

## POSEIDON ENTERS STRATEGIC FARM-IN OVER LITHIUM BEARING PEGMATITES NEAR LAKE JOHNSTON

### KEY POINTS

- Farm-In Agreement with Mantis Resources to earn into two tenements in close proximity to Poseidon's Lake Johnston Project
- **Mantis tenements include outcropping lithium bearing pegmatites with historical composite sampling returning high grades from 2.80% up to 3.85% Li<sub>2</sub>O<sup>1</sup>**
- Subject to satisfying certain conditions Poseidon can earn-in up to a 100% ownership interest in the tenements
- Mantis tenements will now be included in Poseidon's current review of lithium potential at Lake Johnston

<sup>1</sup> Refer to Poseidon Nickel ASX announcement "High Grade Lithium Bearing Pegmatites Located at Lake Johnston" dated 23 May 2016

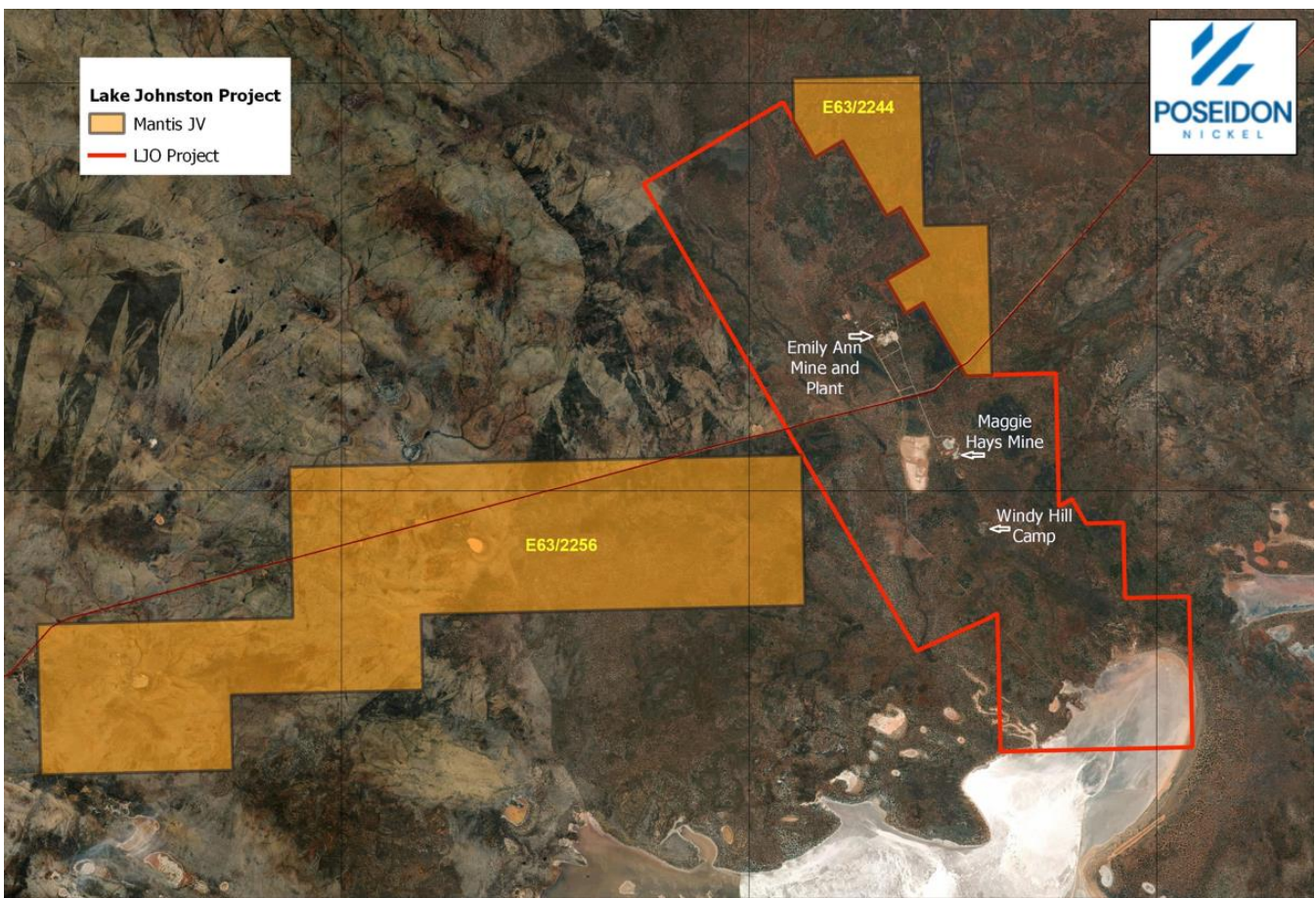


FIGURE 1: LOCATION OF FARM-IN TENEMENTS (E63/2244 AND E63/2256) IN PROXIMITY TO LAKE JOHNSTON PROJECT

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**Poseidon Nickel Limited (ASX: Poseidon, “the Company”)** is pleased to report the Company has entered into a farm-in agreement with Mantis Resources Pty Ltd (“**Mantis**”) to earn-in up to a 100% interest in exploration licences 63/2244 and 63/2256 (the “**Mantis tenements**”) which are located in close proximity to Poseidon’s Lake Johnston Project (shown in Figure 1).

CEO, Craig Jones, commented: “As we enhance our understanding of the lithium potential in the district, the farm-in agreement with Mantis is a strategic step forward to build value of our lithium portfolio at Lake Johnston. The limited historical exploration work completed to date within the Mantis tenements for lithium has already identified outcropping lithium bearing pegmatites.

With the recent increase in lithium focused exploration activity in the region, it is opportune timing for Poseidon to farm-in to these highly prospective tenements.

The strategic value of the minerals processing infrastructure located at Lake Johnston is becoming more valuable given the heightened levels of exploration for lithium by numerous companies in close proximity to our Lake Johnston 1.5Mtpa process plant.

Our first phase of work on the Mantis tenements will be to expand upon and validate the historical lithium results with low cost soil and grab samples as soon as we have access to the ground, and in parallel continue with the exciting lithium work programs over our 100% owned tenements at Lake Johnson.”

## Overview of Historical Lithium Exploration on Mantis Tenements

During early 2016 Poseidon undertook lithium exploration activities in the northeast area of the Lake Johnston Project. These activities discovered high grade lithium bearing pegmatites with composite samples from outcropping pegmatite exposures returning assay results grading from 2.80% to 3.85% Li<sub>2</sub>O (refer to ASX announcement “*High Grade Lithium Bearing Pegmatites Located at Lake Johnston*” dated 23 May 2016). These outcropping lithium pegmatites were, at the time, within exploration license E63/1067 which was formerly registered to Poseidon and was subsequently surrendered. The historic tenement was in its 14<sup>th</sup> year and efforts to extend the term of tenement were rejected by the Department of Energy, Mines, Industry Regulation and Safety.

The tenements under this joint venture agreement are recently granted providing the necessary term to progress this exciting lithium opportunity.

## Lake Johnston Lithium Review

As recently announced the Company has commenced a review of the lithium potential at Lake Johnston. The Mantis tenements will be included in the review with the first phase of exploration being a groundwork soil sampling program of the outcropping pegmatites to expand on and validate the historical results overseen by lithium expert consultants engaged by Poseidon.

## Summary of Key Terms of Farm-In Agreement

<b>Parties</b>	Poseidon Nickel Limited ( <b>Poseidon</b> ) Mantis Resources Pty Ltd ( <b>Mantis</b> )
<b>Condition Precedent</b>	Agreement is subject to any necessary ministerial consent under s64(1) of the Mining Act

<b>Initial Payment</b>	Poseidon to pay Mantis \$48,000 within three business days of signing agreement
<b>Rights to Explore</b>	Following Initial Payment Mantis grants Poseidon the exclusive right to explore the tenements for all minerals over a period of three years
<b>Earn-in Rights</b>	Over an earn-in period of three years, Poseidon may earn an interest of 90% in the Mantis tenements by contributing the sum of \$500,000 towards exploration
<b>Joint Venture &amp; Royalty</b>	If Poseidon earns a 90% interest the parties will form a 90/10 unincorporated joint venture in the Mantis tenements. Either party may request for Mantis' 10% ownership interest in the joint venture be transferred to Poseidon in exchange for a 1% net smelter royalty.

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

**Craig Jones**  
**CEO**

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## About Poseidon Nickel Limited

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

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

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

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

A Definitive Feasibility Study on retreating the gold tailings at Windarra and Lancefield was completed in mid-2022. A potential partner for this project is currently conducting due diligence on the Lancefield gold tailings and accessing the water in the South Windarra pit.