

14 January 2011

Company Announcements Officer  
ASX Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Re: APPENDIX 3B**

We enclose herewith an Appendix 3B in relation to the issue of Securities by the Company.

Yours faithfully



**David P.A. Singleton**  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

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## **CORPORATE DIRECTORY**

### **Director / Senior Management**

David Singleton	Managing Director & Chief Executive Officer
Andrew Forrest	Non-Executive Chairman
Geoff Brayshaw	Non-Executive Director
Richard Monti	Non-Executive Director
Chris Indermaur	Non-Executive Director
Ross Kestel	Company Secretary

### **Corporate Enquiries**

Mr David Singleton – MD & CEO  
P: 61 8 9382 8799  
F: 61 8 9382 4760

E: [admin@poseidon-nickel.com.au](mailto:admin@poseidon-nickel.com.au)

### **Shareholder Enquiries**

Enquiries concerning shareholdings should be addressed to:

Computershare Investor Securities  
GPO Box D182, Perth WA 6840  
P: 61 8 9323 2000

### **Principal Office**

Unit 8, Churchill Court  
331-335 Hay Street  
SUBIACO WA 6008  
P: 61 8 9382 8799  
F: 61 8 9382 4760

### **Registered Office**

Level 2, Spectrum  
100 Railway Road  
SUBIACO WA 6008  
P: 61 8 9367 8133  
F: 61 8 9367 8812

### **Media Enquiries**

Mr Paul Downie  
FD Third Person  
P: 61 8 9386 1233 M: 0414 947 129  
E: [paul.downie@fdthirdperson.com.au](mailto:paul.downie@fdthirdperson.com.au)

### **Home Exchange**

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

# 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; and August 2016 Unlisted Options (Employee)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	293,956 Shares; and 2,975,000 Unlisted Options (Employee)
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)	Fully Paid Shares Rank equally;  The Unlisted Options have been issued under the Poseidon Nickel Limited Employee Share Option Scheme; the terms of which were ratified by Shareholders at the November 2010 Annual General Meeting.  Exercisable at \$0.25 each at any time before 5.00pm WST on 31 August 2016.
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  If the additional securities do not rank equally, please state: <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>	The Shares issued upon exercise of the Unlisted Options will rank equally with existing class of fully paid Ordinary Shares; and  All Shares rank equally with existing class of quoted Shares

+ See chapter 19 for defined terms.

5	Issue price or consideration	<p>\$0.213275 being 92 day VWAP for the December 2010 quarter; and</p> <p>Nil consideration</p>	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Shares to Directors in lieu of Fees for the September 2010 Quarter as approved by Shareholders at the 2010 November Annual General Meeting; and</p> <p>Issue of Unlisted Options to Senior Executives in accordance with the Poseidon Nickel Limited Employee Share Option Scheme; the terms of which were ratified by Shareholders at the November 2010 Annual General Meeting.</p>	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 January 2011	
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	+Class
		194,876,072	Ordinary fully paid shares
		6,157,403	05 December 2011 Options
9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	50,000	Partly Paid Shares Issued at \$0.102 and paid to \$0.002 (leaving \$0.10 to pay)
		375,000	Partly Paid Shares Issued at \$0.102 and paid to \$0.082 (leaving \$0.02 to pay)
		1,000,000	2 July 2011 Incentive Options
		2,500,000	31 July 2012 Unlisted Options
		9,267,436	31 August 2012 Unlisted Options
		115,000,000	19 September 2012 Unlisted Options
		533,000	22 October 2012 Unlisted Options (Employee)
		2,000,000	December 2012 Incentive Options
		2,975,000	31 August 2016 Unlisted Options (Employee)
		4,500,000	23 November 2016 Unlisted Options
		15,906,681	Unsecured Convertible Notes
		313,131	Special Bonus Employee Shares
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.

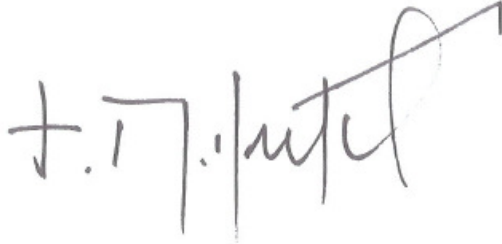
3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

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+ See chapter 19 for defined terms.

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: 14 January 2011

Print name:

**Ross Kestel**  
**Company Secretary**

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