POSEIDONNICKEL

SUCCESSFUL PHASE 1 DRILLING UNDER BLACK SWAN OPEN PIT

HIGHLIGHTS

- **Phase 1 drilling of the Black Swan deposit below the open pit completed**

- **Initial hole PBSD001A intersected 223.1m, @ 1.02%Ni disseminated nickel sulphides (including 74m @ 1.5%Ni) 900m below the Black Swan Open Pit**

- **Second Hole - PBSD002 intersected 292m of disseminated mineralisation with assays pending**

Poseidon Nickel Limited (ASX: POS or "the Company") is pleased to announce the successful completion of the current diamond drilling program targeting disseminated mineralisation 900m below the base of the Black Swan open pit and immediately adjacent to Poseidon's Black Swan concentrator. Black Swan Operations are located approximately 50 kilometers north of Kalgoorlie.

OBJECTIVES

The 1,004m drilling program's objective is to commence investigation of the opportunity to extend the currently known resources and reserves in the Black Swan deposit, which extends at depth below the Black Swan open pit.

This area of initial focus and position relative to the Black Swan open pit and Silver Swan decline is shown in **Figure 1** below. The Black Swan disseminated and Silver Swan massive sulphide orebodies are separate mineralised komatiite channels with the Silver Swan massive sulphide deposit being formed first, closely followed by the Cygnet deposit and then the Black Swan disseminated deposit.

This pathfinder drilling will provide geological data and a platform for further geophysical electromagnetic (EM) testing. The core from these new drillholes will be used as the primary source material for assay as well as providing fresh material for mineralogical and metallurgical studies to ascertain sulphide recoveries.
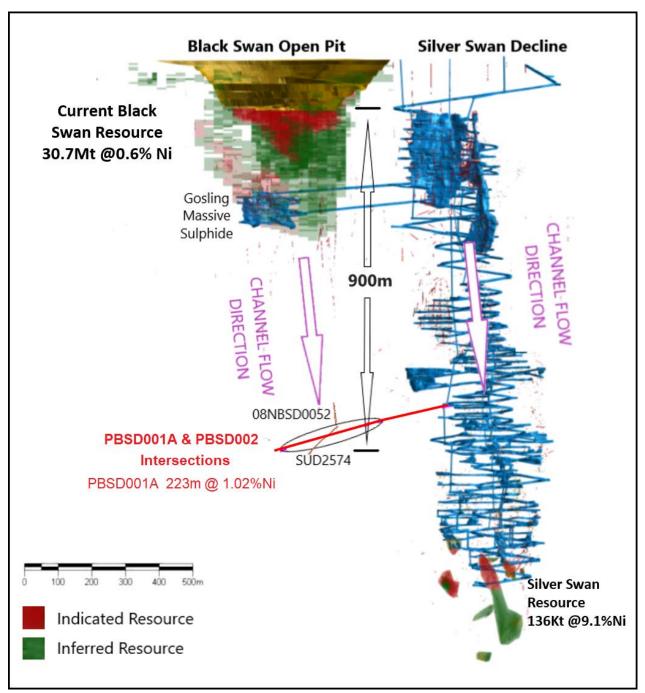
Figure 1 – Longsection showing 2018 Resources and Black Swan Disseminated drill hole intercept location

DRILL HOLE RESULTS

PBSD001A intersected 223.1m @ 1.02%Ni (80m true width) including a higher grade hangingwall zone of 74m @ 1.5%Ni (25m true width).

Core from PBSD001A shown in **Figure 2** shows sulphide blebs within the disseminated mineralisation up to 20mm wide. Blebby nickel mineralisation occurs where sulphides are coagulating together as they settle to the base of komatiite flows. Generally these zones lie between the disseminated mineralisation above and the matrix to semi-massive nickel sulphides down plunge. This style of mineralisation was not prevalent in the open pit, where mainly disseminated mineralisation was observed and is indicating increased nickel sulphide settlement at depth in the centre of the Black Swan channel.

PBSD002 intersected greater than 250m of cloud to blebby disseminated mineralisation and was targeting mineralisation nearer to the footwall of the channel. Assays are pending.
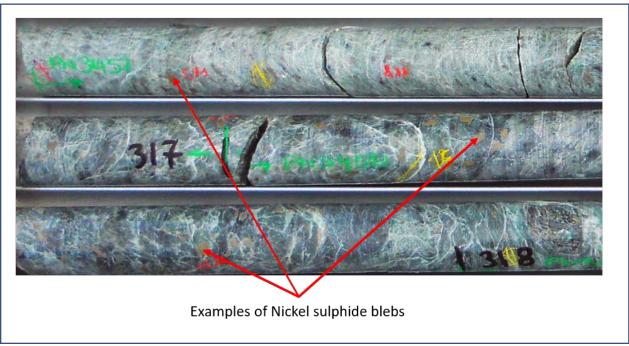

Figure 2- Core from PBSD001A showing blebby sulphide mineralisation (sulphide blebs up to 20mm in width) within competent ultramafic

HISTORICAL INTERSECTIONS

The former Black Swan project owners (MPI, LionOre and Norilsk Nickel) had all identified the long-term potential of the Black Swan disseminated mineralisation. Holes drilled in 2008 from the Gosling decline also intersected substantial widths and grades some 500m above the current intercepts and 300m below the pit floor **(see Figures 1 & 3)**.

The new intersections confirmed the grades obtained in two historical drillholes:

- *SUD2574 (drilled in 2006) intersected blebby mineralisation yielding an intercept of 180m @ 0.74%Ni (true width of approximately 80m) including 42m @ 1.22%Ni on the hangingwall.

- *08NBSD0052 (drilled in 2008) intersected 109m @ 1.01%Ni (true width of approximately 85m) including 51m @ 1.36%Ni on the hangingwall.

*(*Historical drill holes by MPI and Norilsk - Poseidon has inspected the historical drillholes in question, including digital data captured during and after drilling and is satisfied that both Norilsk and MPI have maintained the digital data integrity, and that the processing of the original core followed best practise. Poseidon considers the drillholes trustworthy.")*

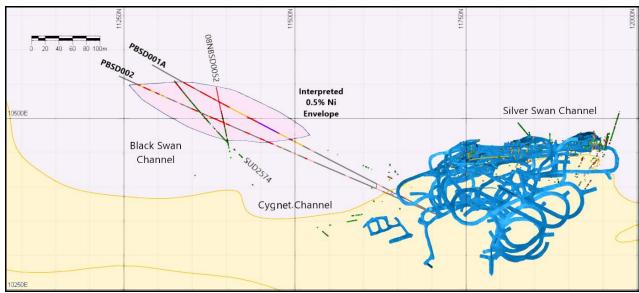| Historic Hole	Depth	Date	MGA_E	MGA_N	AHD	Dip	MGA_Azi
08NBSD0052	1348.1	06/07/2008	370822.76	6637305.99	365	-64.28	236.16
SUD2574	578.6	26/08/2006	370068.27	6637131.61	-479.11	-24.7	104.18

Figure 3 - Plan view showing the PBSD001A and PBSD002 intersections in relation to historical drilling at one kilometre vertical depth below surface.

BLACK SWAN DISSEMINATED DEPOSIT NEXT STEPS

To further assess the scale and merit of the Black Swan disseminated project, the company has drawn from an extensive database. This encompasses Poseidon's additional logging, assay data reviews from existing drillholes, collation of geo-metallurgy, mineralogical studies and metallurgical test data conducted to date by the GSWA and CSIRO in conjunction with MPI, LionOre and Norilsk since 2008. The latest drilling results, along with historically identified mineralisation is currently being reinterpreted and will be integrated with the original Black Swan open pit recovery and geological data so as to further assess the economic potential of the Black Swan disseminated deposit.

This extensive dataset will enable Poseidon to begin updating the Black Swan mineral resource utilising the additional drill data from the Gosling decline and the current drilling so as to commence studies into the potential for underground mining of the deposit.

SILVER SWAN DRILLING UNDERWAY

As noted in the March 2019 Quarterly Report, the diamond rig has moved to the bottom of the Silver Swan decline to begin testing additional opportunities which arose out of Poseidon's re-interpretation of the deposit that culminated in the current Silver Swan Resource (see ASX release "Resource Estimate for the World's Highest Grade Nickel Mine" dated 12 November 2015). Initial results of this drilling are expected during this month.

Robert Dennis
Managing Director and CEO

6th May 2019

About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX: POS, "Poseidon"), is an Australia focussed nickel company that owns three previously operating Nickel Sulphide mines: Windarra, Black Swan/Silver Swan and Lake Johnston. These 100% owned assets collectively had an operating capacity of 3.6mtpa (Lake Johnston 1.5mtpa; Black Swan 2.1mta). The processing facilities at Lake Johnston and Black Swan have been maintained through company managed, care and maintenance programs

On 18 July 2018, POS released to ASX a definitive feasibility study regarding the restart of operations and potential outcomes for Black Swan/Silver Swan, located 50 kms from Kalgoorlie. Poseidon is currently undertaking a number of de-risking initiatives including additional underground diamond drilling at Black Swan

Poseidon has continued to explore at Lake Johnston, with recent diamond drilling at the Abi Rose prospect. These exploration results were released to ASX on 22 October 2018 and 21 November 2018.

Windarra has a number of near mine exploration projects including the extension of the original Windarra deposit, Cerberus, South Windarra and Woodline Well.

The current Resource Statement below shows a combined Nickel resource of 391,900 tonnes of Nickel (which should be read with the Competent Person statements below).

MINERAL RESOURCE STATEMENT

Table 1: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY												
			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 PROJECT															
Black Swan	2012	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000	0.01	4,200	NA	-
Silver Swan	2012	4.50%	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400	0.17	250	0.45	600
LAKE JOHNSTON PROJECT															
Maggie Hays	2012	0.80%	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	0.90%	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	0.80%	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	-	0.08	3,600
TOTAL															
Total Ni, Co, Cu Resources	2004 & 2012		16,720	1.01	168,700	27,300	0.82	223,200	44,020	0.89	391,900	0.05	7,450	0.10	13,300

Note: totals may not sum exactly due to rounding. NA = information Not Available from reported resource model. The Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Black Swan Resource as at 22 July 2014, Silver Swan Resource as at 3 June 2016, Maggie Hays Resource as at 17 March 2015, Mt Windarra, South Windarra and Cerberus Resource as at 30 April 2013

Table 2: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY				
			TOTAL INDICATED				
			Tonnes (Kt)	Au Grade (g/t)	Au (oz)	Ag Grade (g/t)	Ag (oz)
WINDARRA GOLD TAILINGS PROJECT							
Gold Tailings	2004	NA	11,000	0.52	183,000	1.9	670,000
TOTAL							
Total Au Resources	2004		11,000	0.52	183,000	1.9	670,000

Note: totals may not sum exactly due to rounding.

Windarra Gold Tailings Resource as at 30 April 2013.

ORE RESERVE STATEMENT

Table 3: Nickel Projects Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	ORE RESERVE CATEGORY						
		PROBABLE						
		Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
SILVER SWAN PROJECT								
Silver Swan Underground	2012	57	5.79	3,300	0.11	60	0.26	150
Black Swan Open pit	2012	3,370	0.63	21,500	NA	NA	NA	NA
TOTAL								
Total Ni Reserves	2012	3,427	0.72	24,800	0.11	60	0.26	150

Note: Calculations have been rounded to the nearest 10,000 t of ore, 0.01 % Ni grade 100 t Ni metal and 10t of cobalt metal.

Co & Cu grades and metal content for Black Swan require additional modelling prior to estimation. Silver Swan Underground Reserve as at 26 May 2017, Black Swan Open Pit Reserve as at 5 November 2014.

The Company is not aware of any new information or data that materially affects the information in this report and the Resource/Reserve tables above. Such information is based on the information complied by the Company's Geologists and the Competent Persons as listed below in the Competent Person Statements.

Table 4 Black Swan Drill Results

Hole ID	Loc_E	Loc_N	Loc_RL	MGA_E	MGA_N	MGA_RL	Depth	Dip	Loc_Azi	MGA_Azi
PBSD001A	10360	11707	10450	370065	6637263	450	482.6	-9.84	154.2	118.6
PBSD002	10360	11707	10450	370065	6637263	450	521.7	-10.35	159	123.4

Table 5 PBSD001A Assay Results

Hole ID	m From	m To	Interval	Sample No	Type	Ni%	Cu%	Co%	S%	Channel	Alteration
Cygnet Channel											
PBSD001A	51.75	52.75	1	PN31324	Half NQ Core	0.01	X	X	0.023	Cygnet	N/A
PBSD001A	52.75	53.65	0.9	PN31325	Half NQ Core	0.49	X	0.01	0.491	Cygnet	N/A
PBSD001A	53.65	54.65	1	PN31326	Half NQ Core	0.2	X	X	0.093	Cygnet	N/A
PBSD001A	54.65	55.3	0.65	PN31327	Half NQ Core	0.17	X	X	0.085	Cygnet	N/A
PBSD001A	55.3	56.3	1	PN31328	Half NQ Core	0.19	X	X	0.098	Cygnet	N/A
PBSD001A	56.3	56.9	0.6	PN31329	Half NQ Core	0.22	X	X	0.109	Cygnet	N/A
PBSD001A	56.9	57.2	0.3	PN31330	Half NQ Core	2.3	0.4	0.04	3.74	Cygnet	N/A
PBSD001A	57.2	57.95	0.75	PN31331	Half NQ Core	0.21	X	X	0.096	Cygnet	N/A
PBSD001A	57.95	59	1.05	PN31332	Half NQ Core	0.19	0.02	0.01	0.093	Cygnet	N/A
PBSD001A	59	60	1	PN31333	Half NQ Core	0.34	X	X	0.236	Cygnet	N/A
PBSD001A	60	61	1	PN31334	Half NQ Core	0.53	0.03	0.01	0.532	Cygnet	N/A
PBSD001A	61	62	1	PN31335	Half NQ Core	0.24	X	X	0.139	Cygnet	N/A
Black Swan Channel											
PBSD001A	204.45	205.45	1	PN31336	Half NQ Core	0.51	0.01	0.01	0.296	Black Swan	Talc
PBSD001A	205.45	206.45	1	PN31337	Half NQ Core	0.59	0.02	0.02	0.475	Black Swan	Talc
PBSD001A	206.45	207.45	1	PN31338	Half NQ Core	0.48	0.02	0.01	0.395	Black Swan	Talc
PBSD001A	207.45	208.45	1	PN31339	Half NQ Core	0.62	0.03	0.02	0.728	Black Swan	Talc

PBSD001A	208.45	209.45	1	PN31341	Half NQ Core	0.48	0.01	0.01	0.31	Black Swan	Talc
PBSD001A	209.45	210.45	1	PN31342	Half NQ Core	0.5	0.02	0.01	0.409	Black Swan	Talc
PBSD001A	210.45	211.45	1	PN31343	Half NQ Core	0.47	0.02	0.01	0.361	Black Swan	Talc
PBSD001A	211.45	211.85	0.4	PN31344	Half NQ Core	0.46	0.02	0.01	0.322	Black Swan	Talc
PBSD001A	211.85	212.15	0.3	PN31345	Half NQ Core	0.71	0.02	0.01	0.812	Black Swan	Talc
PBSD001A	212.15	213	0.85	PN31346	Half NQ Core	0.62	0.04	0.02	0.573	Black Swan	Talc
PBSD001A	213	214	1	PN31347	Half NQ Core	0.62	0.03	0.02	0.395	Black Swan	Talc
PBSD001A	214	215	1	PN31348	Half NQ Core	0.62	0.03	0.02	0.488	Black Swan	Talc
PBSD001A	215	216	1	PN31349	Half NQ Core	0.7	0.03	0.02	0.694	Black Swan	Talc
PBSD001A	216	217	1	PN31350	Half NQ Core	0.7	0.03	0.02	0.725	Black Swan	Talc
PBSD001A	217	218	1	PN31351	Half NQ Core	0.78	0.03	0.02	0.81	Black Swan	Talc
PBSD001A	218	219	1	PN31352	Half NQ Core	0.37	0.01	X	0.236	Black Swan	Talc
PBSD001A	219	220	1	PN31353	Half NQ Core	0.74	0.05	0.02	0.931	Black Swan	Talc
PBSD001A	220	220.55	0.55	PN31354	Half NQ Core	0.77	0.04	0.02	0.661	Black Swan	Talc
PBSD001A	220.55	221	0.45	PN31355	Half NQ Core	1.1	0.06	0.02	1.45	Black Swan	Serpentine
PBSD001A	221	222	1	PN31356	Half NQ Core	1.16	0.05	0.02	1.37	Black Swan	Serpentine
PBSD001A	222	223	1	PN31357	Half NQ Core	0.95	0.03	0.02	1.38	Black Swan	Serpentine
PBSD001A	223	224	1	PN31358	Half NQ Core	0.72	0.03	0.01	0.769	Black Swan	Serpentine
PBSD001A	224	225	1	PN31359	Half NQ Core	0.53	0.01	0.01	0.498	Black Swan	Serpentine
PBSD001A	225	226	1	PN31361	Half NQ Core	0.73	0.03	0.01	0.896	Black Swan	Serpentine
PBSD001A	226	227	1	PN31362	Half NQ Core	0.73	0.04	0.01	0.915	Black Swan	Serpentine
PBSD001A	227	228	1	PN31363	Half NQ Core	0.59	0.04	0.01	0.924	Black Swan	Serpentine
PBSD001A	228	229	1	PN31364	Half NQ Core	0.79	0.03	0.02	1.86	Black Swan	Serpentine
PBSD001A	229	230	1	PN31365	Half NQ Core	0.89	0.03	0.02	2.36	Black Swan	Serpentine
PBSD001A	230	230.5	0.5	PN31366	Half NQ Core	0.77	0.02	0.02	1.88	Black Swan	Serpentine
PBSD001A	230.5	231	0.5	PN31367	Half NQ Core	0.71	0.03	0.02	2.23	Black Swan	Serpentine
PBSD001A	230.5	232	1.5	PN31368	Half NQ Core	0.78	0.02	0.02	2.08	Black Swan	Serpentine
PBSD001A	232	233	1	PN31369	Half NQ Core	0.53	0.02	0.01	0.768	Black Swan	Serpentine
PBSD001A	233	234	1	PN31370	Half NQ Core	0.33	X	X	0.308	Black Swan	Serpentine
PBSD001A	234	234.55	0.55	PN31371	Half NQ Core	0.73	0.05	0.03	0.953	Black Swan	Serpentine
PBSD001A	234.55	234.85	0.3	PN31372	Half NQ Core	2.83	0.12	0.06	7.44	Black Swan	Serpentine
PBSD001A	234.85	236	1.15	PN31373	Half NQ Core	0.75	0.04	0.02	1.09	Black Swan	Serpentine
PBSD001A	236	237	1	PN31374	Half NQ Core	0.64	0.03	0.02	0.826	Black Swan	Serpentine
PBSD001A	237	238	1	PN31375	Half NQ Core	0.47	0.02	0.01	0.423	Black Swan	Serpentine
PBSD001A	238	239	1	PN31376	Half NQ Core	0.46	0.03	0.01	0.626	Black Swan	Serpentine
PBSD001A	239	240	1	PN31377	Half NQ Core	0.82	0.02	0.02	1.44	Black Swan	Serpentine
PBSD001A	240	241	1	PN31378	Half NQ Core	0.62	0.02	0.01	0.643	Black Swan	Serpentine
PBSD001A	241	242	1	PN31379	Half NQ Core	0.55	0.01	0.01	0.636	Black Swan	Serpentine
PBSD001A	242	243	1	PN31381	Half NQ Core	0.37	0.02	0.01	0.323	Black Swan	Serpentine
PBSD001A	243	244	1	PN31382	Half NQ Core	0.76	0.03	0.02	1.19	Black Swan	Serpentine
PBSD001A	244	245	1	PN31383	Half NQ Core	0.54	0.02	0.01	0.448	Black Swan	Talc
PBSD001A	245	246	1	PN31384	Half NQ Core	0.38	0.01	0.01	0.197	Black Swan	Talc
PBSD001A	246	247	1	PN31385	Half NQ Core	0.23	X	X	0.14	Black Swan	Talc
PBSD001A	247	248	1	PN31386	Half NQ Core	0.45	0.02	0.01	1.01	Black Swan	Talc
PBSD001A	248	249	1	PN31387	Half NQ Core	0.32	0.01	X	0.142	Black Swan	Talc
PBSD001A	249	250	1	PN31388	Half NQ Core	0.22	X	X	0.036	Black Swan	Talc
PBSD001A	250	251	1	PN31389	Half NQ Core	0.5	0.03	0.02	0.391	Black Swan	Talc
PBSD001A	251	252	1	PN31390	Half NQ Core	0.55	0.02	0.02	0.672	Black Swan	Serpentine
PBSD001A	252	253	1	PN31391	Half NQ Core	0.58	0.02	0.02	0.954	Black Swan	Serpentine

PBSD001A	253	254	1	PN31392	Half NQ Core	0.59	0.02	0.02	1.04	Black Swan	Serpentine
PBSD001A	254	255	1	PN31393	Half NQ Core	0.75	0.03	0.02	1.5	Black Swan	Serpentine
PBSD001A	255	256	1	PN31586	Half NQ Core	0.72	0.03	0.02	1.59	Black Swan	Serpentine
PBSD001A	256	257	1	PN31394	Half NQ Core	0.78	0.04	0.02	1.77	Black Swan	Serpentine
PBSD001A	257	258	1	PN31395	Half NQ Core	0.85	0.03	0.02	2.2	Black Swan	Serpentine
PBSD001A	258	259	1	PN31396	Half NQ Core	0.93	0.04	0.02	2.27	Black Swan	Serpentine
PBSD001A	259	260	1	PN31397	Half NQ Core	0.86	0.04	0.02	1.99	Black Swan	Serpentine
PBSD001A	260	261	1	PN31398	Half NQ Core	0.84	0.06	0.03	1.71	Black Swan	Serpentine
PBSD001A	261	262	1	PN31399	Half NQ Core	0.78	0.03	0.02	1.84	Black Swan	Serpentine
PBSD001A	262	263	1	PN31401	Half NQ Core	0.76	0.03	0.02	1.73	Black Swan	Serpentine
PBSD001A	263	264	1	PN31402	Half NQ Core	0.83	0.04	0.02	1.88	Black Swan	Serpentine
PBSD001A	264	265	1	PN31403	Half NQ Core	0.86	0.05	0.03	1.63	Black Swan	Serpentine
PBSD001A	265	266	1	PN31404	Half NQ Core	0.72	0.03	0.02	1.9	Black Swan	Serpentine
PBSD001A	266	267	1	PN31405	Half NQ Core	0.7	0.04	0.02	1.02	Black Swan	Serpentine
PBSD001A	267	268	1	PN31406	Half NQ Core	1	0.05	0.02	2.2	Black Swan	Serpentine
PBSD001A	268	269	1	PN31407	Half NQ Core	0.65	0.03	0.02	0.591	Black Swan	Serpentine
PBSD001A	269	270	1	PN31408	Half NQ Core	0.52	0.02	0.01	0.427	Black Swan	Serpentine
PBSD001A	270	271	1	PN31409	Half NQ Core	0.91	0.03	0.02	1.45	Black Swan	Serpentine
PBSD001A	271	272	1	PN31410	Half NQ Core	0.75	0.04	0.03	1.96	Black Swan	Serpentine
PBSD001A	272	273	1	PN31411	Half NQ Core	0.96	0.05	0.02	1.82	Black Swan	Serpentine
PBSD001A	273	274	1	PN31412	Half NQ Core	0.93	0.04	0.02	1.27	Black Swan	Serpentine
PBSD001A	274	275	1	PN31413	Half NQ Core	0.88	0.08	0.02	1.47	Black Swan	Serpentine
PBSD001A	275	276	1	PN31414	Half NQ Core	2.68	0.05	0.05	5.44	Black Swan	Serpentine
PBSD001A	276	277	1	PN31415	Half NQ Core	0.97	0.05	0.02	1.57	Black Swan	Serpentine
PBSD001A	277	278	1	PN31416	Half NQ Core	0.97	0.03	0.02	2.25	Black Swan	Serpentine
PBSD001A	278	279	1	PN31417	Half NQ Core	0.98	0.04	0.02	2.28	Black Swan	Serpentine
PBSD001A	279	280	1	PN31418	Half NQ Core	0.74	0.04	0.02	1.49	Black Swan	Serpentine
PBSD001A	280	281	1	PN31419	Half NQ Core	0.92	0.05	0.02	1.87	Black Swan	Serpentine
PBSD001A	281	282	1	PN31421	Half NQ Core	0.91	0.05	0.02	2.86	Black Swan	Serpentine
PBSD001A	282	283	1	PN31422	Half NQ Core	1.62	0.06	0.04	4.55	Black Swan	Serpentine
PBSD001A	283	284	1	PN31423	Half NQ Core	0.96	0.05	0.02	2.03	Black Swan	Serpentine
PBSD001A	284	285	1	PN31424	Half NQ Core	1.01	0.05	0.02	1.57	Black Swan	Serpentine
PBSD001A	285	286	1	PN31425	Half NQ Core	1.08	0.04	0.02	1.28	Black Swan	Serpentine
PBSD001A	286	287	1	PN31426	Half NQ Core	0.79	0.04	0.02	0.851	Black Swan	Serpentine
PBSD001A	287	288	1	PN31427	Half NQ Core	0.91	0.04	0.02	0.952	Black Swan	Serpentine
PBSD001A	288	289	1	PN31428	Half NQ Core	0.59	0.03	0.02	0.483	Black Swan	Talc
PBSD001A	289	290	1	PN31429	Half NQ Core	0.77	0.03	0.02	1.38	Black Swan	Talc
PBSD001A	290	291	1	PN31430	Half NQ Core	0.94	0.04	0.02	1.36	Black Swan	Talc
PBSD001A	291	292	1	PN31431	Half NQ Core	0.81	0.04	0.02	0.899	Black Swan	Talc
PBSD001A	292	293	1	PN31432	Half NQ Core	0.64	0.02	0.02	1.44	Black Swan	Talc
PBSD001A	293	294	1	PN31433	Half NQ Core	0.75	0.04	0.02	0.538	Black Swan	Talc
PBSD001A	294	295	1	PN31434	Half NQ Core	0.71	0.04	0.02	0.826	Black Swan	Talc
PBSD001A	295	296	1	PN31435	Half NQ Core	1.26	0.03	0.03	2.22	Black Swan	Talc
PBSD001A	296	297	1	PN31436	Half NQ Core	0.71	0.03	0.02	0.611	Black Swan	Talc
PBSD001A	297	298	1	PN31437	Half NQ Core	0.69	0.03	0.02	0.859	Black Swan	Talc
PBSD001A	298	299	1	PN31438	Half NQ Core	0.51	0.03	0.01	0.335	Black Swan	Talc
PBSD001A	299	300	1	PN31439	Half NQ Core	0.54	0.04	0.01	0.705	Black Swan	Serpentine
PBSD001A	300	301	1	PN31441	Half NQ Core	0.67	0.04	0.02	1.19	Black Swan	Serpentine
PBSD001A	301	302	1	PN31442	Half NQ Core	0.91	0.04	0.02	1.58	Black Swan	Serpentine

PBSD001A	302	303	1	PN31443	Half NQ Core	0.97	0.03	0.02	2.14	Black Swan	Serpentine
PBSD001A	303	304	1	PN31444	Half NQ Core	0.69	0.03	0.02	1.34	Black Swan	Serpentine
PBSD001A	304	305	1	PN31445	Half NQ Core	0.89	0.02	0.02	1.19	Black Swan	Serpentine
PBSD001A	305	306	1	PN31446	Half NQ Core	0.91	0.04	0.02	2.01	Black Swan	Serpentine
PBSD001A	306	307	1	PN31447	Half NQ Core	1	0.04	0.03	2.87	Black Swan	Serpentine
PBSD001A	307	308	1	PN31448	Half NQ Core	0.88	0.05	0.02	1.56	Black Swan	Serpentine
PBSD001A	308	309	1	PN31449	Half NQ Core	1.01	0.05	0.03	2.18	Black Swan	Serpentine
PBSD001A	309	310	1	PN31450	Half NQ Core	0.97	0.06	0.02	1.48	Black Swan	Serpentine
PBSD001A	310	311	1	PN31451	Half NQ Core	0.77	0.05	0.02	1.18	Black Swan	Serpentine
PBSD001A	311	312	1	PN31452	Half NQ Core	0.8	0.08	0.02	1.19	Black Swan	Serpentine
PBSD001A	312	313	1	PN31453	Half NQ Core	0.68	0.05	0.02	0.863	Black Swan	Serpentine
PBSD001A	313	314	1	PN31454	Half NQ Core	0.74	0.02	0.02	1.02	Black Swan	Serpentine
PBSD001A	314	315	1	PN31455	Half NQ Core	0.95	0.04	0.02	1.68	Black Swan	Serpentine
PBSD001A	315	316	1	PN31456	Half NQ Core	1.14	0.04	0.03	2.33	Black Swan	Serpentine
PBSD001A	316	317	1	PN31457	Half NQ Core	1.17	0.04	0.02	2.48	Black Swan	Serpentine
PBSD001A	317	318	1	PN31458	Half NQ Core	1.11	0.04	0.02	1.95	Black Swan	Serpentine
PBSD001A	318	319	1	PN31459	Half NQ Core	0.91	0.03	0.02	2.11	Black Swan	Serpentine
PBSD001A	319	320	1	PN31461	Half NQ Core	1.1	0.05	0.03	1.37	Black Swan	Serpentine
PBSD001A	320	321	1	PN31462	Half NQ Core	1.21	0.07	0.03	1.54	Black Swan	Serpentine
PBSD001A	321	322	1	PN31463	Half NQ Core	1.1	0.06	0.03	1.45	Black Swan	Serpentine
PBSD001A	322	323	1	PN31464	Half NQ Core	0.93	0.04	0.02	1.05	Black Swan	Serpentine
PBSD001A	323	324	1	PN31465	Half NQ Core	1	0.05	0.02	0.92	Black Swan	Serpentine
PBSD001A	324	325	1	PN31466	Half NQ Core	1.01	0.05	0.02	1.53	Black Swan	Serpentine
PBSD001A	325	326	1	PN31467	Half NQ Core	1.02	0.05	0.02	1.76	Black Swan	Serpentine
PBSD001A	326	327	1	PN31468	Half NQ Core	0.9	0.04	0.02	1.21	Black Swan	Serpentine
PBSD001A	327	328	1	PN31469	Half NQ Core	1.1	0.05	0.02	1.63	Black Swan	Serpentine
PBSD001A	328	329	1	PN31470	Half NQ Core	0.97	0.04	0.02	1.87	Black Swan	Serpentine
PBSD001A	329	330	1	PN31471	Half NQ Core	0.79	0.04	0.02	2.2	Black Swan	Serpentine
PBSD001A	330	331	1	PN31472	Half NQ Core	0.74	0.03	0.02	1.89	Black Swan	Serpentine
PBSD001A	331	332	1	PN31473	Half NQ Core	0.91	0.04	0.02	2.41	Black Swan	Serpentine
PBSD001A	332	333	1	PN31474	Half NQ Core	1.47	0.05	0.03	4.42	Black Swan	Serpentine
PBSD001A	333	334	1	PN31475	Half NQ Core	0.69	0.03	0.02	1.01	Black Swan	Serpentine
PBSD001A	334	335	1	PN31476	Half NQ Core	0.52	0.02	0.02	0.792	Black Swan	Serpentine
PBSD001A	335	336	1	PN31477	Half NQ Core	0.21	0.01	X	0.092	Black Swan	Serpentine
PBSD001A	336	337	1	PN31478	Half NQ Core	0.64	0.03	0.02	0.845	Black Swan	Serpentine
PBSD001A	337	338	1	PN31479	Half NQ Core	0.71	0.03	0.02	1.57	Black Swan	Serpentine
PBSD001A	338	339	1	PN31481	Half NQ Core	0.63	0.03	0.02	0.978	Black Swan	Serpentine
PBSD001A	339	340	1	PN31482	Half NQ Core	0.98	0.03	0.02	2.26	Black Swan	Serpentine
PBSD001A	340	341	1	PN31483	Half NQ Core	0.47	0.02	0.01	0.778	Black Swan	Serpentine
PBSD001A	341	342	1	PN31484	Half NQ Core	0.68	0.03	0.02	1.4	Black Swan	Serpentine
PBSD001A	342	343	1	PN31485	Half NQ Core	0.6	0.03	0.02	1.48	Black Swan	Serpentine
PBSD001A	343	344	1	PN31486	Half NQ Core	0.79	0.03	0.02	1.58	Black Swan	Serpentine
PBSD001A	344	345	1	PN31487	Half NQ Core	0.72	0.03	0.02	1.41	Black Swan	Serpentine
PBSD001A	345	346	1	PN31488	Half NQ Core	0.57	0.02	0.02	0.999	Black Swan	Serpentine
PBSD001A	346	347	1	PN31489	Half NQ Core	0.58	0.04	0.02	1.2	Black Swan	Serpentine
PBSD001A	347	348	1	PN31490	Half NQ Core	0.38	0.02	0.01	0.46	Black Swan	Serpentine
PBSD001A	348	349	1	PN31491	Half NQ Core	0.57	0.02	0.02	1.48	Black Swan	Serpentine
PBSD001A	349	350	1	PN31492	Half NQ Core	0.7	0.04	0.02	1.94	Black Swan	Serpentine
PBSD001A	350	351	1	PN31493	Half NQ Core	0.76	0.04	0.02	1.62	Black Swan	Serpentine

PBSD001A	351	352	1	PN31494	Half NQ Core	0.9	0.04	0.03	2.16	Black Swan	Serpentine
PBSD001A	352	353	1	PN31495	Half NQ Core	0.85	0.05	0.02	1.95	Black Swan	Serpentine
PBSD001A	353	354	1	PN31496	Half NQ Core	1.03	0.05	0.02	2	Black Swan	Serpentine
PBSD001A	354	355	1	PN31497	Half NQ Core	1.07	0.04	0.02	2.13	Black Swan	Serpentine
PBSD001A	355	356	1	PN31498	Half NQ Core	1.39	0.06	0.02	2.71	Black Swan	Serpentine
PBSD001A	356	357	1	PN31499	Half NQ Core	1.23	0.07	0.02	2.66	Black Swan	Serpentine
PBSD001A	357	358	1	PN31501	Half NQ Core	1.21	0.06	0.02	2.66	Black Swan	Serpentine
PBSD001A	358	359	1	PN31502	Half NQ Core	1.42	0.04	0.02	2.48	Black Swan	Serpentine
PBSD001A	359	359.9	0.9	PN31503	Half NQ Core	1.6	0.09	0.03	3.02	Black Swan	Serpentine
PBSD001A	359.9	360.55	0.65	PN31504	Half NQ Core	1.1	0.07	0.02	2.62	Black Swan	Serpentine
PBSD001A	360.55	361.2	0.65	PN31505	Half NQ Core	0.63	0.02	0.01	2.08	Black Swan	Serpentine
PBSD001A	361.2	362	0.8	PN31506	Half NQ Core	0.73	0.02	0.02	3.09	Black Swan	Serpentine
PBSD001A	362	363	1	PN31507	Half NQ Core	1.04	0.04	0.03	2.85	Black Swan	Serpentine
PBSD001A	363	364	1	PN31508	Half NQ Core	1	0.06	0.02	2.07	Black Swan	Serpentine
PBSD001A	364	365	1	PN31509	Half NQ Core	0.98	0.05	0.02	1.45	Black Swan	Serpentine
PBSD001A	365	366	1	PN31510	Half NQ Core	0.89	0.04	0.02	1.25	Black Swan	Serpentine
PBSD001A	366	367	1	PN31511	Half NQ Core	1.32	0.06	0.02	1.79	Black Swan	Serpentine
PBSD001A	367	368.05	1.05	PN31512	Half NQ Core	1.06	0.05	0.02	1.58	Black Swan	Serpentine
PBSD001A	368.05	369	0.95	PN31513	Half NQ Core	0.35	0.01	X	0.805	Black Swan	Serpentine
PBSD001A	369	370	1	PN31514	Half NQ Core	0.87	0.05	0.02	1.15	Black Swan	Talc
PBSD001A	370	370.8	0.8	PN31515	Half NQ Core	0.78	0.03	0.02	1.02	Black Swan	Talc
PBSD001A	370.8	371.4	0.6	PN31516	Half NQ Core	2.59	0.05	0.04	2.46	Black Swan	Talc
PBSD001A	371.4	372	0.6	PN31517	Half NQ Core	1.59	0.05	0.02	1.92	Black Swan	Talc
PBSD001A	372	373	1	PN31518	Half NQ Core	2.69	0.07	0.03	2.9	Black Swan	Talc
PBSD001A	373	374	1	PN31519	Half NQ Core	2	0.09	0.02	2.19	Black Swan	Talc
PBSD001A	374	375	1	PN31521	Half NQ Core	2.56	0.09	0.02	2.29	Black Swan	Talc
PBSD001A	375	376	1	PN31522	Half NQ Core	2.71	0.1	0.02	2.58	Black Swan	Talc
PBSD001A	376	377	1	PN31523	Half NQ Core	1.79	0.14	0.02	1.43	Black Swan	Talc
PBSD001A	377	377.55	0.55	PN31524	Half NQ Core	2.08	0.1	0.02	2.06	Black Swan	Talc
PBSD001A	377.55	378.45	0.9	PN31525	Half NQ Core	0.48	0.02	X	0.356	Black Swan	Talc
PBSD001A	378.45	379.35	0.9	PN31526	Half NQ Core	0.78	0.07	X	0.428	Black Swan	Talc
PBSD001A	379.35	380	0.65	PN31527	Half NQ Core	1.71	0.18	0.02	1.29	Black Swan	Talc
PBSD001A	380	381	1	PN31528	Half NQ Core	1.73	0.09	0.01	1.2	Black Swan	Talc
PBSD001A	381	382	1	PN31529	Half NQ Core	1.48	0.08	0.01	0.992	Black Swan	Talc
PBSD001A	382	383	1	PN31530	Half NQ Core	1.28	0.02	0.01	0.625	Black Swan	Talc
PBSD001A	383	384	1	PN31531	Half NQ Core	1.74	0.04	0.02	1.42	Black Swan	Talc
PBSD001A	384	385	1	PN31532	Half NQ Core	1.31	0.06	0.01	1.24	Black Swan	Talc
PBSD001A	385	386	1	PN31533	Half NQ Core	2.5	0.06	0.02	1.88	Black Swan	Talc
PBSD001A	386	387	1	PN31534	Half NQ Core	1.16	0.09	0.02	1.07	Black Swan	Talc
PBSD001A	387	388	1	PN31535	Half NQ Core	1.76	0.06	0.02	1.28	Black Swan	Talc
PBSD001A	388	389	1	PN31536	Half NQ Core	1.4	0.05	0.02	0.951	Black Swan	Talc
PBSD001A	389	390	1	PN31537	Half NQ Core	1.68	0.06	0.02	1.24	Black Swan	Talc
PBSD001A	390	391	1	PN31538	Half NQ Core	1.54	0.04	0.02	1.06	Black Swan	Talc
PBSD001A	391	392	1	PN31539	Half NQ Core	0.57	0.02	0.01	0.258	Black Swan	Talc
PBSD001A	392	393	1	PN31541	Half NQ Core	0.3	X	X	0.079	Black Swan	Talc
PBSD001A	393	394	1	PN31542	Half NQ Core	1.12	0.03	0.02	0.756	Black Swan	Talc
PBSD001A	394	395	1	PN31543	Half NQ Core	1.54	0.04	0.02	0.962	Black Swan	Talc
PBSD001A	395	396	1	PN31544	Half NQ Core	2.13	0.1	0.03	1.31	Black Swan	Talc
PBSD001A	396	397	1	PN31545	Half NQ Core	1.64	0.09	0.02	0.978	Black Swan	Talc

PBSD001A	397	398	1	PN31546	Half NQ Core	1.59	0.1	0.02	1.23	Black Swan	Talc
PBSD001A	398	399	1	PN31547	Half NQ Core	1.5	0.09	0.03	1.17	Black Swan	Talc
PBSD001A	399	400	1	PN31548	Half NQ Core	1.28	0.06	0.02	0.904	Black Swan	Talc
PBSD001A	400	401	1	PN31549	Half NQ Core	0.95	0.06	0.02	0.652	Black Swan	Talc
PBSD001A	401	402	1	PN31550	Half NQ Core	0.62	0.04	0.01	0.769	Black Swan	Talc
PBSD001A	402	403	1	PN31551	Half NQ Core	0.28	0.01	X	0.085	Black Swan	Talc
PBSD001A	403	404	1	PN31552	Half NQ Core	1.02	0.03	0.01	0.653	Black Swan	Talc
PBSD001A	404	405	1	PN31553	Half NQ Core	1.49	0.09	0.01	1.29	Black Swan	Talc
PBSD001A	405	406	1	PN31554	Half NQ Core	1.26	0.02	X	0.824	Black Swan	Talc
PBSD001A	406	407	1	PN31555	Half NQ Core	0.89	X	X	0.709	Black Swan	Talc
PBSD001A	407	408.35	1.35	PN31556	Half NQ Core	0.77	X	X	0.509	Black Swan	Talc
PBSD001A	408.35	409	0.65	PN31557	Half NQ Core	0.78	X	X	0.435	Black Swan	Talc
PBSD001A	409	410	1	PN31558	Half NQ Core	1.85	0.03	0.01	1.22	Black Swan	Talc
PBSD001A	410	411	1	PN31559	Half NQ Core	1.8	0.05	0.01	1.33	Black Swan	Talc
PBSD001A	411	412	1	PN31561	Half NQ Core	2.18	0.06	0.01	1.74	Black Swan	Talc
PBSD001A	412	413	1	PN31562	Half NQ Core	2.48	0.09	0.01	1.69	Black Swan	Talc
PBSD001A	413	414	1	PN31563	Half NQ Core	2.54	0.04	0.02	1.55	Black Swan	Talc
PBSD001A	414	415	1	PN31564	Half NQ Core	2.38	0.07	0.02	1.41	Black Swan	Talc
PBSD001A	415	416	1	PN31565	Half NQ Core	2.57	0.09	0.02	1.54	Black Swan	Talc
PBSD001A	416	417	1	PN31566	Half NQ Core	1.5	0.04	0.01	0.755	Black Swan	Talc
PBSD001A	417	418	1	PN31567	Half NQ Core	1.46	0.07	0.01	0.874	Black Swan	Talc
PBSD001A	418	419	1	PN31568	Half NQ Core	1.14	0.03	0.01	0.7	Black Swan	Talc
PBSD001A	419	420	1	PN31569	Half NQ Core	1.77	0.04	0.01	1.07	Black Swan	Talc
PBSD001A	420	421	1	PN31570	Half NQ Core	1.99	0.05	0.02	1.21	Black Swan	Talc
PBSD001A	421	422	1	PN31571	Half NQ Core	2.2	0.04	0.02	1.23	Black Swan	Talc
PBSD001A	422	423	1	PN31572	Half NQ Core	2.16	0.04	0.01	1.28	Black Swan	Talc
PBSD001A	423	424	1	PN31573	Half NQ Core	2.54	0.07	0.02	1.71	Black Swan	Talc
PBSD001A	424	425	1	PN31574	Half NQ Core	1.9	0.08	0.02	1.14	Black Swan	Talc
PBSD001A	425	426	1	PN31575	Half NQ Core	2.12	0.08	0.01	1.29	Black Swan	Talc
PBSD001A	426	427.55	1.55	PN31576	Half NQ Core	2.72	0.04	0.02	1.4	Black Swan	Talc
PBSD001A	427.55	428	0.45	PN31577	Half NQ Core	0.41	X	X	0.149	Waste	24.3
PBSD001A	428	429	1	PN31578	Half NQ Core	0.29	X	X	0.144	Waste	24.8
PBSD001A	429	430	1	PN31579	Half NQ Core	0.28	X	X	0.201	Waste	24.2
PBSD001A	430	431	1	PN31581	Half NQ Core	0.35	0.02	X	0.305	Waste	24.3
PBSD001A	431	432	1	PN31582	Half NQ Core	0.22	0.02	X	0.216	Waste	27.7
PBSD001A	432	433	1	PN31583	Half NQ Core	0.22	X	X	0.169	Waste	25.7
PBSD001A	433	434	1	PN31584	Half NQ Core	0.24	X	X	0.091	Waste	25.5
PBSD001A	434	435	1	PN31585	Half NQ Core	0.28	X	X	0.045	Waste	23.6

COMPETENT PERSON STATEMENTS:

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled and reviewed by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Black Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd. The information in this report which relates to the Black Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and who is a Members of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Silver Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full-time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Lake Johnston Ore Reserves Project is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project and Gold Tailings Project is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The Windarra Project contains Mineral Resources which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

Mr Warriner, Mr Glacken, Mr Weeks, and Mr Keenan all 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). Mr Warriner, Mr Glacken, Mr Weeks, and Mr Keenan have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

FORWARD LOOKING STATEMENT – INFERRED RESOURCE STATEMENTS:

The Company notes that an Inferred Resource has a lower level of confidence than an Indicated Resource and that the JORC Codes, 2012 advises that to be an Inferred Resource it is reasonable to expect that the majority of the Inferred Resource would be upgraded to an Indicated Resource with continued exploration. Based on advice from relevant competent Persons, the Company has a high degree of confidence that the Inferred Resource for the Silver Swan deposit will upgrade to an Indicated Resource with further exploration work.

The Company believes it has a reasonable basis for making the forward looking statement in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular, the JORC Code, 2012 Mineral Resource for Silver Swan as of May 2016, together with independent geotechnical studies, determination of production targets, mine design and scheduling, metallurgical testwork, external commodity price and exchange rate forecasts and worldwide operating cost data.

FORWARD LOOKING STATEMENTS:

This release contains certain forward looking statements including nickel production targets. 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

Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility and potential development of the Silver Swan underground mine.

POSEIDONNICKEL

TENEMENTS

Mining Tenements Held as at 31 March 2019

AREAS OF INTEREST	TENEMENTS	ECONOMIC ENTITY'S INTEREST
Western Australia		
Windarra Nickel Assets	MSA 38/261, 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	E63/1067, G63/0008, G63/0005, L63/0051, L63/0052, L63/0055, L63/0057, M63/0163, M63/0282, M63/0283, M63/0284, M63/0292, M63/0293, M63/0294, M63/0522, M63/0523, M63/0524, E63/1784	100%
Black Swan Nickel Assets	M27/0039, M27/0200, M27/0214 M27/0216, L27/0057, L27/0058, L27/0059, L27/0074, L27/0075, L27/0077, L27/0078, L24/0219, L24/0222	100%

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

Mining Tenements Disposed during the December 2018 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the December 2018 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the December 2018 Quarter

Nil

ATTACHMENT A
JORC (2012) Table 1
BLACK SWAN EXPLORATION AND RESERVE ESTIMATE

BLACK SWAN EXPLORATION AND RESERVE ESTIMATE
SECTION 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

JORC Code explanation	Commentary
Sampling techniques	
Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	Reverse circulation and diamond drilling have been used to obtain samples. Sampling is a mixture of full core, half core, quarter core and chip sampling. Generally, 1 m samples or smaller have been used for exploration drilling, whilst grade control drilling in the Black Swan pit is on 2 m sample lengths.
Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples have been obtained from drilling carried out on the tenements since 1968, incorporating several lease owners. Sampling protocols from drilling between 1968 and 1991 have not been well documented.
Aspects of the determination of mineralisation that are Material to the Public Report.	Diamond drilling sampling protocol since 1995 has followed accepted industry practice for the time, with all mineralised core sampled and intervals selected by geologists to ensure samples did not cross geological or lithological contacts. Core was halved, with a half quartered, with one quarter core sent for assay, half core kept for metallurgical testing, and the remaining quarter core retained for geological reference.
In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Samples from reverse circulation drilling were collected using cone splitters, with field splits taken every 20 samples.
Drilling techniques	
Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Diamond and reverse circulation drilling are the primary methods by which drilling has been conducted. The majority of diamond core is NQ, the rest being HQ size. Core orientation was carried out using either spear marks or the Ezimark system.
Drill sample recovery	
Method of recording and assessing core and chip sample recoveries and results assessed.	Core recovery and presentation has been documented as being good to excellent, with the exception of one hole used in the estimation, BSD189, which suffered significant core rotation, but little loss, within the oxide zone.
Measures taken to maximise sample recovery and ensure representative nature of the samples.	
Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Due to the good to excellent core recovery, Golder has no reason to believe that there is bias due to either sample recovery or loss/gain of fines.
Logging	
Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Much of the drill core has been oriented prior to the core being logged. Recent data was electronically captured and uploaded in to the site Acquire® geology SQL database.
Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Golder has been provided with no record of core photography, nor the extent to which drilling was logged geologically.
The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	
If core, whether cut or sawn and whether quarter, half or all core taken.	Early diamond core is assumed to have been chisel cut, whilst most core was cut using a core saw, with either half or quarter core used for sampling.
If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	RC samples were collected by use of a cone splitter, with duplicates collected every 20 samples.
For all sample types, the nature, quality and appropriateness of the sample preparation technique.	
Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Later resource and grade control drilling was crushed to <3 mm and then split to 3 kg lots, then pulverised. This is appropriate given the sample interval and mass.
Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	
The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is	Pulps were prepared by acid digest and analysed by ICP-OES using standard laboratory practices. Both independent and laboratory internal

JORC Code explanation	Commentary
considered partial or total. *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	QAQC were used. Site specific standards were derived from two RC drill holes specifically designed for the purpose and prepared by ORE Pty Ltd in Melbourne. Analysis for these standards was for Ni, As, Fe and Mg. For RC grade control drilling, blank samples were inserted 1 in 50 and 1 in 19 samples as standard. Standard samples have a well-defined margin of error suitable for the deposit. No external laboratory checks were conducted for drill samples.
Verification of sampling and assaying	
The verification of significant intersections by either independent or alternative company personnel. *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Logging and assay data is electronically captured and up loaded in to the site Acquire® geology SQL database.
Location of data points	
Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. *Specification of the grid system used.* *Quality and adequacy of topographic control.*	All collar surveys were completed to an accuracy of ±10 mm. A local grid based on seven known AMG references was created. The Department of Land Information (formerly the Department of Land Administration) benchmark UO51 on the Yarri Road opposite 14 Mile Dam was used to tie the survey control stations to the Australian Height Datum (AHD). A height datum of AHD + 1000 m was adopted for the Black Swan project. All Black Swan diamond drill holes have been routinely surveyed—generally every 30 m or less. In the case of the some early drill holes, however, only the hole dip component was measured, using the acid vial method. All subsequent diamond drill holes have been surveyed using Eastman single shot down hole survey instruments.
Data spacing and distribution	
Data spacing for reporting of Exploration Results. *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Surface drilling used a spacing of 20 m to 50 m across strike and approximately 50 m along strike. In pit drilling is on a 10 m by 10 m staggered pattern. Underground drill data was also used in the estimate. Sample data was composited to 2 m.
Orientation of data in relation to geological structure	
Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill hole orientation was dominantly perpendicular to geological continuity and befits the requirements of resource estimation.
Sample security	
The measures taken to ensure sample security.	There are no documented details available for sample security.
Audits or reviews	
The results of any audits or reviews of sampling techniques and data.	Examination of duplicate, blank and standard data does not highlight any material bias or systematic error.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Section 2: Reporting of Exploration Results	
Mineral Tenement and Land Tenure Status	
Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Black Swan open-pit is centred on M27/39 and extends into M27/200. Silver Swan is wholly located on M27/200. They are located 42.5km NE of Kalgoorlie. They are registered to Poseidon Nickel Atlantis Operations Pty Ltd, a wholly owned subsidiary of Poseidon Nickel Ltd, following the purchase of the assets. Historical royalties of 3% NSR exist over the minerals produced.
Exploration Done by Other Parties	
Acknowledgment and appraisal of exploration by other parties.	Refer to Section 1 (above) The Black Swan Disseminated Resource has been explored by both MPI and Norilsk Nickel. Both companies followed best practise and Poseidon has validated all data handed over as a part of the purchase. Only minor errors have been found and corrected.
Geology	
Deposit type, geological setting and style of mineralisation.	Refer to Section 3 (below)
Drill Hole Information	

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
    easting and northing of the drill hole collar
    elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
    dip and azimuth of the hole
    down hole length and interception depth
    hole length.
 	
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.
	Refer to the body of the announcement above.

Data Aggregation Methods	
In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Grades have been aggregated using the length x SG weighted average. See body of text for individual sample grades.
Relationship Between Mineralisation Widths and Intercept Lengths	
These relationships are particularly important in the reporting of Exploration Results. *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	True widths are stated where necessary.
Diagrams	
Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views	Refer to the body of text above.
Balanced Reporting	
Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration	Not applicable.

Results.	

Other Substantive Exploration Data

Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Refer to body of text above.
	
	Metallurgical recoveries for the stockpiled ore from the Black Swan Open Pit have been determined by stockpile as follows, based on historical processing data;
	
	   - Yellow Stockpile: 73-78%%
	
	   - HG Talc Stockpile: 49-61%%
	
	Where possible exploration results and geological logging will reflect the Yellow Stockpile (Serpentinite Mineralisation > 0.5% Ni) or the HG Talc Stockpile (Talc Mineralisation > 0.5% Ni). The other stockpiles and associated recoveries come from blends of the above or low grade and not applicable to exploration results.
	
	Metallurgical testing is yet to be conducted on the core subject to this announcement.

Further work

The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Poseidon expects to undertake further resource definition and grade control drilling at Black Swan.
Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Mineralogical and metallurgical recovery studies will be conducted on the drill samples.

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

JORC Code explanation	Commentary
Database integrity	
Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. *Data validation procedures used.*	Logging and assay data has been electronically captured and uploaded in to the site Acquire® geology SQL database. The database gas been previously reviewed by Golder and was found to be in excellent condition. It is very clean and contains few errors, but does not contain sample and assay quality control information. Golder conducted visual validation checks on the drill hole data, with holes not relevant to the estimation removed from the dataset.
Site visits	
Comment on any site visits undertaken by the Competent Person and the outcome of those visits. *If no site visits have been undertaken indicate why this is the case.*	Golder has previously visited the Black Swan site, with several visits conducted within the last five years. A further visit was not made for this resource estimate. Black Swan has a long history of exploration and has been an operating mine, with both open pit and underground mining operations taking place.
Geological interpretation	
Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation is validated by drill and mining activity, as well as in-pit mapping by previous owners. Where possible, estimation has been restricted to lithologies controlling and surrounding mineralisation. The geological domaining is based on data from previous resource estimates completed by Norilsk Nickel Pty Ltd and Gipronickel that have been reviewed by Golder previously, and for this resource estimate. The interpretation for this Mineral Resource estimate relies solely upon data from drilling, and not on mapping or surface sampling.
Dimensions	
The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The mineralisation associated with the Black Swan deposit runs along a strike length of approximately 250 m north-south and approximately 100 m east-west. Drilling has intercepted Ni mineralisation at up to 600 m below surface.
Estimation and modelling techniques	
The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance	Mineralisation was estimated within domains defined by lithological information and statistical analysis of sample data in the composite file was used for estimation purposes.

JORC Code explanation	Commentary
of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	The block size is 12.5 m (X) by 25 m (Y) by 5 m (Z). The sub-block size is 3.125 m (X) by 12.5 m (Y) by 2.5 m (Z). High-grade restraining was applied to Ni in one domain, based on data analysis of assayed samples. The high-grade samples were used only in the estimation of blocks within a 25 m radius of the high grade sample. Using parameters derived from the modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades for Ni, As, MgO, Fe, and S. The estimation was conducted in three passes with the search size increasing for each pass. In some domains, where blocks had not been filled after three passes, a fourth pass was used, with samples from outside the domain of interest used to fill the remaining blocks. The model was validated visually and statistically using swath plots and comparison to sample statistics.
Moisture	
Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Density measurements were performed using the immersion technique. The density was calculated as a wet density even though core was often left to dry for some time. In some sampling programmes a representative section of core was used for measurements, rather than the entire core. Therefore a 5% moisture factor was applied to the Specific Gravity (SG) values used in the resource estimate.
Cut-off parameters	
The basis of the adopted cut-off grade(s) or quality parameters applied.	The resource model is constrained by assumptions about economic cut-off grades. The Mineral Resources were reported using a cut-off grade of 0.4% Ni which was applied on a block by block basis.
Mining factors or assumptions	
Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	The block model uses a parent cell size of 12.5 m (X) by 25 m (Y) by 5 m (Z), primarily determined by data availability and the dimensions of the mineralisation.
Metallurgical factors or assumptions	
The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Metallurgical recovery of nickel was assigned based on data calculated by the Black Swan mill whilst mining operations were in progress.
Environmental factors or assumptions	
Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	As the project has previously been mined, there are existing waste storage facilities and environmental considerations are not expected to pose any issues to the resumption of mining activity.
Bulk density	
Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density estimates were calculated from core obtained from drilling programmes. Golder applied a moisture factor of 5% to account for the bulk density measurements being based on wet core, and that in some drilling programmes, selected portions of core being used to represent the

JORC Code explanation	Commentary
The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	whole, rather than all core being measured for bulk density.

Classification

JORC Code explanation	Commentary
The basis for the classification of the Mineral Resources into varying confidence categories. *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The classification of Mineral Resources was completed by Golder based on geological confidence, drill hole spacing and grade continuity. The Competent Person is satisfied that the result appropriately reflects his view of the deposit. Continuous zones meeting the following criteria were used to define the resource class: Indicated Resource ■ Blocks that were estimated with samples with an average of less than 30 m distance from blocks. ■ Number of drill holes confirming grade continuity. Inferred Resource ■ Blocks that were estimated with samples with an average of less than 50 m distance from blocks. ■ Limited number of drill holes. Mineral Resource classification was restricted to a Lerch-Grossman pit shell using a potential future nickel price. This was combined with the accuracy of the estimate ascertained by geological confidence, drill hole spacing and grade continuity from available drilling data.

Audits or reviews

JORC Code explanation	Commentary
The results of any audits or reviews of Mineral Resource estimates.	This Mineral Resource estimate is based on data from previous resource estimates completed by Norilsk Nickel Pty Ltd and Gipronickel that have been reviewed by Golder.

Discussion of relative accuracy/confidence

JORC Code explanation	Commentary
Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy is reflected in the resource classification discussed above that is in line with industry acceptable standards. This is a Mineral Resource estimate that includes knowledge gained from mining and milling recovery data during production.

Section 4 Estimation and Reporting of Ore Reserves

JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	
Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Black Swan open pit and surface stockpile Ni Mineral Resources used as the basis of this Ore Reserve were estimated by Golder Resources Pty Ltd and announced to market with the previous Ore Reserve estimate in November 2014. This Resource contains both in-situ material and previously mined material in surveyed ex-pit stockpiles. The Co Resource used as the basis of this Ore Reserve was estimated by Entech Pty Ltd in April 2017 and has been announced concurrently with this

JORC Code explanation	Commentary
	Reserve.
	Mineral Resources are reported inclusive of the Ore Reserves.

Site visits

JORC Code explanation	Commentary
Comment on any site visits undertaken by the Competent Person and the outcome of those visits. *If no site visits have been undertaken indicate why this is the case.*	The Competent Person (Mr Matthew Keenan) visited the BSNO site on 7th June 2016. The visit included inspection of the Black Swan open pit and surface stockpiles. The site visits did not give the Competent Person any reason to believe that any portion of the Reserve Estimate will not be mineable.

Study status

JORC Code explanation	Commentary
The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	The Black Swan and surface stockpile material being converted from Mineral Resource to Ore Reserve is based on a Preliminary Feasibility Study undertaken in 2014. Modifying factors accurate to the study level have been applied based on detailed selective mining unit (SMU) analysis. Modelling indicates that the resulting mine plan is technically achievable and economically viable.

Cut-off parameters

JORC Code explanation	Commentary
The basis of the cut-off grade(s) or quality parameters applied.	For the Black Swan open pit, a recovered nickel cut-off grade of 0.21% Ni was used to define ore and waste. This is approximately equivalent to an in-situ cut-off grade of 0.46% Ni for the serpentinite ore and 0.56% for the talc carbonate ore. A nickel price of \$US6.50/lb and a USD:AUD exchange rate of 0.76 was used to determine the cut-off grades.

Mining factors or assumptions

JORC Code explanation	Commentary

The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).
The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.
The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.
The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).
  ■ *The mining dilution factors used.*
  ■ *The mining recovery factors used.*
  ■ *Any minimum mining widths used.*
  ■ *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*
  ■ *The infrastructure requirements of the selected mining methods.*
	Detailed mine designs were carried out on the Black Swan open pit, and these were used as the basis of the Reserve estimate.
	
	The Black Swan open pit Ore Reserves are based on a conventional open pit mining method using hydraulic excavators and off-road trucks to haul the ore and waste from the pit and stockpiles.
	
	The pit has already been developed. The current pit floor is approximately 120 m below the original surface. The strip ratio of the Reserve pit design is approximately 0.3:1 (waste:ore).
	
	Open pit wall angles were determined based on independent geotechnical analysis and historical pit wall designs. A slip in the SE corner of the pit has been reviewed by independent geotechnical consultants and considered in the Reserve design.
	
	Open pit grade control will be carried out by 25 m deep RC holes ahead of production.
	
	Open pit mining dilution was estimated locally by modelling a selective mining unit of 12.5m x 12.5m x 5m. This was achieved by regularising the block model to conform to this block size.
	
	A 95% open pit mining recovery factor was applied to the ore tonnage to account for mining related losses.
	
	Surface stockpile tonnages are based on detailed site surveys carried out at cessation of previous mining operations. Stockpiles grades are based on site grade control models.
	
	Surface stockpiles are assumed to be reclaimed by the processing plant ROM loader if <500 m from the plant. If >500m from the plant, an additional allowance has been made for reclaim load and haul.

JORC Code explanation	Commentary
	The mining method chosen is well-known and widely used in the local mining industry and production rates and costing can be predicted with a suitable degree of accuracy. Suitable access exists for all ore sources.
	Allowance has been made for dewatering of the Black Swan open pit.
	Independent geotechnical consultants MineGeotech Pty Ltd and Snowden Mining Industry Consultants Pty Ltd (2008) contributed appropriate geotechnical analyses to a suitable level of detail. These form the basis of mine design for the open pit Reserve estimate.
	Only the Indicated portion of the Mineral Resource was used to estimate the Ore Reserve. All Inferred material has had grade set to waste for the purposes of evaluation. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource material.
	Most of the infrastructure required for the operations is already in place and has been under care and maintenance for approximately 8 years, including a processing plant and associated infrastructure, access roads, offices and ablutions, connections to the Western Power grid, power reticulation, and borefields. Allowance has been made for refurbishment of this infrastructure where required based on quotes provided by reputable independent vendors to an appropriate standard of detail.

Metallurgical factors or assumptions

JORC Code explanation	Commentary
The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	The Black Swan concentrator was successfully operated at throughput rates up to 2.2Mtpa on the Reserve deposits during previous operations. All Reserve ore is expected to be processed through this concentrator at a rate of 1.1Mtpa. Suitable associated infrastructure is in place including water supply and storage, reagents storage, and tailings disposal and storage systems. Extensive historical data exists on metallurgical characteristics of the Reserve orebodies. The cost of plant refurbishment has been determined to a PFS standard of accuracy. The metallurgical process is conventional, well understood and has many years of operational data to support the flotation responses of the Black Swan and Silver Swan ores. The Black Swan Talc Carbonate ore has not, historically, been processed in large quantities at the Black Swan plant although it has been incorporated as a minor part of the feed blend at times. The majority mined has been stockpiled. The metallurgical recovery of Black Swan Talc Carbonate ore has been tested and assessed by various groups in 2008 (Norilsk, AMEC and Ammtec) and 2010 (Gipronickel). The results from this testwork demonstrate that the recovery from Talc Carbonate ore is lower than Serpentinite ore but that flotation is technically feasible. Based on this work, the metallurgical recovery for the Black Swan open pit ore has been assumed at 65% for this Ore Reserve estimate.

JORC Code explanation	Commentary
	Cobalt has been included as a by-product in the Ore Reserve estimate.
	Metallurgical recoveries for the stockpiled ore have been determined by stockpile as follows, based on historical processing data;
	- Crushed Stockpile: 64%
	- Yellow Stockpile: 73%
	- Lime Stockpile: 69%
	- HG Talc Stockpile: 49%
	- Blue Indicated Stockpile: 52%
Environmental	
The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Geochemical characterisation studies have been conducted that indicate that the rock mass is non-acid forming.
	An additional geochemical study was conducted by MBS Environmental to assess the potential implications of storing tailings from the proposed ore blend on top of existing material in the tailings storage facility (TSF).
	Works for the Stage 5 lift of the TSF commenced prior to the project being placed in care and maintenance. These works were incomplete and, as such, certification of the works by the Department of Environmental Regulation (DER) could not be obtained. The Works Approval authorising construction of the new embankment raise has since lapsed. A new Works
	Approval will be required prior to completing the lift. Under current approvals tailings cannot be deposited above RL11378.5 m.
	Based on current approvals, it is estimated that there is currently 4 years of storage capacity in the TSF. This is sufficient to cover storage of tailings generated by processing the estimated Reserve ore.
	POS has advised that most required approvals already issued under the *Mining Act* and *Environmental Protection Act* from previous operations remain current.
	At this point in time the Competent Person sees no reason permitting will not be granted within a reasonable time frame.
Infrastructure	
The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	The project site is already developed and on care and maintenance.
	All required surface infrastructure is already in place and requires only minor refurbishment to the concentrator, TSF, workshops and haul roads.
	As the site is 53 km from Kalgoorlie, a residential workforce will commute to site daily.
	The mine is connected to the Western Power grid through two lines, one feeding the concentrator and one feeding the other surface infrastructure and underground workings.
	The existing water supplies from the Black Swan borefield, Silver Swan underground dewatering system, Black Swan pit dewatering and the Federal pit are sufficient to operate the plant at a throughput of 1.1Mtpa.
Costs	
The derivation of, or assumptions made, regarding projected capital costs in the study.	The project capital cost has been estimate to an accuracy of +/-25% based on detailed cost modelling and design work carried out in the Black Swan

JORC Code explanation	Commentary
The methodology used to estimate operating costs.	PFS.
Allowances made for the content of deleterious elements.	
The source of exchange rates used in the study.	More detailed costs have been sourced for refurbishment of site infrastructure.
Derivation of transportation charges.	
The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	
The allowances made for royalties payable, both Government and private.	Operating costs for the open pit and processing plant were estimated from a combination of first principles, 2008/2009 historic operating costs and recent contractor quotations. They were also benchmarked against similar sized concentrators.
	The USD:AUD exchange rate assumed for the cost modelling was 0.76.
	Road transport charges for concentrate transport are based on factored quotes.
	WA state royalties of 2.5 % and a third-party royalty of 1% have been applied to gross concentrate nickel revenues.

Revenue factors

The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.	Forecasts for head grade delivered to the plant are based on detailed mine plans and mining factors.
The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	A global payable 68% of contained nickel metal has been applied to factor downstream treatment and refining charges. Payabilities are based on information provided by POS following discussions with potential offtake partners.
	A flat USD:AUD exchange rate of 0.76 was used in the financial model.
	Co by-products have currently been modelled in the Black Swan open pit. No by-products have been modelled from the surface stockpiles.
	A flat nickel price of US$6.50/lb has been assumed for the financial analysis, based on forecasts provided by POS.
	Deleterious elements (As and MgO) and associated penalties have been applied to the Black Swan pit concentrate pricing. These penalties are based on the historical concentrate grades generated by processing the Black Swan ore, and applying a penalty of US$3/dmt of concentrate for every 0.01% As grade over 0.2%, and a penalty of $40/dmt of concentrate for every unit of Fe:MgO ratio under 5. The penalties were advised by POS based on the 2014 study work and discussions with potential offtake partners. The total deleterious element penalty assumed for the Black Swan Reserve estimate works out to $151.32 per dmt of concentrate.

Market assessment

The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.	POS is currently discussing offtake agreements with potential buyers.
A customer and competitor analysis along with the identification of likely market windows for the product.	The volume of concentrate produced by processing the estimated Reserve will be too small to have an impact on the global market of nickel sulphide concentrate.
Price and volume forecasts and the basis for these forecasts.	
For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	

Economic

The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.	The Black Swan pit and surface stockpiles Ore Reserves have been assessed both as combined and stand-alone projects in detailed financial models.

JORC Code explanation	Commentary
NPV ranges and sensitivity to variations in the significant assumptions and inputs.	All cases are economically viable and have a positive NPV at a 10% discount rate at the stated commodity price and exchange rate. Sensitivity analysis shows that the project is most sensitive to commodity price/exchange rate movements. The project is still economically viable at unfavourable commodity price/exchange rate adjustments of 10%.
Social	
The status of agreements with key stakeholders and matters leading to social licence to operate.	A compensation agreement exists between the Black Swan Nickel Operations and Mt Vetters Pastoral Station. This has been updated periodically as the operation has changed. Compensation previously paid under this agreement has been adequate to address all impacts of the project. No further compensation is required under the terms of this agreement. However, previous practice may have resulted in an expectation of additional compensation if significant additional land clearance is proposed. Significant land clearance is not required under the current Reserve estimate plan. POS will continue to communicate and negotiate in good faith with key stakeholders
Other	
To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: *Any identified material naturally occurring risks.* *The status of material legal agreements and marketing arrangements.* *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	A formal process to assess and mitigate naturally occurring risks will be undertaken prior to execution. Currently, all naturally occurring risks are assumed to have adequate prospects for control and mitigation. No marketing agreement has yet been signed but the Competent Person considers that such an agreement is reasonably likely. Interest has been expressed by various potential offtake partners for the concentrate and it was successfully marketed during previous operations. Based on the information provided, the Competent Person sees no reason all required approvals will not be successfully granted within the anticipated timeframe.
Classification	
The basis for the classification of the Ore Reserves into varying confidence categories. *Whether the result appropriately reflects the Competent Person's view of the deposit.* *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	The Probable Ore Reserve is based on that portion of the Indicated Mineral Resource within the mine designs that may be economically extracted and includes an allowance for dilution and ore loss. None of the Probable Ore Reserves have been derived from Measured Mineral Resources. The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	
The results of any audits or reviews of Ore Reserve estimates.	The Ore Reserve estimate, along with the mine design and life of mine plan, has been peer-reviewed by Entech internally.
Discussion of relative accuracy/confidence	
Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.*	The Black Swan pit and stockpile design, schedule, and financial model on which the Ore Reserve is based has been completed to a Pre-Feasibility study standard, with a corresponding level of confidence. Considerations in favour of a high confidence in the Ore Reserves include: - Approximately 17% of nickel metal tonnes are contained within ex-pit already mined surface stockpiles. - The mining process is simple, small scale and utilises proven technology - The Black Swan mill has a long operating history processing the Reserve material - The project, as previously operated, is fully permitted.

JORC Code explanation	Commentary
It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Additional approvals will be required for some tailings dam and road construction works. Considerations in favour of a lower confidence in Ore Reserves include; - Deleterious element penalties still need to be confirmed based on marketing agreements and metallurgical testwork on the proposed processing blend. Since the Black Swan concentrate was successfully sold during previous operations, it is not expected that such penalties will render the Reserve estimate unsaleable. - Future nickel price and exchange rate forecasts carry an inherent level of risk - There is a degree of uncertainty associated with geological estimates. The Reserve classifications reflect the levels of geological confidence in the estimates. - There is a degree of uncertainty regarding estimates of impacts of natural phenomena including geotechnical assumptions, hydrological assumptions, and the modifying mining factors, commensurate with the level of study. - A binding offtake agreement for the product has not yet been signed. The Ore Reserve is based on a global estimate. Modifying factors have been applied at a local scale. Further, i.e. quantitative, analysis of risk is not warranted or appropriate at the current level of technical and financial study.

ATTACHMENT B
JORC (2012) Table 1
SILVER SWAN EXPLORATION RESULTS AND RESERVE ESTIMATE

SILVER SWAN EXPLORATION RESULTS AND RESERVE ESTIMATE
SECTION 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

JORC Code explanation	Commentary
Sampling techniques	
Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Underground diamond drilling has been used to obtain core samples. Sampling is a mixture of full core, and half core sampling. In general, 1 m samples or smaller have been used for exploration and grade control drilling. Samples have been obtained from drilling carried out from underground drilling by LionOre and Norilsk Nickel Australia below the 10100mRL level. The drilling database and block model above this RL have been cut from the resource estimate data set as these have been mined out and are not reported in this document. Only drilling completed between 2006 and 2008 are included in the resource estimate. Diamond drilling sampling protocol has followed accepted industry practice, with all mineralised core sampled and intervals selected by geologists to ensure samples did not cross geological or lithological contacts. Core was halved, with a half sent for assay and the remaining core retained for geological reference.
Drilling techniques	
Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Underground diamond drilling is the method by which drilling has been conducted into the ore zones below the 10100mRL level of the mine. All of the diamond core below the reported 10100mRL is of NQ size. Core orientation was carried out using the EzyMark system. All core trays are digitally photographed to maintain a permanent record of core prior to any sampling operations. Hard copy photographs exist for core photographed before the advent of digital photography.
Drill sample recovery	
Method of recording and assessing core and chip sample recoveries and results assessed. *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Core recovery and presentation has been documented as being good to excellent and inspection of core trays by Poseidon geologists has confirmed the quality of core recovery. Due to the good to excellent core recovery, Poseidon has no reason to believe that there is bias due to either sample recovery or loss/gain of core.
Logging	
Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Much of the drill core has been oriented prior to the core being logged. Drilling data and geological logging was electronically captured and uploaded in to the site Acquire® geology SQL database. This has been exported to an Access database which has been converted to Surpac format for modelling. The entire length of the drillholes have been logged geologically and entered into the digital database.
Sub-sampling techniques and sample preparation	
If core, whether cut or sawn and whether quarter, half or all core taken. *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	All of the deeper drill core used in this estimation was either full core or cut using a core saw, with half core used for sampling. Resource and grade control drilling was crushed to <3 mm and then split to 3 kg lots, then pulverised. This is appropriate given the sample interval and mass.

JORC Code explanation	Commentary
Quality of assay data and laboratory tests	
The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	All assaying since March 2004 has been carried out by Kalgoorlie Assay Laboratories (Kalassay, now Bureau Veritas) using ICP-OES on a 4 acid digest using standard laboratory practices. Both independent and laboratory internal QAQC were used. Site specific standards were derived from two RC drillholes specifically designed for the purpose and prepared by ORE Pty Ltd in Melbourne. Analysis for these standards was for Ni, As, Fe and Mg. The following QA/QC measures were adopted during the sampling and assaying of underground diamond drill core and include: • Blank inserted in 1:25 samples • Certified standards inserted in 1:25 samples • Sizing analysis of 1:20 samples • Duplicate analysis of quarter core for 1:25 holes • Analysis of laboratory QAQC. Repeat analysis completed by laboratory on 5% of samples • Monthly reporting of QAQC • Six monthly temporal and spatial analysis of the erroneous standards and blanks. The quality of the data received from the laboratory appears to be good, with no major issues being highlighted. Standard samples have a well-defined margin of error suitable for the deposit. No external laboratory checks were conducted on the drill samples.
Verification of sampling and assaying	
The verification of significant intersections by either independent or alternative company personnel. *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Logging and assay data is electronically captured and up loaded in to the site Acquire® geology SQL database which was handed over to Poseidon following the sale transaction. This has been exported to an Access database which has been converted to Surpac format for modelling.
Location of data points	
Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. *Specification of the grid system used.* *Quality and adequacy of topographic control.*	All collar surveys were completed to an accuracy of ±10 mm and recorded by the underground surveyor. A local grid based on seven known AMG_84 references was created. The Department of Land Information (formerly the Department of Land Administration) benchmark UO51 on the Yarri Road opposite 14 Mile Dam was used to tie the survey control stations to the Australian Height Datum (AHD). A height datum of AHD + 1000 m was adopted for the Black Swan project. A local mine grid was established and used throughout the operation. Poseidon has also converted surveys to the current MGA_94 grid format. All Silver Swan diamond drillholes have been routinely surveyed downhole. All underground diamond drillholes have been surveyed using either Eastman Single Shot down hole survey instruments or Reflex Gyro instruments.
Data spacing and distribution	
Data spacing for reporting of Exploration Results. *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Underground drilling used a maximum spacing of 10 m x 10 m for Indicated category resources and approximately 10m x 20m and 20 m x 40m for Inferred resources. Sample data was composited to 1 m.
Orientation of data in relation to geological structure	
Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drillhole orientation was dominantly between 20^0-60° to geological continuity as the mineralisation is drilled form underground workings in the footwall of the deposit which dips 80^0 to grid east. The angle of intersection is factored into the resource shape interpretations and is well understood as it is verified by mining and reconciliation of the ore zones to a depth of 1300m below surface. The sampling and interpretations meets the requirements of the resource estimation.

JORC Code explanation	Commentary
Sample security	
The measures taken to ensure sample security.	There are no documented details available regarding sample security. As the mine is not precious metals and the drilling consists of visually observable massive nickel sulphide mineralisation, security is not considered to have been compromised.
Audits or reviews	
The results of any audits or reviews of sampling techniques and data.	Examination of duplicate, blank and standard data does not highlight any material bias or systematic error. The drillhole intersections correlate well with the block model results.

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Section 2: Reporting of Exploration Results	
Mineral Tenement and Land Tenure Status	
Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Silver Swan underground mine is located in the Kalgoorlie District within M27/200. Silver Swan mine is part of the Black Swan Operation which is located 42.5km NE of Kalgoorlie. M27/200 is registered to MPI Nickel PTY Ltd which is a 100% subsidiary of OJSC MMC Norilsk Nickel. Following the purchase of the assets from Norilsk, the tenement is currently in the process of being transferred to Poseidon Nickel Limited. All operating licences are in place and are currently being renewed and transferred to Poseidon Nickel. Historical royalties of 3% NSR exist over the minerals produced.
Exploration Done by Other Parties	
Acknowledgment and appraisal of exploration by other parties.	The Silver Swan Mine was discovered by MPI Mines Ltd, then was acquired by LionOre in 2004. Much of the exploration drilling and development was completed by these 2 companies. In turn LionOre was taken over by Norilsk in 2007 and continued mining and developing the underground mine at Silver Swan. Poseidon Nickel purchased the operation from Norilsk in late 2014.
Geology	
Deposit type, geological setting and style of mineralisation.	The Silver Swan deposit is a Kambalda style komatiite hosted nickel deposit.
Drillhole Information	
	Refer to body of text above
Data Aggregation Methods	
	Aggregation of grades utilised length weighting of assay results
Relationship Between Mineralisation Widths and Intercept Lengths	
	True widths have been stated with intercept lengths
Diagrams	
	Refer to body of text above
Balance Reporting	
	All relevant information has been reorted
Other Substantive Exploration Data	
	Refer to body of text above
Further work	
	Poseidon expects to undertake further resource definition and grade control drilling at Silver Swan to convert Inferred resources to Indicated resources.

Section 3 Estimation and Reporting of Mineral Resources
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

JORC Code explanation	Commentary
Database integrity	
Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.	Logging and assay data has been electronically captured and uploaded in to the site Acquire® geology SQL database. Data was exported to csv and imported into Datamine Studio 3 for the resource estimation. The database has been previously reviewed by Golder Associates and was found to be in excellent condition. It is very clean and contains few errors, but does not

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JORC Code explanation	Commentary
	contain sample and assay quality control information. Both Golder & Poseidon have conducted visual validation checks on the drillhole data, with holes not relevant to the estimation (above the 10100mRL) removed from the dataset.

Site visits

Comment on any site visits undertaken by the Competent Person and the outcome of those visits. *If no site visits have been undertaken indicate why this is the case.*	Mr Neil Hutchison, the General Manger-Geology and Competent Person for Poseidon, has visited the Black Swan site and Silver Swan underground mine on numerous occasions within the last 18 months. Underground inspections of access and ore development drives relevant to this resource estimate have been verified by Mr Hutchison on several visits. Black Swan has a long history of exploration and has been an operating mine, with both open pit and underground mining operations taking place.

Geological interpretation

Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation is validated by drill and mining activity, as well as face mapping by the previous owners. Estimation has been restricted to lithologies controlling and surrounding mineralisation. The geological domaining is based on 3D wireframes created from sectional interpretation in Surpac. A grade threshold of between 1.2 and 1.4% Ni was used to model the mineralisation. Grade proximal to these wireframes has been modelled using a 1 m dilution skin model which is unclassified and not reported. A total of 14 mineralised domains were interpreted and include the Goose, Fledgling-Canard, Peking Duck and Tundra-Mute ore bodies. The interpretation for this Mineral Resource estimate relies solely upon data from drilling below the 10250mRL, and not on mapping or face sampling. The Tundra-Mute has previously been modelled as two individual ore bodies, plunging at opposite directions. Re-evaluation of the drill information and geology, including the addition of assay information acquired through reconnaissance of data collection in progress at the time of the mine being put under care and maintenance (circa 2008).

Dimensions

The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The mineralisation associated with the Silver Swan mine has a width of approximately 375 m striking grid north-south and has been defined to a down dip length of 1550 m plunging towards the east. Individual sulphide lenses are typically 3-5 m in thickness. Drilling has intercepted Ni mineralisation down to a depth of 1600 m below surface and is still open down plunge.

Estimation and modelling techniques

The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	Mineralisation within the 14 modelled domains was selected and composited to 1 m composites using s best fit approach. Top cuts were applied to Ni (21%), As (25,000), Co (5,000 ppm) and Cu (20,000 ppm) after population disintegration analysis and consideration of the domain statistics. Traditional variograms were used to model the variography of all grade variables with the exception of copper where a normal scores transformation was used. Variogram analysis was completed in Supervisor using the combined 1 m composited data due to the small domain populations. Variogram ranges for each variable ranged from 15 to 79 in the Major direction, 18 to 47 in the Semi-Major direction and 4 to 10 in the Minor direction. The nugget values were derived from the downhole variograms and were generally low (<5%), with the exception of As and Co, which were 35%. As expected, the variogram orientations approximated the orientation of the mineralisation (~NNE strike, E 70° dip). A 3D block model was generated in Datamine Studio 3 using a block size of 2 m (X) by 5 m (Y) by 10 m (Z). The variable sub-block size was set to 0.25 m (X) by 0.5 m (Y) by 0.5 m (Z). This degree of sub-blocking is used because of the narrow and variable shoot geometry. Prior to estimation the block model was coded using domain wireframes (ore, dilution and waste domains). Mined out volumes and resource categories were also coded into the block model post estimation. Ordinary Kriging was used to estimate block grades for the following variables; Ni (%),As (ppm), Co (ppm), Cu (ppm), Fe (%), MgO (%) and S (%). Three estimation passes were used for each domain and hard estimation boundaries were used. Search parameters based on the results of the nickel variogram analysis and kriging neighbourhood analyisis (KNA) were used. The orientations of search ellipses were set to mirror the orientation of each orebody lens. The first search pass was 25m E by 25 m N by 4 m RL using a minimum of 10 samples and a maximum of 24. The second pass was multiplied by a factor of 1.5 utilising the same min and max sample numbers. The third pass was factored by 5, and the minimum samples required was lowered to 4. A total of 79% of the resource was filled in the first estimation pass for nickel. Block discretisation points used were X:4, Y:10, Z:10. Un-estimated blocks were attributed the block domain averages.

JORC Code explanation	Commentary
	A dilution skin model estimating Ni and As only was created by expanding the mineralised wireframe by 1 m. Drillholes were selected and composited as being outside the main ore zone, and within the 1 m dilution skin. A hard estimation boundary between the mineralisation and the dilution skin was used. Three estimation passes were used. The first search was restricted to 15m by 15m by 2m, the second to 22.5m by 22.5m by 3m and the final search was expanded to 75m by 75m by 10 m to estimate any remaining blocks. All searches used a minimum of 6 and a maximum of 24 samples.
Moisture	
Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Density measurements were performed using the immersion technique. The density was calculated as a wet density. The core from underground is fresh, dense and non-porous therefore moisture content is not considered to be an issue.
Cut-off parameters	
The basis of the adopted cut-off grade(s) or quality parameters applied.	The resource model is constrained by assumptions about economic cut-off grades. The Mineral Resource was modelled using a 1.2-1.4% Ni wireframe threshold and reported using a cut-off grade of 4.5% Ni which was applied on a block by block basis.
Mining factors or assumptions	
Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	The following assumptions have been factored regarding possible mining methods; • A mining dilution of 25% has been applied to stopes. • 50% dilution has been applied to the 3.5m x 3.5m development ore drives. • Single boom jumbos are used for development ore drives. • Airleg flatback mining using 2m x 2.5m ore stoping is applied. • A mining recovery of 91% ore extraction has been used due to pillars. • Stopes are backfilled with development waste.
Metallurgical factors or assumptions	
The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Metallurgical recovery of nickel was assigned based on data calculated by the Black Swan mill whilst mining operations were in progress.
Environmental factors or assumptions	
Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	As the project has previously been mined, there are existing waste storage facilities and environmental considerations are not expected to pose any issues to the resumption of mining activity.
Bulk density	
Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Bulk density measurements were routinely collected for all underground drill core submitted for analysis. The majority of measurements have been made using the water immersion method where the weight of selected pieces of core is measured in both air and water. All weights were measured using an electronic balance. The bulk density measurements were used to determine a regression calculation that was used with the estimated nickel values to determine the SG. SGs above a value of 5 were top cut.

JORC Code explanation	Commentary
Classification	
The basis for the classification of the Mineral Resources into varying confidence categories. *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The classification of Mineral Resources was completed by Optiro and Poseidon based on geological confidence, drillhole spacing, data density and grade continuity. The Competent Person is satisfied that the result appropriately reflects his view of the deposit. Continuous zones meeting the following criteria were used to define the resource class: Measured Resource • Measured Mineral Resources consist of the high confidence material which has been grade control drilled (15x15m) and sill development has been completed both above and below. • No material is categorised as Measured in this resource estimation Indicated Resource • The Indicated Mineral Resources reflects moderate confidence material with good data density. • Consistent strike and dip orientation and geological and grade continuity between drill intercepts. • Reflects a nominal drill spacing of less than 25m x 25m resource definition drilling, through to grade control drilling (10 x 15m spacing), but not intersected by ore drive development. Inferred Resource • The Inferred Mineral Resource reflects uncertainty in continuity of the massive sulphides confirmed by drill intersection with poor data density or drilled at a high angle to the mineralisation. • Uncertainty in geological and grade continuity between drill intercepts.
Audits or reviews	
The results of any audits or reviews of Mineral Resource estimates.	This Mineral Resource estimate has been compared with previous non-JORC resource estimates completed by Poseidon and Norilsk Nickel Pty Ltd. Previous estimates used an accumulation model estimating Ni x "T", As x "T" and SG x "T" (where "T" is true thickness). Little correlation exists between true thickness and nickel grade at depth and consequently an OK modelling approach was adopted. The 2016 model also used a higher nominal grade threshold for interpretation of the mineralisation (1.2-1.4% compared to the previous 0.4%). The Tundra-Mute areas has also been significantly remodelled. The May 2016 is reporting the Mineral Resource is reporting more tonnes at a lower grade, for approximately the same amount of metal. No other audits or reviews have been completed.
Discussion of relative accuracy/confidence	
Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The relative accuracy is reflected in the resource classification discussed above that is in line with industry acceptable standards. This is a Mineral Resource estimate that includes knowledge gained from mining and milling recovery data during production.

Section 4 Estimation and Reporting of Ore Reserves

JORC Code explanation	Commentary

JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	
Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Silver Swan Ni Mineral Resource used as the basis of this Ore Reserve were estimated by Poseidon Nickel Ltd and Optiro Pty Ltd and was announced to market in June 2016. Cu and Co Mineral Resources have been announced to the market concurrently with this Ore Reserve. Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	
Comment on any site visits undertaken by the Competent Person and the outcome of those visits. *If no site visits have been undertaken indicate why this is the case.*	The Competent Person (Mr Matthew Keenan) visited the site on 7th June 2016. The visit included inspection of the Silver Swan underground workings and surface infrastructure. The site visits did not give the Competent Person any reason to believe that any portion of the Reserve Estimate will not be mineable.
Study status	
The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	A Pre- Feasibility Study has been completed for the Silver Swan material being converted from Mineral Resource to Ore Reserve. Modifying factors accurate to the study level have been applied based on detailed stope design analysis. Modelling indicates that the resulting mine plan is technically achievable and economically viable.
Cut-off parameters	
The basis of the cut-off grade(s) or quality parameters applied.	Cut-off grade parameters for the underground ore were determined based on the 2017 financial analysis, assuming toll treatment of ore by a third party. The fully costed stoping cut-off grade applied for the Silver Swan underground was 3.0% Ni, and the incremental stoping cut-off grade was 2.1% Ni. A nickel price of $US6.50/lb and a USD:AUD exchange rate of 0.76 was used to determine the cut-off grades.
Mining factors or assumptions	

The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).
The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.
The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.
The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).
    The mining dilution factors used.
    The mining recovery factors used.
    Any minimum mining widths used.
    The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.
    The infrastructure requirements of the selected mining methods.
	Detailed mine designs were carried out on the Silver Swan underground, and these were used as the basis of the Reserve estimate.
	
	The Silver Swan Ore Reserve is planned to be mined using a bottom-up modified Avoca method with unconsolidated backfill. This mining method is based on detailed dynamic geotechnical modelling. Diesel powered trucks and loaders will be used for materials handling. Diesel-electric jumbo drill rigs will be used for development and ground support installation, and diesel-electric longhole rigs used for production drilling.
	
	The mining methods chosen are well-known and widely used in the local mining industry and production rates and costing can be predicted with a suitable degree of accuracy. Suitable access is available through the existing workings, which have been kept pumped dry during care and maintenance.
	
	Re-entry and refurbishment of capital development was costed in the Silver Swan mine plan based on detailed independent expert inspection.
	
	Independent geotechnical consultants MineGeotech Pty Ltd and Beck Engineering Pty Ltd contributed appropriate geotechnical analyses to a suitable level of detail. These form the basis of mine design, ground support and mining method selection for the Reserve estimate.
	
	Only the Indicated portion of the Mineral Resource was used to estimate the Ore Reserve. All Inferred material has had grade set to waste for the purposes of evaluation. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource material.
	
	Underground stopes were designed inclusive of minimum mining width of 2.5 m plus dilution volumes determined by independent geotechnical analysis and dynamic modelling. Global planned waste dilution is 35%, and unplanned waste dilution is 7%. An extra 2% of waste dilution was applied to allow for overbog of fill. Non-fill dilution was assumed to carry a grade of 0.35% Ni, based on Mineral Resource information provided by POS. Sub-level intervals are 25 m based on geotechnical advice. Maximum stope spans opened prior to filling are 5 m along

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	strike. A mining recovery of 95% has been applied to all stopes. Ore development had an assumed 100% mining recovery, based on historical experience and industry standards. Most of the infrastructure required for the operations is already in place and has been under care and maintenance for approximately 8 years, including a processing plant and associated infrastructure, access roads, offices and ablutions, connections to the Western Power grid, power reticulation, and borefields. Allowance has been made for refurbishment of this infrastructure where required based on quotes provided by reputable independent vendors to an appropriate standard of detail.
Metallurgical factors or assumptions	
The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	The Silver Swan Reserve estimate has been determined based on a sale of DSO to a customer in China. The payability of the ore has been provided by POS based on discussions with this potential offtake partner. The DSO sale is based on payability of 67% of the contained nickel only. Based on information provided by POS, this payability is assumed to cover any contained by-products, metallurgical recovery, and deleterious elements.
Environmental	
The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Geochemical characterisation studies have been conducted that indicate that the rock mass is non-acid forming. POS has advised that most required approvals already issued under the *Mining Act* and *Environmental Protection Act* from previous operations remain current. At this point in time the Competent Person sees no reason permitting will not be granted within a reasonable time frame.
Infrastructure	
The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	The project site is already developed and on care and maintenance. The underground workings are powered and kept dry through the installed pumping system. All required surface infrastructure is already in place and requires only minor refurbishment. All required underground infrastructure is in place to commence mining including primary ventilation fans, escapeways, high voltage power reticulation, service water and compressed air. Allowance has been made for refurbishment and recommissioning of this infrastructure based on inspections and detailed quotes. As the site is 53 km from Kalgoorlie, a residential workforce will commute to site daily. The mine is connected to the Western Power grid through two lines, one feeding the concentrator and one feeding the other surface infrastructure and underground workings. Allowance has been made for additional diesel generated power to supplement this underground feed.
Costs	
The derivation of, or assumptions made, regarding projected capital costs in the study. *The methodology used to estimate operating costs.* *Allowances made for the content of deleterious elements.* *The source of exchange rates used in the study.* *Derivation of transportation charges.* *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *The allowances made for royalties payable, both Government*	The Silver Swan PFS mining costs are based on detailed quotes from suppliers and mining contractors gathered as part of a Request for Quotation process involving three reputable and experienced underground contractor firms. These were also benchmarked against similar operations in the WA Goldfields and historical data from previous operations at Silver Swan. The USD:AUD exchange rate assumed for the cost modelling was 0.76.

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and private.	Road and sea transport charges for DSO are based on factored quotes provided by POS. WA state royalties of 2.5 % and a third-party royalty of 1% have been applied to gross concentrate nickel revenues.
Revenue factors	
The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Forecasts for head grade delivered to the plant are based on detailed mine plans and mining factors. A global payability of 67% contained nickel metal has been applied to the DSO. Any by-product credits from contained Cu and co have been assumed to be incorporated into the payability, based on advice from POs following discussions with potential offtake partners. A flat USD:AUD exchange rate of 0.76 was used in the financial model. A flat nickel price of US$6.50/lb has been assumed for the financial analysis, based on forecasts provided by POS.
Market assessment	
The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.* *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	POS is currently discussing offtake agreements with several potential offtake partners, including the partner offering the DSO sale option used to determine the Reserve estimate. The volume of concentrate produced by processing the estimated Reserve will be too small to have an impact on the global market of nickel sulphide concentrate.
Economic	
The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The Silver Swan underground Ore Reserve has been assessed in a detailed financial model. The Reserve plan is economically viable and has a positive NPV at a 10% discount rate at the stated commodity price and exchange rate. Sensitivity analysis shows that the project is most sensitive to commodity price/exchange rate movements. The project is still economically viable at unfavourable commodity price/exchange rate adjustments of 10%.
Social	
The status of agreements with key stakeholders and matters leading to social licence to operate.	A compensation agreement exists between the Black Swan Nickel Operations and Mt Vetters Pastoral Station. This has been updated periodically as the operation has changed. Compensation previously paid under this agreement has been adequate to address all impacts of the project. No further compensation is required under the terms of this agreement. However, previous practice may have resulted in an expectation of additional compensation if significant additional land clearance is proposed. Significant land clearance is not required under the current Reserve estimate plan. POS will continue to communicate and negotiate in good faith with key stakeholders
Other	
To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:	A formal process to assess and mitigate naturally occurring risks will be undertaken prior to execution. Currently, all naturally occurring risks are assumed to have adequate prospects for control and mitigation.

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Any identified material naturally occurring risks. *The status of material legal agreements and marketing arrangements.* *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	No marketing agreement has been signed but it is expected that such an agreement is likely to be arrived upon. Interest has been expressed by various potential offtake partners for the concentrate and it was successfully marketed during previous operations. Based on the information provided, the Competent Person sees no reason all required approvals will not be successfully granted within the anticipated timeframe.
Classification	
The basis for the classification of the Ore Reserves into varying confidence categories. *Whether the result appropriately reflects the Competent Person's view of the deposit.* *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	The Probable Ore Reserve is based on that portion of the Indicated Mineral Resource within the mine designs that may be economically extracted and includes an allowance for dilution and ore loss. None of the Probable Ore Reserves have been derived from Measured Mineral Resources. The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	
The results of any audits or reviews of Ore Reserve estimates.	The Ore Reserve estimate, along with the mine design and life of mine plan, has been peer-reviewed by Entech internally.
Discussion of relative accuracy/confidence	
Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The Silver Swan design, schedule, and financial model on which the Ore Reserve is based has been completed to a Pre- Feasibility study standard, with a corresponding level of confidence. Considerations in favour of a high confidence in the Ore Reserves include: - The mining process is well-known, small scale and utilises proven technology - The revenue is derived from a simple DSO model which disregards metallurgical factors - The project, as previously operated, is fully permitted. Considerations in favour of a lower confidence in Ore Reserves include; - Future nickel price and exchange rate forecasts carry an inherent level of risk - There is a degree of uncertainty associated with geological estimates. The Reserve classifications reflect the levels of geological confidence in the estimates. - There is a degree of uncertainty regarding estimates of impacts of natural phenomena including geotechnical assumptions, hydrological assumptions, and the modifying mining factors, commensurate with the level of study. - A binding offtake agreement for the product has not yet been signed. The Ore Reserve is based on a global estimate. Modifying factors have been applied at a local scale. Further, i.e. quantitative, analysis of risk is not warranted or appropriate at the current level of technical and financial study.