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**Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, LP
Notice of change of interests of substantial holder for Poseidon Nickel Limited (ASX:POS)**

1 July 2008

We act for Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, LP (**Harbinger**).

Our reference
BCM RZN 02 1383 7928

On behalf of Harbinger we enclose a copy of the notice of change of interests of substantial holder in relation to Poseidon Nickel Limited.

Partner
Bruce Macdonald
T 61 2 9258 6873
bruce.macdonald@blakedawson.com

Yours faithfully

Contact
Rupert Nolan
T 61 2 9258 6495
rupert.nolan@blakedawson.com

Blake Dawson

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Poselton Nickel Limited

ACN/ARSN 060 525 206

This notice is given by Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P., on behalf of itself and its controller Harbert Management Corporation and each of the bodies corporate controlled by Harbert Management Corporation (HMC Entities) named in the list of 2 pages annexed to this notice and marked A.

1. Details of substantial holder (1)

Name Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P. (and Harbert Management Corporation, Raymond Harbert, Philip Falcone and each of the HMC Entities).

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

27/06/2007

The previous notice was given to the company on

10/05/2007

The previous notice was dated

10/05/2007

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	24,500,000	8.97% (based on 273,108,483 issued shares)	19,111,293	12.15% (based on 157,323,865 issued shares, following a stock split from Niagra Mining Limited on 26/07/2007)

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
27/06/2008	Harbinger Capital Partners Master Fund I, Ltd	Entitled to become registered holder in respect of 1,384,902 ordinary shares (see Annexure B) acquired on ASX, and taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Special Situations GP L.L.C. in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	See Annexure B	6,861,293 ordinary shares	6,861,293
27/06/2008	Harbinger Capital Partners Offshore Manager, LLC	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd (See Annexure C in the Form 603 lodged with ASX on 01/05/2007); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293

27/06/2008	HMC Investors LLC	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Harbinger Capital Partners Special Situations GP, LLC as general partner of Harbinger Capital Partners Special Situations Fund, L.P.	Entitled to become registered holder in respect of 5,476,391 ordinary shares (See Annexure B) acquired on ASX and taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as general partner of Harbinger Capital Partners Special Situations Fund, L.P. Also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	See Annexure B	6,861,293 ordinary shares	6,861,293
27/06/2008	HMC-New York, Inc.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Special Situations GP, LLC. Also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Harbert Management Corporation	Taken under section 608(3)(a) and 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of, and voting power of more than 20% in, HMC-New York, Inc (and its controlled bodies corporate) and Harbert Fund Advisers, Inc; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which it (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Harbert Fund Advisors, Inc.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd (See Annexure D in the Form 603 lodged with ASX on 01/05/2007) and investment adviser of Harbinger Capital Partners Special Situations Fund, L.P (See Annexure E in the Form 603 lodged with ASX on 01/05/2007; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Philip Falcone	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Special Situations GP, LLC and in Harbinger Capital Partners Offshore Manager, LLC.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Raymond J Harbert	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbert Management Corporation, Harbinger Capital Partners Offshore Manager LLC and Harbert Fund Advisors, Inc.	N/A	6,861,293 ordinary shares	6,861,293

27/06/2008	Each of HMC Investors LLC's controlled body corporates named in the list of 2 pages annexed to this notice and marked "A"	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293
27/06/2008	Each of HMC-New York, Inc 's controlled body corporates named in the list of 2 pages annexed to this notice and marked "A"	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	6,861,293 ordinary shares	6,861,293

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Harbinger Capital Partners Master Fund I, Ltd	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Entitled to be registered holder in respect of 9,555,647 ordinary shares and taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Special Situations GP L.L.C. in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Harbinger Capital Partners Offshore Manager, LLC	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd (See Annexure C in the Form 603 lodged with ASX on 01/05/2007; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
HMC Investors LLC	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Harbinger Capital Partners Special Situations GP, LLC as general partner of Harbinger Capital Partners Special Situations Fund, L.P.	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Entitled to be registered holder in respect of 9,555,646 ordinary shares and taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as general partner of Harbinger Capital Partners Special Situations Fund, L.P.; also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293

HMC-New York, Inc.	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Special Situations GP, LLC. Also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Harbert Management Corporation	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) and 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of, and voting power of more than 20% in, HMC-New York, Inc (and its controlled bodies corporate) and Harbert Fund Advisers, Inc; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which it (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Harbert Fund Advisers, Inc.	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd (See Annexure D in the Form 603 lodged with ASX on 01/05/2007) and Harbinger Capital Partners Special Situations Fund, L.P (See Annexure E in the Form 603 lodged with ASX on 01/05/2007); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Philip Falcone	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Special Situations GP, LLC and in Harbinger Capital Partners Offshore Manager, LLC.	19,111,293 ordinary shares	19,111,293
Raymond Harbert	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC, Harbert Management Corporation and Harbert Fund Advisers, Inc.	19,111,293 ordinary shares	19,111,293
Each of HMC Investors LLC's controlled body corporates named in the list of 2 pages annexed to this notice and marked "A"	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293
Each of HMC-New York, Inc 's controlled body corporates named in the list of 2 pages annexed to this notice and marked "A"	Vendors on ASX, Goldman Sachs & Co and Lehman Bros	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	19,111,293 ordinary shares	19,111,293

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
HMC Entities	As set out in the list of 2 pages annexed to this notice and marked "A".
HMC Investors LLC	2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203-3371 USA
HMC-New York, Inc	16th Floor, 555 Madison Avenue, New York, New York 10022, USA
Harbert Management Corporation	2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203-3371 USA
Philip Falcone	16th Floor, 555 Madison Avenue, New York, New York 10022, USA
Raymond J Harbert	2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203-3371 USA

Signature

print name	Bruce Macdonald	capacity	Authorised representative
sign here		date	1 July 2008

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure "A"

This is the Annexure of 2 pages marked "A" referred
to in the form 604 Notice of change of interests of substantial holder

Signed by me and dated 1 July 2008


Bruce Macdonald - Authorised Representative

HMC Investors LLC

HMC Entities

Harbert Management Corporation controls Harbert Fund Advisers, Inc, and HMC-New York, Inc (whose controlled entities are listed below):

Domicile	HMC-New York, Inc - controlled bodies corporate	% Owned/ Interest	Reg Office
United States of America	Harbinger Capital Partners Special Situations Fund, L.P.	Managing Member	3
United States of America	Harbinger Capital Partners Special Situations GP, L.L.C.	Managing Member	3
Cayman Islands	Harbinger Capital Partners Special Situations Offshore Fund LP	Managing Member	3
United States of America	Harbinger Capital Partners Special Situations Offshore GP, LLC	Managing Member	3
United States of America	Harbinger Capital Partners Fund I, L.P.	Managing Member	3
United States of America	Harbinger Capital Partners GP, L.L.C.	Managing Member	3
United States of America	Harbert Capital Structure and Convertible Arbitrage Fund, L.P.	Managing Member	3
United States of America	Harbert CSCAF GP, L.L.C.	Managing Member	3
United States of America	Harbert Emerging Markets Fund, L.P.	Managing Member	3
United States of America	HMC Emerging Markets Fund GP, L.L.C.	Managing Member	3
United States of America	Harbert Merger Arbitrage and Event Driven Fund, L.P.	Managing Member	3
United States of America	Harbert Merger Arbitrage and Event Driven GP, L.L.C.	Managing Member	3

Harbert Management Corporation controls the controlled bodies corporate listed below:

Domicile	Harbert Management Corporation - controlled bodies corporate	% Owned/ Interest	Reg Office
Cayman Islands	Harbert Value Master Fund, Ltd.	Managing Member	1
Cayman Islands	Harbert Value Offshore Fund, Ltd.	Managing Member	1
United States of America	Harbert Value Fund GP, LLC	Managing Member	2
United States of America	Harbert Value Fund, LP	Managing Member	2

HMC Investors LLC controls the controlled bodies corporate listed below:

Domicile	HMC Investors LLC - controlled bodies corporate	% Owned/ Interest	Reg Office
Cayman Islands	Harbinger Capital Partners Offshore Fund I, Ltd	Managing Member	1

Domicile	HMC Investors LLC - controlled bodies corporate	% Owned/ Interest	Reg Office
Cayman Islands	Harbert Capital Structure and Convertible Arbitrage Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbinger Capital Partners Master Fund I, Ltd	Managing Member	1
Cayman Islands	Harbert Capital Structure and Convertible Arbitrage Master Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Master Fund, Ltd	Managing Member	1
United States of America	Harbinger Capital Partners Offshore Manager, L.L.C.	Managing Member	2
United States of America	Harbert CSCAF Offshore Manager, L.L.C.	Managing Member	2
United States of America	HMC Emerging Markets Offshore Manager L.L.C.	Managing Member	2
United States of America	Harbert Merger Arbitrage and Event Driven Offshore Manager, L.L.C.	Managing Member	2
Cayman Islands	Harbert Merger Arbitrage and Event Driven Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Merger Arbitrage and Event Driven Master Fund Ltd	Managing Member	1
United States of America	Salton, Inc	Ultimately controlled	4

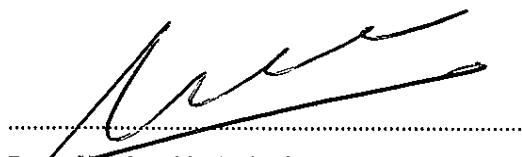
Registered Offices

1. c/o International Fund Services (Ireland) Limited, 3rd Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland.
2. 2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203-3371 United States of America.
3. 16th Floor, 555 Madison Avenue, New York, 10022, United States of America.
4. 1955 West Field Court, Lake Forest, Illinois, 660045 United States of America.

Annexure "B"

This is the Annexure of 1 page marked "B" referred
to in the form 604 Notice of change of interests of substantial holder

Signed by me and dated 1 July 2008



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Bruce Macdonald - Authorised Representative
HMC Investors LLC

Details of Consideration

Date	Transaction	Holder of relevant interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
30/06/2008	Acquisition on ASX	Harbinger Capital Partners Master Fund I	A\$1,806,881.64	1,384,902 ordinary shares	1,384,902
27/06/2008	Acquisition on ASX	Harbinger Capital Partners Special Situations Fund	A\$4,152,841.72	3,516,973 ordinary shares	3,516,973
30/06/2008	Acquisition on ASX	Harbinger Capital Partners Special Situations Fund	A\$2,556,452.66	1,959,418 ordinary shares	1,959,418