

30<sup>th</sup> March 2011

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

Dear Sir

**Re: POSEIDON RECEIVES US\$20M FUNDING**

We enclose herewith a copy of an announcement in relation to the above.

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**

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**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  
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**Media Enquiries**

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FD Third Person  
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E: [paul.downie@fd.com.au](mailto:paul.downie@fd.com.au)

**Home Exchange**

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

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ASX Announcement

30<sup>th</sup> March 2011

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### **Poseidon Receives US\$20m Funding**

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Poseidon Nickel is pleased to announce that it has received US\$20,000,000 from Harbinger Capital Partners in New York, USA.

The money was received after an Extraordinary General Meeting (EGM) of shareholders voted overwhelmingly in favour of the Company issuing new Convertible Notes to Harbinger as per the agreement announced on 23 December 2010.

Poseidon's Chief Executive Officer, Mr David Singleton, has acted in anticipation of receiving the money and is now well underway with the development of the Windarra Nickel Project.

"We are now actively completing the final phase of the underground development prior to restarting mining at Mt Windarra," Mr Singleton said.

"We have already made considerable progress underground and expect to complete this work by the end of this year. The current underground refurbishment work will have progressed sufficiently by the third quarter of this year enabling us to commence drilling from underground of the resource, to a reserve, and we are actively seeking a rig to do this work."

Poseidon recently committed to a two year continuous drilling programme at Windarra with the key objective being the development of the Cerberus ore body which is situated 10 kilometres south of Mt Windarra.

"We are seeking to accelerate the development of the Cerberus ore body through an intensive drilling programme so that we can potentially bring it into production as soon after Mt Windarra as possible."

In parallel with the work at Mt Windarra and Cerberus, Poseidon is undertaking final feasibility work into a concentrator plant for Windarra. "There are a number of processing options that we are looking at and we expect to be in a position to announce progress on this over the coming weeks. This is an exciting time for all of us at Poseidon as we move quickly towards production."

The major terms of the Convertible Note are:

- Capital raised US\$20,000,000
- Unsecured
- 6 year term
- Notes are convertible by Harbinger into fully paid ordinary Shares at AUD\$0.30 per share
- Coupon of 0% for 3 years and 5% thereafter

In addition, Harbinger has agreed to extend the term of the existing \$15,000,000 Convertible Notes issued in June 2008 to two other private investment funds managed by Harbinger for a further six years with the same coupon terms as the new Notes issued to the two newly investing Harbinger Funds. The existing 2008 Notes will, under the agreement, have a conversion price of A\$0.40.