

4th September 2017

APHRODITE & POSEIDON MOU UPDATE

Poseidon Nickel Limited (**ASX: POS, the Company or Poseidon**) is pleased to advise it has had recent discussions with both Aphrodite Gold Limited (**Aphrodite**) and Spitfire Materials Limited (**Spitfire**) on the existing non-binding memorandum of understanding (MOU) between Aphrodite and Poseidon and can confirm that all Parties wish to progress due diligence.

On 14th August 2017 Aphrodite and Spitfire announced that they had entered into a binding term sheet to merge the two ASX-listed companies to create a significant new diversified Australian gold company with a highly prospective exploration portfolio and growth potential.

Poseidon Chairman Chris Indermaur stated "Following discussions with all Parties the Company is of the opinion that the merger between Aphrodite and Spitfire is a positive outcome as it not only complements the existing MOU but enhances it. The synergies and fundamental drivers that underpinned the original MOU are improved and represent a compelling business opportunity for all Parties and as such due diligence between the Parties will be progressed."

Poseidon and Aphrodite therefore plan to extend their due diligence period further until both parties conclude detailed assessment. Once completed, a further announcement will be made to the market.

CORPORATE DIRECTORY

Director / Senior Management

Chris Indermaur	Non-Executive Chairman
David Singleton	Non-Executive Director
Geoff Brayshaw	Non-Executive Director
Robert Dennis	Non-Executive Director
Eryn Kestel	Company Secretary

Corporate Enquiries

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Shareholder Enquiries

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Media Enquiries

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Home Exchange

The Company's shares are listed on the Australian Securities Exchange and the home exchange is Perth ASX code: POS