

# Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme Poseidon Nickel Limited (**Poseidon**)

ACN/ARSN 060 525 206

### 1. Details of substantial holder (1)

Name Squadron Resources Pty Ltd ACN 604 832 751 (**Squadron**), Forrest Family Investments Pty Ltd ACN 055 961 361 (**FFI**) and its wholly owned subsidiaries listed in Annexure A (together, **FFI Group**), Minderoo Pty Ltd ACN 087 437 312 (**Minderoo**), Felicity Jane Gooding (**FJG**) and John Andrew Henry Forrest (**AF**)

ACN/ARSN (if applicable) See above

There was a change in the interests of the substantial holder on 28/08/2018

The previous notice was given to the company on 15/11/2017

The previous notice was dated 15/11/2017

### 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4)           | Previous notice |                  | Present notice |  |
|-----------------------------------|-----------------|------------------|----------------|--|
|                                   | Person's votes  | Voting power (5) | Person's votes | Voting power (5)   |
| Ordinary Shares ( <b>Shares</b> ) | 129,824,874     | 12.3%            | 225,202,240    | 18.01% (based on 1,250,391,850 Shares in the issued capital of Poseidon) |

### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed                             | Nature of change (6)   | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|--|---|---|-------------------------|
| 17/08/2018     | FFI and FJG  | Purchase of Shares on market   | \$623,862                                     | 11,314,656 Shares                       | 11,314,656              |
| 28/08/2018     | Squadron, each other member of the FFI Group, Minderoo, FJG and AF | Purchase of Shares by Squadron pursuant to a subscription agreement dated 23 August 2018 between Squadron and Poseidon (a copy of which is attached as Annexure B) ( <b>Subscription Agreement</b> ) | A\$4,288,850.00                               | 85,777,000 Shares                       | 85,777,000              |

#### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest        | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6)  | Class and number of securities | Person's votes |
|------------------------------------|---------------------------------|--|--|--------------------------------|----------------|
| FFI                                | FFI                             | FFI  | Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) (Act) as registered holder of Shares.  | 129,600,240 Shares             | 129,600,240    |
| Minderoo                           | Minderoo                        | Minderoo                                       | Relevant interest under section 608(1) of the Act as registered holder of Shares.  | 9,825,000 Shares               | 9,825,000      |
| Squadron                           | Squadron                        | Squadron                                       | Relevant interest under section 608(1) of the Act as registered holder of Shares.  | 85,777,000 Shares              | 85,777,000     |
| Minderoo                           | Squadron                        | Squadron                                       | Relevant interest under section 608(3) of the Act as FFI is an associate of Minderoo in relation to Poseidon and so Minderoo has a relevant interest in each Share held by Squadron under section 608(3) of the Act by virtue of its voting power in Squadron being above 20%. | 85,777,000 Shares              | 85,777,000     |
| AF                                 | Minderoo                        | Minderoo                                       | Relevant interest under section 608(3) of the Act as AF controls Minderoo.   | 9,825,000 Shares               | 9,825,000      |
| FFI                                | Squadron                        | Squadron                                       | Relevant interest under section 608(3) of the Act as FFI controls Squadron.  | 85,777,000 Shares              | 85,777,000     |
| FJG                                | FFI                             | FFI  | Relevant interest under section 608(3) of the Act as FJG controls FFI.   | 129,600,240 Shares             | 129,600,240    |
| FJG                                | Squadron                        | Squadron                                       | Relevant interest under section 608(3) of the Act as FJG controls FFI, which controls Squadron.  | 85,777,000 Shares              | 85,777,000     |
| Each other member of the FFI Group | Squadron                        | Squadron                                       | Relevant interest under section 608(3) of the Act as FFI is an associate of each other member of the FFI Group in relation to Poseidon. Consequently, each other member of the FFI Group has a   | 85,777,000 Shares              | 85,777,000     |

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6)   | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|--|---|--------------------------------|----------------|
|                             |                                 |  | relevant interest in each Share held by Squadron under section 608(3) of the Act by virtue of having voting power over 20% in Squadron. (As none of these entities are entitled to be registered as holder of the shares each entity's ability to vote and dispose of the Shares is qualified accordingly.) |                                |                |

### 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A                               |                       |
|                                   |                       |

### 6. Addresses

The addresses of persons named in this form are as follows:

| Name  | Address                                      |
|---|--|
| Squadron, Minderoo, AF, FJG, FFI and each other member of the FFI Group | Care of 80 Birdwood Parade, Dalkeith WA 6009 |

## Signature

print name      **Serena Wells**      Capacity:      **Company Secretary**



Date      **28/08/2018**

sign here

### DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

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## Annexure "A"

This is Annexure "A" of 1 page (including this page) referred to in the Form 604 (Notice of Substantial Holder), signed by me and dated 28 August 2018 which sets out each of the wholly owned subsidiaries of FFI.



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Serena Wells  
Company Secretary

| <b>Entity</b>   | <b>ACN/ABN</b> |
|---|----------------|
| AF Nickel Pty Ltd   | 25 088 284 299 |
| The Metal Group Pty Ltd   | 13 087 934 272 |
| Forrest & Forrest Pty Ltd   | 38 088 052 180 |
| Minderoo Group Pty Ltd  | 91 088 101 428 |
| Australian Sino One Hundred Year Agriculture<br>and Food Safety Partnership Pty Ltd | 32 602 159 142 |
| Expedition Investments Pty Ltd  | 163 595 515    |
| FEAC Holdings Pty Ltd   | 167 239 894    |
| Minderoo Capital Pty Ltd  | 061 338 181    |
| Northwest Resorts Pty Ltd   | 39 618 479 593 |
| Ocean Ecology Pty Ltd   | 32 627 270 848 |
| Port Hedland Development Fund No.8 Pty Ltd  | 121 459 265    |
| Sea of Blue Pty Ltd   | 76 623 508 574 |
| Septimus Property Pty Ltd   | 67 604 832 742 |
| Squadron Energy Pty Ltd   | 13 615 221 559 |
| Squadron Resources Pty Ltd  | 604 832 751    |
| Sultan Pty Ltd  | 628 232 750    |
| Sunset Capital Pty Ltd  | 30 606 486 239 |
| Tattarang Springs Pty Ltd   | 82 610 512 939 |
| World Series Rugby Pty Ltd  | 19 621 620 522 |

**Annexure "B"**

This is Annexure "B" of 17 pages (including this page) referred to in the Form 604 (Notice of Substantial Holder), signed by me and dated 28 August 2018 which attaches a true copy of the Subscription Agreement.



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Serena Wells  
Company Secretary

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**Subscription Agreement**

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**POSEIDON NICKEL LIMITED**  
**ACN 060 525 206**  
**(Company)**

**and**

**SQUADRON RESOURCES PTY LTD**  
**ACN 604 832 751**  
**(Investor)**

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**SUBSCRIPTION AGREEMENT**

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THIS SUBSCRIPTION AGREEMENT is made the 23rd day of August

2018

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**BETWEEN**

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**POSEIDON NICKEL LIMITED** (ACN 060 525 206) of Churchill Court, Unit 8, 335 Hay Street Subiaco WA 6008 (**Company**);

AND

**SQUADRON RESOURCES PTY LTD** (ACN 604 832 751) of 80 Birdwood Parade, Dalkeith WA 6009 (**Investor**).

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**RECITALS**

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- A. The Company is a public company limited by shares and listed on the ASX.
- B. The Investor (or its nominee) has agreed to subscribe for the Subscription Shares at the Subscription Price and the Company has agreed to issue the Subscription Shares to the Investor (or its nominee).
- C. The Parties have agreed to enter into this agreement to record the terms of the Subscription.

**IT IS AGREED** as follows:

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**1. INTERPRETATION**

**1.1 Definitions**

In this agreement:

**Application Form** means the application form set out in Schedule 1.

**Applicable Law** means the constitution of the Company, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules, any regulatory guides published by ASIC and all other applicable laws and regulations in any jurisdiction.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market which it operates.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement Pty Ltd (ACN 008 504 532) in its capacity as a CS facility licensee.

**Business Day** means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday or a Sunday or a public holiday.

**Company Warranties** means the representations and warranties given by the Company to the Investor pursuant to clause 5.1.

**Confidential Information** means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the Parties before, on or after the date of this agreement relating to the business, technology or other affairs of the Party who provides the information, but excludes information which:

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- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the Party to whom the information belongs;
- (b) the recipient of the information can prove was already known to it at the time of disclosure by the Party to whom the information belongs (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient acquires from a source other than the Party to whom the information belongs, where such source is entitled to disclose it.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Duty** means any transfer, transaction or registration duty or similar charge imposed by any Government Authority and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

**Encumbrance** means an interest or power:

- (a) reserved in or over an interest in any share or asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any share or asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any or third-party rights or interests and any agreement to grant or create any of the above.

**Excluded Information** means information which would be required to be disclosed as "excluded information" under subsection 708A(6)(e).

**Government Authority** means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

**Group** means in relation to either Party, entities directly or indirectly controlling, controlled by, or in common control with, that party and any Related Body Corporate of that Party.

**Indemnified Losses** means, in relation to any fact, matter or circumstance, all losses, costs, damages, expenses and other liabilities arising out of or in connection with that fact, matter or circumstance, including all reasonable legal and other professional expenses on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

**Investor Warranties** means the representations and warranties given by the Investor to the Company pursuant to clause 5.2.

**Listing Rules** means the listing rules of ASX.

**Party** means a party to this agreement and **Parties** means all of them.

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**Related Body Corporate** has the meaning given that expression in the Corporations Act.

**Rights Issue** means a renounceable entitlement issue to raise approximately \$68 million through the issue of Shares to eligible shareholders at an issue price of \$0.05 per Share.

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

**Shareholder** means, at any time, is the registered holder of a Share.

**Subscription** means the subscription by the Investor (or its nominee) for the Subscription Shares under this agreement.

**Subscription Date** means the date this agreement is executed by all Parties, or such other date as may be mutually agreed in writing between the Parties.

**Subscription Price** means \$4,288,850 in aggregate for all the Subscription Shares at an issue price of \$0.05 per Subscription Share.

**Subscription Shares** means, in relation to the Investor (or its nominee), 85,777,000 Shares, to be paid for and issued to the Investor (or its nominee) in accordance with the terms and conditions of this agreement.

## 1.2 Interpretation

In this agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
  - (b) an obligation or liability assumed by, or a right conferred on, two or more Parties binds or benefits all of them jointly and each of them severally;
  - (c) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
  - (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
  - (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
  - (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
  - (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
  - (h) reference to clauses, schedules, exhibits or annexures are references to clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
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- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (k) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (l) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;
- (m) "**includes**" in any form is not a word of limitation; and
- (n) a reference to **\$** or **dollar** is to Australian currency.

### **1.3 Knowledge and awareness of the Company**

A reference in this agreement to the Company's awareness or knowledge (in any grammatical form) will be taken to include all matters, facts and circumstances of which the Company or any officer or senior executive of the Company is actually aware or should reasonably have been aware had such persons made due and proper inquiries.

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## **2. SUBSCRIPTION**

### **2.1 Subscription and issue**

- (a) Subject to the terms and conditions of this agreement, the Investor (or its nominee) agrees to subscribe for, and the Company agrees to issue to the Investor (or its nominee), the Subscription Shares at the Subscription Price.
- (b) Upon the signing of this agreement but prior to:
  - (i) completion of the Subscription as outlined in clause 2.4; or
  - (ii) the termination of this agreement pursuant to clause 2.6,the Company shall not offer, solicit or contact any third party to subscribe for the Subscription Shares.

### **2.2 Payment of Subscription Price**

On the Subscription Date, the Investor (or its nominee) must:

- (a) deliver to the Company the Application Form duly completed and executed by the Investor (or its nominee);
  - (b) pay to the Company the Subscription Price in accordance with clause 3; and
  - (c) deliver to the Company written evidence of payment in the form of a confirmation of payment from the Investor's bank.
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### **2.3 Issue of Subscription Shares**

- (a) Subject to the Investor (or its nominee) complying with its obligations under clause 2.2, following the receipt by the Company of the Subscription Price in cleared funds, the Company must, within two (2) business days (and in any event before the record date for the Rights Issue):
  - (i) issue to the Investor (or its nominee) a certificate of receipt for payment of its Subscription Price, such certificate to provide an irrevocable right to the Investor (or its nominee) to have the Subscription Shares issued to it by the Company;
  - (ii) issue the Subscription Shares to the Investor (or its nominee);
  - (iii) enter the Investor (or its nominee) in the Company's register of members as the holder of the Subscription Shares;
  - (iv) send holding statements in respect of the Subscription Shares to the Investor (or its nominee) in accordance with Applicable Law;
  - (v) apply to ASX for official quotation of the Subscription Shares in the same class and on the same terms as all other Shares quoted on ASX on the Subscription Date; and
  - (vi) take all other steps necessary to give effect to the issue of the Subscription Shares to the Investor (or its nominee) in accordance with Applicable Law.
- (b) The Parties acknowledge that, as at the date of this agreement, the Company is unable to comply with the requirements of section 708A(5) of the Corporations Act.
- (c) The Company shall (at its own expense) do everything reasonably necessary to ensure the Subscription Shares are able to be freely traded on ASX in compliance with the requirements of the ASX Listing Rules and the Corporations Act, including, if considered necessary by the Investor (in its absolute discretion), the Company preparing and lodging a disclosure document with ASIC in accordance with Chapter 6D of the Corporations Act.

### **2.4 Completion**

The Parties acknowledge and agree that:

- (a) completion of the Subscription does not occur, and shall be taken not to have occurred, unless and until all of the obligations of the Parties under clauses 2.2 and 2.3(a) have been satisfied; and
  - (b) if any obligation specified in clauses 2.2 and 2.3(a) is not performed on the due date then, without prejudice to any other rights of the Parties, any document delivered or payment made under those clauses must be returned to the Party that delivered such document or paid such amount.
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## 2.5 Reasonable endeavours

The Company and the Investor must:

- (a) use their reasonable endeavours to obtain fulfilment of the requirements under this clause 2 applicable to it; and
- (b) keep each other informed of any circumstances which may result in any requirement under this clause 2 not being completed or satisfied in accordance with its terms.

## 2.6 Termination of Agreement

- (a) Subject to clause 2.6(b), if any of the requirements under this clause 2 are not completed or satisfied or are not capable of being satisfied, this agreement may be terminated at any time by the Company or the Investor by notice in writing to the other Party.
- (b) Neither party is entitled to terminate under clause 2.6(a) if the relevant requirement under this clause 2 is not completed or satisfied or is not capable of being satisfied as a result of a breach of this agreement by that party or a deliberate act or omission of that party for the purposes of frustrating the relevant requirement.
- (c) The Investor may terminate this agreement by notice to the Company if the Company is in breach of, or there is any matter or thing that is inconsistent with, the Company Warranties.

## 2.7 Purpose of issue

The Company acknowledges that it is not issuing the Subscription Shares for the purpose of the Investor selling or transferring all or any of the Subscription Shares, or granting, issuing or transferring interests in, or options over, the Subscription Shares.

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## 3. MANNER OF PAYMENT

On or prior to 5:00 pm (WST) on the Subscription Date, the Investor (or its nominee) must pay the Subscription Price in immediately available funds to an account as directed by the Company.

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## 4. TAKE UP OF ENTITLEMENT PURSUANT TO RIGHTS ISSUE

The Parties acknowledge and agree that:

- (a) the Company is proposing to undertake the Rights Issue. It is intended that the Company will conduct the Rights Issue pursuant to a prospectus, to be lodged with ASIC around 23 August 2018;
  - (b) following completion of the subscription pursuant to clause 2 (which shall occur prior to the record date for the Rights Issue) (**Subscription**), the Investor (or its nominee) shall be entitled to subscribe for Shares under the Rights Issue (**Entitlement**); and
  - (c) subject to completion of the Subscription, the Investor (or its nominee) irrevocably agrees to:
    - (i) subscribe for its full Entitlement under the Rights Issue; and
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- (ii) negotiate in good faith a formal sub-underwriting agreement in respect of the Investor sub-underwriting 100% of the Rights Issue.

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## 5. REPRESENTATIONS AND WARRANTIES

### 5.1 Representations and warranties by Company

The Company represents and warrants to the Investor that, as at the date of this agreement and separately as at the date on which the Subscription Shares are issued to the Investor (or its nominee), except as otherwise fairly disclosed by the Company to the Investor in writing and countersigned by the Investor prior to the date of this agreement:

- (a) **(Registration)**: it is a corporation as that expression is defined in the Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **(Authority)**: it has full power and authority to enter into this agreement and to perform its obligations under it;
- (c) **(Corporate authorisations)**: it has taken all necessary action to authorise the execution, delivery and performance by it of this agreement in accordance with its terms;
- (d) **(Binding obligations)**: this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms;
- (d) **(Transactions permitted)**: the execution, delivery and performance by it of this agreement does not and will not violate any law, regulation, authorisation, ruling, consent, judgment, order or decree of a governmental agency, its Constitution or other constituent documents, or an Encumbrance or document which is binding on it or on its assets;
- (e) **(Shareholder approval)**: the approval of the Issuer's shareholders is not required with respect to the issue of the Subscription Shares, including pursuant to Listing Rule 7.1;
- (f) **(Excluded Information)**: the Company is not withholding any Excluded Information; and
- (g) **(Continuous disclosure)**: the Company:
  - (i) has complied with all material disclosure requirements under Applicable Law, including without limitation Listing Rule 3.1 and all information released to ASX is not materially misleading or deceptive and does not contain any material omission;
  - (ii) and is not withholding any information from continuous disclosure under Listing 3.1 in relation on Listing Rule 3.1A (once the announcement relating to this transaction has been made).

### 5.2 Representations and warranties by Investor

The Investor represents and warrants to the Company that, as at the date of this agreement and separately as at the date on which the Subscription Shares are issued to the Investor (or its nominee), except as otherwise fairly disclosed by the Investor to the Company in writing prior to the date of this agreement:

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- (a) **(Authority)**: it has full power and authority to enter into this agreement and to perform its obligations under it;
- (b) **(Binding obligations)**: this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms; and
- (c) **(No breach)**: the execution, delivery and performance by it of this agreement does not and will not violate any law, regulation, authorisation, ruling, consent, judgment, order or decree of a governmental agency, its Constitution or other constituent documents.

### **5.3 Acknowledgement by the Company**

The Company acknowledges that the Investor has entered into this agreement in reliance on the Company Warranties.

### **5.4 Indemnity by Company**

- (a) The Company indemnifies the Investor against all Indemnified Losses incurred by the Investor as a consequence of a breach by the Company of this agreement or any matter or thing being found to be in breach of or inconsistent with the Company Warranties.
- (b) The Company shall not be liable in respect of a claim in connection with a breach of Company Warranties unless the Investor has given written notice to the Company setting out reasonable details of the specific matter in respect of which the claim is made within 12 months after the Subscription Date.

### **5.5 Indemnity by the Investor**

- (a) The Investor indemnifies the Company against all Indemnified Losses incurred by the Company as a result of a breach by the Investor of any of the Investor Warranties or this Agreement.
- (b) The Investor shall not be liable in respect of a claim in connection with a breach of Investor Warranties unless the Company has given written notice to the Investor setting out reasonable details of the specific matter in respect of which the claim is made within 12 months after the Subscription Date.

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## **6. CONFIDENTIALITY**

### **6.1 Disclosure of Confidential Information**

All Confidential Information exchanged between the Parties under this agreement or during negotiations preceding this agreement is confidential to the party that provided the Confidential Information and may not be disclosed by the other party to any person except:

- (a) employees, directors, officers, legal advisers, auditors and other consultants of that Party or any of its Related Bodies Corporate requiring the information for the purposes of this agreement;
  - (b) with the consent of the Party that provided the Confidential Information which consent may be given or withheld in its absolute discretion;
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- (c) as required by law or a stock exchange (provided that, in the case of the Company, the disclosure obligation has not arisen through the Company's voluntary acts or omissions, other than the execution of this agreement); or
- (d) if required to do so in connection with legal proceedings relating to this agreement.

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## **7. ANNOUNCEMENTS**

### **7.1 Public announcements**

Subject to clause 7.2:

- (a) the Investor shall not, before or after the Subscription Date, make or send a public announcement, communication or circular concerning the transactions referred to in this agreement unless it has first obtained the Company's written consent. That consent is not to be unreasonably withheld or delayed; and
- (b) the Company shall not, before or after the Subscription Date, make or send a public announcement, communication or circular concerning the transactions referred to in this agreement (or that otherwise names the Investor, its Group or any controller of its Group) unless it has first obtained the Investor's prior written consent. That consent may be withheld in the Investor's absolute discretion.

### **7.2 Public announcements required by law**

Clause 7.1 does not apply to a public announcement, communication or circular required by law or a regulation of a stock exchange, if:

- (a) the Investor or the Company has, if practicable, first consulted and taken into account the reasonable requirements of the Company or the Investor (as relevant); and
- (b) provided that, in the case of the Company, the disclosure obligation has not arisen through the Company's voluntary acts or omissions, other than the execution of this agreement.

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## **8. COSTS AND DUTY**

### **8.1 Costs and expenses**

The Company agrees to pay its own, and the Investor's, legal fees and other costs and expenses incurred in connection with the preparation, negotiation and completion of this agreement and of other related documentation.

### **8.2 Duty**

The Company must pay any Duty chargeable, payable or assessed in relation to this agreement and the issue of the Subscription Shares to the Investor (or its nominee).

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## 9. NOTICES

### 9.1 Notices in writing

Each notice authorised or required to be given to a Party shall be in legible writing and in English addressed to the Party's address set out in clause 9.2 (or such other address nominated in accordance with clause 9.3).

### 9.2 Initial address of Parties

The initial address of the Parties shall be as follows:

| Party                             | Address   | Attention            | E-mail                   |
|-----------------------------------|---|----------------------|--------------------------|
| <b>Poseidon Nickel Limited</b>    | Churchill Court,<br>Unit 8, 335 Hay<br>Street, Subiaco<br>WA 6008 | Company<br>Secretary | eryn@kestelcorp8.com.au  |
| <b>Squadron Resources Pty Ltd</b> | 80 Birdwood<br>Parade,<br>Dalkeith WA<br>6009                     | John<br>Hartman      | jhartman@minderoo.com.au |

### 9.3 Change of address

Each Party may from time to time change its address by giving notice pursuant to clause 9.1 to the other Parties.

### 9.4 Receipt of notice

Any notice given pursuant to clause 9.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or
- (c) if sent by facsimile, when a facsimile confirmation receipt is received indicating successful delivery; or
- (d) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

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## 10. VARIATION

No modification or alteration of the terms of this agreement shall be binding unless made in writing dated subsequent to the date of this agreement and duly executed by the Parties.

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**11. FURTHER ASSURANCE**

Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this agreement.

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**12. GOVERNING LAW AND JURISDICTION**

This agreement shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the Parties agree to submit to the non-exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals therefrom.

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**13. ENTIRE AGREEMENT**

This agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

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**14. COUNTERPARTS**

This agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

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EXECUTED by the Parties as an agreement.

EXECUTED BY POSEIDON NICKEL LIMITED )  
ACN 060 525 206 )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )



Signature of director

CHRISTOPHER INDERMAUR

Name of director



Signature of director/~~company~~  
secretary  
(please delete as applicable)

ROBERT DENNIS

Name of director/~~company~~ secretary  
(please delete as applicable)

EXECUTED BY SQUADRON RESOURCES PTY )  
LTD )  
ACN 604 832 751 )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )



Signature of director

John Hartman

Name of director



Signature of director/company  
secretary  
(please delete as applicable)

**Serena Lee Wells**  
Company Secretary

Name of director/company secretary  
(please delete as applicable)

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## SCHEDULE 1 – APPLICATION FORM

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### APPLICATION FORM

#### POSEIDON NICKEL LIMITED

ACN 060 525 206

(Company)

**SQUADRON RESOURCES PTY LTD** (ACN 604 832 751) (**Investor**) hereby applies to the Company for 85,777,000 fully paid ordinary shares in the capital of the Company (**Shares**).

The Investor will transfer to the Company an amount of \$4,288,850 in Australian dollars and in immediately available funds to the account nominated by the Company.

#### Details of the Investor:

**Name:** **SQUADRON RESOURCES PTY LTD** (ACN 604 832 751)

**Address:** 80 Birdwood Parade, Dalkeith WA 6009

**Contact Investor:** John Hartman | jhartman@minderoo.com.au

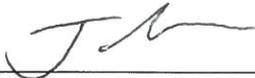
By signing and lodging this Application Form with the Company, the Investor:

1. declares that the agreements, statements, declarations and acknowledgments contained in the following paragraphs are given for the benefit of the Company;
  2. declares that all details and statements made by the Investor in this Application Form are complete and accurate;
  3. agrees to be bound by the Constitution of the Company;
  4. represents, warrants and undertakes to the Company that the Investor has full right and authority to sign and lodge this Application Form, to subscribe for the Shares and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
  5. acknowledges that the Investor has made its own enquiries concerning the Company and its business and affairs and that the Company makes no representation or warranties to the Investor other than set out in the Subscription Agreement dated the same date as this Application Form;
  6. requests the Company to, upon receipt of this Application Form signed by the Investor, issue the Shares to the Investor pursuant to the agreement;
  7. declares that the Company is not required to provide to the Investor a prospectus or other disclosure document for the issue of the Shares because the Investor falls within one of the stated exceptions in section 708 of the *Corporations Act 2001 (Cth)*;
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8. acknowledges that this Application form is irrevocable, subject to the agreement; and
9. acknowledges that returning this Application Form with the application monies will constitute the Investor's offer to subscribe for Shares subject to the agreement, and that no notice of acceptance of this Application Form will be provided.

**NOTE: Return of the Application Form with your payment of the application monies will constitute your offer to subscribe for the Shares. This Application Form is for the Subscriber and must not be passed onto any person without written permission from the Company.**

EXECUTED BY SQUADRON RESOURCES PTY )  
 LTD )  
 ACN 604 832 751 )  
 in accordance with section 127 of the )  
 Corporations Act 2001 (Cth):



Signature of director

*John Hartman*

Name of director



Signature of director/company  
 secretary  
 (please delete as applicable)

**Serena Lee Wells**  
 Company Secretary

Name of director/company secretary  
 (please delete as applicable)

