

POSEIDON NICKEL LIMITED

ABN 60 060 525 206

Notice of Annual General Meeting

Date and time of meeting

Wednesday, 28th November 2007 at 11.00am (WST)

Place of meeting

ASX Limited Conference Room
Exchange Plaza
Level 10
2 The Esplanade
PERTH WA 6000

The Annual Report is now available on the Company's website via the following link:

<http://www.poseidon-nickel.com/>

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Notice of General Meeting

POSEIDON NICKEL LIMITED

ABN 60 060 525 206

Notice is hereby given that the Annual General Meeting of Poseidon Nickel Limited (the **Company**) will be held at:

Venue: ASX Limited Conference Room
Exchange Plaza
Level 10
2 The Esplanade
PERTH WA 6000

Date: Wednesday, 28th November 2007

Time: 11.00am

This Notice of Meeting (**Notice**) should be read in conjunction with the accompanying Explanatory Memorandum.

Agenda

Adoption of Annual Financial Report

To receive the Annual Financial Report, including Directors' Declaration and accompanying Reports of the Directors and Auditors for the Financial Year ending 30 June 2007.

Ordinary Resolutions

1. Adoption of Remuneration Report

To consider, and if thought fit, to pass with or without amendment, the following resolution as a non binding resolution:

"To adopt the Remuneration Report as contained in the Annual Financial Report for the year ended 30 June 2007"

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2. Re-Election of Mr Richard Monti as Director

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, in accordance with clause 13.2 of the Company's Constitution and for all other purposes, Mr Richard Monti who retires by rotation in accordance with the Company's Constitution, offers himself for re-election, is hereby re-elected as a Director of the Company."

Short Explanation: The Company's Constitution states that at the Company's Annual General Meeting, one third of Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

3. **Approval of Director Share Plan in Lieu of Fees**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Exception 9 in Listing Rule 7.2 of ASX Limited, the Shareholders of the Company approve the "Poseidon Nickel Limited Director Share Plan", on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Directors and any associates of Directors.

4. **Issue of Shares under Director Share Plan – Andrew Forrest**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to the passing of Resolution 4, for the purposes of ASX Listing Rule 10.15 and for all other purposes, the Board is authorised pursuant to the "Poseidon Nickel Limited Director Share Plan" to issue \$40,000 in Shares to Andrew Forrest (or his nominee) in lieu of Directors fees on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Directors and any associates of Directors and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person and any associates of that person.

5. **Issue of Shares under Director Share Plan – Richard Monti**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to the passing of Resolution 4, for the purposes of ASX Listing Rule 10.15 and for all other purposes, the Board is authorised pursuant to the "Poseidon Nickel Limited Director Share Plan" to issue \$55,000 in Shares to Richard Monti (or his nominee) in lieu of Directors fees on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Directors and any associates of Directors and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person and any associates of that person.

6. **Issue of Shares under Director Share Plan – Chris Indermaur**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to the passing of Resolution 4, for the purposes of ASX Listing Rule 10.15 and for all other purposes, the Board is authorised pursuant to the "Poseidon Nickel Limited Director Share Plan" to issue \$70,000 in Shares to Chris Indermaur (or his nominee) in lieu of Directors fees on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Directors and any associates of Directors and, if ASX has expressed an opinion under Listing Rule 10.14.3 that

approval is required for participation in an employee incentive scheme by anyone else, that person and any associates of that person.

7. **Approval of Employee Share Option Plan**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Exception 9 in Listing Rule 7.2 of ASX Limited, the Shareholders of the Company approve the “Poseidon Nickel Limited Employee Share Option Plan”, on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice.”

Short Explanation: The issue of Options under the Plan is designed to be an incentive to key people who assist in the successful development and operation of the Company.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (except one who is ineligible to participate in the Poseidon Nickel Limited Employee Share Option Plan) and any of their associates.

8. **Appointment of KPMG as Company Auditors**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

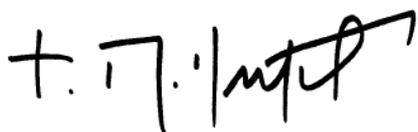
“That, KPMG of 152-158 St George’s Terrace, Perth, having been nominated for appointment as the Company’s auditor and having consented in writing to act, be appointed as auditor of Poseidon Nickel Limited with such appointment to take effect from the later of the passing of this resolution and the time at which the resignation of Somes & Cook as auditor takes effect”

Short Explanation: The Company’s Constitution states that the Company is required to have the accounts, records and registers of the Company audited.

General Business

To consider any other business that may be brought forward in accordance with the Constitution of the Company of law.

By Order of the Board



Ross Kestel
Company Secretary
19th October 2007

Voting

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's share register as at 5.00pm (WST) on Monday, 26th November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting exclusions apply to Resolutions 3 – 7 (inclusive) of this Notice as set out under the relevant heading "Voting exclusions" under the resolution.

Voting in person

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the attached proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the meeting to facilitate this registration process.

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

Voting by proxy

Shareholders should complete the proxy form if they do not wish to attend the meeting and wish to appoint a proxy to attend and vote on their behalf. If you intend to attend the meeting, you do not need to complete the proxy form. However, please bring the proxy form with you to the meeting to assist with your registration.

You may still attend the meeting even if you have appointed a proxy. However, your proxy's authority is suspended in relation to any resolutions on which you choose to vote personally.

Appointing a second proxy

You may appoint up to 2 persons to act as your proxy to attend and vote on your behalf. If you wish to do this you must use a separate proxy form in respect of each proxy and indicate the percentage of your voting rights or the number of shares that each proxy is appointed in respect of each proxy form. You should photocopy the enclosed proxy form or request an additional proxy form to be sent to you.

Directing your proxy how to vote

If you wish to direct your proxy how to vote on any or all of the resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that resolution and your votes will not be included on a show of hands or on a poll.

If you appoint the Chairman of the meeting as your proxy, but do not give directions on how to vote on a particular resolution, the Chairman will vote in favour of that resolution even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Signing instructions

Individuals	The individual, who is the shareholder, or his or her attorney, must sign the form.
Joint holding	Each person who is a joint shareholder, or their attorneys, must sign the form.
Companies	The company that is the shareholder must sign the form in accordance with section 127 of the Corporations Act either by a director jointly with either another director or a company secretary, or where the company has a sole director who is also the sole company secretary (or there is no company secretary), by that director.
Power of attorney	Any shareholder signing under a power of attorney must attach a certified photocopy of the power of attorney document to this form.

Lodging your proxy form

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting at 11.00am (WST) on Monday, 26th November 2007. Any proxy form received after that time will not be valid for the scheduled meeting.

In person	Nissen Kestel Harford Level 1, 9 Bowman Street Perth WA 6151 Australia
By mail	Nissen Kestel Harford PO Box 261 South Perth WA 6951 Australia
By fax	+61 (08) 9367 8812

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the Annual General Meeting of Shareholders to be held on Wednesday, 28th November 2007 at 11.00am (WST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice and is a brief explanation of the matters for which Shareholder approval is sought in each Resolution.

Annual Financial Report

The first agenda item is to receive the Annual Financial Report of the Company for the period ended 30 June 2007, comprising the Financial Statements, Directors' Report, Directors' Declaration and Independent Audit Report.

No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's Directors and Auditors in relation to the Company's results for that financial year.

Resolution 1 – Adoption of Remuneration Report

At a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders.

The Remuneration Report of the Company for the financial year ended 2007 is set out in the Directors' Report contained in the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Executives and Non-Executive Directors and Executive Employees of the Company.

Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

Resolution 2 – Election of Mr Monti

Listing Rule 14.4 of ASX Limited and clause 13.2 of the Constitution requires that at the Company's Annual General Meeting one third of the Directors for the time being shall retire from office.

Mr Monti retires as a Director in accordance with Listing Rule 14.4 and clause 13.2 of the Constitution.

A retiring Director is eligible for re-election.

Resolution 3 – Approval of Directors Share Plan in Lieu of Fees

Resolution 3 seeks Shareholder approval for the introduction of the Poseidon Nickel Director Share Plan (**Director Share Plan**). The purpose of the Plan is to provide Directors of the Company an opportunity, to subscribe for Shares in the Company in lieu of Director fees, allowing the Company to retain cash reserves.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of the approval of the Plan will be to allow the Company to issue Shares under the Plan without limiting the ability of the Company to place securities under Listing Rule 7.1. Approval will be required pursuant to ASX Listing Rule 10.14 for each issue of Shares under the Director Share Plan.

A summary of the Terms and Conditions of the Plan is set out below:

Participants in the Plan

All Directors of the Company and any subsidiary will be able to participate in the Director Share Plan (“Eligible Persons”) in lieu of Director fees.

Upon receipt of such an offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the Shares.

Number of Shares

The maximum number of Shares issued under the Plan (and any other plan of the Company) at any one time is 5% of the total number of Shares on issue in the Company.

Terms of Shares

The Shares will be issued for nil cash consideration as they will be issued in lieu of Directors fees owing by the Company to the Directors. The Shares will be deemed to have an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of each quarter of each year.

Shares issued will rank equally with other Ordinary Shares of the Company.

Quotation of the Shares on the ASX will be sought.

Shares will be issued on a quarterly basis on the basis of Director fees owing at that time.

Voting on the Resolution

Votes of Shareholders who are Directors of the Company and their associates will be disregarded when determining the result of the Resolution approving the establishment of the Plan or any subsequent amendment to the Plan. Those persons should not vote.

Resolutions 4, 5 and 6 – Issue of Shares under Poseidon Nickel Director Share Plan

It is proposed that Messrs Andrew Forrest, Richard Monti and Chris Indermaur (**Participating Directors**) be entitled to participate in the Director Share Plan in respect of Directors fees owing to them on a quarterly basis.

Shareholder approval is required under ASX Listing Rule 10.14 for the issue of the Shares to the Participating Directors because each of them is a Director and therefore a related party of the Company. The Board (other than the Participating Directors) have formed the view that Shareholder approval under Chapter 2E of the Corporations Act is not required because the Shares will be issued in satisfaction of Directors fees owed by the Company to the Participating Directors on a quarterly basis and accordingly, no financial benefit is being conferred on the Related Parties by the issue of the Shares.

For the purposes of ASX Listing Rule 10.15, the following information is provided:

- (a) it is proposed to issue Shares under the Director Share Plan to Andrew Forrest, Richard Monti and Chris Indermaur (all Directors) or their nominees;

- (b) the maximum number of Shares that will be issued to them is determined by the Directors fees that are owing or will become owing in the next 12 months by the Company (being \$40,000 for Andrew Forrest, \$55,000 for Richard Monti and \$70,000 for Chris Indermaur) divided by the deemed issue price of the Shares referred to in (c);
- (c) the Shares will be issued for nil cash consideration as they are being issued in satisfaction of Director fees owing by the Company to the Participating Directors at quarterly intervals. The Shares will be deemed to have an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of each quarter of each year;
- (d) as the Director Share Plan is a new plan, no Shares have been issued under it;
- (e) the Participating Directors may participate in the Director Share Plan;
- (f) no loan will be provided in respect of the issue of Shares as they are being issued in consideration for Director fees owing by the Company to the Participating Directors at quarterly intervals over the next 12 months after the date of the Meeting; and
- (g) the Shares will be issued to Participating Directors within 12 months from the date of the Meeting and will be issued on a quarterly basis according to the amount owing to each of the Participating Directors at that time.

Resolution 7 – Approval of Employee Share Option Plan

The Company seeks approval for the introduction of the Poseidon Nickel Employee Share Option Plan (**Option Plan**). The purpose of the Plan is to give Employees and Executive Officers of the Company an opportunity, in the form of Options, to subscribe for Shares in the Company.

The Directors consider the Option Plan will enable the Company to retain and attract skilled and experienced Employees, board members and Executive Officers and provide them with the motivation to make the Company more successful.

A summary of ASX Listing Rule 7.1 is contained under Resolution 3 above.

The effect of the approval of the Option Plan will be to allow the Company to issue Options under the Option Plan as an exception to ASX Listing Rule 7.2 (Exception 9(b)) and therefore not limit the ability of the Company to place securities under Listing Rule 7.1.

A summary of the Terms and Conditions of the Option Plan is set out below:

Participants in the Plan

The Board may offer Options to persons (“**Eligible Persons**”) who are:

- (i) Full-time or part-time employees; and
- (ii) Persons who are concerned, or take part in the management,

of the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

Upon receipt of such an offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the Options.

Number of Options

The maximum number of Options issued under the Option Plan (and all other employee plans of the Company) at any one time is 5% of the total number of Shares in issue in the Company.

Terms of Options

Each Option entitles the holder, on exercise, to one Share in the Company.

The Options will be issued for nil cash consideration. The exercise price for the Options will be such price as determined by the Board on or before the date of issue provided that in no event shall the exercise price be less than the weighted average sale price of Shares sold in the ASX during the five Business Days prior to the date of issue or such other period as determined by the Board.

Shares issued on exercise of the Options will rank equally with other Ordinary Shares of the Company.

Options may not be transferred other than to an associate of the holder. Quotation of Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of the Options.

An Option may only be exercised after that Option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period (if any). An Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, the Eligible Person ceasing to be employed by the Company or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board any of the following has occurred or is likely to occur; the Company entering into a scheme of arrangement, the commencement of a takeover bid for the Company's Shares or a party acquiring a sufficient interest in the Company to enable them to replace the Board, the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

Future Issue of Shares

New Issues

There are no participating rights or entitlement inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 10 Business Days after the issue is announced. Option Holders shall be afforded the opportunity to exercise all Options which they are entitled to exercise pursuant to the Option Plan prior to the date for determining entitlements to participate in any such issue.

Bonus Issues

If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each Option Holder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the Option Holder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank pari passu in all respects with the other Shares issued upon exercise of the Options.

Reconstruction of Capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option Holder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

Taxation

Under current taxation laws any taxation liability in relation to the Options, or the Shares issued on exercise of the Options, will fall on the participants. The Company will not be liable for fringe benefits tax in relation to Options or Shares issued under the Plan.

Participation by Directors

Although Directors are eligible to be offered Options under the Plan, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

Voting on the Resolution

Votes of Shareholders who are Directors of the Company and their associates will be disregarded when determining the result of the Resolution approving the establishment of the Plan or any subsequent amendment to the Plan. Those persons should not vote.

Resolution 8 – Change of Company Auditor

The Company's Audit Committee has worked with the management of Poseidon Nickel Limited to conduct an audit tender process. The Company had no specific reason to replace the auditors Somes & Cook other than the fact that following the rapid expansion of the business, the Company has reconsidered that it is going to be more appropriate to engage a large, experienced audit firm with international experience and exposure.

KPMG were the successful tenders in that process.

Following completion of that tender process, the following has taken place:

- (i) Somes & Cook has advised the Company that they have applied to the ASIC for consent to resign effective immediately. It is anticipated that Somes & Cook resignation will take effect from the day on which ASIC gives its consent and the Company's expectation is that ASIC's consent will be forthcoming prior to the date of the Annual General Meeting;
- (ii) Poseidon Nickel Limited has received written notice of KPMG's nomination as auditor from a Shareholder of the Company In accordance with section 328B(1) of the Corporations Act, a copy of the nomination is attached to this Notice of Meeting for the AGM to be held on 28th November 2007; and
- (iii) Poseidon Nickel Limited has received KPMG's consent to act as the Company's auditor on the basis that ASIC approve the resignation of Somes & Cook.

The Board recommends Shareholders pass the resolution to appoint KPMG as auditor of Poseidon Nickel Limited following the selection of KPMG through a competitive audit tender.

Glossary

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Days means any day other than a Saturday, Sunday or public holiday in the State of Western Australia.

Company means Poseidon Nickel Limited (ABN 60 060 525 206).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Options means an option granted pursuant to the Poseidon Nickel Employee Share Option Plan.

Optionholder means a holder of an Option.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Poseidon Nickel Limited
ABN 60 060 525 206

Proxy Form

I/We _____ of _____

Being (a) member(s) of Poseidon Nickel Limited hereby appoint _____

or failing him (or in the absence of a nomination as foresaid) the Chairman of the meeting as my/our proxy to attend and on a poll, vote instead of me/us at the Annual General Meeting of the Company to be held at ASX Limited Conference Room on Wednesday, 28th November 2007 commencing at 11.00am (WST) or at any adjournment thereof in respect of:

- the whole of my/our shares or _____ of my/our shares*

Please delete whichever is not required.

** If no deletion is made and the number of shares is not inserted and only one proxy is appointed, it will be assumed that the proxy is for all the shares registered in the name of the member.*

The Chairman has indicated that he will vote in favour of the resolutions in respect of undirected proxies.

Business	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Richard Monti a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of Director Share Incentive Plan in Lieu of Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Shares under Director Share Plan – Andrew Forrest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Shares under Director Share Plan – Richard Monti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Shares under Director Share Plan – Chris Indermaur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To appoint KPMG as the Company's Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not wish to direct your proxy how to vote, please place a mark in the box below.

If the Chairman is to be your proxy and you have not directed your proxy how to vote on any of the resolutions 3 to 7, by marking the above box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote on resolutions 3 to 7, the Chairman will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on those resolutions.

Please return this Proxy Form to the Company's registered office

**Poseidon Nickel Limited
ABN 60 060 525 206**

Proxy Form

Nissen Kestel Harford 'South Mill Centre' Level 1, 9 Bowman Street, South Perth, WA 6151 or by facsimile on +618 9 367 8812

If the member is a company, then it shall execute in accordance with section 127 of the *Corporations Act 2001*.

EXECUTED by)
)
ACN/ABN)
in accordance with section 127 of the)
Corporations Act)

.....
Director/Company Secretary

.....
Director

.....
Name of Director/Company Secretary

.....
Name of Director (BLOCK LETTERS)

OR

.....
Signature

.....
(Insert capacity in which duly authorised officer is signing for a member which is a company)

If the member is an individual or joint holder:

.....
Signature

.....
Signature

**Poseidon Nickel Limited
ABN 60 060 525 206**

Appointment of Corporate Representative

Please return this Appointment Form to the Company's registered office

*Nissen Kestel Harford 'South Mill Centre' Level 1, 9 Bowman Street, South Perth, WA 6151 or by facsimile
on +618 9 367 8812.*

Shareholder Details

This is to certify that by a resolution of the directors of:

_____ ACN _____
(Insert Company Name)

(Insert Address)

The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of shareholders of Poseidon Nickel Limited ACN 060 525 206 to be held on Wednesday, 28 November 2007 at 11:00am and at any adjournment or postponement of the Annual General Meeting, or any meeting arising from the Annual General Meeting.

Dated this day of 2007

Executed by

ACN
in accordance with section 127 of the *Corporations
Act 2001*:

.....
Director

.....
Director/Secretary

.....
Name of Authorised Representative

.....
Signed by Authorised Representative