
Poseidon Nickel Limited
ACN 060 525 206

Notice of 2021 Annual General Meeting

Date: Tuesday, 23 November 2021

Time: 10.00am (WST)

Venue: At the offices of RSM
Boardroom
Level 32
2 The Esplanade
PERTH WA 6000

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE AND TIME OF MEETING

The Annual General Meeting of the Shareholders of Poseidon Nickel Limited which this Notice of Annual General Meeting relates to will be held at the offices of RSM, Boardroom, Level 32, 2 The Esplanade, Perth on Tuesday, 23 November 2021 at 10.00am WST.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10.00am WST on 21 November 2021.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Poseidon Nickel Limited (ACN 060 525 206) (**Company**) will be held at the offices of RSM, Boardroom, Level 32, 2 The Esplanade, Perth on Tuesday, 23 November 2021 at 10.00am WST.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 10.00am WST on 21 November 2021.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report of the Company for the year ended 30 June 2021 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual Financial Report for the financial year ended 30 June 2021.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DEREK LA FERLA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes clause 14.2 of the Constitution and for all other purposes, Mr Derek La Ferla, a Director who was appointed on 1 December 2019, retires, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR DEAN HILDEBRAND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes clause 14.2 of the Constitution and for all other purposes, Mr Dean Hildebrand, a Director who was appointed on 1 July 2020, retires, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RATIFICATION OF ISSUE OF DECEMBER PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 166,666,667 December Placement Shares on 24 December 2020 at an issue price of \$0.06 per share made under the Company's Listing Rule 7.1 placement capacity, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast on this Resolution by any person who participated in the issues and any person associated with those persons. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF ISSUE OF AUGUST PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 200,000,000 August Placement Shares on 10 August 2021 at an issue price of \$0.11 per share made under the Company's Listing Rule 7.1 placement capacity, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast on this Resolution by any person who participated in the issues and any person associated with those persons. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

To consider and, if thought fit, to pass, with or without amendment, as a **special resolution** the following:

“That the proportional takeover provisions contained in clause 36 of the Company’s Constitution be renewed for a further period of three years commencing from the date of this Annual General Meeting.”

8. RESOLUTION 7 – ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, as a **special resolution** the following:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

DATED: 15 OCTOBER 2021

BY ORDER OF THE BOARD



**ANDREA BETTI
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include the business of the Meeting will include receipt and consideration of the annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual Financial Report to Shareholders unless specifically requested to do so. The Company's annual Financial Report is available on its website at www.poseidon-nickel.com.au

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual Financial Report of the Company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Voting Restrictions

Voting exclusions apply to this Resolution, as specified in the Notice.

The Chair intends to vote all available proxies in favour of adoption of the Remuneration Report, subject to any instructions of the Shareholder to the contrary included in the Proxy Form.

The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS

Clause 14.2 of the Constitution provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then the number nearest one-third, shall retire from office to ensure that no Director holds office for a period in excess of three years or later than the third Annual General Meeting following the Director's appointment.

Mr Derek La Ferla and Mr Dean Hildebrand therefore retire from office in accordance with this requirement and submit themselves for re-election.

Mr La Ferla's and Mr Hildebrand's qualifications are set out below:

Derek La Ferla

Term in office: Appointed as a Non-Executive Director on 1 December 2019

Independent: Yes

Skills and experience: Mr La Ferla is a corporate lawyer and company director with more than 30 years' experience. He has held senior leadership positions with some of Australia's leading law firms and a variety of board positions with listed public companies and not for profit organisations.

Mr La Ferla is a fellow of the Australian Institute of Company Directors and the WA Division Director on the AICD National Board and a member of the AICD Council (WA Division).

Mr La Ferla is currently a director of ASX-listed company Sandfire Resources Ltd and Chalice Mining Limited. During the previous three years has served as a director for Veris Ltd (October 2011 to November 2019), Threat Protect Australia Ltd (September 2015 to September 2021) and BNK Banking Corporation Ltd (November 2015 to August 2019).

The Board (other than Mr La Ferla because of his interest in the outcome of resolution 2) recommends that Shareholders vote in favour of Mr La Ferla's election.

Dean Hildebrand

Term in office: Appointed as a Non-Executive Director on 1 July 2020

Independent: No

Skills and experience: Mr Hildebrand is a corporate finance professional with experience in capital markets, mergers and acquisitions transactions and project financing in the natural resources sectors.

Mr Hildebrand is a director of Black Mountain Metals Pty Ltd and also the Chief Financial Officer of Black Mountain's international mining and oil & gas companies.

During the past three years, Mr Hildebrand has not served as a director of any other ASX listed company.

Mr Hildebrand is the Nominee Director for Black Mountain Metals Pty Ltd, which holds 11.88% of the Company, through its subsidiary, Edison Metals Pty Ltd.

The Board (other than Mr Hildebrand because of his interest in the outcome of resolution 3) recommends that Shareholders vote in favour of Mr Hildebrand's election.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF DECEMBER PLACEMENT SHARES

4.1 Background

On 14 December 2020 the Company announced an equity capital raising of \$10 million to sophisticated and professional investors to raise funds for the exploration activities of the Company, particularly with the Black Swan Nickel Project, and for general working capital purposes.

On 22 December 2020 the Company completed the Placement issuing 166,666,667 shares pursuant to its capacity under Listing Rule 7.1 (**December Placement Shares**).

The purpose of Resolution 4 is for Shareholders to approve and ratify the issue undertaken without Shareholder approval pursuant to Listing Rule 7.1 in December 2020.

4.2 Regulatory Requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

The December Placement Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the December Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the December Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

If Resolution 4 is not passed, the December Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the issue date.

4.3 Listing Rules Information Requirements

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(a) The names of the persons to whom the securities were issued or the basis on which those persons were determined

The December Placement Shares were issued to various sophisticated and professional investors who are clients of the Lead Manager, Morgans Corporate Limited. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising process from non-related parties of the Company.

None of the recipients were related parties, key management personnel, substantial shareholders of the Company or advisors of the Company or an associate of any of these parties. The Company's two major shareholders did not participate in the share placement.

(b) The number and class of securities

The Company issued a total of 166,666,667 December Placement Shares using its placement capacity under Listing Rule 7.1 (the subject of Resolution 4).

The December Placement Shares are fully-paid ordinary shares in the Company and rank equally with all other Shares on issue.

(c) The date on which the securities were issued

The December Placement Shares were issued on 22 December 2020.

(d) The price or consideration the entity has received or will receive for the issue

The December Placement Shares were issued at a price of 6 cents per share.

(e) The purpose of the issue, including use or intended use of the funds raised

As announced to the ASX on 14 December 2020, the intended use of the funds raised was for exploration activities at the Black Swan Nickel Project and for general working capital purposes.

(f) If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

Not applicable.

(g) Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who participated in the issues and any person associated with those persons. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4.4 Recommendation of Directors

The Board believes that the ratification of the December Placement Shares is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF AUGUST PLACEMENT SHARES

5.1 Background

On 2 August 2021 the Company announced an equity capital raising of \$22 million to sophisticated and professional investors to raise funds for the exploration activities of the Company, particularly with the Black Swan Nickel Project, and for general working purposes.

On 10 August 2021 the Company completed the Placement issuing 200,000,000 shares pursuant to its capacity under Listing Rule 7.1 (**August Placement Shares**).

The purpose of Resolution 5 is for Shareholders to approve and ratify the issue undertaken without Shareholder approval pursuant to Listing Rule 7.1 in August 2021.

5.2 Regulatory Requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

The August Placement Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 5 seeks shareholder approval to the August Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the August Placement Shares will be excluded in calculating the 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 5 is not passed, the August Placement Shares will be included in calculating the 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

5.3 Listing Rules Information Requirements

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 5:

(a) The names of the persons to whom the securities were issued or the basis on which those persons were determined

The August Placement Shares were issued to various sophisticated and professional investors who are clients of the Lead Manager, Morgans Corporate Limited, and the Co-Manager, MST Financial Services Pty Ltd. The recipients were identified through a bookbuild process, which involved the Lead Manager and the Co-Manager seeking expressions of interest to participate in the capital raising process from non-related parties of the Company.

None of the recipients were related parties, key management personnel, substantial shareholders of the Company, advisors of the Company or an associate of any of these parties. The Company's two major shareholders did not participate in the share placement.

(b) The number and class of securities

The Company issued a total of 200,000,000 August Placement Shares using its placement capacity under Listing Rule 7.1 (the subject of Resolution 5).

The August Placement Shares are fully-paid ordinary shares in the Company and rank equally with all other Shares on issue.

(c) The date on which the securities were issued

The August Placement Shares were issued on 10 August 2021.

(d) The price or consideration the entity has received or will receive for the issue

The August Placement Shares were issued at a price of 11 cents per share.

(e) The purpose of the issue, including use or intended use of the funds raised

As announced to ASX on 2 August 2021, the intended use of the funds raised was for exploration activities at the Black Swan Nickel Project and for general working capital purposes.

(f) If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

Not applicable.

(g) Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who participated in the issues and any person associated with those persons. However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5.4 Recommendation of Directors

The Board believes that the ratification of the August Placement Shares is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

6.1 Background

Resolution 6 seeks Shareholders approval for the renewal of the proportional takeover provisions which are contained in clause 36 of the Company's Constitution.

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Under the Corporations Act, the provisions in clause 36 must be renewed every three years, or they will cease to have effect.

The current provisions were adopted when a replacement company constitution was approved at a general meeting of Shareholders held on 15 July 2019. Accordingly, the provisions will expire on 15 July 2022, which will be prior to the 2022 annual general meeting of Shareholders.

6.2 Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

6.3 Recommendation by Directors

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – ADDITIONAL 10% PLACEMENT CAPACITY

7.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. As at the date of this Notice of Meeting, the Company's market capitalisation is \$284,948,235 (based on the number of Shares currently on issue and the closing price on 10 October 2021 being 9.3 cents).

Accordingly, the Company is an eligible entity as at the time of this Notice of Meeting, but may not be an eligible entity as at the time of the Annual General Meeting.

In the event that the Company is not an Eligible Entity as at the date of the Annual General Meeting, then the resolution will be withdrawn at the Meeting.

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Information on 10% Placement Capacity

(a) Quoted securities

Any Equity Securities issued under the 10% placement capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company currently has one class of Equity Securities quoted on the ASX, being Ordinary Shares (ASX Code: POS).

(b) Formula for 10% placement capacity

If this Resolution 7 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

Additional Placement Capacity = (A x D) – E

A = the number of fully-paid ordinary securities on issue at the commencement of the Relevant Period:

- plus the number of fully-paid ordinary securities issued in the Relevant Period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - plus the number of fully-paid ordinary securities issued in the Relevant Period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - plus the number of fully paid ordinary securities issued in the Relevant Period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of partly-paid ordinary securities that became fully-paid in the Relevant Period;
 - less the number of fully-paid ordinary securities cancelled in the Relevant Period;
- D = 10%; and
- E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

7.3 Listing Rule requirements

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Period for which the 10% placement capacity is valid

The 10% placement capacity will commence on the date of the Meeting at which the Shareholder approval is obtained and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting (i.e. 23 November 2021), presuming Shareholder approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price at which equity securities may be issued

Any Equity Securities issued under the 10% placement capacity will be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) Use of funds raised under 10% placement capacity

The Company intends to use funds raised from issues of Equity Securities under the 10% placement capacity for:

- (i) the development of the Company's current business;

- (ii) continued development and exploration expenditure on the Company's current assets/or projects;
- (iii) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and
- (iv) general working capital.

(d) Risk of voting dilution

If Resolution 7 is passed and the Company issues securities under the 10% placement capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date Shareholder approval is obtained for this Resolution; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below shows the potential dilution of existing Shareholders following the issue of Equity Securities under the 10% placement capacity (based on the formula set out above) using difference variables for the number of issued Ordinary Shares and the market price of Ordinary Shares. The table below is calculated using the closing market price of Shares and the number of Equity Securities on issue as at 7 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% placement capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0465 (50% decrease in current issue price)	\$0.0930 (Current issue price)	\$0.1395 (100% increase in current issue price)
3,063,959,526 (Current Variable A)	Shares issued – 10% voting dilution	306,395,953	306,395,953	306,395,953
	Funds raised	\$14,247,412	\$28,494,824	\$42,742,235
4,595,939,289 (50% increase in Variable A)	Shares issued – 10% voting dilution	459,593,929	459,593,929	459,593,929
	Funds raised	\$21,371,118	\$42,742,235	\$64,113,353
6,127,919,052 (100% increase in Variable A)	Shares issued – 10% voting dilution	612,791,905	612,791,905	612,791,905
	Funds raised	\$28,494,824	\$56,989,647	\$85,484,471

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 3,063,959,526 existing Shares on issue as at the date of this Notice of Meeting.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 7 October 2021.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (1) the purpose of the issue;
- (2) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (5) prevailing market conditions; and
- (6) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company's most recent approval of the additional 10% placement capacity occurred at the 2017 annual general meeting. Accordingly, there have been no issues under ASX Listing Rule 7.1A in the 12 months preceding this annual general meeting.

7.4 Voting Exclusion

A voting exclusion statement is included in this Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

7.5 Recommendation by Directors

The Board believes that the 10% Placement Capacity is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities & Investment Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chairman of the Meeting

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Poseidon Nickel Limited (ABN 60 060 525 206).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means current directors of the Company.

Equity Securities means includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Key Management Personnel is defined by AASB 124 Related Party disclosures as all directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a share.

Proxy Form means the proxy form accompanying the Notice of Meeting

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Sunday 21 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



