

# 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  | Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Up to approximately 200,000,000   |
| 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 ordinary shares  |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?<br><br>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 issued Shares will rank equally with the existing class of quoted Shares. |
| 5 | Issue price or consideration  | \$0.10 per Share for a total consideration of approximately \$20,000,000      |

+ See chapter 19 for defined terms.

|    |   |   |  |
|----|---|---|--|
| 6  | Purpose of the issue<br>(If issued as consideration for acquisition of assets, clearly identify the assets)         | Equity portion of proposed overall project funding structure. |  |
| 7  | Dates of entering +securities into uncertificated holdings or despatch of certificates                              | Around 21 May 2012  |  |
| 8  | Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)     | Number  | +Class   |
|    |   | <b>To Be Advised Upon Completion</b>                          | Ordinary fully paid Shares   |
| 9  | Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable) | 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   |
|    |   | 2,000,000   | 31 December 2012 Incentive Options   |
|    |   | 2,975,000   | 31 August 2016 Unlisted Options (Employee)   |
|    |   | 4,500,000   | 23 November 2016 Unlisted Options  |
|    |   | 36,531,904  | March 2011 six (6) year USD \$15m Unsecured Convertible Notes valued on an exchange rate of \$1.0265 convertible at \$0.40 |
|    |   | 64,945,608  | March 2011 six (6) year USD \$20m Unsecured Convertible Notes valued on an exchange rate of \$1.0265 convertible at \$0.30 |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)                  | Not Applicable  |  |

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## Part 2 - Bonus issue or pro rata issue

|    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   | No   |
| 12 | Is the issue renounceable or non-renounceable?  | Renounceable Entitlement Issue   |
| 13 | Ratio in which the +securities will be offered  | 0.965 New Share for every 1 Share held by Shareholders   |
| 14 | +Class of +securities to which the offer relates  | Ordinary Shares  |
| 15 | +Record date to determine entitlements  | 20 April 2012  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  | Not Applicable   |
| 17 | Policy for deciding entitlements in relation to fractions   | Rounded down to the nearest whole number   |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | All countries other than Australia and New Zealand   |
| 19 | Closing date for receipt of acceptances or renunciations  | 11 May 2012  |
| 20 | Names of any underwriters   | Forrest Family Investments Pty Ltd   |
| 21 | Amount of any underwriting fee or commission  | The Offer is fully underwritten.<br><br>There is the payment of an Underwriting Fee of 5% of the underwritten amount but this will be reduced by: <ul style="list-style-type: none"> <li>the amount that the Underwriter as a Shareholder would have to pay if they subscribed for their full entitlement; and</li> <li>the amount of any broker fees paid as a result of trading of the rights to Shares</li> </ul> |
| 22 | Names of any brokers to the issue   | Not Applicable   |

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|    |   |   |
|----|---|---|
| 23 | Fee or commission payable to the broker to the issue  | Not Applicable  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders   | Not Applicable  |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  | Not Applicable  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  | 27 April 2012   |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 13 April 2012   |
| 28 | Date rights trading will begin (if applicable)  | 16 April 2012   |
| 29 | Date rights trading will end (if applicable)  | 04 May 2012   |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker?   | By contacting their broker verbally or completing the section marked "Instructions to your Stockbroker on the Entitlement and Acceptance Form and lodging the Form with their broker.   |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  | By completing the Entitlement and Acceptance Form in accordance with the instructions set out in the Entitlement and Acceptance form.<br><br>Indicate the number of Entitlement Offer Shares the shareholder wishes to accept (being less than their Entitlement as specified on the Entitlement and Acceptance Form), complete the section in the Entitlement and Acceptance Form marked "Instructions to your Stockbroker" in respect of that part of the Entitlement the shareholder wishes to sell.<br><br>Then return the completed Entitlement and Acceptance Form together with payment for the full amount payable (being 0.10 cents multiplied by the number of shares the shareholder wishes to accept under the Entitlement. |
| 32 | How do +security holders  | A standard renunciation must be used and may be   |

+ See chapter 19 for defined terms.

dispose of their entitlements  
(except by sale through a  
broker)?

obtained from a broker or the Share Registry

33 +Despatch date

21 May 2012

### 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.

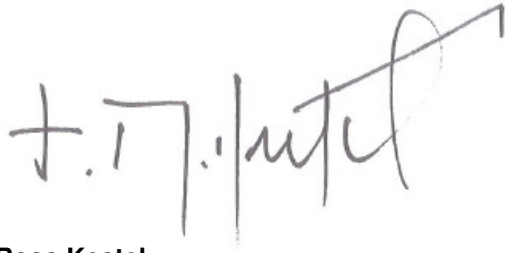
4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of

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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:

A handwritten signature in black ink, appearing to read 'R. Kestel', written over a horizontal line.

Date: 12 April 2012

Print name:

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

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