

10 October 2014

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

Dear Sir,

Re: COMPLETION OF A\$30 MILLION OVERSUBSCRIBED PLACEMENT

We enclose herewith a copy of an announcement in relation to the above which releases the Company from a Trading Halt requested on 8th October 2014.

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
Chris Indermaur	Non-Executive Chairman
Geoff Brayshaw	Non-Executive Director
Robert Dennis	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

Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

Computershare Investor Services
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

P: 61 8 9382 8799
F: 61 8 9382 4760
E: admin@poseidon-nickel.com.au

Home Exchange

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

ASX Announcement

10 October 2014

Completion of A\$30 million Oversubscribed Placement

- **Placement of 166,666,667 million shares to raise A\$30m**
- **Funds will primarily be used for restarting production at Windarra and Lake Johnston and retiring debt**

Poseidon Nickel Limited (**Poseidon or the Company**) (ASX: POS) is pleased to announce the completion of a capital raising with commitments received for a placement of Fully Paid Ordinary Shares to raise A\$30 million. The placement is for 166,666,667 Shares at \$0.18 per Share to strategic, professional and sophisticated investors as defined under Section 708 of the Corporations Act (**Placement**). Petra Capital was the sole Lead Manager to the Placement.

The purpose of the Placement is to enable Poseidon to complete the remaining refurbishment activities at Mt Windarra, to commence capital works at Lake Johnston, repay the Munderoo debt and for normal operating expenses. At Mt Windarra, Poseidon will prepare the mine for the recommencement of mining operations. The restart costs for Mt Windarra have previously been estimated at A\$11 million. Under the terms of the ore tolling and concentrate purchase agreement (OTCPA) with Nickel West, ore from Mt Windarra will be truck hauled and toll treated into a smeltable grade concentrate at the concentrator facility at Leinster. The concentrate produced will be purchased by Nickel West under this agreement.

In addition and upon completion of the purchase of the Lake Johnston nickel project announced in September, the Company will commence the capital works required to restart the operation. The Company is in the process of finalising the capital costs for the restart which is expected to be less than A\$10 million excluding working capital.

The Company intends to provide additional project liquidity for working capital and contingency through debt finance. Poseidon is already engaged with potential debt providers and this process is expected to be completed by early 2015.

Poseidon CEO, David Singleton said, "We have been delighted by the strong support from investors to provide the necessary funding for Poseidon to get ready for production. We now have an enviable pipeline of projects, supported by a strong balance sheet with an emerging nickel market."

The Placement Shares will rank equally with existing Shares on issue and are being issued under the Company's 15% and remaining 10% placement capacities in accordance with ASX Listing Rules 7.1 and 7.1A respectively.

The Placement will occur in two tranches. The first tranche will comprise the placement of 85,000,000 Shares to raise A\$15.3 million utilising the Company's 15% and remaining 10% placement capacities. The second tranche will comprise the placement of 81,666,667 Shares to raise a further A\$14.7 million, subject to shareholder approval at a General Meeting to be convened shortly.

Settlement of the first tranche of the Placement is scheduled to occur on 15 October 2014, with placement, allotment and quotation on the Australian Securities Exchange (ASX) anticipated within one (1) business day of settlement.

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