

QUARTERLY REPORT 31 MARCH 2023

HIGHLIGHTS

- **Black Swan Restart**
 - Resource definition drilling completed with all assays due to be received early May 2023 and the Resource Update scheduled to be completed by late May 2023
 - Plant refurbishment contract negotiations with GR Engineering are underway
 - Offtake and debt financing in final phase of due diligence with shortlisted parties
 - Final Investment Decision remains on track to occur during the June 2023 quarter
- **Black Swan 2.2Mtpa Expansion Project**
 - Metallurgical testwork progressed over the quarter to establish average nickel recoveries and nickel grade for the study
 - Pre-feasibility study commenced by GR Engineering to estimate capital and operating costs to support nameplate throughput of 2.2Mtpa
- **Lake Johnston**
 - Planning continued for the first pass drill program on the Western Ultramafic Unit that commenced in mid-April 2023, with 3,837 metres completed as at 27 April 2023
- **Corporate**
 - Cash and investments of \$10 million at 31 March 2023

Poseidon Nickel (ASX: POS, “the Company”) is pleased to report on its activities and progress achieved for the March 2023 quarter.

Managing Director and CEO, Peter Harold, commented: “A key component of the Black Swan restart is the concentrate offtake and debt financing. These workstreams were the major focus for management over the quarter.

Over 30 parties expressed interest to provide project debt and/or concentrate offtake at the start of the process. We have had several rounds of negotiations and shortlisted four parties that can provide both attractive offtake and project debt terms. These parties either have, or are close to, completing their respective due diligence on the project. We will further refine the shortlist during May 2023 with the aim of negotiating separate offtake and debt financing agreements during the remainder of the June 2023 quarter ahead of the Final Investment Decision.

The 2.2Mtpa Black Swan Expansion Project Study continues to be progressed with the results of several workstreams expected to be completed during the June 2023 quarter. This project is investigating operating the process plant at nameplate capacity of 2.2Mtpa and producing a rougher nickel concentrate suitable for HPAL, pCAM or POX plants. This project could enable more of the Black Swan Resource to be converted to Reserve, especially the talc carbonate material, leading to an increase in the annual

production of nickel contained in concentrate, potentially improving project economics compared to the 1.1Mtpa smelter grade concentrate project.

Across the Company's other projects, the exploration drill program on Lake Johnston's highly prospective Western Ultramafic Unit commenced in mid-April 2023 and Green Gold Technology continues to conduct metallurgical testwork on material from the Windarra Gold Tailings project, with the scope of the test work recently extended to include the potential extraction of nickel from the tailings."

BLACK SWAN

Black Swan Disseminated Resource Drilling Program

During the quarter the Company completed an 11,000-metre reverse circulation (RC) drilling program, from the bottom of the open pit, into the Black Swan Disseminated resource (see Figure 1). Over 97% of assays have been received by the end of April 2023 with the remainder to be received early May 2023. The Company does not plan to release the individual drill hole results given the volume of data and has moved straight to undertaking the resource model update which is expected to be completed by Golder in late May 2023.

The principal aims of the (RC) program are to:

- upgrade a significant component of the Inferred Resources within the proposed open pit shell to the higher confidence Indicated Resources category, The higher confidence level in the Mineral Resource allows for these resources to be considered for ore reserve calculations;
- enhance the delineation of the metallurgically important serpentinite and talc-carbonate hosted ore types to quantify variations in their respective characteristics, such as talc and non-sulphide nickel levels as well as sulphur/nickel ratios and ore blending strategies;
- optimise the mining schedule for the commencement of operations; and
- provide additional material for ongoing metallurgical testwork for the Expansion study.

Any increase in the Ore Reserve Estimates of the Black Swan open pit is likely to result in a longer mine life which will further enhance the project economics of the November 2022 Feasibility Study.

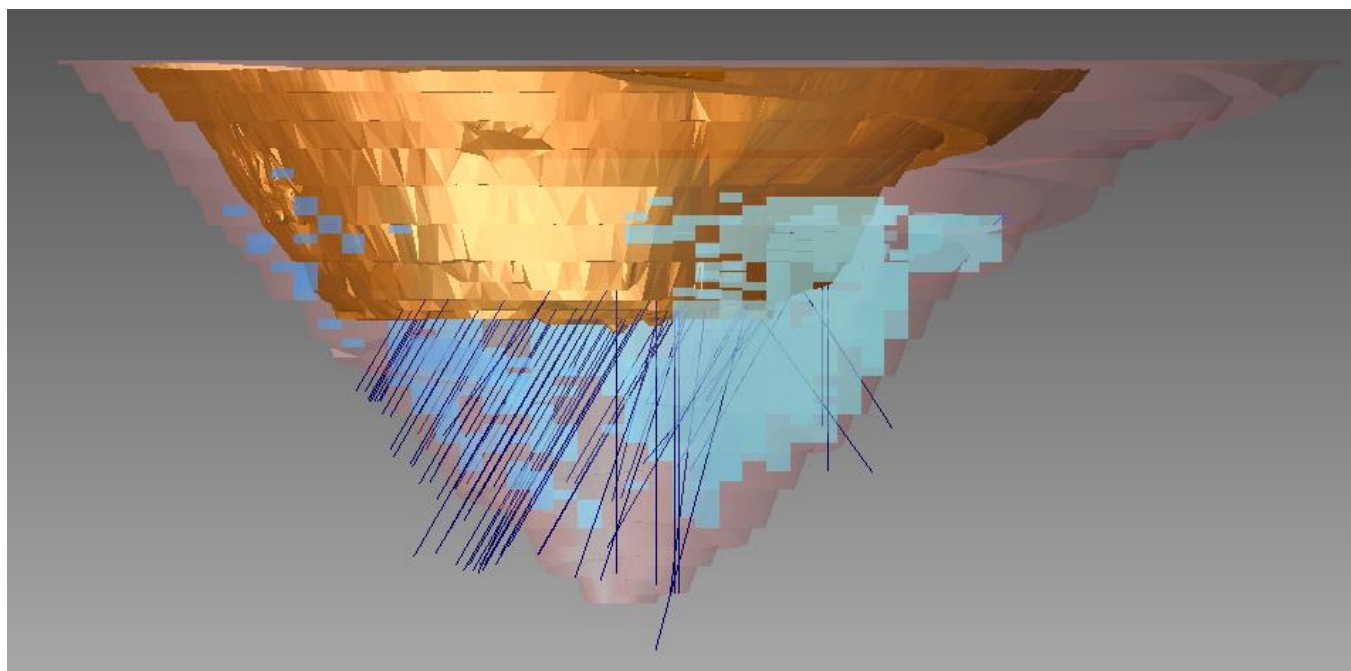


FIGURE 1 – INFILL DRILLING PROGRAM COVERING INFERRED BLOCKS (BLUE) AND SHOWING STAGE 2 PIT OUTLINE (PINK)

Black Swan Restart

Restart Activities

The main workstreams are as follows:

- Pre-works at Black Swan
 - Open pit – dewatering completed
 - Underground – remaining rehabilitation works scheduled to coincide with the mine ramp up
- Resource upgrade (in pit drilling) to increase project life – drilling completed and final assay results being processed, Resource update due during May 2023
- Processing plant – negotiations underway with GR Engineering for the refurbishment contract
- Other Major contracts – discussions will commence as required
- Approvals – work continuing on obtaining outstanding approvals required for the restart
- Personnel onboarding – planning is well underway for the onboarding of the technical and support team
- Accommodation – is recognised as one of the key execution risks and the Company is continuing to consider various options in relation to having sufficient rooms in Kalgoorlie for the full complement of personnel required for the operating phase. There is a temporary accommodation camp at site which will be utilised for the plant refurbishment period.

Financing and Offtake

Negotiations with shortlisted offtake/financing partners have progressed significantly. From an initial group of over 30 interested parties, the Company has shortlisted four parties which can provide both offtake and debt financing. Due diligence by all these parties is either completed or nearing completion and the Company will further reduce the shortlist down to one or two parties during May 2023 and will then negotiate separate offtake and debt financing agreements during the remainder of the June 2023 quarter.

Final Investment Decision (FID)

FID is scheduled to be made during the June 2023 quarter with concentrate production anticipated to commence mid-2024, based on the current refurbishment timetable and mine production ramp up schedule.

Correction to Bankable Feasibility Study Base Case Nickel Price Quoted

The Base Case average US\$ nickel price quoted in the Bankable Feasibility Study (BFS) ASX Announcement, '*Positive Black Swan Feasibility Study*', dated 21 November 2022 (BFS Announcement) of US\$11.60/lb is incorrect. The actual average nickel price used in the Base Case was US\$10.73/lb. All other economic inputs and the economic outputs are reported correctly in the BFS Announcement.

Table 6 from the BFS Announcement is presented on the next page with the Base Case average nickel price corrected.

PROJECT BASE CASE PRE-TAX ECONOMIC EVALUATION SUMMARY (TABLE 6 FROM BFS ANNOUNCEMENT – UPDATED)

Economic Outputs	Base Case
Revenue	\$809M
Operating Costs	\$483M
Capital Expenditure ¹	\$99M
Net Cash Flow	\$227M
Pre-tax NPV₈²	\$167M
IRR	86%
Payback Period ³	1.3 years
C1 Cash Cost ⁴	US\$4.56/lb
AISC Cash Cost ⁵	US\$4.90/lb
Average Ni Price	US\$10.73/lb
Average FX (USD/AUD)	0.69

1. Capital expenditure includes \$50 million of pre-production development capital expenditure with the remainder of capital expenditure incurred post first ore production.
2. NPV is based on real cash flow forecasts and represents value as at projected start date of concentrator refurbishment being 1 July 2023.
3. Period post completion of concentrator refurbishment.
4. C1 cash costs include operating cash costs including mining, processing, geology, OHSE, site G&A, concentrate transport, less by-product divided by nickel in concentrate produced (100% basis before smelter deductions). Excludes development and sustaining capex, pre-production costs and royalties.
5. AISC - are C1 cash costs plus royalties and sustaining capital. Excludes development capital and preproduction costs.

It should be noted the Base Case average nickel price of US\$10.73/b is close to the current spot US\$ nickel price. The outlook for the nickel price remains positive, driven by the global push toward green energy and carbon emission reductions and the increased demand of nickel.

2.2Mtpa Expansion Project Study

The 2.2 Mtpa Expansion project has the potential to unlock additional value imbedded in the Black Swan project as it could see an increase in the annual production of nickel and potentially extend the project life by enabling the processing of talc carbonate ore not included in the current ore Reserves.

Work undertaken on the 2.2Mtpa Expansion Study over the quarter included:

- Metallurgical testwork to confirm the average grade and recovery of the rougher concentrate and amenability of the rougher concentrate to processing via external HPAL plants, pCAM or pressure oxidation (POX).
- Additional flotation testwork on varying feed grades and blend ratios of the serpentinite and talc carbonate ores to confirm the optimum grade versus recovery.
- Preparation of bulk rougher concentrate samples to be supplied to potential offtakers for assessment.
- A larger Stage 2 open pit design along with updated mining rates and optimisation of the mining schedule with the combined talc carbonate and serpentinite ore sources.
- Engineering study commenced by GR Engineering to determine the estimated capital and operating costs for the refurbishment of the processing plant back to name plate capacity of 2.2Mtpa.

Once all these work streams have been completed a detailed concentrate production schedule will be provided to potential offtakers to enable them to supply indicative terms, which is a key component of preparing a preliminary financial model assessing the Expansion Project's economics. Once completed the Company can assess the results and decide whether a full feasibility on the Expansion Project is warranted.

LAKE JOHNSTON

Exploration Drilling

A systematic exploration program of up to 15,000 metres of combined air core (AC) and reverse circulation (RC) drilling to test the prospective Western Ultramafic Unit (WUU) commenced in mid-April 2023. As at 27 April a total of 3,837 metres of AC had been completed, with the first stage of the program expected to be completed in early May.



FIGURE 2: AC DRILLING AT LAKE JOHNSTON IN MID-APRIL 2023

Despite its prospectivity, the WUU has had limited drill testing on the contact and the majority of the contact is concealed undercover, thus the geological understanding of the WUU remains poorly understood. The drill program will assist in mapping the basal contact and delineate geochemical vectors towards nickel sulphide mineralisation. Planned RC hole depths are down to 100 metres within 400 metre line spacings. Not only is this area sparsely drilled, previous ground electro magnetics surveys have failed to provide distinct conductive responses due to the Banded Iron Formation (“BIF”) swamping the data.

The exploration program is targeting the channelised flows along the Western Ultramafic basal contact (refer to Figure 3). The basal contact is the stratigraphic contact position that is located between the extrusive komatiite and the BIF. As extrusive lavas flow over a basal contact, melting and assimilating of the sulphidic BIF unit occurs, which is conducive for the formation of nickel sulphide. It is within the channelised, embayed positions of the extrusive ultramafic unit as it flows along the basal contact where nickel sulphides can accumulate to form massive sulphide deposits.

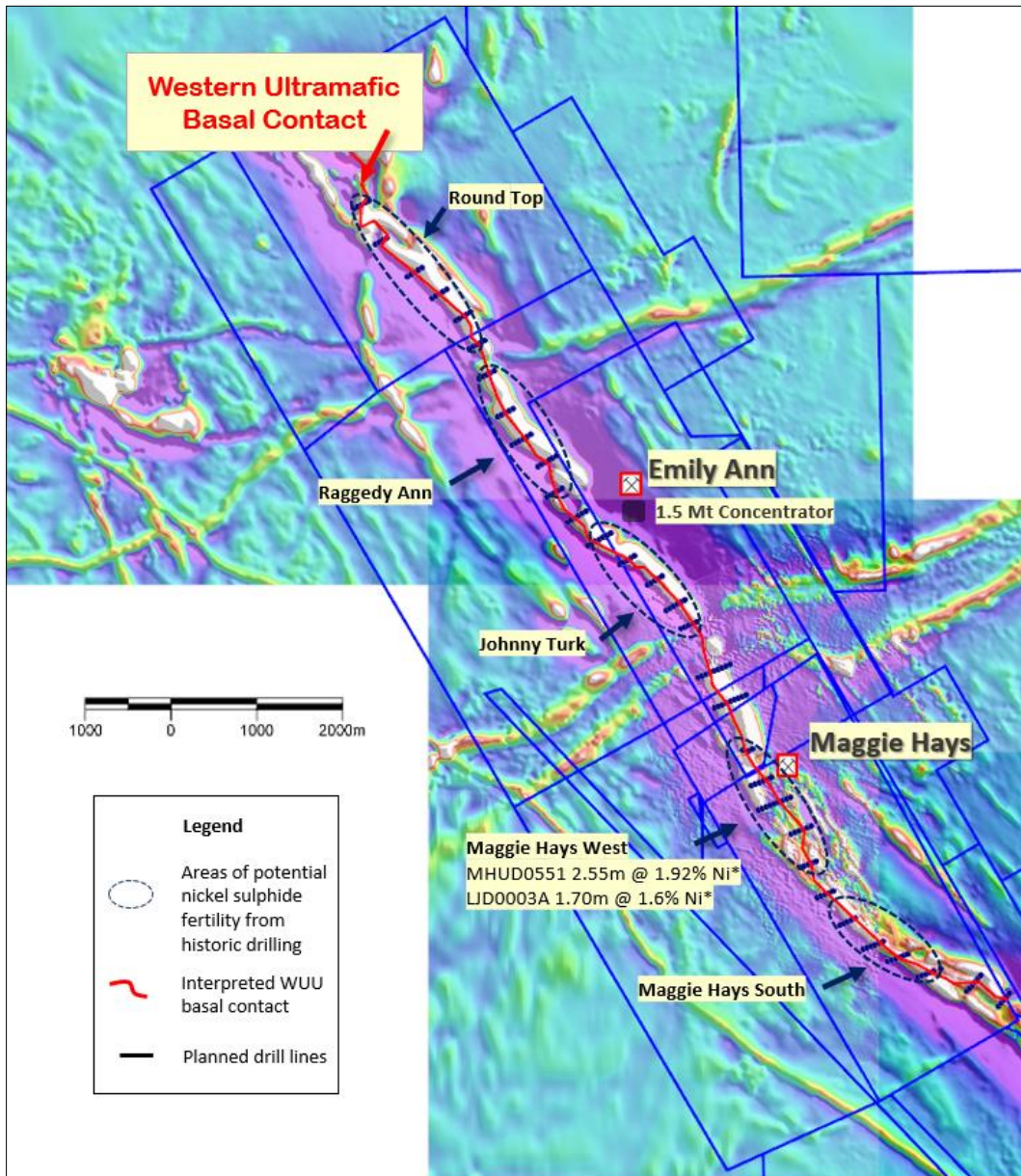


FIGURE 3: INTERPRETED BASAL CONTACT POSITION OF THE WUU OVERLAYING MAGNETICS WITH HIGHLIGHTED AREAS OF POTENTIAL NICKEL SULPHIDE FERTILITY IDENTIFIED FROM HISTORIC DRILLING CONDUCTED BY PREVIOUS OWNERS, AND NOT PUBLICLY REPORTED. BASAL CONTACT TO BE TESTED IN THE CURRENT DRILL PROGRAM.

** REFER TO ASX ANNOUNCEMENT “NEW MINERALISED ZONE IDENTIFIED AT LAKE JOHNSTON” DATED 18 FEBRUARY 2015*

WINDARRA

Gold Tailings Project

A binding Heads of Agreement (HoA) was signed on 6 September 2022 with Green Gold Projects (GGP) to earn into the Windarra Gold Tailings Project.

Over the quarter, GGP continued to progress its metallurgical testwork. Initial results indicated that there was no improvement to gold recoveries, in response GGP is continuing testwork with alternative processing methods to assess whether they can achieve their desired objective of improving gold recovery. This was a condition precedent of the HoA. If the results of the further testwork are favourable, a full feasibility study will then be undertaken by GGP.

During the quarter, GGP was granted an extension until 30 April 2023 to complete their testwork. Recently the Company further extended the timeline for GGP to satisfy the condition precedents in the HoA to 16 June 2023, giving GGP the opportunity to assess their ability to use propriety technology to economically extract nickel from the contained metal in the tailings at Windarra. The nickel tailings at Windarra are located in the Central tailings dam which was not considered in the gold tailings project feasibility study, refer to the ASX announcement titled "*Windarra Gold Tailings Feasibility Study Highlights Robust Project*" dated 23 July 2021. Inclusion of the Central dam will require a renegotiation with GGP, if they are successful with their test work.

The Company will retain 8% free carry interest in the project once the various conditions precedent have been met. For more information on the Windarra Gold tailings HoA refer to the ASX announcement titled "*Windarra Gold Tailings Heads of Agreement*" dated 7 September 2022.

OPERATIONS

Operating Update

Black Swan

Activities over the period included resource drilling from within the Black Swan open pit as well as ongoing routine inspections and maintenance activities of the underground workings.

Activities on site were completed without any significant safety incidents.

Lake Johnston

Lake Johnston remained on care and maintenance during the quarter. Preparations to support the exploration drilling program were undertaken during the period with the program commencing mid-April 2023.

Windarra

Windarra remained on care and maintenance during the quarter.

CORPORATE

Financial

As at 31 March 2023, the Company held cash and current investments totalling \$10.0 million.

Over the quarter, Poseidon's net cash outflow from operating and investing activities totalled \$4.6 million which included \$3.1 million of exploration and evaluation costs.

Expenditure over the quarter of \$5.5 million was lower than the forecast of \$6.1 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 \$66,507, all of which were fees paid to Directors.

Expenditure of \$5.9 million is forecast over the next quarter.

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

Peter Harold
Managing Director & CEO

28 April 2023

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About Poseidon Nickel Limited

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

Poseidon's strategy is focused on the exploration and eventual restart of its established nickel operations in Western Australia. A critical element of this strategy has been to acquire projects and operations with significant existing infrastructure, large nickel resources and geological prospectivity likely to lead to resource growth through the application of modern exploration techniques.

Poseidon owns the Windarra, Black Swan and the Lake Johnston Nickel Projects. In addition to the mines and infrastructure including concentrators at Black Swan and Lake Johnston, these projects have significant exploration opportunities demonstrated by the discovery of the Golden Swan Resource at Black Swan and the Abi Rose mineralisation at Lake Johnston.

Black Swan will be the first project to restart followed by Lake Johnston and then Windarra, subject to favourable Feasibility Studies, appropriate project financing structures being achieved, the outlook for the nickel price remaining positive and all necessary approvals being obtained.

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

COMPETENT PERSON STATEMENTS:

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

- “Positive Black Swan Feasibility Study” released 21 November 2022
- “Black Swan Restart Update” released 12 July 2022
- “More Nickel in Updated Black Swan Mineral Resource” released 4 July 2022
- “Non-Executive Director Warren Hallam Appointment” released 1 June 2022
- “Silver Swan Resource Update” released 27 April 2022
- “Golden Swan Maiden Resource” released 27 October 2021
- “Silver Swan Tailings – Maiden Resource Estimate” released 15 September 2021
- “Windarra Gold Tailings DFS Highlights Robust Project” 23 July 2021
- “Gold Tailings Resource at Windarra updated to JORC 2012 Indicated” 22 June 2020.

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	Black Swan Project Mineral Resource Summary												
			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)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
Black Swan	2012	0.4%	10,700	0.75	80,000	18,200	0.55	101,000	28,900	0.63	181,000	0.01	4,500	0.02	5,800
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
Sub-Total Ni, Co, Cu Resources	2012		11,625	0.90	103,850	18,260	0.60	102,540	29,880	0.69	206,390	0.02	5,320	0.02	7,080
Stockpiles	2012	0.4%	1,200	0.49	5,900	400	0.53	1,900	1,600	0.5	7,800	NA	NA	NA	NA
Total Ni Resources	2012		12,825	0.86	109,750	18,660	0.56	104,440	31,480	0.68	214,190	-	-	-	-

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

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

- **Black Swan Resource** as at 4 July 2022 (see ASX announcement "More Nickel in Updated Black Swan Mineral Resource" released 4 July 2022)
- **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 Resources** 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)
- **Black Swan Surface Stockpiles** as at 4 August 2014 (see announcement "Poseidon Announces Black Swan Mineral Resource" including surface stockpiles released 4 August 2014)

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 2 - Nickel Projects Reserves Statement

Nickel Sulphide Reserves	JORC Compliance								
		Proved/Probable	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co % Grade	Co Metal (t)	Cu % Grade	Cu Metal (t)
BLACK SWAN PROJECT									
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, Co, Cu 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, Golden Swan and Silver 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 June 2020).

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

TENEMENTS HELD

Tenements Held as at 31 March 2023

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)	100% (except for E63/1784)
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 March 2023 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the March 2023 Quarter

Farm-out Agreement

Under the terms of the Heads of Agreement with Green Gold Projects, Green Gold Projects currently owns 0% of the Windarra / Lancefield Gold Tailings Project Gold Rights. Refer to the ASX announcement Windarra Gold Tailings Heads of Agreement – re-lodgement dated 7th September 2022. Poseidon currently owns 100% of the Gold Rights of the Windarra / Lancefield Gold Tailings Project Gold Rights.

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the March 2023

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	261	358
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(1,170)	(3,419)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,335)	(3,231)
(e) administration and corporate costs	(474)	(1,700)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	114	214
1.5 Interest and other costs of finance paid	(39)	(116)
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	(2,643)	(7,894)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(75)	(372)
(d) exploration & evaluation (if capitalised)	(1,894)	(4,248)
(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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
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	(1,969)	(4,620)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,902
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	(66)	(441)
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	(66)	11,461

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,714	11,089
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,643)	(7,894)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,969)	(4,620)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(66)	11,461

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,036	10,036

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	10,036	14,714
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)	10,036	14,714

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	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

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

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,643)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,894)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(4,537)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	10,036
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	10,036
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.2

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: N/A

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

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

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

Date: 28 April 2023

Authorised by: The Board of Directors of Poseidon Nickel Ltd
(Name of body or officer authorising release – see note 4)

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.