

ASX Announcement

19 March 2024

LEADERSHIP TRANSITION TO FOLLOW NEW FUNDING

KEY POINTS

- Company will be well-funded to execute its strategy when the proposed sale of Lake Johnston is finalised
- The business currently has a cash balance of approximately \$2 million (excluding the \$1 million to be received from Mineral Resources Limited) which sufficiently funds the business beyond the anticipated completion of the proposed sale of Lake Johnston
- Having overseen the proposed Lake Johnston sale and implementation of aggregated annualised costs savings of over \$6 million, Poseidon CEO, Craig Jones, is departing to pursue other opportunities and Brendan Shalders, Poseidon's current CFO, will transition to CEO from 1 April 2024

Poseidon Nickel Limited (ASX: POS, "the Company") provides information on executive management changes and further cost reduction initiatives.

Chairman, Peter Harold, commented: *"With the divestment of Lake Johnston, Black Swan remaining on C&M, the shift back to exploration and the continued focus on cost reduction, Craig Jones who has a strong operational background has decided to seek other opportunities. On behalf of the Board, we would like to thank Craig for his leadership in delivering the Black Swan Bankable Feasibility Study and in recent times as CEO, the instigation and concluding of the planned sale of Lake Johnston and the implementation of significant cost savings providing a strong foundation as a re-focused exploration company.*

Going forward Brendan brings significant experience and continuity to the CEO role having been the Company's CFO since 2019 and has also been instrumental in the implementation of the Company's strategy, Black Swan Bankable Feasibility Study, the proposed sale of Lake Johnston and in particular restructuring the cost base of the Company."

Consolidating Leadership Changes

Following the downsizing of the board and executive team in September 2023 (refer ASX release "*Leadership and Operations Transition*" dated 22 September 2023), the Company has continued to focus on cost reductions. With the proceeds for the planned sale of Lake Johnston (refer ASX release "*Binding Heads of Agreement for the Sale of Lake Johnston*" dated 18 March 2024), the Company will be well funded. To ensure the right skill sets are in place as the Company shifts its focus to exploration targeting high-grade nickel sulphide resources, an opportunity to restructure the executive management team has arisen which will further reduce costs. Effective 1 April 2024 Craig Jones, CEO, will depart and the current CFO, Brendan Shalders, will transition to CEO. The CFO role will not be replaced. Additional headcount reductions have been made across the business since September 2023.

Brendan has been with Poseidon as CFO since September 2019 and has in depth knowledge of the business and the Company's projects. He is an experienced mining executive and has worked within or consulted to the mining and mining services industries for over 20 years. Prior to joining Poseidon, he was Managing Director at FTI Consulting, a restructuring and corporate advisory services firm where he assisted mining clients.

Following the leadership change, the strategy going forward remains as reported in September 2023 with a focus on targeted exploration and business development opportunities. The Company will continue to utilise highly experienced geological consultants to assist with exploration programs at Windarra and Black Swan.

Available Funds

The current cost reduction focus of the Company has allowed the business to significantly reduce expenditures and have a cash balance of approximately \$2 million as of 18th March 2024. This is following ongoing care and maintenance and exploration activities throughout the quarter.

Post receipt of the Mineral Resources Limited deposit for the proposed sale of Lake Johnston, the Company is expecting to have a cash balance of approximately \$3 million which will provide sufficient funding for the Company to continue with its strategic activities.

The Windarra Tailings and Water supply agreement with Genesis Minerals (refer to "Gold Tailings Trial and Windarra Water Access Agreement" released to the ASX on 21 December 2023) is ongoing and the Ministerial Consent process is coming to a close, following which a further \$500k is expected to be paid to the Company.

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



Craig Jones
Chief Executive Officer

19 March 2024

For further information contact Craig Jones: + 61 (0)8 6167 6600

About Poseidon Nickel Limited

Poseidon Nickel Limited (ASX Code: POS) is a nickel sulphide exploration and development company with three projects located within a radius of 300km from Kalgoorlie in the Goldfields region of Western Australia and a resource base of over 420,000 tonnes of nickel and 180,000 ounces of gold¹.

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

Poseidon owns the Black Swan, Windarra Nickel and Lake Johnston Projects (Lake Johnston in the processing of being divested). In addition to the mines and infrastructure including concentrator at Black Swan, these projects have significant exploration opportunities demonstrated by the discovery of the Golden Swan Resource at Black Swan, and more recently the NW05 and NW04 targets at Windarra.

The Company completed a Bankable Feasibility Study on Black Swan in November 2022 which is planned to be the first project to restart, subject to appropriate project financing structures being achieved, the outlook for the nickel price improving and all necessary approvals being obtained.

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. In December 2023 Mt Morgans entered into a trial processing agreement with Poseidon on the Lancefield gold tailings and accessing the water in the South Windarra pit.

¹ Refer to the Company website, www.poseidon-nickel.com.au, for Resource and Reserves tables

BRENDAN SHALDERS - CEO - SUMMARY OF CONTRACT MATERIAL TERMS

Commencement	Mr Shalders' appointment as Chief Executive Officer (CEO) will commence with Poseidon on 1 April 2024 (Commencement Date).
Remuneration	A base salary of \$365,000 per annum (Base Remuneration) plus statutory superannuation.
Short-Term Incentive	A short-term incentive in either cash or shares for up to 50% of the Base Remuneration subject to achieving key performance milestones to be determined by the Board.
Long-Term Incentive	<p>Up to a maximum of 80% of Base Remuneration per annum in the form of performance rights in the capital of the Company (Performance Rights).</p> <p>The Performance Rights will vest after a period of 3 years on terms standard for their nature and applicable regulatory requirements.</p>
Sign On Incentive Options	<p>The sign on incentive options are designed to reward performance in line with positive outcomes for shareholders, delivered by the achievement of appreciation in the share price.</p> <p>Mr Shalders will be will offered 15 million options expiring 5 years from commencement date and vesting 3 years from commencement date with the following conditions:</p> <ul style="list-style-type: none"> • 5 million options, with an exercise price equal to 150% of the 10 Day Volume Weighted Average Price (VWAP) of shares commencing 11 March 2024; • 5 million options, with an exercise price equal to 175% of the 10 Day VWAP of shares commencing 11 March 2024; and • 5 million options, with an exercise price equal to 200% of the 10 Day VWAP of shares commencing 11 March 2024.
Termination	<p>The Company may terminate Mr Shalders' employment in the following manners:</p> <ul style="list-style-type: none"> • without cause at any time by providing 3 months' notice (3 months of the Base Remuneration must be paid at the end of notice period); • without notice for cause at its sole discretion; • with 3 months' notice for cause. <p>Mr Shalders may resign from the Company at any time on 3 months' notice to the Company.</p>