

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

<b>Name of entity</b>	<b>Poseidon Nickel Limited</b>
<b>ACN</b>	<b>060 525 206</b>

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | (i) Ordinary fully paid shares; and<br>(ii) July 2012 Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (i) 500,000 Ordinary Shares; and<br>(ii) 2,500,000 Unlisted Options  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Rank equally; and<br><br>The July 2012 Unlisted Options are exercisable at \$0.40 each at any time before 5.00pm AEST on 31 July 2012, subject to certain terms relating to satisfaction of price hurdles. |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes, parri passu with existing fully paid ordinary shares.</p>										
<p>5 Issue price or consideration</p>	<p>The Ordinary Shares were issued at \$0.40 each; and</p> <p>The Unlisted Options have been issued for nil consideration</p>										
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Ordinary Shares and July 2012 Unlisted Options have been issued and allotted in accordance with the terms and conditions as approved by the General Meeting of Shareholders held on 2 July 2007.</p>										
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>31st July 2007</p>										
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="687 1402 906 1438">Number</th> <th data-bbox="906 1402 1361 1438">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1438 906 1491">151,946,086</td> <td data-bbox="906 1438 1361 1491">Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="687 1491 906 1545">6,157,903</td> <td data-bbox="906 1491 1361 1545">05 December 2011 Options</td> </tr> <tr> <td data-bbox="687 1545 906 1626">6,157,904</td> <td data-bbox="906 1545 1361 1626">05 December 2009 Options</td> </tr> </tbody> </table>	Number	+Class	151,946,086	Ordinary fully paid shares	6,157,903	05 December 2011 Options	6,157,904	05 December 2009 Options		
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6,157,903	05 December 2011 Options										
6,157,904	05 December 2009 Options										
<p>9 Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="687 1626 906 1662">Number</th> <th data-bbox="906 1626 1361 1662">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1662 906 1715">5,777,200</td> <td data-bbox="906 1662 1361 1715">Partly Paid Shares Issued at \$0.102 and paid to \$0.002</td> </tr> <tr> <td data-bbox="687 1715 906 1769">1,000,000</td> <td data-bbox="906 1715 1361 1769">30 June 2008 Unlisted Options</td> </tr> <tr> <td data-bbox="687 1769 906 1823">1,000,000</td> <td data-bbox="906 1769 1361 1823">2 July 2011 Incentive Options</td> </tr> <tr> <td data-bbox="687 1823 906 1877">2,500,000</td> <td data-bbox="906 1823 1361 1877">31 July 2012 Unlisted Options</td> </tr> </tbody> </table>	Number	+Class	5,777,200	Partly Paid Shares Issued at \$0.102 and paid to \$0.002	1,000,000	30 June 2008 Unlisted Options	1,000,000	2 July 2011 Incentive Options	2,500,000	31 July 2012 Unlisted Options
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- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not Applicable

## Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable.

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Questions 35 to 42 not applicable

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

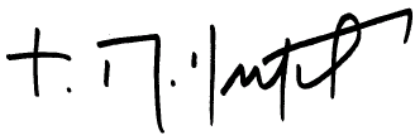
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

Date: 31 July 2007

Print name: **Ross Kestel**  
**Company Secretary**

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