

LANCEFIELD GOLD TAILINGS TRIAL AND WINDARRA WATER ACCESS AGREEMENT

KEY POINTS

- Poseidon has signed an agreement with Mt Morgans WA Mining (**Mt Morgans**), a subsidiary of Genesis Minerals Limited, outlining terms for the following:
 - Mt Morgans to undertake a processing trial of up to 100,000 tonnes of Lancefield gold tailings through their currently idled Laverton processing facility; and
 - Mt Morgans to access up to 2.5GL of water per annum from the South Windarra open pit over a 5 year period
- In exchange for access to the South Windarra water resource, Poseidon is to receive the following consideration:
 - \$500,000 within 10 days of the agreement being signed, subject to satisfaction of certain conditions;
 - A Further \$500,000 following Mt Morgans receiving all necessary regulatory and environmental approvals to access the water in the South Windarra open pit; and
 - Preceding the second anniversary of drawing water by Mt Morgans, and for each subsequent year they draw water, Poseidon will receive \$400,000 per annum
- Prior to commencement of the Lancefield gold tailings trial, parties are to enter into a profit share agreement, with costs being borne solely by Mt Morgans if there is nil profit
- The agreement does not impact Poseidon's rights to the remainder of the Lancefield gold tailings or the Windarra gold and nickel tailings for which the Company continues to receive inbound interest

Poseidon Nickel Limited (ASX: POS, "the Company") is pleased to report that a term sheet has been signed with Mt Morgans WA Mining Pty Ltd ("**Mt Morgans**"), a wholly owned subsidiary of Genesis Minerals Limited ("**Genesis**"), for Mt Morgans to undertake a 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.

Poseidon acquired an option for the right to treat tailings from Lancefield in August 2020 (refer to ASX announcement "*Poseidon to Acquire Right to Treat Lancefield Gold Tailings*", dated 17 August 2020).

Genesis recently acquired Mt Morgans as part of its takeover of Dacian Gold Limited. The 2.9 Mtpa Laverton mill is close to the Windarra and Lancefield gold tailings projects. The Laverton mill is currently on care and maintenance with Genesis working towards an eventual, sustainable restart, sourcing ore from nearby gold mining operations and the Lancefield gold tailings (subject to a successful trial). The quantity of water secured by this agreement is sufficient for future operating requirements at the Laverton mill.

CEO, Craig Jones, commented: “This is a great result for both Poseidon and Mt Morgans as we look to monetise our non-core assets and Mt Morgans progress with the restart of their operations at Laverton with a secure water supply and the opportunity to process the Lancefield gold tailings. The supply of water from South Windarra will not affect our development plans for the tailings recovery project at Windarra and allows for discussions to continue with third parties to advance various opportunities. The cost of the trial will be borne by Mt Morgans and any profit generated will be shared on an agreed basis, if successful.”

Summary of key terms of the Agreement

Parties	Poseidon Nickel Limited (ACN 060 525 206) (Poseidon); and Mt Morgans WA Mining Pty Ltd (ACN 612 053 291) (Mt Morgans).
Initial Payment Conditions	Poseidon must: <ol style="list-style-type: none"> 1. obtain the approval of the Minister for the extraction of water; and 2. obtain the written consent of Svenson Nominees Pty Ltd to conduct the Lancefield tailings processing trial.
Initial Payment	Subject to satisfaction of Initial Payment Conditions , Mt Morgans to make a \$500,000 payment to Poseidon within 10 days.
Water Conditions Precedent	Mt Morgans must obtain all tenure and approvals necessary to transport water from the South Windarra Pit to the Mt Morgans processing plant.
Subsequent Payment	Following satisfaction of the Water Conditions Precedent , Mt Morgans to make a second \$500,000 payment to Poseidon within 10 days.
Water Extraction	Subject to parties entering into a Water and Access Deed, Mt Morgans will have the right to extract up to 2.5GL of water from the South Windarra open pit annually over 5 years. Prior to the second anniversary of drawing water, and for each subsequent year, Poseidon will receive \$400,000 per annum.
Gold Tailings Processing Trial	Subject to a number of conditions precedent, parties will enter into a Trial and Profit Share Agreement. The agreement will require Mt Morgans to trial process an estimated 100,000 tonnes of material from the Lancefield gold tailings. Mt Morgans must commence the trial within 12 months of restarting the Laverton mill.
Poseidon’s right to use South Windarra Pit	Nothing in the Term Sheet prevents, hinders or impedes in any way Poseidon’s rights, entitlement or ability to use the South Windarra open pit as it chooses, including as a tailings storage facility or the disposal of any reprocessed tailings, slurry or any other material.

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



Craig Jones
CEO

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

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

Poseidon owns the Black Swan, Lake Johnston and Windarra 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, Abi Rose and more recently the Maggie Hays West mineralisation at Lake Johnston.

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.