

# 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   | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 36,882                     |
| 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               |

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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>\$1.1184 per share<br/>(90 Day VWAP to 30 September 2007)</p>  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| <p>6 Purpose of the issue<br/>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>Issue of Fully Paid Ordinary Shares to the Directors in lieu of Directors Fees for the September 2007 quarter as approved by the Shareholders at the Annual General Meeting in November 2007.</p>  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>  | <p>14 December 2007</p>   |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| <p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>   | <table border="1"> <thead> <tr> <th data-bbox="687 1348 906 1384">Number</th> <th data-bbox="916 1348 1364 1384">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1397 906 1433">157,211,446</td> <td data-bbox="916 1397 1364 1433">Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="687 1447 906 1482">6,157,403</td> <td data-bbox="916 1447 1364 1482">05 December 2011 Options</td> </tr> <tr> <td data-bbox="687 1496 906 1532">6,157,904</td> <td data-bbox="916 1496 1364 1532">05 December 2009 Options</td> </tr> </tbody> </table>  | Number | +Class | 157,211,446 | Ordinary fully paid shares                               | 6,157,403 | 05 December 2011 Options      | 6,157,904 | 05 December 2009 Options      |           |                               |             |                                    |
| Number   | +Class  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| 157,211,446  | Ordinary fully paid shares  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| 6,157,403  | 05 December 2011 Options  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| 6,157,904  | 05 December 2009 Options  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| <p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>   | <table border="1"> <thead> <tr> <th data-bbox="687 1572 906 1608">Number</th> <th data-bbox="916 1572 1364 1608">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1621 906 1657">5,777,200</td> <td data-bbox="916 1621 1364 1693">Partly Paid Shares Issued at \$0.102 and paid to \$0.002</td> </tr> <tr> <td data-bbox="687 1706 906 1742">1,000,000</td> <td data-bbox="916 1706 1364 1742">30 June 2008 Unlisted Options</td> </tr> <tr> <td data-bbox="687 1756 906 1792">1,000,000</td> <td data-bbox="916 1756 1364 1792">2 July 2011 Incentive Options</td> </tr> <tr> <td data-bbox="687 1805 906 1841">2,500,000</td> <td data-bbox="916 1805 1364 1841">31 July 2012 Unlisted Options</td> </tr> <tr> <td data-bbox="687 1854 906 1890">115,000,000</td> <td data-bbox="916 1854 1364 1960">19 September 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 | 115,000,000 | 19 September 2012 Unlisted Options |
| 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   |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |
| 115,000,000  | 19 September 2012 Unlisted Options  |        |        |             |  |           |                               |           |                               |           |                               |             |                                    |

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

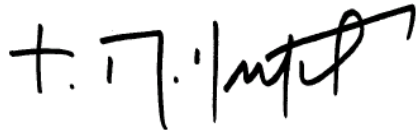
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request 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: 17 December 2007

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

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