

7th September 2017

POSEIDON & EMPIRE ENTER INTO MOU

Poseidon Nickel Limited (**ASX: POS, the Company or Poseidon**) is pleased to advise it has entered into a memorandum of understanding (MOU) with Empire Resources Limited (**Empire**) to evaluate the option of processing Penny's Find gold ore through the Black Swan Operations gold processing facility.

Empire holds a 60% direct interest in the Penny's Find gold project situated on granted Mining Lease 27/156. The remaining 40% interest is held by unlisted Brimstone Resources Limited. Via road Penny's Find is located 48 kilometres south-east of the Black Swan facility. Empire is currently open pit mining at Penny's Find and toll treating the ore via the Burbanks mill, 9 kilometres south of Coolgardie.

Poseidon Chief Operating Officer Michael Rodriguez stated "Since announcing the Company's plans to establish the Black Swan Operations as a central gold processing facility a number of third party gold explorers and miners have expressed an interest in securing capacity at the facility. Poseidon welcomes the opportunity to engage with third parties to ensure the facility is operated at optimum throughput."

Poseidon and Empire plan to progress due diligence and once complete a further announcement will be made to the market.

As the nickel market continues to improve Poseidon is progressing discussions on possible funding solutions to restart Silver Swan likely to be a combination of debt and equity.

CORPORATE DIRECTORY

Director / Senior Management

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

Corporate Enquiries

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Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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Media Enquiries

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Home Exchange

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