Copper-Gold and Lithium Targets at Lake Johnston Enhanced*” dated 8 October 2024).

The Billy Ray anomaly has previously been drill tested along the western extent noting Cu-Au mineralisation in drillhole LJPD0032 with best intersection grading 2.36% Cu and 2.26g/t Au from 149.62m (refer to ASX Announcement “*Update on Gold Exploration Programs*” dated 30 July 2024), see Figure 9. The eastern extent of the anomaly has not been previously drill tested and the Company is currently undertaking preparation activities to apply for a program of work (POW) to complete shallow reconnaissance AC or RC drilling at Billy Ray. The Company has a flora survey planned over the spring season this year to support planning approvals.

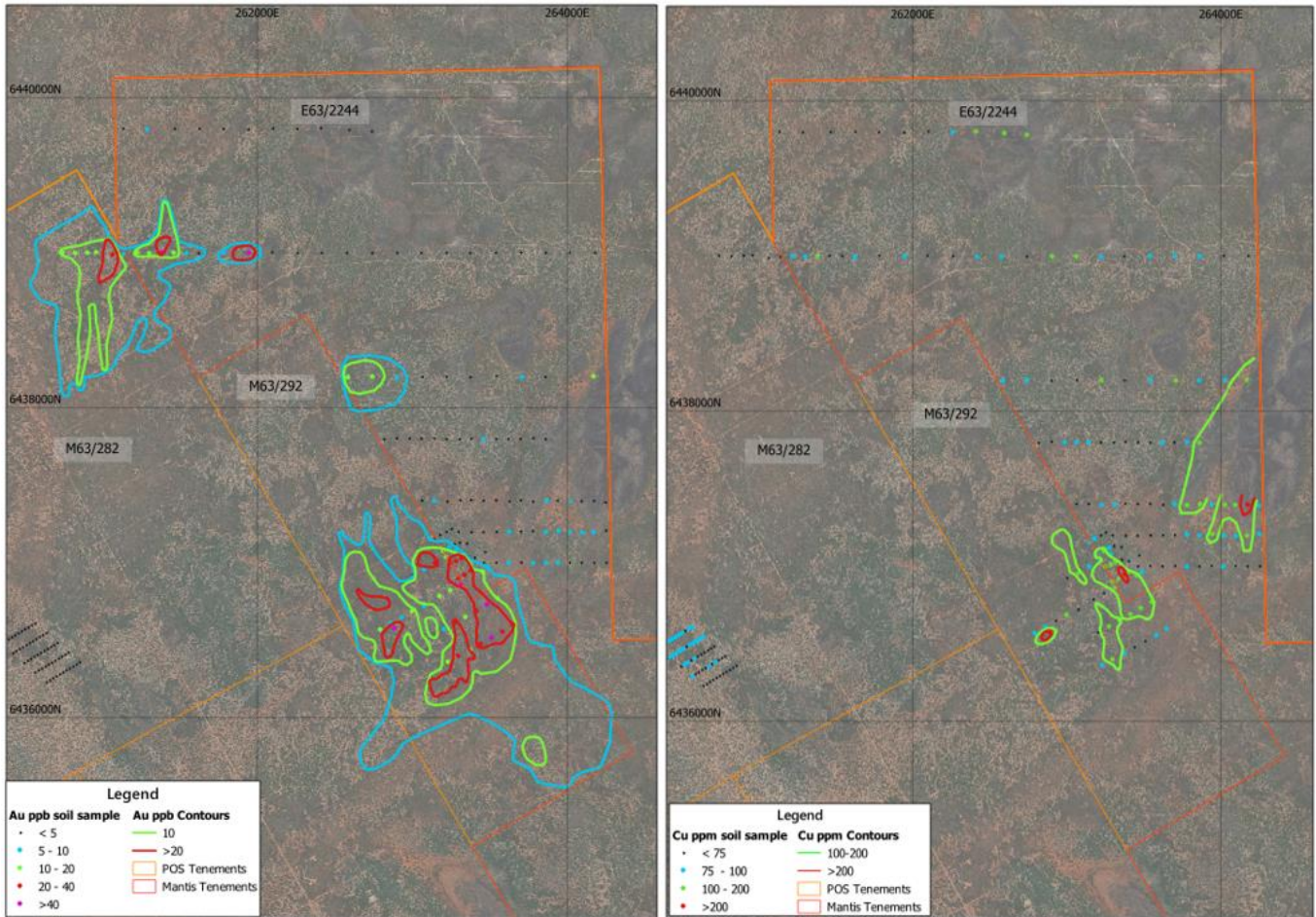


FIGURE 8: LAKE JOHNSTON COPPER-GOLD IN SOIL ANOMALIES AT BILLY RAY AND NORFOLK (CONTOURS PRESENT ALL SOIL RESULTS, DOTS PRESENT ONLY MOST RECENTLY COMPLETED SOIL PROGRAM)

Second Gold Exploration Target Developing at Norfolk Prospect

A single line of 80m to 160m spaced soils samples were collected over the Norfolk anomaly to confirm the historical anomalous gold results noted in the area. The results confirmed the historical results and returned a maximum gold value of 66pb Au, extending the anomalism 500m to the east (refer ASX Announcement “*Copper-Gold and Lithium Targets at Lake Johnston Enhanced*” dated 8 October 2024). Norfolk requires further soil sampling to further define the gold targets and test the area extending south through to Billy Ray.

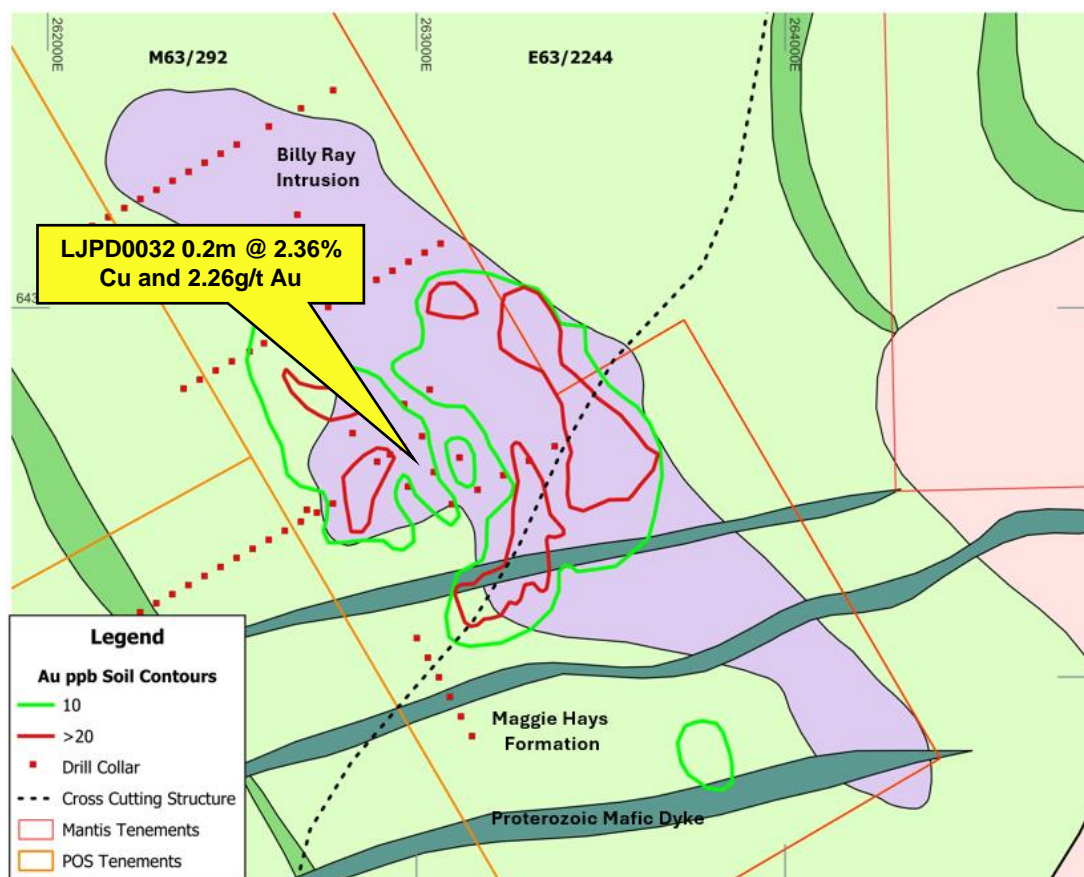


FIGURE 9: BILLY RAY COPPER-GOLD ANOMALY NOT DRILL TESTED ON EASTERN EXTENT

Large Coherent Untested Lithium Anomaly

The wide-spaced soil sampling conducted on the northern section of tenement E63/2244 has identified a large coherent Li_2O anomaly that is characterised by $>100\text{ppm Li}_2\text{O}$ and extends south of previous composite rock chips that have returned high grades from 2.80% up to 3.85% Li_2O (refer ASX Announcement “*High Grade Lithium Bearing Pegmatites Located at Lake Johnston*” dated 23 May 2016).

The central core of this anomaly, defined by $>200\text{ppm Li}_2\text{O}$, spans 0.95km by 2.3km and remains open to the west, refer Figure 10. Within this core zone, an outstanding maximum value of 495ppm Li_2O was recorded, coinciding with rubidium (117ppm Rb), caesium (31ppm Cs) and Tin (9ppm Sb) (refer ASX Announcement “*Copper-Gold and Lithium Targets at Lake Johnston Enhanced*” dated 8 October 2024).

Historical RC drilling targeted the northeast corner of the tenement, with one hole collared within the core of the anomaly. This hole did not intersect pegmatite and was not subsequently assayed, leaving the identified anomaly untested by drilling.

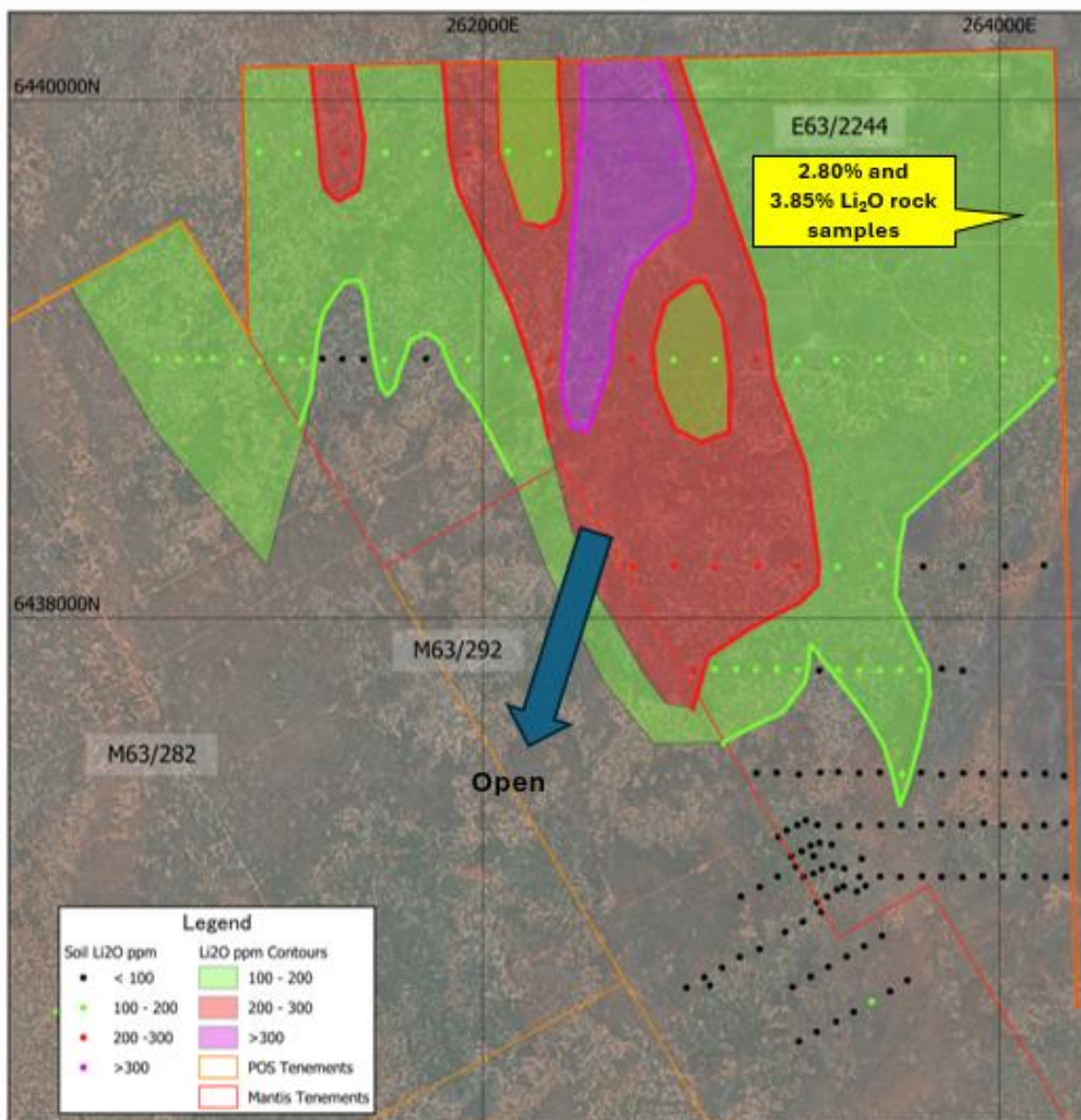


FIGURE 10: LITHIUM ANOMALY IDENTIFIED ACROSS THE MAJORITY OF THE NORTHERN EXTENT OF TENEMENT E63/2244

WINDARRA

Rock Chip Samples Confirm Gold Mineralisation at Windarra

During the previous quarter the Company announced gold in soil anomalies at Windarra, refer to ASX Announcement “Gold and Nickel Targets at Windarra” dated 6 June 2024, with the two best areas being:

- The Western anomaly which 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.

Rock chip sampling reported during the quarter and collected along the gold soil anomalies returned peak results of 0.37g/t Au and 12.9g/t Ag (PNR52264) and 0.22g/t Au and 2.1g/t Ag (PNR52279), Figure 11 (refer ASX Announcement “Update on Gold Exploration Programs”, dated 30 July 2024).

Mapping 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 eastern anomaly.

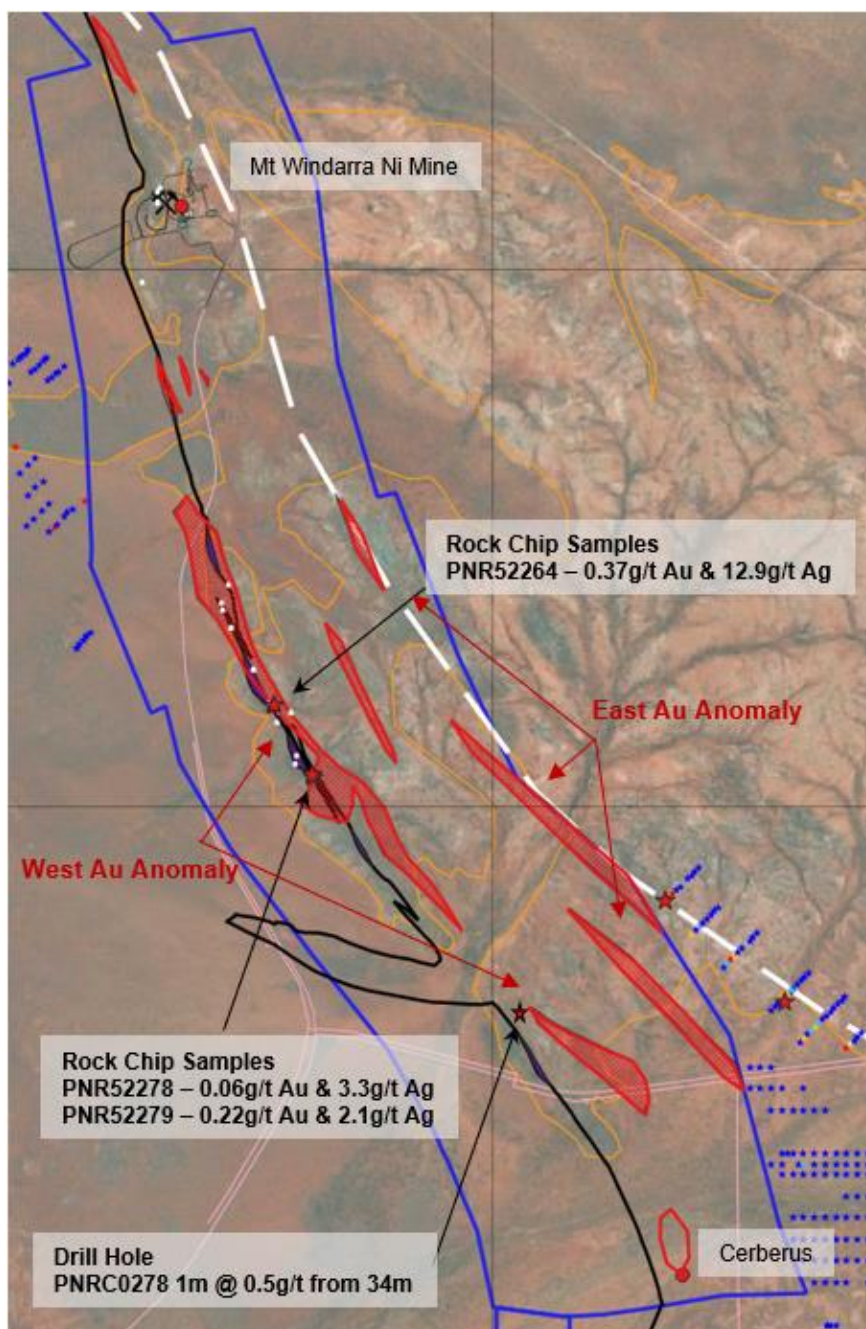


FIGURE 11: LOCATION OF ELEVATED GOLD ROCK CHIP SAMPLES AND DRILL HOLE PROXIMAL TO THE DEFINED SOIL ANOMALIES (IN RED) AND INTERPRETED STRUCTURAL TRENDS (IN WHITE) WITHIN THE WINDARRA PROJECT

Gold Tailings Project

During the quarter the Company entered into an agreement with Encore Minerals (**Encore**) to develop the Windarra Gold Tailings Project, using Draslovka A.S.'s (**Draslovka**) proprietary Glycine Leaching Technology 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 (received in August 2024). 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, 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. The agreement is conditional on Encore 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 the 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 above A\$4,000/oz, which should significantly improve project economics.

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.

The agreement was subject to conditions precedent which were not satisfied or waived by the parties in the required time and consequently the agreement was terminated during the September 2024 quarter (refer ASX Announcement “*Windarra Tailing Project and Water Access Agreement Update*”, dated 2 September 2024).

The agreement entered into with Encore Minerals to develop the Windarra Gold Tailings Project is unaffected by the termination of the agreement with Mt Morgans.

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 previous quarter the Company announced a revised Care and Maintenance (C&M) model at Black Swan which included ceasing dewatering of the Silver Swan decline. The optimised C&M will remove 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 totals over \$6 million.

The Company had also previously identified equipment on site which was surplus to the current C&M requirements. A total of \$1.0 million has been received for the sale of this surplus equipment during 2024.

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

As at 30 September 2024, the Company held cash and current investments totalling \$2.2 million.

During the quarter the Company successfully raised \$1.5 million before costs via an entitlement offer and related shortfall offer.

Over the quarter, Poseidon's net cash outflow from operating and investing activities totalled \$0.5 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 \$37,878, 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 October 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 multi-commodity 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 developing gold exploration targets 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. During July 2024, Encore Minerals entered into an agreement with Poseidon to develop the Windarra tailings project.

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 Ms Karyn Parker and Mr Mark Muller. Ms Parker is an employee of Poseidon Nickel and is a Member of The Australian Institute of Geoscientists. Mr Muller is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of Muller Geological Services Consultancy Pty Ltd, an independent industry consultancy providing geological services to Poseidon Nickel. Both Ms Parker and Mr Muller 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). Ms Parker and Mr Muller consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

- "Poseidon and Horizon announce Merger Transaction" dated 25 October 2024
- "Copper-Gold and Lithium targets at Lake Johnston enhanced", dated 8 October 2024
- "Gold Potential Builds at Black Swan", dated 24 September 2024
- "Windarra Tailing Project and Water Access Agreement Update", dated 2 September 2024
- "Further Validation of Gold Potential at Black Swan and Lake Johnston", dated 26 August 2024
- "POS enters agreement to develop Windarra Tailings Project" dated 31 July 2024
- "Update on Gold Exploration Programs", dated 30 July 2024
- "Gold and Nickel Targets at Windarra" dated 6 June 2024
- "Windarra Gold Tailings DFS Highlights Robust Project", dated 23 July 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."

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 September 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 September 2024 Quarter

Nil

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

Farm-out Agreement

Nil

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	670	670
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(418)	(418)
(b) development	-	-
(c) production	-	-
(d) staff costs	(321)	(321)
(e) administration and corporate costs	(344)	(344)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	49	49
1.5 Interest and other costs of finance paid	(209)	(209)
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	(573)	(573)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(8)	(8)
(d) exploration & evaluation (if capitalised)	(263)	(263)
(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	42	42
	(d) investments	-	-
	(e) other non-current assets (Non-refundable deposit received for the Windarra Gold Tailings Project)	250	250
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	21	21
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,471	1,471
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	(129)	(129)
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	1,342	1,342
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,434	1,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(573)	(573)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	21	21

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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,342	1,342
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,224	2,224

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	2,224	1,434
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)	2,224	1,434

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**

38

-

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. 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)	(573)
8.2 Payments for exploration & evaluation classified as investing activities (Item 2.1(d))	(263)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(836)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,224
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,224
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

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

8.8.1. 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: N/A

8.8.2. 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: N/A

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

Answer: N/A

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 October 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.